

ICMA's Work in Eurasia

Kim Neale

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ore than 160 senior officials from 20 countries in central and eastern Europe (CEE) and the former Soviet Union (New Independent States, or NIS) met in Sofia, Bulgaria, this past December. They discussed local government reforms and exchanged their experi-

ences during their transitions to democratic and responsive local government.

ICMA's International Municipal Programs Division planned and coordinated the policy conference for the U.S. Agency for International Development (USAID). For the past six years, ICMA and USAID have been working together to promote the decentralization of responsibility, to enhance the revenue-raising authority, and to improve the management and service delivery capacities of local governments in CEE and NIS. The conference—entitled “Local Government in Transition Countries: A Perspective for the Year 2000”—was conducted in 10 CEE languages, including English and Russian.

National delegations from 20 countries included local officials, such as mayors and senior technical staff; and central government officials, including ministers and deputy minis-

“As our project works a lot with local governments and business associations, the new ideas and knowledge of best practices will help to facilitate their joint activities for local community benefits.”

—Georgian Delegation

ters, leaders of associations of towns and cities, presidents of nongovernmental organizations, and private sector representatives. Also attending were representatives from USAID, ICMA, and other U.S. contractors. Countries participating were Albania, Armenia, Bosnia, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Slovakia, and Ukraine.

Aims and Themes

The conference sought to promote local government reform as a critical USAID initiative, to highlight the importance of local government in the transition to a democratic society, and to inspire municipal officials to identify common goals for future reform. Three themes were the focus of discussions; two of these themes—"Fiscal Decentralization

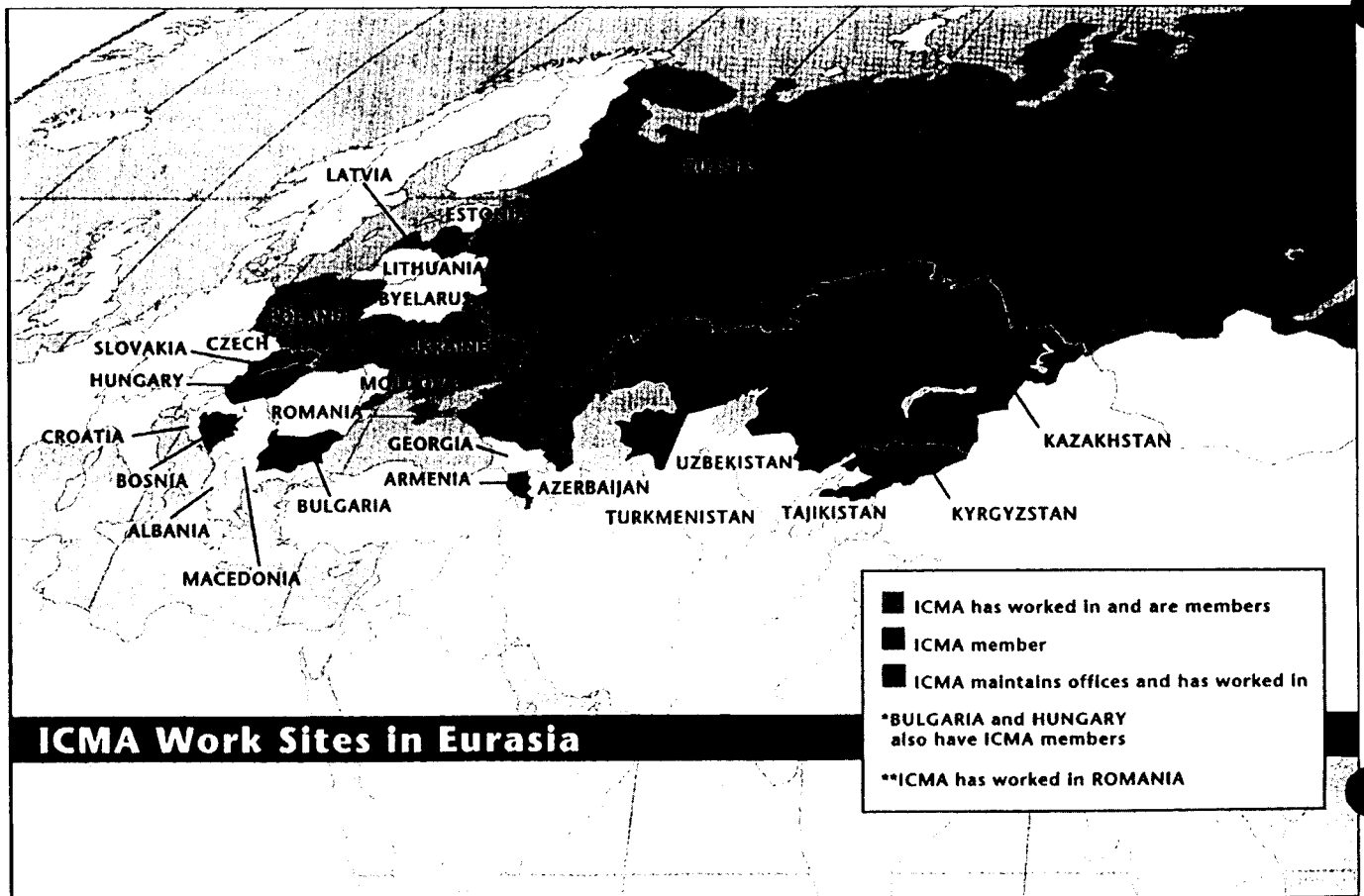
and Municipal Finance" and "Urban Service Delivery"—covered the core of local government activities. The third theme was the importance of municipal associations in furthering the interests of towns and cities in the national political arena and in training local officials.

Participants were given ICMA's recently completed *Local Government Innovative Practices Guide*. The *Guide*, based on ICMA's own *Ideas in Action*, documents 59 successful solutions to local government problems that have been implemented throughout the CEE and NIS region in such fields as citizen participation, economic development, housing and finance, and budgeting.

The *Innovative Practices Guide*, which has been translated into nine regional languages, is on USAID's Internet Web page. The conference and the development of the *Guide* were funded through USAID's Energy, Environment, and Urban Development (EEUD) office.

The conference was historic: it represented the first time that local officials from so many countries in the region had been able to come together to share their successes and learn from their failures in guiding cities toward democratic government. Avis Bohlen, the U.S. ambassador to Bulgaria, and Stefan Sofianski, the mayor of Sofia, who recently was named interim prime minister of Bulgaria, opened the conference, while Thomas Dine, assistant administrator of USAID, was the principal U.S. speaker. The mayor of Budapest, Gabor Demszky, delivered one of the keynote speeches, and Olgierd Dziekonski of the Municipal Development Agency in Warsaw gave the concluding remarks.

For more than six years, ICMA has been working in the region to help local governments introduce management reforms and respond to the challenges of the transition to democracy and a market economy. Currently, ICMA has long-



term advisers in six countries in that region. The majority of ICMA's work has been carried out under the auspices of USAID.

Activities by Country

Here are some highlights of ICMA's current work in the CEE and NIS region.

Armenia

The Shelter Reform Program is being implemented to help establish private real estate markets capable of achieving a more efficient and fairer allocation of economic resources for housing and urban development. Over the past year, ICMA's technical assistance has focused on four areas: a legal and institutional framework for private land and real estate markets; the policy and local framework for local autonomy and fiscal decentralization; local institutional capacity to support forming condominium associations (as vehicles for transferring responsibility for the housing stock to private hands); and construction industry reform (with an emphasis on competitive procurement). For five years, ICMA has had a resident adviser in Armenia, and Steve Anlian, former vice president of HSH Associates, an internationally recognized land planning and landscape architectural firm, holds that position.

Bulgaria

Since 1994, ICMA has provided technical assistance and training to Bulgaria in the fields of public administration, municipal service delivery, economic restructuring, democratization, and social sector restructuring through an improved legal/regulatory framework that supports local self-government and an increased local government capacity to deliver municipal services. In 1996, George Valais, former vice president of the Government Finance Group, Arlington, Virginia, was named resident adviser in Sofia to manage the various programs.

The public/private partnership program that encourages the development

“... I trust that this conference will make us continue meeting, seeing each other, exchanging experiences, because we are already better informed, and we are more mature people. And through this community, we will become stronger in our work.”

—Olgierd Roman Dziekonski, President, Municipal Development Agency, Poland

of municipal landholdings and stimulates private investment in housing is one of the most successful programs. Under the economic development program, community relations centers were created to make more information available and to boost citizen and private sector participation in making economic development decisions.

Bosnia

ICMA began assisting the Federation of Bosnia-Herzegovina in 1994. Since 1996, when ICMA placed Mark Grubb, former program manager for a business innovation research organization, as resident adviser in Zenica, the Association has been helping to implement reforms in the areas of fiscal federalism, budgeting and finance, and democratization and citizen participation. In 1995, an ICMA team assessed the administrative systems in place at the federation and local levels to help identify priorities for technical assistance and training.

ICMA also has coordinated discussions to disseminate information on fiscal revenue assignment and on the use of a value added tax (VAT).

Hungary

In 1995, ICMA began a three-year project to improve local self-government in three counties having communities with populations under 25,000. ICMA is helping to raise the capacity of both local and central governments in such areas as finance and budgeting, economic development and citizen participation.

Three former city managers—Craig

Steenland, Marilynne Davis, and Steve Herbaly—serve as resident advisers in Hungary. The project is managed by Mike Jackson, former director of the local government program at the Carl Vinson Institute of Government at the University of Georgia.

Kazakhstan

ICMA's work in Kazakhstan has focused on three components: developing homeowner associations, implementing a national housing allowances program, and increasing localities' capacity in support of the first two components.

Work has centered on four cities: Semipalatinsk, Petropavlovsk, Taldykorgan, and Aktubinsk. These cities are in the forefront of homeowner association development and the implementation of housing allowance programs, and all three have introduced or are introducing competitive contracting to improve municipal performance. ICMA has had a resident adviser, Jon Wegge, former chief of party in Colombo, Sri Lanka for the Center for Financial Engineering in Development, in Almaty since 1992.

Kyrgyzstan

ICMA's efforts in Kyrgyzstan have focused on the development of a policy and legal framework for housing and urban real estate development; land privatization and urban real estate development; and the privatization of housing and housing maintenance/management. ICMA has developed a guide to model housing policies and a “decision matrix”

Declaration on Local Governance
Final Declaration of the USAID Conference
Sofia, 9-12 December 1996

1. The participants of the Conference hereby express their gratitude to USAID and the host country, Bulgaria, for arranging the meeting, which allowed the local government representatives from the Central and Eastern European Countries and the New Independent States that underwent or are currently undergoing intensive political transformation, to exchange information and experiences. The exchange indicates that these countries are at various levels of transition but that the scope and range of the problems faced are similar and [that the problems] have the same sources.
2. The participants of the Conference acknowledge that the principal rule governing the reforms should be an effective devolution of appropriate public tasks to the local and regional government levels, and should be accompanied by far-reaching decentralization of public finances. The scope of the devolution of these tasks must permit the real participation of citizens in the local decision-making process. The financial resources of the local governments must be sufficient to allow implementation of the tasks taken over.
3. The decentralization should be guaranteed in the legal system of each of the democratic countries. The legal and constitutional guarantees should include:
 - Recognition and protection of the self-governance of local governments relative to their responsibilities.
 - Protection of the stability and adequacy of public finance transfers to the local governments.
4. The legal system of each of the countries must create the conditions that support effective management of the local tasks by the local governments. In particular, it must allow the local governments to demonopolize and privatize the local economy, as well as provide access to the national and international capital markets.
5. Consulting with local governments should take place before legislation affecting their responsibilities and finances is passed. National associations of local governments should be effective in facilitating this process.
6. The exchange of experiences among the local governments of the countries in transition, related to decentralization, local management, and capacity building, will accelerate the reforms and improve services delivered to citizens. Organizing of such exchanges should be carried out in cooperation with national associations of local governments, as well as European and international local government organizations.

Drafted by and agreed to December 12, 1996, by unanimous consent of the delegations from: Albania, Armenia, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, the Former Yugoslav Republic of Macedonia, Moldova, Poland, Romania, Russia, Slovakia, and Ukraine.

to help the Interministerial Housing Policy Council/Working Group evaluate alternatives for use in the process of developing, adopting, and implementing

housing policy laws. Duane Beard, former county manager of Leelanau County, Michigan, managed the ICMA program from 1993 to 1996. Charles

Dean, municipal development consultant for ICMA in Honduras, now serves as adviser.

Poland

Since 1992, ICMA has provided technical assistance to local governments in Poland in the areas of municipal management, finance and budgeting, economic development, and urban planning. Technical assistance has contributed to improved municipal management practices in several Polish cities, especially in municipal finance and budgeting. The city of Krakow has been a major recipient of ICMA expertise and in 1994 hosted a municipal finance and budgeting conference that brought together local officials from other countries in the region.

Jan Winters, current county administrator of Charlotte County, Florida, served as the resident adviser to Krakow from 1993 to 1995. During Mr. Winter's tenure, Krakow made organizational changes, including appointing the first city manager (called a city magistrate) in Poland, who coordinates all departments on behalf of the mayor. In 1995 and 1996, ICMA held workshops on finance and budgeting practices for officials from more than 90 cities. Winston Evans, former finance director of Dallas, Texas, serves as one of the principal ICMA trainers.

Romania

From 1993 to 1996, ICMA carried out USAID's Local Government Assistance Program, which was designed to encourage the devolution of authority, responsibility, and fiscal control to local governments in Romania. At first, ICMA implemented projects involving urban planning, housing, infrastructure improvement, finance and budgeting, and computer applications. Later, ICMA's work focused on condominium development, support for the European Bank for Reconstruction and Development's MUDP-I infrastructure loan program, and development of public/private partnerships.

Slovakia

Starting in 1995, ICMA began to assist Slovak local governments in becoming more effective, responsive, and accountable to the citizens they serve. Working with local government officials and the organizations that serve them, ICMA's resident adviser, Fred Fisher, a former city manager, and a team of Slovak and U.S. local government experts have been developing a comprehensive, in-service training program for local government officials. ICMA's emphasis is on strengthening the institutional and training capacity of local organizations to deliver their programs and achieve economic self-sufficiency.

Conference Conclusions


The programs described above confront the issues faced by localities throughout

the region during this transformation phase. There is a great need for continuing reform and improvement at every level of local government in the countries of CEE and NIS. While great strides have been made in the past six years, it will take several more years to complete the transformation. As Mayor Gabor Demszky of Budapest pointed out in his keynote speech, "The future of the east-central European region hopefully will bring stabilization of political, legal, economic, and financial issues. In this process, the stabilization of the local governments will be one of the most important foundations on which other reform processes can be based."

The conference succeeded in inspiring local officials from every country to recognize that, while their countries may have different governments, the issues of local government reform remain the

same across the region. At the end of the conference, several of the 20 delegations drafted the Sofia Declaration, which attempts to point the direction for future local government reforms in the region.

The declaration highlights the necessity for further decentralization, a legal system that protects the responsibilities of local governments, and better cooperation between the federal and local levels (see the box on page 24 for the text of the declaration).

For more information, or for a copy of the conference proceedings, contact Ann Bueche, assistant director, International Municipal Programs, ICMA; fax, 202/962-3500; e-mail, abueche@icma.org. 

Kim Neale is project coordinator, International Municipal Programs, ICMA, Washington, D.C.

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