

SUMMARY

of Local and Regional Development Policies

in Ukraine

Implementation period:
December 2018 - March 2019

Prepared by:
Yehor Kyian, Ihor Petrenko

March 2019

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 first edition of the series of assessment of policies at the local and regional level, implemented in December 2018 - March 2019. The future evaluations will be made on the quarterly basis. Altogether, more than 20 regulations will be gathered and ranked 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. 13 experts with sufficient experience were asked to assess the chosen local measures and policies, adopted by local and regional authorities.

As a result, six local and regional measures are described in this publication. 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.

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
Adoption of a New Edition of the Statute on Territorial Community (Kropyvnytskyi)	+2,9	65,0	185,7	I
Creation of the Online Map on the Realized Purchases for Schools and Households (Uzhgorod)	+2,1	48,6	104,1	II
Project "Teacher+" (Odessa)	+1,9	54,3	100,8	III
Adopting the Complex Target Program of Environmental Welfare for 2019-2021 (Kyiv)	+0,7	25,7	18,4	IV
Transferring the Functions of the Local Road Service for Repairing the Local Roads (Khmelnyskyi)	0,0	19,2	0,0	V
Reconstruction of the Perinatal Centre (Chernivtsi)	-0,9	61,4	-52,7	VI

I. Adoption of a New Edition of the Statute on Territorial Community of Kropyvnytskyi¹

Features of the measure:

The old statute didn't meet the obligations of the new legislation nor the basic expectations of common sense. It completely blocked the ability of the community to influence those in power through public hearings, general citizens' meetings or public initiatives. The charter did not reflect the changes in the legislation on local self-government, like the possibility of using electronic petitions, access to public information, etc.

The statute was developed on the initiative of public activists, such as the NGO "Association of Political Sciences" and the Coalition "Council of Experts". The advocacy campaign lasted about three years. As a result, the city received a new instrument of public participation in city management. The adoption of this document was a victory for everyone, especially the members of public organizations and the community-active voters, who received additional methods to get in touch with the city administration to solve communal issues.

The leading local media reported on the voting results for this document. As of today, the statute is approved by the justice bodies.

Remarks:

Experts have noted that this decision was revolutionary, but not many people in Kropyvnytsky were aware of the significance of this event. The adoption of this democratic version of the charter will allow the residents of Kropyvnytsky to get rid of the deputy's monopoly on representing voters' interests. Now, in order for the city council to consider a draft decision, it is not necessary to go through the mayor or through deputies - you can simply submit such a document on your own.

However, as a drawback, experts add that adoption does not always mean execution.

Scores: Quality [+2.9] Relevance [65.0%]

¹ Investigated by: Sinchenko Dmytro - Head of the NGO "Association of Political Sciences".

II. Creation of the Online Map on the Realised Purchases for Schools and Households in Uzhgorod²

Features of the measure:

In Ukraine, every year a significant amount of local and state budgets is spent on education: school and garden repairs, school furniture, computer equipment, class equipment, etc. On the other hand, parents are also used to constantly paying extra bills to maintain the school and that money goes to those same repairs, household goods, and security. Since it's quite difficult to find all the necessary information within the approved budgets of local self-government bodies, the DOZORRO web portal, together with the Uzhgorod City Council, has prepared an online procurement map on schools and kindergartens. It will help parents understand what is being bought for schools and kindergartens through public funds, and whether or not there's a need for additional (parental) financing for the school's needs.

On the official site of the Uzhgorod City Council, it is now possible to review everything that is being purchased by the City Council with the state budget and what expenses are being made by the Uzhgorod local budget for the schools and kindergartens in the city. Thus, a simple and convenient tool for public control over the use of budget funds on the education of Uzhgorod was created.

This can be checked through the link <https://rada-uzhgorod.gov.ua/zakupivli-shkil-i-sadkiv-uzhgoroda-na-mapi-portalu-dozorro/> or by going to the main page of the site (left column) under the heading "Purchasing schools and gardens. Map of the portal DOZORRO". On the map you need to pick a school or kindergarten and there you can find out exactly what was bought and for what amount. There's a link to the contract, which one can review.

The stakeholders are primarily the parents whose children are studying in schools and kindergartens in Uzhgorod.

Remarks:

If the indicated work on the online map isn't performed, or is poorly performed, it's possible for the citizens to leave feedback on the DOZORRO portal. This will necessitate a response from representatives of the community or from public organisations which are

² Investigated by: Kuzko Yuriy - Regional coach of the Odessa region of the International Development Law Organization (ILDO) and State Enterprise "ProZorro".

reviewing the accomplished work and prepare appeals to supervisory authorities in case of necessity.

However, experts admit that the map may not reflect all information on the budget funding of these institutions, and, accordingly, its usefulness for parents is not too large. In particular, if an educational institution asks parents for money to repair the class, the map will not help to determine whether the budget funds has been already transferred to the institution.

Scores: Quality [+2.1] Relevance [48.6%]

III. Project “Teacher+” by the Odessa Regional State Administration³

Features of the measure:

In December 2018, the project “Teacher+” was introduced in the seven districts of the Odessa region. The best teachers of the region will conduct lessons for students from the most remote schools in the region (based on the Richelieu Lyceum in Odesa).

On December 20, the first lessons on the theme "Thermal phenomena" were broadcasted. This ensured acquaintance with students from seven schools from different regions of the region. In doing so, the students were able to answer their teacher's questions and ask their own.

The head of Odessa regional state administration Maxim Stepanov stated during the presentation of the project that all details of the program will be worked out in 2019. During the academic year, about 60 educational institutions which suffer the greatest personnel shortage in the region will join the “Teacher+” project, and later on it will be usable by any other school. Each school will have its own login and password, and students will have the opportunity to work on the materials for each lesson.

Odessa Oblast State Administration has already purchased equipment for 100 modern day-care offices of a total cost of 30 million hryvnias. Each of the offices is equipped with an interactive panel, projector and computers with high-speed Internet connection and Wi-Fi.

According to reports, it will be possible to carry out lessons on a distant later on, for both students and teachers (with the Odessa Regional Academy of Continuing Education, Odessa Regional Council). Currently there are weekly online broadcasts of lessons on this portal for students from the seventh and eighth grade on natural-mathematical disciplines.

The regional state administration assures that this is a unique educational program, with no known analogues within Ukraine. Thanks to this program, knowledge becomes available to all students, regardless of their residence. The chairman of the Odessa Regional State Administration Maxim Stepanov stated that this project is supposed to solve the problem of personnel shortage in the region, seeing as schools are currently lacking more than 600 teachers, mainly within the natural sciences and mathematical disciplines (for example, physics, chemistry, computer science, biology). At the same time, the head of the area stressed that Odessa is also open to exchanging experience and cooperating with other regions.

³ Investigated by: Katolyk Iaroslav - Regional coordinator of the projects, assistant to the people's deputy of Ukraine.

Remarks:

The experts consider this project to be extremely important, as it alleviates to a certain extent the factor of disparity in the education of students. If the project proves to be successful, the geographical distance from the regional center will no longer affect the level of students' knowledge. Fairer conditions for higher education and successful employment will be provided (especially with regards to freelance work or work in the IT sector, where it is possible to work remotely as well). This project is about investing in the social capital of the region and creating equal opportunities for today's youth.

However, experts mention that effective distance education requires a significant motivation and self-organization of the student / pupil. This is difficult to achieve in the sphere of secondary education. Solution of the problem of liquidated schools should not be fully replaced by that.

Scores: Quality [+1.9] Relevance [54.3%]

IV. Adopting the Complex Target Program of Environmental Welfare in Kyiv for 2019-2021⁴

Features of the measure:

The state of contamination of most of the natural water resources, the quality of drinking water, and other parts of the water economy of the city of Kiev can be estimated as unsatisfactory, and in some cases even a threat to people's health. Illegal construction on recreational lands is also an on-going problem, causing mass protests and conflict situations.

Thus, there is a need to provide conditions for sustainable economic and social development of Kyiv by the means of implementing priority measures for environmental protection, rational use of natural resources, ensuring ecological safety of the population's life, metropolitan standards for development, monitoring the compliance, facilitating the solution of a number of tasks that will improve the sanitary and ecological situation, ensuring the development and transformation of the urban environment by European standards.

On December 18, 2018, the Kyiv City Council approved the Complex Target Program of Environmental Welfare in Kyiv for 2019-2021 (hereinafter - the Program).

The program consists of:

- Kyiv City Environmental Policy Target Program for 2019-2021;
- The Kyiv City Target Program for the improvement of the green zone and the water fund for the years 2019-2021.

It is planned to spend more than 5.5 billion UAH on this program, while 5.1 billion UAH is funded by the budget of Kyiv and 462 million UAH is funded by other investors (https://ecodep.kyivcity.gov.ua/files/2019/1/17/programa_2019-2021.pdf)

Within the framework of the Program the following steps are planned:

- Incorporation of coastal protective bands in water zones;
- Clearing and cleaning of water zones, including those in parks and squares;
- Maintenance of the city beaches, recreation areas and water zones;
- Creating conditions to ensure people's safety on water;
- Maintenance of the urban forestations;
- Protection of green plantations;
- Reconstruction and overhaul of parks and green zones;
- (Re-)arrangement of the watering and irrigation systems;

⁴ Investigated by: Pototsky Sergii - Co-founder of anti-corruption NGO "The Center of Monitoring of State".

- Defining the boundaries of parks and green zones, their preservation and protection against possible constructional development, or non-purposeful use of land plots;
- Purchasing of containers and other equipment for transportation and temporary storage of hazardous wastes;
- Elimination of mercury pollution and improvement of the ecological situation on the territory of the enterprise and adjoining territories to Jsc "Radykal".

Stakeholders of the Program are the residents of Kyiv and guests of the capital.

The main executor of the Program is the Department of Ecology and Natural Resources of the Kyiv City State Administration. The main co-executors are utility companies "Kyivzelenbud" and "Pleso".

Remarks:

The solution on the issues of Kyiv's ecological well-being is extremely relevant and important. It should reduce social tension in society, increase safety and comfort of citizens and make the city more attractive for tourists.

However, dozens of journalistic investigations have shown that utility companies "Kyivzelenbud" and "Pleso" are among the most corrupted units of Kyiv City State Administration. This eventually leads to fictitious contracts where tens of millions of hryvnias are being paid, while none (or little) of the work has actually been performed.

In addition, the public was involved in the development of the Program and there is no detailed plan on expenditures.

Scores: Quality [+0.7] Relevance [25.7%]

V. Transferring the Functions of the Local Road Service for Repairing the Local Roads in Khmelnytskyi⁵

Features of the measure:

On January 16, 2019, an order was signed by the Head of the Regional Development and Construction Department of the Khmelnytskyi Regional State Administration. This order stated that, from February 1 2019, the State Enterprise “Khmelnytskyi Oblast Single Customer Service” would be designated as the project developer and receive funds from the state budget to financially support the (re)construction, repairs and maintenance of public roads and streets.

According to comments by the Khmelnytskyi Regional State Administration, the purpose is to optimize the costly structures. They note that there are shortcomings in the work done by the Local Road Service.

The aforementioned shortcomings in the work of the Local Services are currently being investigated by the employees of the Office of the West State Service of Khmelnytskyi Oblast. They have been conducting road service inspections since the beginning of 2018.

Remarks:

Experts believe that the chosen measure is quite an important precedent for the region. However, they emphasize, that the said decision may adversely affect the repair of local roads in the Khmelnytskyi region due to employee qualification in the “Khmelnytskyi Oblast Single Customer Service”. In addition, the organization did not develop a subvention from the State Budget to local budgets for the development of health care in rural areas in the amount of 147.5 million UAH in 2018. The amount of violations throughout the tender history of “Khmelnytskyi Oblast Single Customer Service” is much more abundant.

As a result, this measure appears to be an ordinary struggle for the development of budget funds.

Scores: Quality [+0.0] Relevance [19.2%]

⁵ Investigated by: Bereza Alyona - Head of the NGO “Zhar”.

VI. Reconstruction of the Perinatal Centre in Chernivtsi⁶

Features of the measure:

A contract dated December 29 2018, was published on the Prozorro Web Portal, (<https://prozorro.gov.ua/tender/UA-2018-11-22-003272-c>), according to which additional funds were allocated to the contractor of the PE "Prombudservis-Kosiv", which, during 2019, will carry out reconstruction works worth of 42.9 million UAH. At the same time, the acting Governor Mikhail Pavlyuk has told that they need another 69 million hryvnias to finish the job and buy the necessary equipment.

However, the reconstruction of Chernivtsi maternity hospital № 1 and the re-equipment of its perinatal center is lasting for 6 years. The expenses increase annually.

The reconstruction of Chernivtsi Maternity Hospital No. 1 and its re-equipment started in 2013, when the estimated costs were 79 million UAH. In turn, the financial expenses has reached 161 million UAH in March 2019. Moreover, the director of the Department of Health of Chernivtsi Oblast State Administration, Oksana Andriezets, claimed that another 40 million hryvnias are needed for the equipment of the perinatal center in Chernivtsi.

Thus, as of March 2019, the estimated costs of the work and equipment for the Chernivtsi Regional Perinatal Center are nearly 201 million UAH. However, if there are more delays, the costs of the facility may increase even further.

The functions of the maternity hospital № 1 in Chernivtsi were transferred to the city's children's clinical hospital and partly to the gynecological department. The equipment from the maternity hospital № 1 was transferred there in 2013, before the reconstruction. This "temporary" transfer has been the status quo for the past 6 years. This situation disturbs the local community, causes a fair amount of inconveniences, creates health risks for new-borns and adds problems during childbirth. The building of the children's clinical hospital is simply not adapted to the changed circumstances and isn't properly rebuilt into a maternity ward.

⁶ Investigated by: Blinov Oleh - Analyst of the NGO "Center for Public Monitoring and Research".

Remarks:

Experts state that the reasons for such a prolonged reconstruction and the significant financial increase are the following:

- The appointing of the contractor had taken place in 2013 under the effect of the Law "On Government Procurement". This Law provided the developer with a wide array of opportunities to manipulate all stages of the process. The process of finding a contractor was non-transparent and the public was unable to assess its objectivity.

- 113 million UAH was allocated for the reconstruction of the Chernivtsi Perinatal Center in 2017-2018. However, the contractor was able to use only UAH 73.8 million. This indicates that the contractor is unable to carry out a relevant amount of work on time with uninterrupted funding.

- Devaluation of the national currency.

Given the dynamics of population decline in the region, such project is quite relevant, in the context of more transparent examination of the budgets and the responsibility of officials for its timely commissioning. Thus, the result of the project should be in improving the situation with child mortality.

Scores: Quality [-0.9] Relevance [61.4%]