RAPPORT DE MONITORING
OF THE EUROPEAN CHARTER OF LOCAL AUTONOMY
Country: Serbia

Article 2
Constitutional and legal foundation for local self-government

The principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution.

Serbia [Article ratified - Report adopted on 18 October 2017]

Provincial autonomy and local self-government are guaranteed by the Serbian Constitution. Article 12 of the Constitution stipulates that “state power is restricted by the right of citizens to provincial autonomy and local self-government”. The right to self-government can only be subject to supervision of constitutionality and legality. Article 97, which lists the competences of central government, stipulates that “Serbia organises and provides for … territorial organisation of the Republic of Serbia and the system of local self-government”. Part seven of the Constitution is entirely devoted to the territorial organisation of the country. Article 176 provides that autonomous provinces and local self-government units shall have the status of legal entities. This part also lists the competences (original powers) of the autonomous provinces and local self-government units and clarifies that additional functions may be delegated. However, as is evident from Article 177, the principle of subsidiarity is not applied, as the article states “matters deemed to be of republican, provincial or local interest shall be specified by the law”. If self-government is infringed, the autonomous province or local self-government unit has the right to lodge an appeal with the Constitutional Court (Articles 187 and 193). 37. The rapporteurs have been informed that a revision of the Constitution is presently under way, which should make it possible for Serbia to ratify most of the currently non-ratified articles of the Charter.

After the adoption of the Constitution in 2006, the Serbian parliament passed a number of laws regulating the status and activities of provincial and local self-government, including laws on territorial organisation, local self-government, local government finance, the capital city and local elections. Many of these pieces of legislation are currently subject to revision both in order to clarify matters that have turned out to be insufficiently regulated, and as a part of the EU accession process.

The rapporteurs are of the opinion that Serbia complies with the requirements of Article 2 of the Charter, as the principle of local self-government is well enshrined both in the Constitution and in
Article 3.1
Concept of local self government

Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.

Serbia [Article ratified - Report adopted on 18 October 2017 ]

According to the requirements set out in the first paragraph of Article 3, local government should be in charge of a substantial part of public affairs. The functions of the autonomous provinces and local self-government units are listed in the Constitution as well as in other relevant laws. In economic terms, local government expenditures have been estimated to correspond to approximately 15% of total public sector expenditure. This figure does not include the province of Vojvodina or municipal enterprises financed by other sources of revenue.

The second paragraph underlines that local self-government must be carried out through elected councils or through means of direct democracy. As stated in the Constitution (Article 176), the Autonomous Province of Vojvodina and the municipalities and cities all have decision-making assemblies consisting of elected members. The only exceptions are those assemblies which, in accordance with law, have been temporarily dissolved by the government. This issue will be further expanded upon in the section on Article 8.

Serbia also has means for provincial and local government units to consult their citizens. The Law on Local Government provides for three forms of direct participation by citizens – citizens’ initiatives, citizens’ gatherings and referendums. According to the Ministry of Public Administration and Local Self-Government, these means will be reinforced in the amended Law on Local Self-Government.

Given the significant number of functions carried out by provincial and local government, together with the economic relevance of these activities for the country as a whole, the rapporteurs consider that local authorities do carry out a substantial share of public affairs under their own responsibility. Although an established definition of “substantial” is lacking in both the Charter and its Explanatory Report, provincial and local government units have a share that corresponds to what is common in other countries in South-East Europe. Therefore, the rapporteurs conclude that Serbia meets the requirements of Article 3 of the Charter.

Article 3.2
Concept of local self government

This right shall be exercised by councils or assemblies composed of members freely elected by secret ballot on the basis of direct, equal, universal suffrage, and which may possess executive organs responsible to them. This provision shall in no way affect recourse to assemblies of citizens,
referendums or any other form of direct citizen participation where it is permitted by statute.

**Serbia** [Article ratified - Report adopted on 18 October 2017 ]

Consult reply indicated at article 3.1

**Article 4.1**

**Scope of local self government**

The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law.

**Serbia** [Article ratified - Report adopted on 18 October 2017 ]

Article 4, on the scope of local self-government, establishes the general principles for allocating responsibilities to local authorities. The delegation recalls that Serbia has not ratified paragraphs 3 and 5 of Article 4 (see supra, paragraph 3 of the present report), in particular paragraph 3 on the principle of subsidiarity, as it is deemed to be incompatible with Article 177 of the Constitution.

The first paragraph of Article 4 underlines the need for the functions and tasks of local government to be rooted in relevant legislation. The main legislative texts are the Constitution and a number of special laws on local government, as mentioned above. Certain functions are also established through sectoral legislation. Local government in Serbia has no general competence, i.e. scope for taking own initiatives, additional to those competences listed in the laws, a situation which is common in many other European countries.

The second paragraph states that local authorities should, within the limits of the law, have full discretion to carry out their functions. Provinces and local self-government units in Serbia have two types of tasks: original tasks listed in the Constitution, in the Law on Local Government, and in the Statute of the Autonomous Province of Vojvodina; and delegated tasks that local government carries out on behalf of a ministry or – within the Autonomous Province – upon delegation by the National Assembly. The original tasks offer wider discretion as they are only scrutinised with regard to constitutionality and legality. Local authorities also have room for manoeuvre regarding the implementation of delegated tasks, although expediency is additionally subject to scrutiny.

During the visit, the issue of the temporary ban on recruitment which has been imposed across the whole public sector was brought to the attention of the rapporteurs. The delegation was informed that recruiting new employees or replacing those who have left, even due to retirement, requires approval from a commission established by the government. This measure is one of several which aim to reduce the size of the public sector and which have been imposed as part of an agreement with the International Monetary Fund. During the meetings held between the rapporteurs and the representatives of local authorities, this measure was flagged as an impediment for local authorities...
wishing to exercise initiatives relating to any matters not excluded from their competence. As such, it further contributes to the staff shortages already experienced by local authorities. Concerns were expressed over the transparency of decisions to approve or reject requests and their political motivation. The rapporteurs are of the opinion that the criteria for approving the recruitment of staff during the temporary ban are not transparent enough to permit local authorities properly to manage their affairs.

The fourth paragraph of Article 4 addresses the problem of overlapping responsibilities and the need to prevent responsibilities from being undermined. On the whole, the delegation’s impression is that functions and responsibilities are clear and coherent. Moreover, the on-going process of revision of the legislation that pertains to the autonomous provinces and local self-government units is partly aimed at removing inconsistencies that had not been anticipated when the new legislation was adopted in 2006-2007. During the visit, however, several municipalities explained that their responsibilities in the field of healthcare and education were about to be centralised and thus undermined. The rapporteurs are particularly concerned about a proposal to transfer decision-making powers to the ministries for the appointment of boards and directors, with local government retaining the responsibility for financing these functions but without any control over who is appointed. The delegation is of the opinion that such a transfer, if implemented, will constitute an infringement of Article 4 of the Charter.

Paragraph 6 emphasizes that local authorities should be consulted on all matters which concern them. In the previous report, it was noted that although means of consultation were well developed, in particular via the Standing Conference of Towns and Municipalities (SCTM), they nevertheless needed to be consolidated through formal legal standards. It was recommended that Serbia develop relevant legislation to this end. In several meetings, both with ministries and the representatives of provincial and local government, the rapporteurs were informed that the system of consultations had developed in a positive way. The SCTM and relevant government bodies have signed a Memorandum and a Protocol on Cooperation which establish concrete mechanisms for cooperation with the government and the national parliament. Formal cooperation has also been established through the Council for Professional Development of Employees in Local Self-Government. Consultations on economic matters regularly take place through the Intergovernmental Finance Commission, as provided for in the Law on Local Government Finance.

The rapporteurs are of the opinion that, while there is still room for improving legislation governing consultations with local government, the existing consultation mechanisms seem to ensure that the views of local government are heard before decisions affecting them are taken.

As regards Serbia’s compliance with Article 4 of the Charter, the delegation concludes that Serbia complies with the first and sixth paragraphs. However, with regard to discretion and full and exclusive powers enjoyed by local government, the delegation is concerned about the lack of transparency in connection with the temporary ban on recruitment and about the dilution of responsibilities for healthcare and education. In the delegation's opinion, Serbia only partly complies with paragraphs 2 and 4 of Article 4.

**Article 4.2**

**Scope of local self government**

*Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority.*
Article 4.3
Scope of local self government

Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.

Article 4.4
Scope of local self government

Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.

Article 4.5
Scope of local self government

Where powers are delegated to them by a central or regional authority, local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions.
Article 4.6
Scope of local self government

Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly.

Article 5
Protection of local authority boundaries

Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute.

The article stipulates that any changes to the territory of local authorities require consultation with the community, via a referendum if possible. The Serbian constitution is clear on such matters, with Articles 188 and 189 providing sufficient guarantees for the legal protection of the boundaries of local authorities. The territory of a local self-government unit is determined by law, and any establishment, revocation or alteration of territory can only be undertaken after a referendum. There have been no cases of territorial changes in recent years. The rapporteurs conclude that Serbia complies with Article 5 of the Charter.

Article 6.1
Appropriate administrative structures and resources for the tasks of local authorities
Without prejudice to more general statutory provisions, local authorities shall be able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management.

**Serbia** [Non ratified - Report adopted on 18 October 2017 ]

The delegation recalls that Serbia has not ratified Article 6 of the Charter (see supra para. 3 of the report). However, during meetings with the representatives of municipalities, the rapporteurs were informed about difficulties in recruiting high-quality specialised staff, notably due to low remuneration and the current ban on recruitment. In this context, the rapporteurs would like to remind the Serbian authorities that inadequate local human resources risk undermining the local authorities’ ability to properly manage their affairs and implement large-scale reforms, notably in respect of the EU accession process. Municipal representatives also raised the issue of the persistent need to train staff in the municipalities, so as to ensure proper management of their functions and provide a high-quality service to citizens.

**Article 6.2**

**Appropriate administrative structures and resources for the tasks of local authorities**

_The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided._

**Serbia** [Non ratified - Report adopted on 18 October 2017 ]

Consult reply indicated at article 6.1

**Article 7.1**

**Conditions under which responsibilities at local level are exercised**

_The conditions of office of local elected representatives shall provide for free exercise of their functions._

**Serbia** [Article ratified - Report adopted on 18 October 2017 ]

The first paragraph of Article 7 emphasizes the importance of the independence of locally elected representatives. As underlined in the Explanatory Report to the Charter, representatives must not be subject to any interference from third parties when carrying out their functions. The status of the
local assembly is protected by the Constitution. Further regulations on the status of elected representatives are to be found in the Law on Local Self-Government. The Constitution also proclaims the right of national minorities to be represented in the autonomous provinces and local self-government units with mixed nationalities.

The rapporteurs are of the opinion that Serbia generally complies with the ratified paragraphs of Article 7 of the Charter.

**Article 7.2**

**Conditions under which responsibilities at local level are exercised**

*They shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection.*

**Serbia** [Non ratified - Report adopted on 18 October 2017 ]

The delegation recalls that paragraph 2 of Article 7 on appropriate financial compensation has not been ratified by Serbia (see supra, para. 3 of the present report).

**Article 7.3**

**Conditions under which responsibilities at local level are exercised**

*Any functions and activities which are deemed incompatible with the holding of local elective office shall be determined by statute or fundamental legal principles.*

**Serbia** [Article ratified - Report adopted on 18 October 2017 ]

The third paragraph states that any condition deemed incompatible with holding local elective office must be determined by law. Serbian law stipulates that employees of the municipal administration cannot simultaneously be members of the municipal assembly. Further, if a member of the assembly is appointed as mayor, deputy mayor or a member of the municipal council, they must relinquish their elected office.

The rapporteurs are of the opinion that Serbia generally complies with the ratified paragraphs of Article 7 of the Charter.

**Article 8.1**

**Administrative supervision of local authorities' activities**
Any administrative supervision of local authorities may only be exercised according to such procedures and in such cases as are provided for by the constitution or by statute.

Serbia [Article ratified - Report adopted on 18 October 2017 ]

Paragraphs 1 and 2 both state that administrative supervision must comply with the law. The second paragraph also makes a distinction between ensuring compliance and expediency, with the latter only being possible in relation to delegated tasks. In Serbia, this corresponds to the distinction between original and delegated tasks.

Administrative supervision of local government is conducted by the Ministry of Public Administration and Local Self-Government, more specifically by the Administrative Inspectorate. This includes regular monitoring of the implementation of laws, regulations and administrative procedures. In special cases, the Law on Local Self-Government makes it possible for the government to suspend the execution of a general decision taken by any unit of local self-government if the government considers such an act to be incompatible with the Constitution or the law (Articles 81-84).

According to the same Law on Local Self-Government, the government can also dissolve a local government assembly (Articles 85-87). This is possible in three circumstances: 1) if the assembly holds no sessions for a period longer than three months; 2) if the assembly does not enact a statute or budget within the deadline stipulated by law; and 3) if the assembly fails to elect a president of the municipality and municipal council within one month from the day of its establishment or from the day of their dismissal/dissolution or resignation. If any of these criteria are met, and the assembly is dissolved, the government should appoint a temporary body in its place. However, the temporary body can only take decisions regarding “current and urgent affairs.” Between 2008 and 2014, 13 local government assemblies were dissolved; most of them at the beginning of the period.

Administrative supervision of local government in Serbia takes place according to law, as stipulated by Article 8 of the Charter. It is also an encouraging sign that the strict measure of dissolving local assemblies is now being used more sparsely. Although Serbia has not ratified paragraph 3, Article 8, regarding the proportionality of administrative supervision, the act of dissolving an elected assembly would most likely be interpreted as a disproportionate response to a failure to act by the local authority. During the consultation process the Ministry of Public Administration and Local Self-government argued that this measure is foreseen by the Constitution, and conditions for its implementation set up in Law are very restricted, namely, it can only be introduced when citizen’s right to local self-government is compromised. Nevertheless, the rapporteurs are concerned about the unclear powers of the temporary bodies that replace such dissolved assemblies. There seem to have been cases where the temporary body has remained in power longer than permitted and has taken decisions that are neither current nor urgent. The Constitutional Court concluded that it was for the temporary body itself to define what was “urgent” and thus to determine the limits of its powers. These ambiguous conditions reflect a lack of regulation which, in the opinion of the rapporteurs, paves the way for an abuse of power. As this concerns local assemblies, it affects the very heart of local, democratic self-government. Therefore, the rapporteurs consider this to be an infringement and a sign of non-compliance with paragraph 1 of Article 8 of the Charter.

Article 8.2
Administrative supervision of local authorities' activities
Any administrative supervision of the activities of the local authorities shall normally aim only at ensuring compliance with the law and with constitutional principles. Administrative supervision may however be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities.

**Serbia [Article ratified - Report adopted on 18 October 2017 ]**

Consult reply indicated at article 8.1

### Article 8.3

**Administrative supervision of local authorities' activities**

Administrative supervision of local authorities shall be exercised in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect.

**Serbia [Non ratified - Report adopted on 18 October 2017 ]**

The delegation recalls that paragraph 3 of Article 8 on the proportionality of supervision has not been ratified by Serbia (see supra, para. 3 of the present report). This article is concerned with the administrative supervision of local government that is carried out by other levels of government. The Explanatory Report to the Charter explicitly emphasizes that the article does not deal with supervision by ombudsmen or other official bodies of investigation. In the Serbian case, this means that this article is not relevant for the office of Ombudsman, nor the State Audit Institution, despite the important scrutinizing functions that both have in relation to local government. The Ombudsman, following complaints by citizens, oversees how local government units carry out delegated powers, while the State Audit Institution performs financial audits and the auditing of any irregularities within local government.

### Article 9.1

**Financial resources of local authorities**

Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.

**Serbia [Article ratified - Report adopted on 18 October 2017 ]**

Article 9 of the Charter consists of eight paragraphs which deal with various aspects of local
government finances. It is essential for local democracy and self-government that local government has financial resources so that it can carry out its functions. The paragraphs of the article will be handled thematically, beginning with autonomy and access to independent and adequate resources, including taxes (paragraphs 1, 2, 3 and 4); continuing with grants and equalisation (paragraphs 5, 6 and 7); and borrowings (paragraph 8); following which the rapporteurs’ conclusions will be summarised.

Provincial and local government in Serbia is financed mainly by local taxes, shared taxes, transfers and grants. In 2015, 39% of local government income came from shared personal income taxes, 16% from local property taxes and 5% from other taxes. Transfers and grants represented 17% of this income, with 22% coming from other sources. The Autonomous Province of Vojvodina has a constitutional right to receive “at least 7% in relation to the budget of the Republic of Serbia” (Constitution, Article 184). Hence, transfers and grants are the main sources of revenue, representing 64% of income (2015). In addition, the autonomous province receives 9% of its income from shared personal income taxes, 10% from local property taxes and 17% from other sources.

The first four paragraphs of the article provide that local authorities should have adequate resources of their own and that these should be sufficient for the functions that local authorities are obliged to carry out. They should be able to set the rates of local taxes and charges. Resources should also be neutral with regard to economic fluctuations, such as changes in the rate of inflation.

Income tax is the largest source of revenue for local government in Serbia and is shared between local government and the State. The Law on Local Government Finance specifies the shares received by each level of government. The agreement between Serbia and the International Monetary Fund, aimed at stabilising public finances – partly by reducing local government spending – has led to changes in the law and has reduced the shares allocated to local government. Hence, as of 2016, towns receive 77% (previously 80%), municipalities 74% (also previously 80%) and the city of Belgrade 66% (previously 70%) of the revenue. These reductions represent a yearly loss of income of 4.8 billion RSD, corresponding to 40 million EUR.

Another major source of income for local government is local property tax. This is entirely local so each local assembly can decide on the amount of the tax, but only up to a certain level, as set by the law. Hence, in practice, the room for manoeuvre is very limited.

The Autonomous Province of Vojvodina receives almost two-thirds of its revenue on the basis of the constitutional provision stating that the province should receive at least 7% of the state budget. However, the exact method of calculating this percentage is interpreted differently by the province and by the government and is also subject to interpretation by the Constitutional Court. According to the representatives of the province that the delegation met during the monitoring visit, the method that the government uses does not provide sufficient resources for the province. However, a settlement between the Province and the Government seems to be under way, and is to be codified in a Law on Financing the Autonomous Province of Vojvodina.

In addition to being unable to adequately finance provincial and local government tasks, many of the interlocutors stressed that reductions in funding had made it more difficult for them to pay competitive wages and to keep or recruit specialised administrative personnel (when permitted to do so). Low wages may also pave the way for corrupt behaviour.

Central government funding for local government is the subject of paragraphs 5, 6 and 7 of Article 9 of the Charter. They require transparency of the financial equalisation process and in the way central government funding is calculated, stipulating that local government needs to be consulted on these matters and emphasizing that not all grants should be ear-marked. The grants are regulated in the
Law on Local Government Finance. Grants consist of non-categorical transfers (the equalisation transfer, compensation transfer, general transfer and solidarity transfer) and category grants, which are ear-marked for funding certain tasks or expenses.

Financial equalisation is achieved through several types of grants. The equalisation transfer is allocated to local government units in which the population's average income per capita is below a certain level. In addition, the least developed local authorities receive a comparatively larger share of the general transfer. In its written reply to the rapporteurs, the Standing Conference of Towns and Municipalities stated that it regards this system as insufficiently transparent. It was claimed that no municipality in Serbia would be able to calculate by itself the amount of transfer funds that it should rightly receive.

Most of the grants for local government are general, although the Law on Local Government Finance (Article 45) recognises category grants for special purposes or projects. Several of the interlocutors highlighted transparency problems with the category grants provided by the government. In the very tense economic situation currently experienced by local government, a last resort would be to turn to the Ministry of Finance to apply for support from its reserve fund. However, the criteria for allocating money from this fund seem to be less than clear-cut. This practice has thus been criticised as being arbitrary and non-transparent, and some sources raised concerns that it has been misused for political purposes.

On the other hand, consultation mechanisms in connection with central government funding of local government seem to be quite well developed. The Intergovernmental Finance Commission plays an important role in this consultation process.

Serbian local government has the right to borrow money on the market within the limits of the law, as stipulated in paragraph 8 of the Charter. However, this is not unrestricted and the government has set ceilings for local debt, meaning that local government units need approval from the Ministry of Finance before increasing their debt.

It may be understandable that local government should shoulder its share of responsibility in Serbia’s attempt to achieve economic stability. However, austerity measures and significant budgetary cuts throughout the whole public sector, whilst the functions of local government remain the same, cause difficulties in ensuring commensurate financial resources for local authorities as required in paragraph 2 of Article 9 of the Charter. In addition, until the new law on financing the Autonomous Province of Vojvodina is adopted, the province remains underfinanced in relation to its responsibilities. Local government units collect their own taxes but have limited powers to determine the rates. The rapporteurs also identified several problems relating to the transparency of how state grants are distributed, notably a lack of clear criteria for allocating resources from the reserve fund and a lack of transparency in the system of equalisation.

To summarise, the rapporteurs are of the opinion that Serbia generally complies with paragraphs 3, 4, 6 and 8 of Article 9. However, it only partly complies with paragraphs 5 and 7 and demonstrates non-compliance with paragraphs 1 and 2.

**Article 9.2**

*Financial resources of local authorities*

*Local authorities' financial resources shall be commensurate with the responsibilities provided for by the constitution and the law.*
Article 9.3
Financial resources of local authorities

Part at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate.

Article 9.4
Financial resources of local authorities

The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks.

Article 9.5
Financial resources of local authorities

The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility.
Article 9.6
Financial resources of local authorities

Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them.

Article 9.7
Financial resources of local authorities

As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction.

Article 9.8
Financial resources of local authorities

For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.
Article 10.1
Local authorities' right to associate

Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.

Serbia [Article ratified - Report adopted on 18 October 2017 ]

This article is about legal means for municipalities to form associations. Paragraph 1 concerns inter-municipal cooperation within the country while paragraph 3 refers to associations with local government units in other countries. The need to develop forms of inter-municipal cooperation was emphasized by the Congress after the monitoring visit of 2011, which recommended institutionalising and developing, together with the Standing Conference of Towns and Municipalities, the practice of inter-municipal cooperation and joint delivery of services. It was also suggested that Serbia sign the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (ETS No 207).

The delegation came across several examples of inter-municipal cooperation both within Serbia and with municipalities outside the country. The rapporteurs believe that Serbia has generally shown good progress in this respect, although various forms of inter-municipal cooperation still need to be developed in order to facilitate more efficient use of resources. In a draft law amending the Law on Local Self-Government, new forms of inter-municipal cooperation have been introduced, with the SCTM involved in its preparation. This will provide a wider range of possibilities for inter-municipal cooperation.

The third paragraph of the article sets out the right of local governments to form associations in order to protect and promote common interests. In Serbia, this right is safeguarded in Article 13 of the Law on Local Self-Government. All local authorities are members of the Standing Conference of Towns and Municipalities – National Association of Local Authorities in Serbia, which plays an important role in representing the joint interests of local government in policy-making towards national and EU level (Congress, Joint Consultative Committee with the Committee of the Regions and CEMR), being recognised as a representative of all local authorities. The SCTM also provides training and advice to local authorities, cooperates with donor community and implements EU funded projects (especially manages grant schemes) for local authorities. The Standing Conference is financed by membership fees and donations without funds from the state budget. Another organisation of great significance is NALED – the National Alliance for Local Economic Development – which is a public-private association between local government and businesses. It has a total of 280 members, of which the majority are businesses, but two thirds of all local government units are members of the organisation. NALED is financed by membership fees and donations and coordinates actions aiming at promoting economic development.

In the rapporteurs' view, local authorities' right to associate, as regulated in Article 10, has clearly improved. The findings from the recent visit and the initiatives undertaken in the country since the previous monitoring visit support the delegation's conclusion that Serbia complies with all
paragraphs of Article 10 of the Charter.

**Article 10.2**

**Local authorities’ right to associate**

The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.

**Serbia** [Article ratified - Report adopted on 18 October 2017 ]

Consult reply indicated at article 10.1

**Article 10.3**

**Local authorities’ right to associate**

Local authorities shall be entitled, under such conditions as may be provided for by the law, to cooperate with their counterparts in other States.

**Serbia** [Article ratified - Report adopted on 18 October 2017 ]

Consult reply indicated at article 10.1

**Article 11**

**Legal protection of local selfgovernment**

Local authorities shall have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.

**Serbia** [Article ratified - Report adopted on 18 October 2017 ]

Article 11 of the Charter provides that local authorities should have the right to seek a judicial remedy in order to safeguard local self-government. Article 193 of the Constitution stipulates that local authorities “have the right to lodge an appeal with the Constitutional Court if an individual legal
act or action by a state body or body of local self-government obstructs performing the competences of the municipality”. In addition, the Constitution gives local government units the right to call for an a posteriori review by the Constitutional Court of any legal act or action that would infringe self-government. This protection is further developed in the Law on Local Self-Government (Articles 95-97). The Constitution includes relevant provisions for the protection of provincial autonomy (Article 187).

The rapporteurs conclude that the Constitution and the Law on Local Self-Government are appropriate judicial tools for the legal protection of local and provincial autonomy and that Serbia is therefore in conformity with Article 11 of the Charter.

Article 12.3
Undertakings

Any Party may, at any later time, notify the Secretary General that it considers itself bound by any paragraphs of this Charter which it has not already accepted under the terms of paragraph 1 of this article. Such undertakings subsequently given shall be deemed to be an integral part of the ratification, acceptance or approval of the Party so notifying, and shall have the same effect as from the first day of the month following the expiration of a period of three months after the date of the receipt of the notification by the Secretary General.

Article 12.2
Undertakings

Each Contracting State, when depositing its instrument of ratification, acceptance or approval, shall notify to the Secretary General of the Council of Europe of the paragraphs selected in accordance with the provisions of paragraph 1 of this article.

Article 12.1
Undertakings

Each Party undertakes to consider itself bound by at least twenty paragraphs of Part I of the Charter, at least ten of which shall be selected from among the following paragraphs:

- Article 2,
- Article 3, paragraphs 1 and 2,
Article 13
Authorities to which the Charter applies

The principles of local self-government contained in the present Charter apply to all the categories of local authorities existing within the territory of the Party. However, each Party may, when depositing its instrument of ratification, acceptance or approval, specify the categories of local or regional authorities to which it intends to confine the scope of the Charter or which it intends to exclude from its scope. It may also include further categories of local or regional authorities within the scope of the Charter by subsequent notification to the Secretary General of the Council of Europe.

Article 14
Provision of information

Each Party shall forward to the Secretary General of the Council of Europe all relevant information concerning legislative provisions and other measures taken by it for the purposes of complying with the terms of this Charter.

Article 15.3
Signature, ratification and entry into force

In respect of any member State which subsequently expresses its consent to be bound by it, the Charter shall enter into force on the first day of the month following the expiration of a period of
three months after the date of the deposit of the instrument of ratification, acceptance or approval.

Article 15.2
Signature, ratification and entry into force

This Charter shall enter into force on the first day of the month following the expiration of a period of three months after the date on which four member States of the Council of Europe have expressed their consent to be bound by the Charter in accordance with the provisions of the preceding paragraph.

Article 15.1
Signature, ratification and entry into force

This Charter shall be open for signature by the member States of the Council of Europe. It is subject to ratification, acceptance or approval. Instruments of ratification, acceptance or approval shall be deposited with the Secretary General of the Council of Europe.

Article 16.1
Territorial clause

Any State may, at the time of signature or when depositing its instrument of ratification, acceptance, approval or accession, specify the territory or territories to which this Charter shall apply.

Article 16.2
Territorial clause

Any State may at any later date, by a declaration addressed to the Secretary General of the Council of Europe, extend the application of this Charter to any other territory specified in the declaration. In respect of such territory the Charter shall enter into force on the first day of the month following the expiration of a period of three months after the date of receipt of such declaration by the Secretary General.
Article 16.3
Territorial clause

Any declaration made under the two preceding paragraphs may, in respect of any territory specified in such declaration, be withdrawn by a notification addressed to the Secretary General. The withdrawal shall become effective on the first day of the month following the expiration of a period of six months after the date of receipt of such notification by the Secretary General.

Article 17.1
Denunciation

Any Party may denounce this Charter at any time after the expiration of a period of five years from the date on which the Charter entered into force for it. Six months' notice shall be given to the Secretary General of the Council of Europe. Such denunciation shall not affect the validity of the Charter in respect of the other Parties provided that at all times there are not less than four such Parties.

Article 17.2
Denunciation

Any Party may, in accordance with the provisions set out in the preceding paragraph, denounce any paragraph of Part I of the Charter accepted by it provided that the Party remains bound by the number and type of paragraphs stipulated in Article 12, paragraph 1. Any Party which, upon denouncing a paragraph, no longer meets the requirements of Article 12, paragraph 1, shall be considered as also having denounced the Charter itself.

Article 18
Notifications

The Secretary General of the Council of Europe shall notify the member States of the Council of Europe of:
a any signature;

b the deposit of any instrument of ratification, acceptance or approval;

c any date of entry into force of this Charter in accordance with Article 15;

d any notification received in application of the provisions of Article 12, paragraphs 2 and 3;

e any notification received in application of the provisions of Article 13;

f any other act, notification or communication relating to this Charter.

In witness whereof the undersigned, being duly authorised thereto, have signed this Charter.

Done at Strasbourg, this 15th day of October 1985, in English and French, both texts being equally authentic, in a single copy which shall be deposited in the archives of the Council of Europe. The Secretary General of the Council of Europe shall transmit certified copies to each member State of the Council of Europe.