

# Methodology for regular expert assessment of local socio-economic measures in Ukraine<sup>1</sup>

Peter Goliaš, INEKO, Slovakia

November 2018

## ***Project***

The methodology was created within the initiative "**Promoting transparency and implementation of anti-corruption measures in state-owned enterprises and local governments in Ukraine**", implemented by Ukrainian think-tank the International Centre for Policy Studies (ICPS), in partnership with the Institute for Economic and Social Reforms in Slovakia (INEKO). The initiative is financially supported by the Official Development Assistance of the Slovak Republic (SlovakAid). It aims to improve the efficiency of the state administration, self-government and civil society in the area of creation and oversight of regional policies, administration of state-owned enterprises, and monitoring of budgets and information openness of local authorities.

## ***Objective***

Improving the quality of regional and/or municipal regulation and legislation through publishing a regular expert assessment of the socio-economic measures proposed or implemented by local governments in Ukraine

## ***Activities***

1. ICPS: Research on competencies of local governments and mapping the areas of regulations suitable for regular expert assessments in Ukraine (writing summary of at least 5 pages)
2. INEKO: Writing summary (at least 10 pages) on the best and the worst examples of regional measures evaluated in Slovakia
3. INEKO + ICPS: Developing methodology (at least 5 pages) for regular expert assessment of regional and/or municipal socio-economic measures in Ukraine
4. INEKO + ICPS: Creating the project webpage on <http://www.ineko.sk/> and [www.icps.com.ua/](http://www.icps.com.ua/)
5. ICPS: Creating the team of Experts for regular evaluation of measures (at least 15 experts independent from local and central government – local activists, NGO experts, economic analysts, people from academy, sociologists, political scientists, business people, etc.)

---

<sup>1</sup> The methodology proposed for Ukraine has been inspired by the Slovak projects HESO (<http://www.ineko.sk/static/heso/index.php>) and HESO-Regions ([http://www.ineko.sk/static/heso\\_regiony/index.php](http://www.ineko.sk/static/heso_regiony/index.php)) implemented by INEKO institute in 2000-2007.

6. ICPS + Experts: Continuous monitoring of measures proposed or implemented by local authorities
7. ICPS: Selecting key measures to be evaluated every quarter and writing short characteristics of them (at least 30 measures during 5 quarters: Q1 2019 – Q1 2020)
8. ICPS + Experts: Regular (quarterly) submitting of questionnaire with selected measures and their characteristics for evaluation to the panel of independent experts; evaluation
9. ICPS: Collecting and processing results of evaluation, calculating ratings
10. ICPS: Publishing results via press-report and the project web page

Altogether, at least 30 regulations will be evaluated by at least 15 Experts over January 2019 – March 2020. The evaluations will be made on quarterly basis with results to be published for 5 quarters in: March 2019, June 2019, September 2019, December 2019, and March 2020.

### Timeline

Activity/Month	2018			2019												2020			Responsible
	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	
1. Research on competencies of local governments and related regulations in Ukraine (5 pages)	x	x																	ICPS
2. Writing document describing the best and the worst practices from Slovakia (10 pages)	x	x																	INEKO
3. Developing methodology for regular expert assessment of local socio-economic measures in Ukraine (5 pages)	x	x																	INEKO + ICPS
4. Creating the project webpage on <a href="http://www.ineko.sk/">http://www.ineko.sk/</a> and <a href="http://www.icps.com.ua/">www.icps.com.ua/</a>		x	x																INEKO + ICPS
5. Creating the team of Experts for regular evaluation of measures (15 experts)	x	x	x																ICPS
6. Collecting information about adopted or proposed regulations of local governments during given quarter			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	ICPS + Experts
7. Writing short characteristics of measures to be evaluated (30 measures)					x	x		x	x		x	x		x	x		x	x	ICPS
8. Submitting selected measures to the Experts for evaluation						x			x			x			x			x	ICPS + Experts
9. Processing results, calculating ratings						x			x			x			x			x	ICPS
10. Publishing results						x			x			x			x			x	ICPS

## ***Background***

The project takes inspiration from the Slovak project HESO-Regions run in 2002-2007 by non-governmental non-profit organization INEKO (Institute for Economic and Social Reforms) based in Bratislava. The project HESO-Regions (Evaluation of Economic and Social Measures in Regions) created a platform where respected economic analysts, lawyers, sociologists, political scientists, economic journalists, representatives from the business community as well as from academic institutions, and think tanks regularly expressed their opinions on selected economic and social measures proposed or implemented by local authorities (cities and regions) in Slovakia. In this way they informed the wider public about their opinions on the quality and importance of given measures. Thus, the citizens had a possibility to obtain a reliable overview of economic and social measures proposed and implemented in Slovakia on regional level and of the evaluation by renowned professionals without the necessity of becoming acquainted with too many details.

The HESO-Regions project was a replication of the HESO project evaluating the economic and social measures proposed or adopted on a national level. The ambition and the main objective of the HESO Project was not to monitor the development in individual areas of the society completely and in-details nor to provide professional starting points for the action of competent bodies but to regularly provide citizens with the opinion of the expert public on frequently discussed, important, innovative or unprecedented economic and social measures affecting the quality of life of citizens and to create better preconditions for the political acceptance of structural measures – reforms – bringing systemic changes into the Slovak economy and society.

**Besides informing the public about quality and importance of evaluated measures, the HESO-Regions project served also as means of highlighting and sharing the best practices among local authorities. Thus it was aimed to inspire representatives of local governments to implement the best measures and to avoid implementing measures with low rating.**

## ***Methodology***

### **Selecting Measures to Evaluate**

Evaluated economic and social measures include, among others, measures (regulations, resolutions, privatization decisions, strategy documents, policy concepts, etc.) proposed or passed by the Municipal (villages, communes, cities and municipalities) or Regional (“Oblast”) Parliament as well as by the Chief Representatives of Local Governments (mayors, etc.). The focus should be put on reform measures rather than on capital investments. The measures can be identified based on:

- (1) media monitoring,
- (2) advice from local activists and experts, or based on
- (3) direct addressing local governments (e.g. by an official letter) and offering them the possibility to submit their measure for the evaluation.

The most desired option would be to spark competition among municipalities and regions to submit measures regularly and win the quarterly evaluations. It is important that any local government

authority has the possibility to win the ranking in particular quarter if they have a good measure. Therefore, there should not be any filters based on the size of the authority or any other criteria.

ICPS makes final selection about which measure will be evaluated. Emphasis is laid on measures widely discussed in the public as well as on measures, which are, according to ICPS, rare, innovative and/or important for the economic and social development of the country. It is recommended to select measures that bring the highest value added (and can become inspiring for others) or, on the other hand, can cause the highest damage (and we want to warn against their spreading). Evaluated measures are not meant to provide a comprehensive and detailed overview and monitoring of the development in individual areas of the society.

### **Writing Characteristics of Measures**

Characteristics (description) of the evaluated measures are prepared by ICPS. For this purpose ICPS uses information from original materials, documents as well as from media sources. Every quarter starting from Q1 2019, ICPS selects at least 6 measures to be evaluated and writes short (1-2 paragraphs) characteristics of those measures.

### **Evaluation Experts' Committee**

By December 2018, ICPS creates the evaluation Experts' Committee consisting of at least 15 members for each evaluation period. The experts are reputable local activists, economic analysts, lawyers, political scientist, sociologists, economic journalists, representatives from business community as well as from academic institutions, and think tanks. They represent leading or senior management positions in their organizations. The experts do not work in civil service, local government administration, and do not represent any political party. All of the experts attend the project for a minor financial reward. The opinions presented in the project represent solely those of the experts and do not necessarily reflect the views of their employers or any organizations of which they are members, not the views of the ICPS.

### **Evaluation Criteria**

Experts evaluate all selected measures in two categories: quality (i.e. experts' acceptance) of the measure and importance/significance of the measure for the society and economy at local level. These categories do not affect each other; i.e. the quality does not relate to the significance and vice versa. In other words, there can be low or high quality of both highly or lowly significant measures.

### **Quality of the Measure [-3; +3]**

Experts evaluate the effect of a given measure and give it a grade (*see the range below*). Often, there is a crucial difference between the real effects of a measure and the effects proclaimed by its author or administrator. Therefore, no matter what the measure presents to solve or improve, experts evaluate the impact and the effects they think the measure will bring to life.

Range:

- 3 expert's absolute disapproval of the measure
- 2 expert's moderate disapproval of the measure
- 1 expert's minor disapproval of the measure
- 0 status quo, no change, no effect of the measure

- +1 expert's minor approval of the measure
- +2 expert's moderate approval of the measure
- +3 expert's absolute approval of the measure

**Importance of the Measure for the Society and Economy (%)**

Experts express opinion how essential and necessary a given measure is for the society and economy, for the economic and social development at local level. This category highlights the importance of reforming a given feature of a system in the city or region. The higher the score, the more important the measure is.

**Example of the evaluation of quality and significance of measures:**

Quality	Significance	
	Low (e.g. 0 %)	High (e.g. 100 %)
Low (e.g. -3)	Hiding one small contract from publicly available sources	Hiding all contracts and invoices from publicly available sources
High (e.g. +3)	Publishing one small contract on internet	Publishing of all contracts and invoices on internet in user friendly and searchable way

**Experts' Comments on Evaluated Measures**

Experts are invited to mention the pros and cons of the measures they evaluate. Their comments on evaluated measures represent a part of the quality evaluation of the Experts' Committee.

**Ratings**

**Rating of the Measure [-300; +300]**

To get the Rating of the measure, the average quality grade of the measure is multiplied by a coefficient expressing the average value of the measure's importance/significance for the local society and economy. Thus, the rating values of the evaluated measures come in range [-300; +300]. According to these rating values all measures are ranked in a chart. The Rating of the measure indicates the contribution of an evaluated measure to the economic and social development of the city or region.

**Example of the evaluation questionnaire**

Evaluation period	1Q 2019			
Deadline for submitting survey	March 15 <sup>th</sup> 2019			
Expert name and organization	XY			
	Quality [-3; +3]	Importance (%)	Rating (calculated automatically)	Comment
Measure 1 (plus short description)				
Measure 2 (plus short description)				

Measure 3 (plus short description)				
...				

### Example of calculating the ratings

	Quality [-3; +3]	Importance (%)	Rating [-300; +300]
Measure 1	3	70%	210
Measure 2	0	50%	0
Measure 3	-2	40%	-80
...			

### Examples of the best Slovak practices

- Electronic auctions
- Publishing subsidies/contracts on internet (searchable)
- Creating and publishing rules for giving subsidies, social flats or any handling with public assets
- Open/Internet communication with citizens
- Introducing and enforcing separated waste
- Integration of Roma minority or poor people
- Providing free internet access in public spaces
- Participative budgeting, launching business incubators
- Long-term investment plans, etc.

### Examples of the worst Slovak practices

- Non-transparent public procurement, privatization
- Non-transparent provision of subsidies, public flats, rewards, etc.
- Abusing public media for political campaigns
- Important decisions (e.g. construction in the city center) without sufficient public dialogue
- Clientelism – preferential treatment of preferred suppliers
- Limitations to freedom on information
- Forced movement of problematic citizens (debtors) outside the municipality