

SUMMARY

of Local and Regional Development Policies

in Ukraine

Implementation period:

April 2019 - June 2019

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ABOUT THE PROJECT

The current summary was developed within the project "Promoting transparency and implementation of anti-corruption measures in state-owned enterprises and local governments in Ukraine". The initiative is being implemented by the International Centre for Policy Studies (ICPS) in partnership with the Institute for Economic and Social Reforms in Slovakia (INEKO) and is financially supported by the Official Development Assistance of the Slovak Republic (SlovakAid). The project 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 in Ukraine.

The publication represents the second edition of the series of assessment of policies at the local and regional level, implemented in April 2019 - June 2019¹. Altogether, more than 20 regulations will be gathered and ranked on a quarterly basis by the end of the project.

The main objective of the initiative is to improve 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. The purpose of the evaluation is to describe practices that can be transferred to other localities as well.

The policies included in the current summary were identified and analyzed with the support of Evaluation Council experts that were selected by the International Centre for Policy Studies on the basis of their experience. 12 experts with sufficient experience were asked to assess the chosen local measures and policies, adopted by local and regional authorities.

As a result, eight local and regional measures are described in this publication, two of which are addressing the infrastructural issues, two are social projects, two are contest projects together with the measures for the beautification of the area and improving the branding of the city. Three of them are innovative and may have positive significant impact on the economic and social development of Ukraine.

We hope that these practices can promote good ideas and inspire their implementation throughout Ukraine.

¹ The first publication can be found by the link:
http://icps.com.ua/assets/uploads/images/images/eu/local_measures_ukraine_march_2019_.pdf

SUMMARY

The most positive attitude of experts was to projects related to the development of the transport infrastructure of cities. Thus, the project "Acceptance of purchase of new trolleybuses for the money of the EBRD" (Poltava) received the highest score (1st place), because it involves the allocation of money from the European Bank, which already indicates about its relevance and validity. In addition, these credit resources are beneficial for the borrower (in terms of timing and value), which also resulted in the absence of significant remarks from experts.

The project on the development and approval of the "Sustainable mobility plan of the city" (Zhytomyr), which is aimed at introducing the European experience in the rational organization of transport connection and traffic management in a large city, is in the second place by the importance and expert's support. This measure for planning the development of the transport network in the modern city was noted by experts as a project with a prospect for the future and with a significant potential for implementation in the form of public-private partnership.

Among the two social projects (third and fifth place), the "Contest of Social Projects of Civil Society Institutions" (Odessa), which contains 11 areas / nominations covering the important social problems, received the highest score. Experts have positively evaluated the way of distributing the funds, namely, holding a competition among the NGOs with a subsequent public presentation. In their opinion, this leads to more thorough project development and transparency of funding.

Among the measures with the lowest experts' evaluation were the project of approval of the city logo (Ivano-Frankivsk city), which has no significant impact on the socio-economic living standards of the population of the city, and the project for the reconstruction of the park (Kropyvnytskyi city), the cost of which is significant for the city budget on the background of careless execution of works and a large number of unresolved acute social problems.

Members of the Evaluation Council:

- 1. Bereza Alyona** - Head of the NGO "ZhAR".
- 2. Blinov Oleh** - Analyst of the NGO "Center for Public Monitoring and Research".
- 3. Katolyk Iaroslav** - Regional coordinator of the projects, assistant to the people's deputy of Ukraine.
- 4. Kuzko Yuriy** - Regional coach of the Odessa region of the International Development Law Organization (ILDO) and State Enterprise "ProZorro".
- 5. Markevych Kateryna** - Expert of Economic Programs of the Ukrainian Centre for Economic and Political Studies named after O. Razumkov.
- 6. Pototsky Sergii** - Co-founder of anti-corruption NGO "The Center of Monitoring of State".
- 7. Piontkovsky Kostyantyn** - Head of the NGO "The Center of Monitoring of State".
- 8. Rozlutska Anastasiya** - Chief Editor of Mind lab magazine.
- 9. Simka Myroslav** - NGO "Center for public monitoring and research" - Chairman of the board.
- 10. Sinchenko Dmytro** - Head of the NGO "Association of Political Sciences".
- 11. Solovyova Zhanna** - Head of the Regional HUB of CSO's development (UNDP program), expert of a regional development, U-LEAD with Europe Program.
- 12. Subochev Alexei** - Associate Professor of the International Finance Department, Kyiv National Economic University.
- 13. Ziuzin Vitalii** - Project Manager in Operative Sociology LLC, Head of NGO "Local Strategies".

METHODOLOGY

Selected Measures for Evaluation

The measures were identified based on:

- media monitoring.
- advice from local activists and experts.
- direct addressing to local governments.

ICPS made final selection about which measures to evaluate. Emphasis was 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.

Evaluation Criteria

Experts evaluated 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.

Quality of the Measure [-3; +3]

Experts evaluated the effect of a given measure and gave it a grade. 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 expressed opinion how essential and necessary a given measure was 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.

Rating of the Measure

To get the Rating of the measure, the average quality grade of the measure was multiplied by a coefficient expressing the average value of the measure's importance/significance for the local society and economy. Thus, the rating valued 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.

RANKING OF BEST AND WORST MEASURES

Case	Quality [-3; +3]	Relevance [0%; 100%]	Final score [-300; 300]	Ranks
Acceptance of purchase of new trolleybuses for the money of the EBRD (Poltava)	+2,25	71,25	160,3	I
Approval of "Sustainable mobility plan of the city" (Zhytomyr)	+2,2	72	158,4	II
Contest of Social Projects of Civil Society Institutions (Odessa)	+2	67	134	III
Business projects contest for start-up entrepreneurs (Transcarpathian region)	+1	49	49	IV
Combining efforts of the city authorities and the police to prevent and counteracting ill-treatment with children (Dnipro)	+0,7	36,2	27,2	V
Approval of the decree "On the inadmissibility of trading alcoholic, low alcohol drinks and beer in temporary buildings" (Lviv)	+0,4	30	12	VI
The city council approved the logo of the city (Ivano-Frankivsk)	+0,2	24	4,8	VII
Reconstruction of the "Peremohy" Park (Kropyvnytskyi)	-2,2	28,7	-64,7	VIII

I. Acceptance of purchase of new trolleybuses for the money of the EBRD in Poltava city

Features of the measure:

On April 25, the deputies of the Poltava City Council adopted a decision to upgrade the trolleybus park on terms of co-financing of the local budget and the European Bank for Reconstruction and Development. The total amount of the program "Upgrade of Poltava Trolleybus Park" is 10 million euros (credit funds). In addition, 500 thousand euros will be financed from the city budget of Poltava. The loan of the European Bank is going to be granted for 13 years (including 3 years of grace period). In addition to buying trolleybuses, they also purchase equipment for their maintenance.

As a result, after receiving the corresponding loan and announcing the tender procedure, in August the city authorities are planning to sign an agreement on the supply of 40 new city trolleybuses.

At the same time, according to calculations presented by the first deputy of the Poltava city mayor Andriy Lyamin, the project will save up to 340 thousand euros a year (about 10 277 000 USD). These funds will be released due to a reduction in the number of rolling stock repairs and energy savings. Also, this project will improve transport mobility in the city and reduce CO2 emissions.

It is noted that Ukrainian producers will be given priority in conducting the tender.

Remarks:

Experts note that this measure is important due to public transport in most cities of Ukraine is in extremely poor condition, and cities do not have the opportunity to upgrade it qualitatively without the credit resources. The loans of the EBRD are the infrastructural and cheap, therefore beneficial for local budgets. In turn, the upgrade of rolling stock will be positive on the number of repairs and will improve the mobility of transport in Poltava city.

At the same time, it is unknown whether the authorities will be able to ensure the return on the project, given that over the past three years, operating costs were higher or almost equal to the revenues. In addition, there is a need to monitor the procurement itself due to there are possible various corruption occurrences.

Scores: Quality [+2,25] Relevance [71,25%]

II. Approval of "Sustainable mobility plan of Zhytomyr city"

Features of the measure:

On June 20, during the session of the city council, deputies approved the Plan of sustainable mobility of the city of Zhytomyr. This document should serve as a tool for strategic planning of the development of the transport system and formation of a city transport policy. Similar plans are currently distributed among 40% of the cities in Europe.

The main focus will be on 6 main priorities:

- strengthening the role of public transport;
- traffic safety;
- stimulation of walking;
- cycling;
- arrangement of parking space;
- external connectivity of the city.

According to the city mayor Dmytro Tkachuk, among the key measures of the Plan of sustainable mobility of the city of Zhytomyr is the creation of integrated system for managing the public transport network and single dispatch system, reorganizing the route network, creating separate lanes for public transport, improving road and pedestrian infrastructure, etc.

Approximate costs for the implementation of the first stage (2019-2023): 400-450 million UAH.

Remarks:

The adoption of European experience in planning the development of the transport system and the formation of a city transport policy is an important step.

On the other hand, a significant gap can be created between the plan and its actual implementation. In addition, the project will require significant financial support: a significant amount of money has been claimed for its realization. Probably, in case of public-private partnership, this project can become not only socially useful, but also cost-effective. Therefore, it is necessary to understand the general purpose of such measures. Otherwise, they will simply be reduced to "spot" repairs of roads or usual updating of transport on individual routes.

Scores: Quality [+2,2] Relevance [72%]

III. Contest of Social Projects of Civil Society Institutions in Odessa²

Features of the measure:

On April 15, the city contest of projects of civil society institutions was declared by the Department of Labor and Social Policy of the Odesa City Council. It provided 11 nominations / directions:

- social protection of persons with disabilities and their social and psychological rehabilitation;
- the fight against homelessness, child homelessness;
- prevention of AIDS, HIV infection and drug addiction in Odesa;
- promotion of employment and active longevity of elderly people;
- preservation of family traditions;
- social service of seriously ill, including at home and in stationary institutions;
- socio-psychological rehabilitation and adaptation of temporarily displaced persons, participants of the Anti-terrorist operation and members of their families;
- promoting development of self-organization of the population in Odesa;
- solving social problems of youth;
- creation of conditions for preservation of national identity and ethnic identity of national-cultural societies (associations) of Odesa;
- solving ecological problems of the social direction.

Charitable organizations and officially registered bodies of self-organization of the population, acting not less than a year and having no tax arrears and deductions to state trust funds, could participate in the contest. One organization could submit to three projects, however, all announced winners won only one project.

For realization of projects in the specified directions the city council has allocated 1 million 90 thousand hryvnias (almost 100 thousand for each direction). Budget funds are no more than 60% of the project estimate - the rest of the required amount of money organization-winner must find themselves (as a rule, its own contribution of the organization: premises, volunteers, etc.).

As a result, the competition commission received 42 projects. It is noteworthy that the contestants had to publicly present their project, which was never done in Odesa. This allowed, on the one hand, the inhabitants of the city to learn about the purpose and importance of the projects, and on the other - gave the opportunity to the commission to assess the level of understanding of the particularities of the contestants in the implementation of each stage of their project. And as

² Investigated by: Katolyk Iaroslav - Regional coordinator of the projects, assistant to the people's deputy of Ukraine.

practice has shown, this stage is definitely not unnecessary, since, according to local media, representatives of many initiatives have not been able to clearly define the purpose of their project, and some projects, and at all reduced to the printing of information brochures and flyers.

At the same time, very interesting and thought-out projects were presented at the contest. In particular, there were the project of animation studio for children and adults with disabilities, hostel for pensioners, training of children for the proper sorting of garbage, training of the elderly people for use of gadgets and much more.

The competition committee evaluated each project by the ball system, formed the rating of the best projects and on June 7 announced the winners. The first, second and third places were determined in each nomination. The organizations whose projects took first place received an average of 50 to 70 thousand hryvnias. The second place - 25-40 thousand hryvnias and the third place - 10-20 thousand hryvnias.

Remarks:

Experts note that the project is quite important, since it attracts active cities to address social problems, and this provides a non-standard approach that is lacking for officials. And this, indeed, can help at least partially reduce the severity of those problems that the state and local authorities do not solve. Civil society organizations, that are engaged in the process of helping the vulnerable groups of the population, understand the issues better than the officials of the city council, and they are clearly better motivated and have free hands. This allows to use the budget funds more efficiently and even to assist those categories that are not covered by the approved city programs. In addition, in contrast to other similar local events, in this case, there were no serious scandals or significant remarks during organization and competition itself.

At the same time, it is necessary to realize that this is only a competition, and therefore the quality of the projects submitted to it and, in fact, the effect of the implementation of the winning projects will depend first and foremost on the participation of the non-governmental organizations themselves. Public presentation and protection of projects by its authors helps to identify shortcomings, but does not guarantee their absence. At the same time, some experts are more inclined to introduce a "social order" regarding such important topics due to competitions can be won by the public organizations that are close to the city council.

Scores: Quality [+2] Relevance [67%]

IV. Business projects contest for start-up entrepreneurs in the Transcarpathian region³

Features of the measure:

Newly created and small businesses in Ukraine face great difficulties in their activities. Their main problem is the lack of resource base, both material and technical, and financial. World experience proves that one of the most successful ways of developing and supporting entrepreneurship is incubation of business, or providing support to a business entity that begins its own business. Such support greatly helps start-up entrepreneurs to acquire the necessary professionalism in the chosen sphere of activity, allows attracting additional funds for starting a new entrepreneurial activity, creating new directions or expanding already existing types of activities.

In turn, in early June, the Department for Economic Development and Trade of the Transcarpathian Regional State Administration together with the Transcarpathian Regional Development and Transboundary Cooperation Agency of the Transcarpathian Regional Council announced for the first time a competition for business start-ups for entrepreneurs in the framework of the implementation of the Programs for improving the competitiveness of the Transcarpathian region for 2019-2020 (<https://carpathia.gov.ua/novyna/pidpryyemciv-zakarpattya-zaproshuyut-vzyaty-uchast-u-konkursi-startapiv-video>). The competition may involve start-up entrepreneurs (startups), as well as citizens of Ukraine aged 18 or over who are registered in the Transcarpathian region and / or who intend to start and pursue business activities and pay taxes in the Transcarpathian region.

The maximum amount of financial assistance is up to 30 000 UAH.

The stakeholders of innovation are active entrepreneurs, as well as citizens who only plan to start business.

Remarks:

The experts noted that the state's support of entrepreneurs at the initial stage of their activities is extremely important. After all, the creation of a new business not only positively affects the economy of region and country as a whole, but also stimulates the development of scientific and technological progress and promotes accelerating introduction of the latest advances in science and technology in production. Therefore, such business projects contests

³ Investigated by: Kuzko Yuriy - Regional coach of the Odessa region of the International Development Law Organization (ILDO) and State Enterprise "ProZorro".

from the side of the state could only be supported - each hryvnia for a new business idea may be transformed in hundreds and thousands of hryvnias in budget in the future.

However, it should be noted that the amount of financial assistance is not significant to launch truly innovative and revolutionary projects. It may be necessary to involve a wider circle of investors / lenders in these projects. In addition, effective support for start-up entrepreneurs envisages a serious analysis of the situation on this market and the prevention of access to budget funds of "enterprises" that may be related to the city's management. In this case, there were no such fuses.

Scores: Quality [+1] Relevance [49%]

V. Combining efforts of the city authorities and the police to prevent and counteracting ill-treatment with children in Dnipro city

Features of the measure:

At the end of June, Dnipro City Council and General Directorate of the National Police in Dnipropetrovsk region signed a memorandum of cooperation. According to the goal, a child who is in difficult circumstances will be provided with a comprehensive service.

Accordingly, the main areas of interaction between Dnipro City Council and the General Directorate of the National Police in Dnipropetrovsk region will be the implementation of a procedure for the prevention, termination and comprehensive response to ill-treatment of a child, the provision of comprehensive services to a child in difficult living conditions, in particular the child participant criminal proceedings, as well as the opening and maintenance of a child-friendly crisis room in Dnipro city (<https://dniprorada.gov.ua/uk/articles/item/32935/u-dnipri-miska-vlada-ta-policiya-obednali-zusillya-zadlya-poperedzhennya-ta-protidii-zhorstokomu-povodzhennyu-z-ditmi->).

Remarks:

Addressing the challenges that children and youth face should be a key point among the state's priorities. Therefore, the above step should be one of many in the direction of caring for the younger generation.

However, the memorandum does not guarantee adequate funding and implementation of the proposed measures and risks remaining only on paper. At the same time, it is not determined how the mentioned measures will be carried out, who will be responsible for the achievement of results, there are no criteria for assessing the effectiveness of the measures, the sources of funding are not written out. In addition, it is necessary to deal with the causes, but not only with the consequences.

Scores: Quality [+0,7] Relevance [36,2%]

VI. Approval of the decree "On the inadmissibility of trading alcoholic, low alcohol drinks and beer in temporary buildings" in Lviv city

Features of the measure:

At the plenary session of the Lviv City Council in early April, a decree "On the inadmissibility of trading alcoholic, low alcohol drinks and beer in temporary buildings" was adopted. This decision should help to eliminate the violations of public order at night and reduce the number of crimes due to alcohol intoxication.

Accordingly, the sale of alcohol, low-alcohol drinks and beer should stop 236 temporary structures in the city of Lviv. If they continue to sell such drinks, they will be removed from the integrated scheme for the placement of temporary structures and passports issued to them will be abolished. Also, contracts for the lease of certain structural elements for improvement will be terminated.

In the absence of appropriate changes in the activities of business entities within three months, measures to dismantle temporary structures will be taken.

In turn, the deputy Myroslav Danylkov notes the following: "I understand that this is possible, there will be certain restrictions for entrepreneurs. But the health of the nation and society is more important. Let them sell other things, let them expand the assortment. I think that it is possible to do without alcohol".

Remarks:

In the case of appropriate monitoring, such measures can really help reduce the number of crimes due to alcohol intoxication and establish a certain degree of public order.

However, it remains unclear how to maintain constant supervision of such facilities and avoid the emergence of new uncontrolled points. At the same time, it is necessary to fight with the underground sale of alcohol, which can "flourish" after such restrictions. It should also be noted that taxes on the sale of alcohol (unfortunately) remain one of the main "fillers" of the budget. At the same time, experts point out that in reality, it is difficult to assess this measure, because it is an extremely complex subject. As a rule, any prohibitions are introduced under a rather pretty-sounding context, such as child protection, public safety care, and so on. However, while digging deeper, it may turn out that behind it there are the less attractive things, such as the attempts of the authorities to get bribes from the owners of trade tents for "not creating the problems", and of law enforcement agencies to bring illegal producers of alcohol products under their "cover" and to provide them with competition-free environment.

Scores: Quality [+0,4] Relevance [30%]

VII. The city council approved the logo of Ivano-Frankivsk city

Features of the measure:

At the end of April, Ivano-Frankivsk city council approved the city logo with recommendations for using it to entrepreneurs and producers of tourism products as a city brand. The emblem of the city will be red and black and will symbolize the view from the city Hall. There will be written a slogan on the logo "Ivano-Frankivsk is a city for life." 100 thousand hryvnias was spent on development of the brand.

Additionally, it should be noted that before this logo was tried to be adopted in February 2019, but the attempt was unsuccessful. It is noted that this brand is uncomfortable and unreadable; it needs to be refined. In addition, some deputies say that this issue should be postponed until the next session.

The decision at the end of April was a definite compromise between deputies. They hope that later the city logo could be corrected.

Remarks:

Experts note that the city's emblem can add to the city's recognition and, theoretically, improve, at least, its tourist attractiveness.

On the other hand, the situation with the adjustment of the logo after its approval will require additional funding and involvement of wider stakeholders who will apply the first version of the logo at that time. In addition, some experts do not support the approach that was chosen in Ivano-Frankivsk: there should have been a contest, voting of residents, and, after that, approval by the council. In addition, 100 000 UAH for the slogan "Ivano-Frankivsk is a city for life" is doubtful expenditure. There are many designers and design studios who could do similar things for free due to their PR goals.

Scores: Quality [+0,2] Relevance [24%]

VIII. Reconstruction of the "Peremohy" Park in Kropyvnytskyi city⁴

Features of the measure:

From April 1 to June 15, the communal enterprise "Yelizaveta" conducted a trimming of trees in the "Peremohy" Park. The customer was the Main Directorate of Housing and Communal Services of the City Council of Kropyvnytskyi. According to the tender documentation, such works will cost the city at UAH 38,716,582.

At the same time, it should be noted that the employees of the communal enterprise "Yelizaveta" actually destroyed a huge number of trees in the "Peremohy" Park, cropping them almost to the pillar (https://cbn.com.ua/wp-content/uploads/2019/04/58375703_10210800474446955_3300755170966634496_n.jpg). In addition, the work was carried out in the period when nesting of different species of birds began.

Remarks:

On the one hand, tree trimming improves their aesthetic appearance and reduces the risk of falling old branches or breaking the tree. This is positively reflected in the tourist attractiveness of the city.

On the other hand, in this case, it is clear that as a result of such a cut, the city receives deterioration of the ecological situation and the tourist attractiveness of the city. This measure is a simple attempt to improve the city's infrastructure along with the usual problems during its implementation: low-quality project, careless execution of works and so on. Meanwhile, the firm gains profits not only from contracts, but also from the processing of destroyed green plantings and bribes from owners of advertising space and signboards on buildings that interfere with the trees, which aggravate the visibility of advertising. Due to such uncontrolled activities of the city leadership and contractors, Kropyvnytskyi city may lose another sight of local garden art. In addition, there is a large number of actual social problems in Kropivnitskyi: nearly 39 million UAH could be directed for their solution.

Scores: Quality [-2,2] Relevance [28,7%]

⁴ Investigated by: Sinchenko Dmytro - Head of the NGO "Association of Political Sciences".