HELLENIC REPUBLIC
MINISTRY OF INTERIOR
PUBLIC ADMINISTRATION
AND DECENTRALISATION

Structure and Operation of Local and Regional Democracy in Greece

Athens, 2000

1. LEGAL BASIS

1.1 Constitutional provisions

The institutional basis of local administration is the Constitution of the Hellenic Republic of 1975 as it was modified in 1986, the articles 101 and 102 of which stipulate the following:

Article 101

«The administration of the State shall be organised according to the principle of decentralisation.

The administrative division of the Country shall be based on geoeconomic, social and transportation conditions.

Regional State officers shall have general decisive authority on matters of their district, while the central services shall have, in addition to special powers, the general guidance, co-ordination and supervision of the regional officers, as specified by law».

Article 102

«The administration of local affairs shall be exercised by local government agencies, the first level of which comprises municipalities and communities. Other levels shall be specified by law.

Local government agencies shall enjoy administrative independence. Their authorities shall be elected by universal and secret ballot.

The law may provide for compulsory or voluntary associations of local government agencies to execute works or render services; they shall be governed by a board of elected representatives of each municipality and community participating therein in proportion to the population.

The law may provide for the participation in the administration of second level local government agencies of elected representatives of local professional, scientific and cultural organisations and of the State administration; such participation is not to exceed one-third of the total number of members.

The State shall supervise local government agencies, without infringing upon their initiative and freedom of action. The disciplinary sanctions of suspension and dismissal from office of elected officers of the local agencies, with the exception of cases involving ipso jure forfeiture of office, shall be pronounced only with the consent of a council composed in its majority of regular judges.

The State shall provide for the securing of the funds necessary to fulfil the mission of local government agencies. Matters pertaining to the attribution and distribution among legal government agencies of the taxes or duties provided for them and collected by the State shall be specified by law».

1.2 Main legislative texts

The main legislative texts concerning first and second level local authorities as well as regional administration are:

— Law 1416/1984 for the reinforcement of first level local authorities.
— Law 1622/1986 and P.D. 5111987, which divide the country into regions.
— Law 2218/1994 as modified and completed by Law 2240/1994 and Law 2307/1995 which creates the second level local authorities.
— Presidential Decree 410/95 (Municipal and Communal Code) which codifies the legislation concerning municipalities and communities.

— Presidential Decree 30/96, which codifies the legislation concerning second level local authorities in a single legal text.
— Law 2503/1997 which makes the Region a new decentralised level of the central State services.
— Law 2539/1997 which forms new municipalities and communities following the merging of the existing ones in each prefecture.
— Law 2647/98 which transfers competencies from the State both to Regions and local authorities.

2. STRUCTURE OF FIRST AND SECOND LEVEL LOCAL AUTHORITIES AND REGIONAL ADMINISTRATION

2.1 First level local government agencies: municipalities and communities

The first level local government consists of municipalities and communities. According to the article 102 of the Constitution, municipalities and communities are responsible for the administration of local matters.

Law 2539/1997 on the «Creation of first level Local Authorities» establishes new municipalities and communities by means of á compulsory merging of the existing ones.

The unified territorial area of the new municipalities and communities created through this merging is subdivided into the so-called «municipal or communal quarters». Each of these quarters consists of the territorial area of the relevant abolished local authority or a settlement attached to the new local authority.

2.2 Second level local government agencies: Prefectural Self-Administrations

They constitute the second level or tier of local government and are self-governed public law legal persons. They are responsible for the administration of the local matters at prefectural level.

The district of each second level local authority coincides with the administrative district of the prefecture, with the exception of three expanded ones which are responsible for more than one prefectures (N.A. of Athens-Pireus, N.A. of Rodopi-Evros, N.A. of Drama-Kavala-Xanthi). Each prefecture of these three agencies forms a prefectural quarter having as its seat that of the respective prefecture.

In some cases and within the framework of the second level local authorities, the law makes provision for the creation of administrative subdivisions called «eparchion» mainly in the insular regions and the isolated areas of the prefectures.

2.3 Regional Administration

The country is divided into 13 regions, which constitute the decentralised administrative units of the State according to law 2503/97 concerning the decentralised organisational structure of the State administration and its adaptation to new developments.

The role of the **Regions** assumes special importance. They have their budget, their own staff and the management of funds provided for regional development. These funds derive either from national sources or from European Union programmes.

2.4 Statistical data

In Greece there are currently 13 Regions, 50 local authorities of second level (47 of them are simple Perfectural Self-Administrations while the other three are expanded Perfectural Self-Administrations), 900 municipalities and 133 communities.

— **Surface area and population of the regions:**

Region	**Surface area (in sq. km)**	**Population (Number of inhabitants)**
Eastern Macedonia@Thrace	14.157	570.977
Central Macedonia	18.811	1.708.977
Western Macedonia	9.451	293.015
Epirus	9.203	339.728
Thessaly	14.037	734.846
Ionian Islands	2.307	193.734
Western Greece	11.350	707.687
Mainland Greece	15.549	582.280
Attiki	3.808	3.523.407
Peloponnese	15.409	607.428
Northern Aegean	3.840	199.231
Southern Aegean	5.286	257.481
Crete	8.336	540.054
TOTAL	**31.625**	**10.258.364**

Average surface area of the Regions 10.125 sq Km
Average population of the Regions 789.105

— Surface area of first level local authorities (in sq.km):

Maximum surface area of municipality: 324,6
Minimum surface area of municipality: 1,0
Average surface area of municipalities: 35,5
Maximum surface area of community: 57,7
Minimum surface area of community: 0,2
Average surface area of communities: 21,0

— Population of first and second level local authorities.

— Prefectural self-administrations:

Largest population 3.523.407
Smallest population 21.111
Average 201.145

— Minicipalities:

Largest population 772.072
Smallest population 275
Average 11.225

Number of first level local authorities

Population		Number of Local Authorities
from	to	
	1.000	91
1.001	5.000	475
5.001	10.000	282
10.001	50.000	150
50.001	100.000	27
100.001	Over	8
	TOTAL	**1.003**

2.5 Specific regulations for particular areas - The legal status of Aghion Oros (Mount Athos)

According to article 105 of the Constitution of 1975/86, the Athos peninsula extending beyond Megali Vigla, constitutes the territory of Aghion Oros. In accordance with its ancient privileged status, this territory is a selfgoverned part of the Hellenic Republic, whose sovereignty thereon remains intact. Spiritually, Aghion Oros is under the direct jurisdiction of the Ecumenical Patriarchate. All persons leading á monastic life acquire Greek citizenship without further formalities, upon admission as novices or monks.

The powers of the State are exercised through a Governor, whose duties and rights are determined by law. Likewise the law determines the judicial powers exercised by the monastic authorities and the Holy Community as well as the customs and taxation privileges of Mount Athos.

The Common Declaration on Mount Athos attached to the Treaty of entry of Greece to the EEC (1-1-1981) recognises the special status of Mount Athos as this is defined in article 105 of the Greek Constitution. Consequently, EU takes into consideration this status and particularly on matters of taxation exemption and rights of installation.

2.6 Regulations on the modification of structures

Municipalities and communities are the entities defined by L. 2539/97 (article 1).

Any separate settlement with á population of 1.500 inhabitants at least and financial viability, that is ability to generate income so as to cover its administrative expenses as well as all other compulsory expenses, may become a community under the following conditions: it is petitioned at least by three-fourths of the resident voters and the municipality or the community - from which this settlement is detached - still remains viable with 2.500 or 1.500 inhabitants respectively.

Merging of neighbouring municipalities or communities may be done by decision of their municipal or communal councils with á majority of the 3/5 of the total number of their members, or if this is petitioned by at least half the electors residents in each of the local authorities concerned.

A community may merge with a neighbouring municipality if this is petitioned at least by half the electors residents in the community and the absolute majority of all members of the municipal board consents.

3. ORGANS OF EACH CATEGORY OF LOCAL AUTHORITIES AND REGIONAL ADMINISTRATION

3.1. First level Local Authorities

3.1.1 Communities

The community is governed by:

a. The communal council which is a decisive organ;

b. The community president (implements the decisions of the communal council). The communal council consists of:

— 7 members in communities with a population of up to 2.000 inhabitants

— 9 members in communities with between 2001 and 5000 inhabitants

— 11 members in communities with over 5000 inhabitants.

The communal quarters are represented in the community by the deputy chairperson who takes part in the sessions of the communal council, expresses opinion and makes proposals on specific matters of communal interest.

3.1.2 Municipalities

The municipality is governed by:

a. **The Municipal Council** (decides on matters of municipal interest, except for those that belong to the responsibility of the mayor or the town hall committee);

b. **The Town Hall Committee**;

c. **The Mayor** (implements the decisions of the municipal council).

The number of municipal council members depends on the municipality's population:

Population of the municipality				**Number of the municipal Council members**
		up to	5.000	11
Between	5.001	and	10.000	15
Between	10.001	and	30.000	19
Between	30.001	and	60.000	25
Between	60.001	and	100.000	31
Between	100.001	and	150.000	35
Between	150.001	and	500.000	39
over	500.000			41

The composition of the town hall committee depends on the number of the members of the municipal council:

Members of the municipal council	**Number of members of the committee**
up to 15	2 + the mayor = 3
up to 31	4 + the mayor = 5
More than 31	6 + the mayor = 7

For the municipalities stemming from á merging, the law provides for the creation and function of **local councils** within the limits of the respective municipal quarters. The local council is a collective organ of the new municipality, functions as an organ of municipal decentralisation and is responsible for matters of municipal interest in the territory of the municipal quarter. It voices opinions and makes proposals to the municipal council for all matters that concern the municipal quarter.

Local councils do not exist in those municipal quarters that are seats of the new municipalities and have a population of more than 1.000 inhabitants.

3.2 Second level local authorities

3.2.1 Organs of the Prefectural Authorities

a. Prefectural Council

The prefectural council is the basic organ of the second level local authority. It is responsible for all matters of prefectural interest except for those that belong to the responsibility of the prefect or the prefectural committee. The number of the members of the prefectural council depends on population criteria:

Population	Number of members of the pref. council
1 – 100.000	21
100.001 – 150.000	25
150.001 – 200.000	31
over 200.000	37

b. Prefectural Committee

The prefectural committee consists of the chairperson and 4 members if the prefectural council has up to 25 members or of 6 members if the prefectural council has more than 31 members.

c. Prefect

The Prefect represents the local authority at prefectural level and implements the decisions taken by the prefectural council.

In those cases that a «Eparchion» is created, a relevant prefectural committee is also established. Its members come from the prefectural councillors of the relative district. The chairperson of the aforementioned committee, called «Eparchos» is the prefectural councillor of the majority group who obtained the greatest number of votes among the relevant candidates. The «Eparchos» is the head of all services in the «eparchion» and implements its decisions. The presence of elected organs with increased responsibilities reinforces administrative decentralisation in these districts.

In each local authority of second level there is a **financial and social committee,** which is á consultative organ with representatives from:

a. the local union of municipalities and communities (TEDK);
b. organisations of employers and employees;
c. chambers and scientific organisations;
d. associations;
e. the personnel.

3.3. Mode of election of the organs of local authorities

The elected representatives of first and second level local authorities are elected by direct universal suffrage through a secret ballot every four years on the basis of competing lists of candidates. Three-fifths of all seats go to the list obtaining the majority and two - fifths to the other lists.

The members of the prefectural committee and the town hall committee are elected by direct ballot by the members of the prefectural and the municipal councils. The mandate of the prefectural committee and the town hall committee members is for a period of two years.

3.4 The Regions

3.4.1 Organs

a. The Secretary General of the Region He or she:

— is the representative of the government, responsible for implementing government policy on regional issues;
— is the head of all regional administrative departments as well as the police, port and fire brigade services in the Region. He or she is the chairperson of the Regional Council and of the Regional Development Fund board;
— is responsible for programming, co-ordination and supervision of the regional services;
— supervises local authorities;
— supervises those public law legal persons in the region which are not supervised by the prefectural self-administrations, municipalities, communities and ministries;
— is responsible for competencies and functions assigned, delegated or transferred to the regional services;
— has any other responsibility given by law.

b. The Regional Council

It is the organ of democratic planning in the Region with responsibilities for the following matters:

— formulating proposals to central agencies of the public sector on public works and policy measures of national importance that concern the region;
— Drafting the medium term Regional Development Plan on the basis of proposals made by local authorities and within the framework of the medium term National Development Plan;
— deciding on the annual development plans of the prefectures, where this is provided by law;
— allocating funds from the Public Investment Plan to local and prefectural public works.

The Regional Council consists of:

— the Secretary General of the Region as chairperson;

— the Chairpersons of the Expanded Prefectural Self-Administrations and the Prefects of the prefectures that belong to the Region;
— one representative from each Local Union of Municipalities and Communities (TEDK) of the Region;
— one representative from regional agencies of the following organisations:
  - the chambers of the productive classes;
  - the Technical Chamber of Greece;
  - the Geotechnical Chamber of Greece;
  - the Financial Chamber of Greece;
  - the Supreme Administration of Public Servants Unions;
  - the Panhellenic Confederation of Unions of Agricultural Co-operatives;
  - the Panhellenic Confederation of Workers.

The Regional Councils of the Regions of Attiki, Central Macedonia, Western Macedonia, Northern Aegean and Southern Aegean comprise a greater number of representatives because of their particularities.

3.4.2 Organisational Structure of the Region

The Region is organised as follows:

— Secretary General office.
— General Directorate of the Region.
— Civil Emergency Planning Section.

The General Directorate comprises:

— Directorates with overall responsibility in the area of the Region (planning and development, health and welfare, public works, control of the execution and maintenance of public works, environment and planning, forests, agricultural development, self-government and decentralisation, administration).
— Section of communication with the citizens.
— Civil protection office.
— Directorates with competencies at local level having their seats in each prefecture of the Region except that where the seat of the Region is (i.e. directorates for local administration, forests, directorates of reforestation for Athens and Thessaloniki).

The aforementioned directorates consist of different sections. Under the provisions of law, these organisation units may be abolished, unified or divided or have a separate seat so that the organisational structure be adapted to local conditions and each Region's specificity.

3.4.3 Regional Development Fund (RDF)

In order to adapt the Regions to developments at the European level, a **Regional Development Fund** was established at regional level as a private law legal person.

It is monitored by the Ministry of the Interior, Public Administration and Decentralisation and aims at:

— The management of different funds, on the basis of the decisions of the Regional Council. Those funds come from the Public Investment Plan and public agencies as well as from other legal entities, the European Union and other international

organisations. They concern regional, prefectural and local development plans in the Region.

— The technical support of the Region mainly in the elaboration of studies and surveys and the implementation of projects assigned to the RDF by the Region in order to achieve a more effective management of the resources as well as of the imposition, assessment and collection of taxes, fees and contributions.
— An effective fiscal administration.
— The participation to European Union programmes.
— Contracting loans with different funding agencies for the execution of public works and the implementation of various projects.

4. DIRECT CITIZENS PARTICIPATION ON DECISION-MAKING

4.1 Local and Regional Referenda

Greek legislation does not make provision for local or regional referenda. The Greek Constitution in art.44 sets specific conditions for the holding of a referendum in crucial national matters. The relevant decision is taken by the absolute majority of the total number of Members of Parliament taken upon proposal of the Cabinet. A referendum may also be proclaimed by the President of the Republic in case of Bills passed by Parliament regulating important social matters, with the exception of the fiscal ones, if this is decided by the three-fifths of all Members of Parliament following a proposal of the two-fifths of the total number of its members, as defined by the Standing Orders of Parliament and by law.

4.2 Other forms of direct participation

The law provides for the institution of district councils and people's assemblies with a view to promoting citizen's participation in local matters. Each municipal and communal council may divide the municipality or the community into districts and create respective district councils. Organs of the district are the people's assembly, the district council and the chairperson of the district council.

In those municipalities and communities where there are no district councils, the mayor or the community president may call, at least once, a people's assembly during which matters concerning the municipality or the community will be discussed.

The law also makes provision for an indirect participation in different administrative organs such as the regional council (through the representation of trade unions, as well as of cultural, professional and scientific agencies).

5. STATUS OF LOCAL ELECTED REPRESENTATIVES

5.1 Eligibility and term of office

Candidates for the post of prefect or prefectural council members must be electors residents in a municipality or a community in the area of the prefectural self-administration and have attained the age of twenty-three years on the day of elections.

Candidates for the post of mayor, community president, municipal or community council member must be residents who have the legal capacity to vote and have attained the age of twenty-one years on the day of elections.

Judges, officers of the armed forces and the security corps as well as clergymen of the known religions are not eligible to be elected or be chairpersons of the second level local authorities, prefects, prefectural councillors, mayors, community presidents, municipal or community councillors or deputy chairpersons.

There are, also, some other secondary eligibility impediments for those who serve in the constituency where they would like to be candidates, in the case of civil servants etc.

The term of office of all elected representatives of first and second local authorities is four (4) years.

A prefect can be re-elected only once.

5.2 Duties and responsibilities of elected representatives

The prefect, the mayor and the community president represent the local authorities in judicial authorities and give the relevant oath. In case they hold a personal interest against important matters of local government at the level of the prefectural self-administration, the municipality or the community respectively, they have to declare it and withdraw from the debates. They are political heads of local authorities, they manage their services and are in charge of their staff.

The prefect and the members of the prefectural council as well as the members of the prefectural committees are responsible for any damage caused to the estate of prefectural self-administration due to deceit or gross negligence. They are also subject to suspension in case of serious negligence, violation of duties or excesses in the exercise of power and they lose their office ipso jure if they are irrevocably condemned for crime specified by relevant law.

Mayors, members of municipal councils and town hall committees, presidents of communities and members of communal councils are subject to similar provisions.

5.3 Woking conditions

The duties of an elected representative of local authorities depend directly on the range and the level of competencies and responsibilities attributed to the specific post.

Elected organs of local government are provided with a secretarial service and offices.

5.4 Remuneration

The posts of mayor, deputy mayor, community president and chairperson of the municipal and community council are honorary and, thus, not remunerated. The mayors, the deputy mayors, the community presidents and the chairpersons of the municipal and community council have the right to receive by the municipality or the community «representation feesα» fixed on a decision of the Minister of the Interior according to the revenues of the municipalities and the communities.

The law provides for the reimbursement of the prefect, the chairpersons of prefectural committees and the members of prefectural councils as well as the payment of representation fees on a monthly basis, defined by a joint decision of the Ministers of the Interior and of the Finance.

6. DISTRIBUTION OF POWERS BETWEEN THE VARIOUS CATEGORIES OF LOCAL AUTHORITIES AND REGIONAL ADMINISTRATION

6.1 First level local authorities

According to the constitutional provision for local authorities' competence on local matters, the Municipal and Communal Code (art. 24) stipulates that municipalities and communities have overall responsibility for the administration of local matters and care for the promotion of social, financial, cultural and spiritual interests of their citizens.

Local affairs, as far as municipalities and communities are concerned, are all the affairs the range of which does not exceed the municipal and communal territory.

6.2 Second level local authorities

The second level local authorities have general responsibility and wield public authority, that is all their responsibilities, inside their territorial region and only there.

There are two kinds of this public authority:

a. Administration of local matters at prefectural level.
Criterion for the distinction of local affairs pertaining to municipal or prefectural level is the territorial area of each local authority.
The second level local authorities exercise responsibilities only to the extent that a particular subject is not restricted to á municipality or á community e.g. provincial road building, intermunicipal works etc. This also may happen whenever a municipality or community can not fulfil some responsibilities because of lack of the necessary infrastructure or resources.

b. Administration and accomplishment of public functions and tasks that have been assigned to prefecturat self-administrations by the State by law.
By presidential decree, some responsibilities of public administration which suit better the character, the nature and the mission of second level local authorities may be transferred to them. In the same way the resources which are necessary for the exercise of these responsibilities may be allocated to them.
All the relevant responsibilities of the old state prefects and prefectural services that existed before the creation of second level local authorities in 1994 have been transferred to them with some exceptions concerning matters of public property and the relevant responsibilities of the following:
   a. Ministries of National Defence, of Foreign Affairs, of Finance and of Justice.
   b. The supervision of first level local government
   c. The National Statistic Service of Greece of the Ministry of National Economy.
   d. The Medical Veterinary Control Border Stations and some other organisations of the Ministry of Agriculture.

The second level local authorities have the responsibility of the financial, social and cultural development of their district. They do not supervise the first level local authorities

and they do not interfere with their competencies. There is no hierarchy between the two levels of local authorities.

6.3 Regional Administration

Every Region, as a decentralised administrative unit, has the responsibilities that its services (directorates, sections etc.) exercise in its total territorial area, including the services of the Region in the prefecture as well as the responsibilities that belong to the General Secretary of the Region.

The regional state organs have overall and decisive responsibility that consists of exercising the state responsibilities at regional level.

The Regions are responsible for the supervision of local authorities as well as for the necessary measures to be taken for their proper function and the implementation of the decentralised administrative system.

In general terms the Region:

— Implements the national and European policies which concern the financial, social and cultural development of the geographical region.

— Supports the central state services and the government for the elaboration of regional development policies.

— Specifies and applies the governmental policy at the regional level, developing a leading role in relation to the directions, co- ordination and control of the particular state policies.

— Brings the state administration close to the citizens and their problems

6.4 Division of powers

On the basis of the above mentioned general remarks, the allocation of responsibilities between the two levels of local government and the central administration stands as follows:

FUNCTIONS AND RESPONSIBILITES	**STATE**	**PREFECTURAL ADMINISTRATION**	**FIRST LEVEL LOCAL AUTHORITIES**
GENERAL ADMINISTRATION			
Security, Police	*		*(1)
Justice	*		
Fire fighting	*	*	*
Civil protection	*	*	*
EDUCATION			
Pre-school Education	*	*(2)	*(3)
Primary and secondary education	*	*(2)	*(4)
Vocational and technical education	*	*(2)	*(4)
Higher education	*		
Adult education	*	*	*
HEALTH			
Hospitals	*	*	*
Individual health departments	*	*	*
SOCIAL ACTION			
Family and Youth Services	*		*

Rest homes	*		*
Social Insurance	*		

HOUSING, TOWN PLANNING			
Housing	*	*	*
Town Planning	*	*	*
ENVIRONMENT AND PUBLIC HEALTH			
Water treatment	*		*
Household sewage and waste			*
Cemeteries			*
Slaughter houses			*
Environmental protection	*	*	*
ARTS, LEISURE, SPORT			
Theatres, Concerts	*	*	*
Museums, Art Galleries, Libraries	*	*	*
Parks, Open Spaces	*	*	*
Sport and Leisure	*		*
Religious worship	*		
TRAFFIC AND TRANSPORT			
Highways	*	*	
Urban road transport	*	*	*
Urban transport, railways	*	*(5)	
Ports	*	*(6)	*(6)
Airports	*		
ECONOMIC SERVICES			
Gas	*		*
Water (irrigation)		*	*
Farming, Fishing	*	*	*
Electricity	*		
Commerce	*	*	*
Tourism	*	*	*
Forestry	*		
OTHER FUNCTIONS			
Licences for services, enterprises, sanitation		*(7)	*(8)

(1) Municipal Police
(2) Construction of schools - auxiliary staff recruitment
(3) Nurseries and kindergartens
(4) Repair and maintenance of schools (5) Permits
(6) By Presidential decree the competence for the management of the ports can be transferred to prefectural or municipal port funds
(7) License for enterprise function
(8) License for creation & function of certain enterprise

7. CO-OPERATION AND OTHER TYPES OF LINKING BETWEEN LOCAL/ REGIONAL LEVELS

7.1 Institutionalised co-operation between local authorities for the pertormance of tasks of common interest

— Associations of Municipalities and Communities

Two or more municipalities or communities may set up by decision of their own councils an association for a joint action in the following areas:
Execution and maintenance of public works, the purchase of machinery and equipment with a view to improving the supply of services and the formation of programmes and methods aiming at the development of á broader area.

— Development Associations

They may be established for development purposes by a joint ministerial decision upon a consent opinion of the prefectural council. They constitute a geographical unity fixed on geo-economic, social and transportation conditions of their area.

— Intermunicipal Co-operation Contracts

Intermunicipal co-operation contracts encourage co-operation between neighbouring first level local authorities in order to deal with problems related to the exercise of their responsibilities and to make interventions of a larger scale within a specific territorial unity.
With these contracts first level local authorities may confide the exercise of their responsibilities in each other. This could also concern just the support of the exercise of á specific responsibility. It simply means that in case á municipality or a community can not face alone specific technical, financial or other problems that emerge during the exercise of one or more of its responsibilities, it may confide the support of this exercise in á neighbouring municipality.
The confiding authorities may be municipalities or communities while the undertaking authorities must be only municipalities.

— Contracts between local government agencies and legal persons.

Municipalities, communities, associations, second level local authorities and public law legal persons of local government may conclude contracts with one another by which one agency confide its responsibilities in the other. The responsibility of imposition, assessment and collection of taxes, charges and contributions may be included in this agreement.

— Contracts within the framework of an action plan.

Local authorities, associations of municipalities and communities, local unions of municipalities and communities (TEDK), municipal enterprises of water supply and sewage (DEYA) as well as municipal and communal establishments may conclude contracts, within the framework of an action plan, with specific public agencies specified in the legislation. In this way they proceed jointly to the study and execution of works or development plans and to the rendering of services.
In these contracts there are specifically defined the work to be done by each of the contracting parties, their rights and obligations as well as the resources, the funds and the time chart of the scheduled works and programmes.

7.2 Local authority associations at regional and national level

In order to achieve co-operation, promotion and representation of local authorities at regional and national level the following private law legal persons have been created:

— Local Union of Municipalities and Communes (TEDK) in each prefecture with the compulsory participation, as members, of all the municipalities and communities as well as the associations of municipalities and communities of the prefecture. .
— Central Union of Municipalities and Communities of Greece (KEDKE), members of which are all the above local unions. It is supervised by the Minister of Interior, Public Administration and Decentralisation.
— The union that represents the second level local government of Greece (ENAE), members of which are all the second level local authorities with their legal representatives.

All these unions have responsibilities of a consultative character on matters pertaining to local authorities.

7.3 Co-operation between local authorities in different countries

According to Greek legislation local authorities are able to develop international cooperation with local authorities of other states in the case of twinning. This twinning between Greek and foreign local authorities is done by decision of the municipal or communal council on a consent opinion of the Ministry of Foreign Affairs.

The relations between twin local authorities concerning the organisation of activities, invitations of artists or scientists, etc. are governed by bilateral or international treaties signed between Greece and other states or international organisations on the basis of the principle of reciprocity. The consent of the Ministry of Foreign Affairs is also necessary for the appearance of the artists in a local authority, other than the one that had initially invited them. The budgets of the relevant local authorities are charged with the expenses disposed of by the municipal and community councils for the twinning, exchanges and invitations of cultural or artistic groups.

In addition, within the framework of implementation of European Union programmes and initiatives (e.g. NOW, ECOS-OUVERTURE, INTERREG, etc), there are several examples of promotion of the co-operation between Greek and foreign local authorities. In that case, local authorities participate jointly with local authorities of other countries as contracting parties in projects materialised by national authorities on the initiative of European Union.

First and second level local authorities as public law legal persons are not entitled to international transactions. According to the Greek Constitution only the State has the right to conclude international conventions. Within the framework of transfrontier activities, bilateral or even multilateral agreements may be concluded between Greek local authorities and local authorities of neighbouring countries, given that special authorisation is vested in them by the State in order to conclude such agreements. The conclusion of such agreements without authorisation is considered to take place within the framework of the private international law in force and does not bind the Hellenic State.

8. FINANCE

8.1 First level local authorities (municipalities and communities)

8.1.1 According to the municipal and communal code the revenues of the municipalities and communities comprise ordinary and extraordinary ones

Ordinary revenues derive from:

— State budget as provided in law;
— their own movable and immovable property;
— fees and charges ;
— taxes and rates;
— potential fees and rates.

Extraordinary revenues derive from:

— loans, donations, legacies and inheritances;
— auction of assets;
— any other source (i.e. any other revenue not included in the above categories)

8.1.2 Content of ordinary revenues

— Central government grants (central autonomous funds)

Every year the State awards some resources to local authorities. These resources are defined in law, are clearly fixed (20% of legal persons' income tax, 50% of traffic duties and 3% of property transfer duties) and are called Central Autonomous Funds.
One-third of the revenue derived from income tax is used to finance local authorities investments while the rest of the aforementioned revenues goes to recurrent expenses.
Up to now the principal criterion for the allocation of these resources has been that one based on population. As from 2000 the law specifies more than one criteria which take into account other factors as well, such as the extent of the water supply and drainage networks, the extent of the road network, the nature of local authority (plain, mountainous, insular), climatic conditions, etc.

— Revenues from immovable property

Revenues from immovable property come from their own property rents, concessions to third parties or self-usage It concerns different kinds of land exploitation such as urban or rural real estate, pasturage, exploitation of the ground, the underground, the shore, etc.
The fees charged by local authorities in return for a service rendered to citizens i.e. for road cleaning, are called compensatory (repaying) fees. The level of these fees is fixed by municipal or communal board decision. Such fees are imposed on: cleaning; drinking water consumption; irrigation; sewerage; the use of sites, public works and services. For every of the above compensatory (repaying) services there must be a balance between the revenues and the relevant expenditures.

— Revenues from fees, charges and taxes

There are also taxes for which there is no obligation for balancing the revenues and the expenditures of a service. In that case tax rates or tax levels are fixed by the State by law. Such taxes are imposed on: real estate; the use of pavements, squares and other public areas; advertising; vehicle parking; construction license; the use of natural hot springs (mineral water). Similar taxes are imposed on: vessels that are out of commission; income from the rooms to let; certain categories of stores, as a percentage of their gross income; private quarries; mines; cleaning of street

markets; embarkation of vehicles in ports for abroad; every new service or work realised by local authorities in their district.

Moreover, there are charges for: the use of municipal or communal market; the use of slaughter-houses; pasturage; cemeteries; trade of drinking water from local springs; meters and weights.

Taxes and rates are imposed also on: electricity consumption in commercial and industrial spaces; real estate transfer; beer, on the value of the beer sold inland; the execution of public works; value of immovable property in the areas where the city building plan extends; properties in densely populated areas.

Among all these taxes and rates only the tax on beer is levied by the State and allocated to local authorities. The rest are levied either by local authorities or by other public law legal entities (i.e. Public Enterprise of Electricity) on behalf of local authorities.

8.1.3 Content of extraordinary revenues

— loans

Municipalities and communities may have recourse to loans in order to finance and achieve their goals. These loans are contracted with the state, public law legal entities, any public organisation, recognised credit institutions or organisations in Greece or abroad. State guarantees are provided only for loans contracted with recognised foreign credit institutions or organisations.

— Revenues from other sources

- rents coming from of the state fish-ponds;
- fixed and proportionate rents from state quarries;
- fines for traffic code violations;
- fines for violations concerning open-air market;
- fines for pollution and noise disturbances;
- deposits for the issue of certain shops and enterprises licenses;
- fines due to violation of the above licenses terms;
- increments due to late payment of debts to local authorities.

8.2 Second level local authorities (prefectural self-administration)

8.2.1 According to law 2672/98, the revenues of second level local authorities are

a. Ordinary revenues, coming from:

— Taxes, fees, charges and rates;
— movable and immovable property exploitation;
— special annual grants from the state budget in order to cover the cost of the state responsibilities exercised by them;
— percentage of Central Autonomous Funds;
— credits of the Public Investment Budget and
— fees, charges and rates of a compensatory character (potentially).

b. Extraordinary revenues, coming from:

— Fees on the use of works financed by loans;
— loans, donations, legacies and inheritances;
— grants from public sector agencies;
— auction of assets;
— European Union or other international organisation funds;
— any other source

8.2.2 Content of revenues

— Revenues from fees, charges and rates

Second level local authorities on a decision of their council may impose fees, charges or rates for services or works contributing to the improvement of the quality of life, the provision of services to the citizens and the development of their district. These fees, charges and rates are of á compensatory nature.

— Immovable property revenues

Revenues from immovable property come from leasing or concessions to third parties or self-usage. It concerns leasing of various places the most common of which is the exploitation of the ground or the underground i.e. quarries mines etc.

— Grants (central autonomous funds)

The resources awarded each year by the state to local authorities are called Central Autonomous Funds. For the second level local authorities these grants are clearly fixed as follows: 15% of traffic duties; 10% of transfer taxes on buildings, ground and farms; 4,5% of the tax on the classification of private cars, vans and buses circulating for the first time in the country; 2% of the value added tax and 100% of the duties on the technical control over vehicles.
The criteria for allocating the Central Autonomous Funds to second level local authorities are fixed joint decision of the Minister of Finance and the Minister of the Interior, Public Administration and Decentralisation. Such criteria could be based on the population, the extent of the road network, the level of the social service, the possibility of drawing local resources, etc.

— State budget grants

Besides the Central Autonomous Funds, the State awards grants to second level local authorities so that they are able to accomplish certain state responsibilities assigned to them.

— Loans

Second level local authorities may contract a loan with the State, inland credit institutions and banks as well as with public law legal entities and any other organisation in order to achieve their goals. They may also issue bond loans on approval by the Capital Market Committee.

State guarantees for contracting loans are provided on a joint decision of the Ministers of Finance and the Minister of the Interior, Public Administration and Decentralisation.

8.3 Local authorities entrepreneurial activities

Municipalities, communities and second level local authorities may create their own enterprises or participate in the creation of enterprises together with other legal entities or take part in enterprises that already exist for:

— the execution of public works in order to better serve the public as well as the financial exploitation of these works;
— the production of goods or the provision of services;
— the development of activities that aim at the collection of revenues.

The forms that these enterprises could take are fixed by law and are as follows:

— homogeneous municipal, communal or prefectural enterprises;
— intermunicipal or intercommunal enterprise;
— municipal or communal enterprises of associative character;
— limited liability companies with associations and
— enterprises based on public participation.

8.4 Financial control over first and second level local authorities.

Every year, municipalities, communities and second level local authorities draw up their budgets, in which all the expected revenues as well as the estimated expenditures are recorded. In the basis of this budget the whole financial management and auditing are materialised.

The fiscal administration of first level local authorities is performed by the Public Financial Services and the Deposit and Loans Fund or by their own fiscal service, if they have one. As from 2000 all the municipalities that have more than 10.000 inhabitants are obliged to have their own fiscal service while the rest of them could optionally create one.

The fiscal administration of the second level local authorities is accomplished exclusively by their fiscal services.

The control over the budgets is exercised in relation to the regular procedure in which all the acts of local authorities of first and second level are examined.

The State Audit Council examines the financial statements and balance sheets in a repressive way. In particular, the Municipalities of Athens, Salonica, and Piraeus, are continually under preventive control by the State Audit Council.

The expenditures of second level local authorities concerning the state responsibilities assigned to them are subject to preventive control exercised by the responsible services of the Ministry of Finance (Services of Public Finance Control.).

Exceptionally, the Inspectors-Controllers Body for Public Administration or the Financial Crime Prosecution Body (SDOE) may supervise first and second level local authorities.

9. CONTROLS OVER AUTHORITIES

9.1 First level local authorities

According to the Constitution (art.102 par. 5) the State supervises the acts of local authorities. The Municipal and Communal Code provides only for legality control over the acts of the organs of municipalities and communities, whether they are collective or individual.

This supervision is exercised by the General Secretary of the Region. All the acts of municipal or communal councils are submitted to the General Secretary of Region within 10 days from the date of the session in which they were approved. If the General Secretary of Region considers them to be illegal he or she sends them within 15 days to a special Control Committee which resides at the central offices of each prefecture and is composed of a judge, a civil servant and á representative of local government.

Furthermore, any citizen or anyone who has legitimate interest has the right to appeal against any action of local authority, either of á collective or an individual organ, to the Control Committee. The Committee deals with the legality of the acts sent to it either by initiative of the General Secretary of Region or by appeal of citizens.

Against the decisions of the Control Committee it can be exercised an appeal to the responsible Minister within 30 days.

9.2 Second level local authorities

The actions of second level local government are subject to control as far as their legality is concerned. However there are some differences in the procedure depending on whether the organ in question is individual (i.e. prefect) or collective (i.e. prefectural council). All the actions of the prefectural councils are sent within 15 days to the General Secretary of Region, who relegates them to the Control Committee in case he or she considers them illegal.

The Control Committee who resides at the seat of each prefecture is composed of a judge, a prefectural councillor and a civil servant. Its task is the exercise of legality control over the actions of the prefectural collective organs.

Furthermore, any citizen who has legitimate interest may appeal to this Control Committee against any act of the prefectural organs, within 15 days from the publishing of the act. The Committee decides within 20 days. Any citizen may also appeal against the decisions of the Prefect within 30 days to the General Secretary of the Region who in turn tries the appeal within 60 days.

Against the decisions of the General Secretary of the Region or those of the Control Committee, it can be exercised appeal to the responsible Minister within 30 days in compliance with law 3200/55.

10. REMEDIES FOR INDIVIDUALS AGAINST DECISIONS OF LOCAL AUTHORITIES

Any citizen or anyone who suffers prejudice because of acts of local authorities and, thus, he or she has legitimate interest has the right to appeal to the aforementioned Control Committee against any action of á collective or individual organ (see par. 9.1 and 9.2). Apart from that, the suffered person may also seek recourse before the Supreme Administrative Court and ask for the suspension or the annulment of the particular action that has caused or might cause damage to him or her.

Moreover, the Citizens Ombudsman may investigate any citizen's complaints that a local authority has acted in a way, which has caused damages to the interested person.

Should it be necessary the Ombudsman makes relevant recommendations to the local authorities concerned and demands compliance with these recommendations.

Besides, the state organs who are responsible for the general control over different public sectors (i.e. public works, environment etc) may examined citizens complaints against local authorities actions according to specific rules and procedures provided in law for each particular case.

11. LOCAL ADMINISTRATIONS PERSONNEL

There are two main categories of personnel as far as their work status is concerned: the permanent one and that hired on private law contracts for undefined period of time. There are also provisions for hiring personnel for á certain period of time on a private law contract in order to cover unforeseeable and urgent or temporary needs.

Pay burdens local authorities budgets. Salaries for local government employees are generally fixed by law and correspond to those of Central Services civil servants. Likewise the terms and contitions of service are, to a great extent, the same for both categories of staff.

Local authorities make the recruitment of personnel. In particular, the permanent personnel is appointed by local authorities on the basis of á list issued by the Supreme Council for Public Personnel Selection (ASEP) which is responsible for the recruitment of all civil servants.

Personnel may be moved between local authorities or from state administration to local authorities under some terms and conditions.

The total staff of municipalities and communities is approximately 80.000 and that of second level local authorities is about 25.000.

12. REFORMS

The most important reform, named «Ioannis Kapodistrias», was made under law 2539/97 by which the 441 municipalities and the 5382 communities merged into 900 municipalities and 133 communities. In this way, the number of first level local authorities has been reduced from 5775 to 1033 and, thus, the administrative set-up of the country has been radically changed.

This reform has enhanced the structural and operational capacity of first level local authorities and made them more efficient in the exercise of their responsibilities and the undertaking of important development initiatives at local level.

It is worth mentioning that as a follow-up to this reform there is in progress the implementation of a Special Programme of Local Authorities (EPTA) for the period 1998 - 2002, which may be expanded until 2004. This programme aims at the development of the infrastructure, the organisation and operational modernisation of municipalities and the realisation of the necessary investments for local development.

There is also under way the decentralisation process. By the laws 2218/94, 2503/97 and 2647/96 a great number of state administrative competencies, functions and tasks as well as financial resources have been devolved to regions and local authorities. The operational modernisation of the Services of Regions and local authorities of both tiers is being supported by a special programme of administrative reform named «Klisthenis» based on the implementation of information technology throughout the administrative system of the country.