



STATUS OF THE COMMUNITY AND THE RIGHT TO BUILD CIVIL-LAW RELATIONS



Under Article 180 of the Constitution, part 2, the community is an entity of public law

- ☐ Under the Civil Code (Article 1), the community acts as a participant in civil relations as a legal entity
- ☐ Under Article 128 of the Code, the community acts as an equal party in all legal relations regulated by the civil and other laws of Armenia

The key tools to develop local self-government (SG)

Development of local SG is a comprehensive concept, its main components stem from the national legislation of Armenia and, in particular, the Law on Local Self-Government

Communities operate through existing legislation of the national and local levels, policies, methodologies and elements, including the following:

- ☐ Constitution, Codes and the Law on Local Self-Government
- ☐ Five-Year Community Development Plan
- ☐ Community's Annual Operating Plan
- ☐ Mandate in the area of economic development as set out under the law and their implementation tools
- ☐ Social entrepreneurship
- ☐ Collaboration between national and local governments, etc.

FIVE-YEAR PLAN FOR SOCIAL AND ECONOMIC DEVELOPMENT

- ☐ A **strategy** containing an overview of the community's social and economic standing, priorities for development with due regard to financial, economic, natural and personnel context, and a general outline of the most efficient measures to perform the tasks set
- ☐ The **Mayor** develops a draft five-year plan and within 4 months after the election submits it for the **Community Council's** approval
- ☐ A five-year plan is posted on the official website of the community and is available in print. The draft is designed and implemented in accordance with the rules of engagement and accountability that are also binding for the relevant budgetary processes.

COMMUNITY'S ANNUAL OPERATING PLAN

- A policy that determines **all** the programs and activities planned for a given year to be implemented by the municipality itself (and local governments) and its participation (together with the government, donors, private and public entities)
- This plan is developed annually and builds on a five-year strategy with due regard to the outcomes of the plan implementation in the previous year based on the monitoring and reporting system as regards the system of indicators for social and economic, cultural and environmental programs
- An electronic tool developed for the preparation and implementation of the Annual Plan that is supplemented with a methodology and guides for its use.

PROMOTING SUSTAINABLE DEVELOPMENT AND SUPPORTING ENTREPRENEURSHIP AS OBLIGATORY TASKS FOR THE COMMUNITY

The Law of the Republic of Armenia on Local Self-Government sets out 21 obligatory tasks for communities. The first two of them, are as follows:

- ☐ Sustainable community development
- ☐ Improving business environment and supporting entrepreneurship



THE RIGHT TO EXERCISE ECONOMIC ACTIVITIES

Considering for the legal role played by a legal entity, the community is empowered to exercise and engage in economic activities in accordance with the rules as provided for by the law

Under the Law of the Republic of Armenia on Local Self-Government, the community is empowered to establish non-profit making and profit making enterprises (public, municipal, profit making with a different share of the community in the authorized capital), as well as cooperate with donor, private, public and international organizations. This is subject to the consent of the Community's Council

MUNICIPAL ECONOMY

- The legislation provides for the economic operations of local communities by attracting financial and non-financial resources for the development of areas under the authority of local communities
- Local communities are authorized to create various enterprises with a different share in the authorized capital
- Local communities may attract resources from donors, private investors and the diaspora for the development of infrastructures and other sectors of activity
- Local communities may resolve tax issues within the ranges established in the tax law
- Local communities may enter into inter-municipal contractual operations to solve infrastructure-related and other problems
- Local communities may cooperate with foreign municipalities within the framework of various types of contractual obligations (sister cities, etc.)

NEW DEVELOPMENTS

- In recent years, the responsible for economic development (RED) have been operating at the municipal level (municipal employees) in Armenia
- The Working Group (WG, 14 practitioners) of REDs selected in accordance with the relevant criteria has been established and efficiently operates
- The WG is authorized to provide advisory services to local governments on mobilizing governmental, donor and private funds for the programs outlined in the Annual Plan, Community Economic Development Plan
- For example, the joint Swiss-German fund that provides grants to local communities to overcome the effects of COVID-a (21 projects, about 450,000 euros in different sectors of the local economy), where the WG helps local communities design, present, evaluate projects, monitor and report on their implementation
- At present, mechanisms are being developed for the institutionalization of the WG in the systems of sustainable economic development of regions (local communities)

NEW DEVELOPMENTS

- As part of territorial-administrative reforms and decentralization of powers, active work is being carried out to:
 - Complete in full territorial-administrative reforms through consolidation of communities (79 instead of 915 before) to ensure the effectiveness of their operations
 - Evaluate effectiveness of local communities in the areas of their powers as provided for by the law
 - Develop the concept of sustainable local development
 - Provide frameworks for improving the knowledge and skills of employees of the municipal service, assessing their needs in improving the mechanisms for financing trainings (local community-employee-government-donors)
 - Provide services through the “one-stop-shop” principle, which involves the provision of technical equipment and the revision of the organizational structure of municipalities to ensure the acquisition of the necessary modern knowledge and management skills in accordance with the position held
 - Develop a risk assessment system (economic, financial, natural, etc.) specific to each local community, and indices (and formulas) for making appropriate strategic decisions at the national level

GOVERNMENT AND LOCAL COMMUNITIES - TWO LEVELS OF POWER

- Government:
 - Policy and strategy
 - Legislation and regulation
 - Methodological guidance
 - Financing (subsidies, subventions, etc.)
- Local Communities
 - Information flows and reporting
 - Suggestions and recommendations
 - Horizontal interaction (intermunicipal cooperation)



COMMUNITY INFRASTRUCTURE DEVELOPMENT SUBVENTION PROGRAM



The objective of the process of providing state support to programs aimed at developing the infrastructure of the communities of the Republic of Armenia

Ensuring balanced and sustainable development in all settlements of the country

Dynamic community development and job creation

Improving the welfare of the population

Ensuring more comfortable living and working in settlements

Creating an enabling environment for business and investment

Making the community attractive to visitors as a tourist destination

Ensuring economic activity and attracting investors

FOLLOW-UP STEPS

- To develop new approaches to boost economic growth of communities
- To promote democratic governance practices
- To facilitate introduction and implementation of the 12 principles of good governance
- To strengthen research to promote cooperation between central and local governments

THANK YOU!