

**Address by the Mayor of Nicosia Ms Eleni Mavrou,  
at the Secretaries General and Directors' Meeting of the  
CEMR,  
on the Situation of Local Democracy in Cyprus**

**Nicosia, 4<sup>th</sup> March 2010**

Dear Minister of the Interior,  
Distinguished participants,

It is my great pleasure to extend to all of you a warm welcome to Cyprus and Nicosia and to address this special meeting on the topic of the situation of Local Democracy in Cyprus, a topic of immense significance to the local communities of Cyprus and, ultimately, to overall effective democratic governance in our country and Europe.

The challenges we face today require action at a global, national and local level. Local authorities, however, are best placed to find effective solutions to problems that often have their origins in global processes and to drive change on the ground, in partnership with the diverse stakeholders and local actors and on the basis of 'local ownership' built through participative decision making.

The importance of the role of local democracy in European countries with regard to the advancement of Europe as an integrated project for democracy and peace, sustainability and prosperity, solidarity and cohesion, is gaining increasing recognition. Effective democratic local self-government is a key factor both for the successful implementation of community policies and for bridging the democratic deficit emerging through representative democracy and administration processes at the national and supranational level.

As already mentioned by the Minister of the Interior, a thorough review has been completed, with a view to identifying strengths and weaknesses and proposing a comprehensive programme for the restructuring and reform of local self-government in Cyprus. Amongst other factors, the process is driven also by the need to respond effectively to the opportunities and obligations presented in the European environment.

We welcome the Ministry's political commitment and response to the need for extensive reform and modernisation, so as to allow local government to exercise its role in local development, in shaping policies and services that respond to the citizens' needs.

Before exploring our topic, allow me to introduce you briefly to the city of Nicosia.

Your meeting takes place in a historic site that is part of the 16<sup>th</sup> century Venetian Walls surrounding the city's historic centre. Nicosia's cultural and architectural heritage is a living legacy of the diverse cultures that have influenced its identity. It constitutes a reference to the history of Cyprus as a stepping stone between east and west and underlines its current role as the southeastern gateway to the European Union.

It would not be an exaggeration to say that Nicosia is a vivid reflection of the past 6000 years in our history. Around 700 BC it became known as Ledra, one of the island's ten city kingdoms, eventually named Lefkosia during the Hellenistic period. Located as it is in the geographical centre of the island, it developed into the administrative, political, economic and cultural heart of Cyprus. For over a millennium it has served as

the capital of Cyprus and is the capital of the Republic of Cyprus since the foundation of the Republic in 1960.

The tragedy of our divided country is perhaps felt more intensely in Nicosia, which sadly remains to date the last divided capital in Europe. The division line, which runs through the heart of the city from east to west, splits Nicosia into two separate parts, which have been developing independently of each other, thus causing the disintegration of the city's entity. The Buffer Zone is a relentless obstacle to the development and prosperity of areas along its extent, undermining the centrality of Nicosia and turning it into a "frontier" town. Worst of all this division has for decades deprived the population of the right to free communication and movement. It is a daily reminder of the need to resolve the long-standing Cyprus problem.

When assessing the situation of local democracy in Cyprus, significant characteristics of the wider island context with considerable impact on the conditions of local self-government should be taken into consideration. These include the small size and population of the island, becoming an independent state as recently as 1960 and the division of the island since the Turkish military invasion in 1974, leaving only 63% of the territory of the Cyprus under the effective control of the Government of the Republic of Cyprus.

In addressing our topic we will therefore refer to institutions of local democracy which operate under the laws of the internationally recognised Republic of Cyprus.

There are two types of local authorities in Cyprus: Municipalities that cover approximately 65% of the population and Communities that cover the rest.

The Municipalities Law of 1985, which replaced previous legislation based on colonial rule, provides for the direct election by the citizens, through separate ballots, of Mayors and members of municipal councils. Thirty three municipalities function under the 1985 Municipalities Law. Nine of these are displaced municipalities as a result of the Turkish invasion and continuing occupation of their area. The latter retain their legal status and formal recognition, even though they cannot exercise the normal powers and spheres of competence of Cyprus municipalities, due to loss of influence on the ground.

The Communities Law of 1999 governs the creation and functioning of the Communities in Cyprus and the election of community leaders and councils since December 2001. Out of the 353 communities, 200 have a population of less than 300, whilst the built up areas of many neighbouring communities constitute virtually a single entity. A similar situation to that of displaced Municipalities holds for displaced Communities, though the latter have considerably less resources and activity potential.

The aforementioned Laws have been generally considered to provide a substantial legal basis for the exercise of local self-government in Cyprus. However, weaknesses and restrictions inherent to the legislation and to the overall conditions of operation of Local Authorities fundamentally undermine their ability to deliver effectively the range of competences and duties stipulated in the law and to function with the level of administrative and financial independence to which the

European Charter of Local Self-government commits ratifying states.

The principal factors that may account for these restrictions are:

(a) The excessive fragmentation of local administration, which results in a relatively large number of small unsustainable units, an inefficient use of limited resources and difficulties in achieving economies of scale.

Parallel to giving rise to excessive competing demands, fragmentation is largely responsible also for deficiencies in the rational management and coordination of matters of supralocal significance, such as development planning or transportation networks. To a large extent, administrative fragmentation has been lending justification to the concentration of powers at central government level.

Ineffectiveness in containing the extensive urban sprawl in the area of greater Nicosia, which comprises 7 Municipalities and about 200,000 inhabitants, demonstrates this point.

(b) A high level of financial dependence on central government.

The annual block state-grant is a major source of revenue for local authorities. This constitutes in fact a slight percentage, about 1.5%, of the total government tax revenue, although the size of the grant allocated to local authorities is determined yearly as an absolute sum rather than as a percentage of revenue.

Moreover, certain taxes or sources of local authority finance are, by their nature or for practical reasons, relatively

unresponsive to the effects of inflation and other economic factors, causing difficulties to the extent that economic factors influence directly the cost of services.

Another demonstration of the dependence of local authorities on Central Government is the practice for project-specific shared funding of urban development projects, with an 80% contribution by central government. This does not allow proper planning of development priorities which are effectively driven by central rather than local priorities contrary to principles of local self-government.

(c) A limited range of local authority competences, which does not allow them to intervene meaningfully in key strategic areas of local development such as transport, local development planning, education, social welfare and economic development, in contrast to prevailing contemporary governance models and basic principles of the European Union, such as subsidiarity and proximity. The practice of limiting the activity of local authorities to matters that do not have wider implications relegates them to a marginal role.

The opinion expressed by the Congress of Local and Regional Authorities of the Council of Europe in 2001, that responsibility for town planning should be extended as an 'own competence', with inter-municipal co-operation as necessary, was reiterated in the Recommendation of 2005. The same recommendation of the Congress suggested that the devolution of responsibility to municipalities should be considered in relation to a range of other services, such as schools, consumer protection, the establishment of municipal police and traffic warden responsibilities.

(d) The curtailed autonomy of Municipalities through the requirement that they obtain the Council of Ministers' agreement to their annual budgets, that they specify the number of posts in their budgets and that they take into account the schemes of service in the public service when preparing such schemes for municipal administration.

This is contrary to the provisions of the European Charter of Local Self-government that local authorities must be able to order their own administrative structures, taking into account local circumstances and administrative efficiency as noted in Recommendation 178 (2005) on local democracy in Cyprus of the Congress of Local and Regional Authorities of the Council of Europe.

Distinguished participants,

Despite the above weaknesses and constraints, elected local authorities in Cyprus have been making a significant contribution to local development, and better services and a better quality of life in their areas, even in areas where their powers and resources are extremely limited. They have reached out to their local communities and set up structures of social protection and support, they have enhanced local cultural life through the cooperation with cultural actors and providing the necessary infrastructure.

Proactive and pioneering work accomplished by local authorities has provided leadership and sometimes lead to change and progress in the central public sector. Creative solutions and innovative for the country approaches have been applied, demonstrating vision and political courage.

Nicosia has been a pioneer in promoting policies for the conservation of architectural heritage. As from the 1980s, before planning legislation was enforced, it has been proactively involved in planning for the balanced development of the city and in designing projects for the regeneration of its divided historic centre. The introduction of extensive pedestrian precincts, the rehabilitation of downgraded residential areas, the reuse of industrial buildings constitute but a few of the own-initiative projects of the city of Nicosia.

Many of these initiatives advanced through close cooperation with the Central Government, others attracted funding and other support from the international community. Valuable government funding for the revitalisation of areas bordering on the Buffer Zone continues to date.

The city has also worked proactively and in close partnership with the responsible State authorities, for programming and delivering integrated regeneration projects co-funded by the Structural Funds of the European Union in the Centre of Nicosia.

Above all, the city has been working with continuing commitment towards building bridges of cooperation between the two communities of the city, in order to preserve the prospect of the reunification of Nicosia and to address problems under current conditions of division. The ongoing Nicosia Sanitary Sewerage System and Nicosia Master Plan constitute prime examples of continuous bi-communal cooperation between the Greek and Turkish Cypriot communities of Nicosia that has produced tangible benefits for the citizens, whilst contributing to overcoming the physical and mental barriers created by division.



Both demonstrate another dimension of the value of local initiatives that in post-conflict situations can act as catalysts in bringing people together to work on specific projects of mutual local interest.

It is worth mentioning the example of successful inter-municipal cooperation in greater Nicosia, in the framework of the Sewerage Board. Moreover, the coordination of the Municipalities of greater Nicosia aiming at their effective participation in decision making processes and key components of the Public Transport Enhancement Programme constitutes another example of pro-active, informal but structured, cooperation.

Finally, it should be mentioned that municipalities have shown initiative in promoting transparency and the active participation of citizen's in local affairs. In Nicosia:

- Public accountability has been institutionalized, through the comprehensive presentation of the objectives and annual municipal budget and the assessment of the achievements of the past year.
- A permanent channel of consultation has been established, by convening citizen's assemblies, where citizens can listen to an account on matters concerning their area and address questions, suggestions and complaints to the Municipality.
- Open meetings for the presentation of development projects give the opportunity to citizen's to submit observations, objections and questions.
- The introduction of the municipal referendum, as a tool for structured consultation with citizens on important projects, was the latest pioneering initiative of Nicosia in promoting democratic participation in local decision making.

Any reform should be carefully planned and pay due respect to the principles of

- proximity and subsidiarity,
- citizen's involvement in local affairs,
- accessibility of quality services to all,
- universal geographical coverage of services and
- adequacy of local authorities' administrative structures and resources for effectively carrying out their tasks.

We are convinced that the devolution of powers, responsibilities and human, material and financial resources to bodies at the appropriate level is pivotal in the project of radical reform of local authorities. We should not forget, however, the significance of improving citizen's participation, transparency and social accountability, of investing in the acquisition of know-how, of promoting innovation and, of course, of developing new administrative cultures and practices that will allow us to achieve the ultimate objectives of this reform: more effective local government and greater local democracy.

I thank you for your attention and wish you a fruitful meeting and a very enjoyable stay in Nicosia and Cyprus.

Eleni Mavrou  
Mayor of Nicosia