

## Swiss-Ukrainian Decentralisation Support Project in Ukraine

### Yearly Report 2010



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## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>List of Acronyms .....</b>   | <b>3</b>  |
| <b>GLOSSARY .....</b>   | <b>4</b>  |
| <b>I. EXECUTIVE SUMMARY.....</b>  | <b>6</b>  |
| <b>II. BACKGROUND .....</b>   | <b>7</b>  |
| II.I. About DESPRO .....  | 7         |
| II.II. Current Political and Institutional Context and New Challenges .....   | 9         |
| The Process of Decentralisation in Ukraine .....  | 9         |
| Constraints of Reforms on Decentralisation .....  | 10        |
| Legal Documents Supporting Decentralisation .....   | 11        |
| <b>III. PROJECT PROGRESS .....</b>  | <b>14</b> |
| III.I. Outcomes and Outputs.....  | 14        |
| <b>III.I.1. Outcome 1</b> Quality of and access to public services in pilot regions are improved based on principles of participatory planning and decision making.....   | 14        |
| <b>III.I.2. Outcome 2</b> Effective knowledge management processes in the sector of decentralised service provision and local self-government are developed and integrated into the local governance system ..... | 19        |
| <b>III.I.3. Outcome 3</b> The national reform process towards decentralisation and local self-government is strengthened .....  | 26        |
| III.II. Public Relations.....   | 29        |
| III.III Synergies with other actors in the field of DLG .....   | 34        |
| <b>V. MAINSTREAMING GOVERNANCE AND GENDER .....</b>   | <b>35</b> |
| <b>IV. MONITORING AND EVALUATION .....</b>  | <b>39</b> |
| <b>V. PROJECT MANAGEMENT AND STEERING .....</b>   | <b>40</b> |
| <b>VI. LESSONS LEARNT AND NEXT STEPS .....</b>  | <b>41</b> |
| <b>VII. FINANCES.....</b>   | <b>43</b> |
| <b>VIII. ANNEXES.....</b>   | <b>44</b> |

## List of Acronyms

|        |   |
|--------|---|
| ACU    | Association of Cities of Ukraine                                      |
| ARC    | Autonomous Republic of Crimea   |
| ATR    | Administrative and Territorial Reform                                 |
| ATS    | Administrative and Territorial Setup                                  |
| CBA    | Community Based Approach to Local Development (UNDP-led)              |
| CBO    | Community-Based Organisation  |
| CH     | Switzerland, Swiss  |
| CHF    | Swiss Francs  |
| CIDP   | Crimea Integration and Development Programme (UNDP-led)               |
| CO     | Community Organisation  |
| COOF   | Ukraine Swiss Cooperation Office (SDC)                                |
| CoM    | Cabinet of Ministers  |
| CRDP   | Chernobyl Recovery and Development Programme (UNDP-led)               |
| DESPRO | Decentralisation Support Project in Ukraine                           |
| DFID   | UK Department For International Development                           |
| DLG    | Decentralisation and Local Government                                 |
| EAB    | Expert and Advisory Board   |
| GCB    | General Conditions of Business  |
| GTZ    | German Agency for Technical Cooperation                               |
| GoU    | Government of Ukraine   |
| HRBA   | Human Rights Based Approach   |
| KM     | Knowledge Management  |
| LSG    | Local Self Governance   |
| MDI    | Municipal Development Institute                                       |
| MGSDP  | Municipal Governance and Sustainable Development Programme (UNDP-led) |
| MoRDC  | Ministry of Regional Development and Construction                     |
| MoU    | Memorandum of Understanding   |
| MTR    | Mid-Term Report   |
| NAPA   | National Academy for Public Administration                            |
| NCA    | Needs and Capacities Assessment                                       |
| NGO    | Non-Governmental Organisation   |
| OSC    | Oblast Steering Committee   |
| OSA    | Oblast State Administration   |
| PIMS   | Project Information and Monitoring System                             |
| PIU    | Project Implementation Unit   |
| RSA    | Rayon State Administration  |
| RWG    | Rayon Working Group   |
| SCO    | Swiss Cooperation Office  |
| SDC    | Swiss Agency for Development and Cooperation                          |
| SECO   | Swiss State Secretariat for Economic Affairs                          |
| SIDA   | Swedish International Development Cooperation Agency                  |
| Skat   | Swiss Resource Centre and Consultancies for Development               |
| SPC    | Senior Project Coordinator  |
| SWM    | Solid Waste Management  |
| TOR    | Terms of Reference  |
| UA     | Ukraine, Ukrainian  |
| UNDP   | United Nations Development Programme                                  |
| USAID  | United States Agency for International Development                    |
| WS&S   | Water Supply and Sanitation   |

## GLOSSARY

|  |   |
|--|---|
| Community Mobilisation                               | Process of engaging communities to identify community priorities, define resource needs and devise solutions in such a way as to promote representative participation, good governance, accountability and peaceful change.   |
| Decentralisation                                     | Transfer of power to sub-national political entities. This includes the shift of decision-making power, finances and management duties from the central authority/administration to local governments (municipalities with locally elected entities and administrations with clearly defined competences).  |
| Facilitation & Information Support                   | The PIU commissions consultants/local NGOs to provide project facilitation and information exchange support to the pilot rayons and communities.  |
| Governance   | Governance comprises the mechanisms and processes through which citizens and groups articulate their needs and interests, exercise their legal rights, meet their obligations and mediate their differences vis-à-vis the local and national government in political, economic and administrative issues. It is all about a cooperative and fruitful relationship between people (citizens, residents, interest groups, etc.) and government. |
| Local Government                                     | Local governments or local authorities are political and administrative entities, such as village, municipal, town, rayon and oblast governments, distinct from the central or national government. Local governments are comprised of the political (local council) and administrative/executive parts (local state administration — in oblasts and rayons only).  |
| Oblast   | An administrative-territorial unit in Ukraine. There are 24 oblasts and the ARC in Ukraine. An oblast consists of rayons and “cities of oblast significance” (misto oblasnoho znachennya). The oblast’s administrative centre is a city of oblast significance. In this document, “region” is sometimes used as a synonym for oblast.   |
| Rayon  | An administrative-territorial unit within an oblast or ARC, or within a large city (e.g. Kyiv). Each oblast consists of different rayons. A rayon is comprised of villages (selo), small towns (selysche), and “towns of rayon significance” (misto rayonnoho znachennya). The rayon’s administrative centre is a town of rayon significance or sometimes a small town (selysche).  |
| Local State Administration (oblast and rayon levels) | An appointed local body of state executive power: it executes state power on the territory of the corresponding administrative-territorial unit and also implements the appropriate oblast or rayon council’s political decisions to provide services to the residents.   |
| Local Council  | The elected political (legislative and judiciary) element of a local government that exists to take decisions based on the residents’ will.   |

|  |   |
|--|---|
| Self-Governing Authority   | A local government that can take its own decisions independently from the national government and can raise and use taxes based on its own decisions.   |
| Self-Organised Body of the Population                            | A legal entity, a not-for-profit organisation. One of the forms of participation of territorial community members of villages, settlements, cities and districts in cities in the resolution of local issues. Buildings, streets, block committees, “micro-rayon” committees, committees of districts in cities, and rural and settlement committees are the areas of self-organisation of the population.  |
| Service Cooperative  | A legal entity, a not-for-profit organisation, set up by its founders on a voluntary basis, established with the purpose of satisfying economic, social and other needs of their members, namely to provide primarily its members with services. A service cooperative may provide non-members with services to satisfy its economic needs, but not in an amount exceeding 20% of gross turnover.   |
| Non-Governmental Organisation (Public Organisation, Association) | A legal entity, a non-for-profit organisation. A voluntary, public formation, created on the basis of unity of interests for joint exercise by the citizens of their rights and freedoms; acts to satisfy and protect their legal social, economic, creative, age-related, national cultural, sporting and other common interests.  |
| Small Town   | An administrative-territorial unit within a rayon; the status of ‘small town’ is granted to a settlement that has industrial enterprises or rail junctions, or where universities, scientific and research entities, or institutions of patient care are located together with municipal public housing, with not less than 2,000 inhabitants, two-thirds of whom work in the industrial and service sectors (not in the agricultural sector).                  |
| Social Mobilisation  | The process of bringing together all stakeholders to raise people’s awareness of and demand for a particular programme (e.g. healthcare) to assist in the delivery of resources and services and to strengthen community participation for sustainability and self-reliance. Social mobilisation recognises that sustainable social and behavioural change requires many levels of involvement — from individual to community to policy and legislative action. |
| Social Mobiliser   | A person (can be integrated in the rayon administration) who facilitates the interaction between the rayon administration/council and the mobilised community for identifying and solving problems.   |
| Town   | An administrative-territorial unit in a rayon or a municipality with rayon status. The status of ‘town’ is granted to a settlement with industrial enterprises, a municipal economy, municipal housing, socio-cultural organisations, and with not less than 10,000 inhabitants, two-thirds of whom work in the industrial and service sectors (not in the agricultural sector).  |
| Village  | An administrative territorial unit within a rayon or a municipality with private housing. Most inhabitants work in the agricultural sector.   |

## I. EXECUTIVE SUMMARY

Within the framework of the SDC Cooperation Strategy 2007-2010, the Decentralisation Support Project Phase II is part of the Rule of Law and Democracy sector (sub-sector Public Sector Reforms), which has the objective to “assist Ukraine in decentralisation and devolution of powers from the national to the local level”. Decentralisation remained among the priorities of the governmental strategy after the Presidential Elections 2010. Decentralization and enhancing local self government appeared to be an essential requirement at regional and local levels.

In order to support broad participation and consensus-building in the reform process, DESPRO Phase II facilitates a multi-level policy dialogue between the national and lower levels of government. It is a flexible supporter of platforms for discussing the current legal framework and reform proposals, but also proposes recommendations that derive from DESPRO's own experience.

Working relations were re-established at all levels of DESPRO operation – both with newly appointed national level players and oblast and rayons administrations in Vinnytsya and ARC. DESPRO also got in contact with the administration of the third target region – Sumy Oblast and is currently putting efforts in developing an effective cooperation with them. DESPRO also established relations with the newly elected after local elections in October local self-government bodies in partner regions.

New thematic and methodological approaches such as knowledge management, cross-institutional and cross-level cooperation, SWM are becoming of special importance in DESPRO Phase II. Preparatory steps are conducted for developing SWM projects based on Integrated Solid Waste Management Approach. At the same time, DESPRO is facing a number of challenges that characterize the reform process in the Ukrainian society - lack of information on the substance and consequences of reforms, and therefore a lack of societal consensus on reform, impact of the economic crisis – increased budget deficit threatens to slow down the reform process; tendency towards slowing down the reform process, etc. Besides, Presidential election in February and following local elections in October entailed dramatic changes in the management at all levels that lasted in fact by November. This dynamic was crowned by the start of the Administrative reform the result of which was merging of the two key DESPRO partner ministries - Ministry of Regional Development and Construction and Ministry of Regional Economy. The legal base on housing and communal services was also under revision in 2010. Obviously this has influenced the timing of some of the DESPRO activities especially at the regional and local levels.

Working under the challenging circumstances, DESPRO and its project partners focus on the developing procedures for designing, implementing and co-financing community projects on water supply services and inter-community projects on SWM as well as monitoring and providing advisory support for already co-financed community-based projects on decentralised public service provision. 17 village-scale projects on introducing water supply services are selected in ARC and Vinnytsya Oblast. Call for project proposals is announced in Sumy Oblast Preparatory activities to developing two full-scale SWM projects in Bakhchysaray and Tulchyn rayons started Knowledge base and capacities of local authorities to better fulfill their functions in the areas of planning, budgeting and provision of services have been strengthened by means of the newly developed Project Information and Monitoring System (PIMS), the Capacity Development Programme (CDP), participation in the conferences (St. Gallen, Switzerland, May 3-4, 2010) and round-tables etc.

In Phase II, knowledge management became a strategic area of DESPRO activities. The DESPRO KM model vision is developed: its structure; types of information; services and products; information and capacity building. The Concept of the Knowledge Management System for Decentralisation and Local Self-Governance in Ukraine was elaborated and submitted to SDC. In cooperation with NAPA and MGSDP DESPRO experts are developing a comprehensive

module based training course for public servant and local self-government offices. KM web portal hosted by NAPA Distant Learning Center is under development.

DESPRO continues to strengthen synergies with the national-level players as well as donor community in the DLG area for promoting the concept of decentralisation and need for reforms. Policy dialogue at national and regional levels was continued being an efficient way to promote the reform process. In the first half of 2010 the format of the work included regular meetings with the representatives of the governmental structures, primarily with the key national partner – MoRDC as well as the Verkhovna Rada, The President Administration, NAPA, oblast and rayon state administrations and councils. DESPRO continues the mutual beneficial cooperation with the donor community promoting DLG. Synergies with UNDP projects, working in the area of DLG – CBA, MGSDP, CIDP - were further developed both in developing training courses and planning and implementing SWM activities.

2010 resulted in the establishment of the DESPRO Expert Board (EB), consisting of leading experts in the DLG and regional policy. The main tasks of the EAB is providing expert support to the project, producing analytical papers on current policy developments in the fields of regional policy, local self-governance and decentralisation, representation of civil society interests in the work of DESPRO, and ensuring the transparency of project activities. The EB became an essential platform for participatory multi-level and cross-institutional policy dialogue.

## II. BACKGROUND

### II.I. About DESPRO

Within the framework of the SDC Cooperation Strategy 2007-2010, the Decentralisation Support Project Phase II is part of the Rule of Law and Democracy sector (sub-sector Public Sector Reforms), which has the objective to “assist Ukraine in decentralisation and devolution of powers from the national to the local level”.

Phase I of DESPRO was implemented during the period 2007-2009. The Swiss Resource Centre and Consultancies for Development (Skat) was mandated by SDC to implement the project with the overall goal of contributing to improving public service delivery in a decentralised way.

The goal of Phase II is to develop feasible mechanisms of decentralised, quality public service delivery that are documented and taken up in the national decentralisation reform process.

Phase II addresses the following main fields of intervention:

- 1. The quality of and access to services in target areas are to be improved based on principles of participatory planning and decision-making.** The co-financed community and inter-municipal projects are to be seen as learning and demonstration examples for the mechanisms of decentralised service delivery as well as concrete contributions to local development.
- 2. Effective knowledge management processes in the sector of decentralisation and local self-government are to be developed and integrated into the local governance system** in order to increase the capacity of local public servants to plan and implement projects aimed at establishing decentralised services, and to run such services at a high level of quality.
- 3. The national reform process towards decentralisation and local self-government is to be strengthened** through the provision of advisory support to key national institutions (mainly to the MoRDC and the Parliamentary Committee on State Building and Local Self-Government) based on experiences in the partner regions in the areas of local service provision, cross-level cooperation and community participation.

In order to support broad participation and consensus-building in the reform process, DESPRO Phase II facilitates a multi-level policy dialogue between the national and lower levels of government. It is a flexible supporter of platforms for discussing the current legal framework and

reform proposals, but also proposes recommendations that derive from DESPRO's own experience.

In Phase II DESPRO contributes to strengthening national policy dialogue in the area of decentralisation and local self-government reform. DESPRO's experience and lessons learnt are used to provide targeted policy inputs on various aspects of decentralisation and to develop credible policy recommendations.

DESPRO makes use of the mechanisms of community-based service delivery that have been developed, and is further working to institutionalise them and put them into practice within local and regional authorities. The mechanisms of decentralised public service provision tested by the project will serve as the basis for developing procedures and mechanisms for co-financed village projects on a larger scale, as well as for inter-community projects, and for integrating them into the operation procedures of local government bodies. The project aims to demonstrate, implement and institutionalise the different models that are required to adequately address the need for efficient and affordable service delivery, both in the two target regions of Phase I — Vinnytsya oblast (Kalynivka, Tulchyn and Illintsi rayons) and ARC (Bakhchysaray, Lenino and Nyzhnyohirsk rayons) — as well as in the newly targeted Sumy oblast. Village authorities are more directly involved in the process of improving service delivery, which is enhanced through strong community participation.

The MoRDC is the main national counterpart of DESPRO. At the national level, cooperation with the Parliamentary Committee on State Building and Local Self-Government, national associations, the National Academy of Public Administration (NAPA), the Academy of Municipal Management within the MoRDC and think tanks are to be strengthened. The most important regional partners are the government of the ARC and the state administrations and councils of Vinnytsya and Sumy oblasts.

New thematic and methodological approaches such as knowledge management, cross-institutional and cross-level cooperation and fiscal decentralisation are to be developed in Phase II. With DESPRO's support, results and lessons learnt at the local and regional levels are to be fully documented by partner institutions for knowledge management purposes and to be made available (for training, retraining and use on the ground) to public servants not directly involved in DESPRO activities, as well as for input into further policy development at the national level. Knowledge management focuses on the decentralised provision of services and supports national stakeholders' activities aimed at strengthening cross-institutional cooperation.

DESPRO Phase II lasts for 36 months, from 1 February 2010 to 31 January 2013. With a budget of CHF 4,967,905.00, DESPRO mobilises additional funds to implement co-financed projects at community, inter-community and regional levels.

The first year of DESPRO Phase II was primarily focused on preparing the ground for effective accomplishment of the Project tasks. In accordance with the special provisions of the General Conditions of Business (GCB), which is the Annex to the Mandate Agreement to Project Implementation, an external assessment of gender equality issues in the area of decentralised service provision has been initiated. Results and recommendations of the assessment will be incorporated into the revised project logframe as indicators, targets and timeframes. With regard to the new knowledge management component of the Project, a concept paper and detailed action plan is currently being developed.

Due to the developments in the political situation in Ukraine that took place after the presidential elections — a change of government and changes at all levels of the state administration together with the concomitant elaboration of new national policies and priorities — DESPRO attached importance at this stage to revising and redeveloping the strategy of Project interventions specifically at national level. The strategy includes both key focuses of intervention and key stakeholders to be involved.

## II.II. Current Political and Institutional Context and New Challenges

### The Process of Decentralisation in Ukraine

The public administration system of Ukraine is still largely a heritage of the Soviet time. It is highly centralized in regard to distribution of decision-making powers and budgetary means. It is complex and thus inefficient regarding the definition of levels of administration.

Decentralisation in Ukraine can be viewed both as a tool and a goal of a public administration reform, which requires re-distribution of tasks, competences, and resources at central, regional, and local level. In particular, this means the transfer of more responsibilities, competencies, and resources from the state to the local self-government authorities, community based organizations and affordable public services delivery.

The current system in the state remains highly centralised with some degree of political decentralisation, a partial administrative decentralisation (mainly at the level of villages and municipalities) and elementary aspects of financial decentralisation (hardly any non-earmarked funds, limited budgetary power). Nevertheless, in current indefinite period rayons, municipalities and villages try to make use of their limited possibilities and resources.

#### Current territorial-administrative system of Ukraine

- There are 24 regions (oblasts) and the Autonomous Republic of Crimea (ARC).
- Regions comprise rural districts (rayons) and cities of regional significance (cities of “republican” significance in the ARC).
- The rural districts comprise towns of district significance, settlements and villages. The large Ukrainian cities are further divided into urban districts.
- There are many cases when autonomous small local units (settlements, villages and even small towns) are situated on the territory of larger cities, which generates both budgetary and administrative problems between these interrelated entities. The number of first level units (more than 11 000) is excessive.

In practice there are three main reasons that point out the need for decentralisation:

- There is a need to delegate responsibilities to the self-government institutions as the system when all problems of local communities are solved at the national level has proven to be inefficient in the current Ukrainian context. For example, public services such as water supply, sewage disposal, heating are typical responsibilities of local government bodies. However, at the moment small municipalities are incapable of dealing with strategic issues such as public utilities which require substantial administrative, financial and professional capacity. For the benefit of local communities it is necessary to improve the capability of local self-governing bodies and to delegate the responsibilities for public utilities to local level.
- There is a need to identify responsibilities at the local level as there is still a number of overlaps between different levels of sub-national government (in terms of responsibilities, resources and, in some cases, boundaries), as well as between local self-government and local state administration. The highest uncertainty is concentrated around the institution of the rayon, which is a state administration structure (of a size that might be seen as more suitable for a local self-government unit) and with a representative council that has very limited connection to the executive power. This has led to a system that might be characterised as over-administered and under-governed, in which lines of accountability are confused. Thus, there is a need to define the status, territory, role, functions of the rayon as an institution.
- The weak fiscal decentralisation remains one of the main challenges. Due to the peculiarities of the budget procedure in Ukraine the public finances remain highly

centralized. Village local self-government bodies can draft, approve and implement their own budgets. At the rayon and oblast level, rayon and oblast councils have only the right to make recommendations and approve the budget, the drafting and implementation of the budgets is done by the respective state administration. The local budgets are still heavily dependent on central budget transfers. In addition the economic crises and budget deficit allowed even higher manipulation in the distribution of resources.

Existing vertical imbalances in revenue allocation, low level of own resources and of local taxation cause disproportional distribution of resources among local budgets along with increasing regional disparities. There are several proposed schemes of financial decentralisation in Ukraine but none of these schemes is comprehensive. The 1991 Budget Law governed inter-budgetary relationships but it was obsolete and more appropriate for a country with a command economy than one transitioning to a market economy. Considerable ambiguity surrounded the question of which level of government should do what. For example, more and more responsibility for social protection spending was shifted from the State budget to local budgets without a corresponding shift of revenue resources to finance these additional expenditures. Not surprisingly, it was in this area that large local expenditure arrears appeared. At the moment regions are receiving subventions from the state that are further distributed by regional authorities to the local level. At the same time it is important to remember that if big cities maintain "local fees and taxes" these would be beneficial for them, for poor villages such collecting would be very little and they would not be able to finalise any feasible project.

### **Constraints of Reforms on Decentralisation**

The key constraint for implementation of decentralisation reforms is the **lack of common understanding of what decentralisation in the Ukrainian context is**. The most effective level of subsidiarity needs to be defined and commonly agreed, thus there is high need for further research and discussions. Even major political parties as well as key Ministries state the need for decentralisation as their priority; these statements are mainly used only as arguments in political discussions.

There are several proposed schemes for decentralisation but none of them is comprehensive. A task group on fiscal decentralisation was established under the leadership of the Speaker of Parliament. The main task of this group is to work jointly with the Secretariat of the President of Ukraine on the changes and amendments to the Budget Code (those which were vetoed by the President) in order to submit the consolidated document to the Parliament by the beginning of 2010. At the same time political statements made, reveals significant differences in understanding of the "decentralisation process". These means that to collect majority in the Parliament under any of proposed concepts of reform would be impossible before the decentralisation is widely discussed between political parties, national authorities and general public.

There is a lack of information and thus consensus/support for the reform at the local level and among general public. It is necessary to ensure information exchange, discussions and consultancies at the local level to gain the necessary public support for the reform.

Secondly, in the current political situation there is **lack of political will** for financial reform. The existing model of financial resources distribution is used by national authorities to put political pressure on regions. The repeated political crises of 2005 and 2006 paralyzed decision-making efforts in the country, and hence no real steps towards public sector reform and decentralisation were taken by the Government of Ukraine during these years. The situation slightly improved after the pre-term parliamentary elections of September 2007 when the new Coalition Government declared its strong political will to conduct a comprehensive public sector reform in order to improve local governance, taking up decentralisation as a fundamental aspect of this reform. In March 2007 the Ministry of Regional Development and Construction (MoRDC) of Ukraine was established by the Cabinet of Ministers of Ukraine (CoM). MoRDC was given the mandate to lead the reform process. At the same time to implement the reform on decentralisation it is necessary that new laws as well as changes in Constitutions are approved by the Parliament which requires support of 300 out of 450 MPs.

Thirdly, there is a **lack of experience within local authorities to provide public services**. Even if reform is implemented, local authorities are lacking expertise on management of public services. Big cities are more experienced due to the wider access to donor resources and international practices, while small towns and village councils often have very limited or no experience on services provision, public consultation and involvement of general public in decision making. It is important that the knowledge is effectively transferred and those significant numbers of self-governing institutions are supported by technical consultation or that the system of peer-to-peer education is established.

The fourth major constrains is **legislative inefficiency of the management model**. This is on one hand due to the permanent institutional conflict between local administrations that are appointed and local councils that are elected. On the other hand the unclear responsibilities distribution between state administrations, local councils and self-governing authorities. leads to such situation as for example in Luhansk region, where the Oblast State Administration is responsible for water supply system in Luhansk city even oblast and the city are two separate administrative units with different budgets and executive systems.

### **Legal Documents Supporting Decentralisation**

Following the presidential elections in January–February 2010, trends towards decentralisation in Ukraine preserved. It was greatly contributed the substantial legislative and normative platform which had been created during the years of the independence of Ukraine. The Ukrainian Constitution, (1996) laid the foundations for the decentralisation of power and opened the way for partnerships between executive bodies and local government. Signing the European Charter on Self-Government in 1997 contributed to the furtherance of regional development. Importantly, the Ukrainian Law “On Local Self-Governance” (1997) set forth principles of organisation and functioning, legal status and liabilities of the respective bodies and officials in local government.

The regularly basis defining regional development has expanded in recent years. Specifically, the Budget and Land Codes of Ukraine (2001), the Law of Ukraine on Promoting Regional Development (2005), the Verkhovna Rada (Parliament) Resolutions and Presidential Decrees, the Concept for the State Regional Policy, the Concept of Local Self-Government Reform (CoM Resolution № 900) and the Plan of activities for its implementation (Resolution № 1456) and other document have come into being.

### ***DLG Processes and Stakeholders in Ukraine***

Due to the complexity of the reforms that have to be implemented there is a number of stakeholders with different levels of interest. According to Ukrainian legislation a number of Legal Acts and changes in the Constitutions should be made to implement the decentralisation reform. The Parliament is the only legislative institution in Ukraine. At the same time the political crises in 2007-2009 has immobilized the Parliament. President and the Government have limited influence on the decentralisation process through budgetary and political instruments. At the same time their interest in decentralisation is low as this would decrease their power at the regional level. The MoRDC has been the key driver of decentralisation process during 2009 and prepared the model of decentralized structure and the Concept of Decentralisation.

The interest of different national institutions in the reform can be also illustrated through the analysis of General number of Legal Acts and Initiatives of the President, Government and Parliament of Ukraine on regional policy, Administrative-Territorial Reform and Reforms of Self-Governing local authorities in 2008 provided in Table 2.

**Verkhovna Rada of Ukraine (the Parliament)** remains the most important actor in the process of reform as there is a need for a number of legal acts and for changes in the Constitution that cannot be ensured by any other institution. Their interest in the reform is relatively low as it will only decrease their influence on regions. In addition changes in the election system from choosing representatives of each territorial unit to choosing a political party has decreased the connection of the Parliamentary representatives with regions.

DESPRO is cooperating with the Parliamentary Committee 'The Parliamentary Committee on State Building and Local Self-Government' as well as with individual parliamentarians who are interested in the reform. All key political parties such as "The Party of Regions", "The Block of Yulia Tymoshenko" and "Our Ukraine" state in their declaration the need for decentralisation but in practice there is low activities conducted by any political party.

**The President** has partial legislative role and has high influence in the regions via appointed heads of Oblast and Rayon Administrations while little incentives for decentralisation.

**The Government** is responsible for the Budget and has legislative initiative, thus it has medium influence. DESPRO effectively cooperate with the Cabinet of Ministers providing consultations and involving them in a discussion. As can be seen from the analysis of the Legal Acts and Initiatives of the Government the interest in regional reform is relatively low.

**The Ministry for Regional Development and Construction** was established in May 2007, and is primarily in charge of decentralisation and the territorial-administrative reform agenda. The MoRDC used to be the most active player in decentralisation process. It concentrated its efforts on designing and preparing two reforms for implementation– the reform on state regional policy and local self-government reform. MoRDC initiated the elaboration of a new Concept of State Regional Policy as the key strategic policy document which aims at regional development in Ukraine based on European standards and values as lined out in the European Charter on Local Self-Governance.

The work on these concept papers and proposals was suspended after the Presidential elections in February 2010 by the new staff of MoRDC. New concept papers and proposals were developed in the course of 2010 by MoRDC and presented to the Cabinet of Ministers in December 2010. The general estimation of these documents by the Cabinet and Presidents' Administration was negative and the need for redrafting of the papers expressed by both institutions.

**Associations uniting local self-governing bodies** – Association of Cities of Ukraine, Association of Small Towns, Association of Village Councils, Association of Regional Authorities (uniting Oblast Councils) – working directly with municipalities, mayors, village heads and, therefore, representing them vis-à-vis the Government and Parliament.

Associations are acting as NGOs, and if the Association of Cities and Communities has strong drivers (big cities) to lobby its interests the Association of Villages has relatively little bonding power and has low influence. It is recommended to unite the forces of all associations to ensure effective advocacy.

**Think Tanks** play an important role of expertise building. In Ukraine a number of think tanks are supporting decentralization and local initiatives. They are substantially contributing to the development of strategic documents on the decentralization and reforms of local self-government and administrative-territorial set up. In particular the Centre of Political and Legal Reforms (I.Koliushko), the Institute of Municipal Development (I. Slobodenyuk) and the Institute of Civil Society (A.Tkachuk) are regularly involved in designing and commenting policy documents and draft laws, analytical studies and advocacy of reforms.

**Educational Institutions** play an important role in capacity development of local authorities and serve as the deposit for the existing knowledge on best practices. There are two main educational institutions that are involved in training, re-training and professional development of civil servants and local government personnel: The National Academy of Public Administration under the Office of the President of Ukraine (NAPA) together with 4 Regional Institutes/ branches – and the Academy of Municipal Administration

**Administrative reform 2010** - on December 10, 2010 President of Ukraine Viktor Yanukovich started activities of administrative reform «to optimize the central authorities»,

Key points of the administrative reform:

- Reducing the number of ministries - from 20 to 16;
- Combining of the position of vice-prime ministers with ministerial posts;
- Reorganization of other Central Executive Bodies (CEB) - Services, Agencies and Inspection;
- Reducing the number of civil servants by at least 30%.



Vice Prime Minister of Ukraine Viktor Tykhonov

Due to the above reform in December 2010 the two key partner ministries — the Ministry of Regional Development and Construction and the Ministry of Municipal Economy — have been merged into one — the **Ministry of Regional Development, Construction and Municipal Economy**.

The newly established Ministry is responsible for all the areas that have been supervised by the two earlier existing ministries including regional policy development, DLG reforms etc. The Minister is appointed already – Vice Prime Minister V. Tykhonov responsible for regional policy. The process of reorganization is supposed to be finalized by the end of February 2010.

**Donor organizations** (funding and development agencies) support decentralisation process at different levels (local, regional and national). While there is a variety of projects supported by different donors there is still lack of coordination and experience exchange. As a result in many situations the experience of one project is not used by other donor organization. A brief map of Donor’s community is presented at the Table 1.

Multilateral and bilateral donors are working in the areas of reforming state public administration, regional policies, territorial and administrative set-up in the country which are EU, CIDA, UNDP, USAID, SIDA, etc.

**Table 1.**

**Key Representatives of Donor Community Supporting Decentralisation  
(as of December 2010)**

| <b>Name of the Project</b>   | <b>Key Approaches</b>   | <b>Focus Area</b>   |
|--|---|---|
| <b>SDC-DESPRO</b>  | <ul style="list-style-type: none"> <li>- Support to National Decentralisation Strategy;</li> <li>- Decentralised model of public services delivery;</li> <li>- Development capacity of Local Authorities</li> <li>- Expertise building of national authorities</li> </ul> | All Ukraine with particular focus in Vinnytsya Oblast and Crimea            |
| <b>UNDP</b> <ul style="list-style-type: none"> <li>▪ Chornobyl Recovery and Development Programme</li> <li>▪ Crimea Integration and Development Programme</li> <li>▪ Community Based Area Development</li> <li>▪ Municipal Governance and</li> </ul> | <ul style="list-style-type: none"> <li>- Policy for local development</li> <li>- Community Development</li> <li>- Partnership of local authorities</li> </ul>   | All Ukraine With particular emphasis on Chornobyl-affected areas and Crimea |

|  |   |   |
|--|---|---|
| <p>Sustainable Development Programme</p> <ul style="list-style-type: none"> <li>▪ Youth Inclusion Project</li> </ul>   |   |   |
| <p><b>USAID</b></p> <ul style="list-style-type: none"> <li>▪ Local Economic Development, Municipal Finance</li> <li>▪ Strengthening Initiative, and Expanding Training and Advocacy Services of the Association of Ukrainian Cities.</li> <li>▪ Two public-private partnerships</li> </ul> | <ul style="list-style-type: none"> <li>- Strategic economic development plans</li> <li>- Capacity Building of Association of Cities of Ukraine</li> <li>- Development of cities capacity to plan and finance</li> </ul> | <p>76 cities with particular focus on Donetsk, Dnipropetrovsk and Luhansk Oblasts</p>                           |
| <p><b>CIDA</b></p> <ul style="list-style-type: none"> <li>▪ Ukraine Municipal Local Economic Development Project</li> <li>▪ Improving Regional Economic Development Planning</li> </ul>  | <ul style="list-style-type: none"> <li>- Decentralisation and support to sub national government: 30%</li> <li>- Financial policy and administrative management: 70%</li> </ul>   | <p>All Ukraine</p>  |
| <p><b>SIDA</b></p> <p>Strengthening Local Democracy and Support for Local Government Reforms in Ukraine</p>  | <ul style="list-style-type: none"> <li>- Fiscal decentralisation</li> </ul>   | <p>All Ukraine</p>  |
| <p><b>EU</b></p> <ul style="list-style-type: none"> <li>▪ Strengthening Local Democracy and Support for Local Government Reforms in Ukraine</li> <li>▪ Support to Sustainable Regional Development</li> <li>▪ Sustainable Local Development</li> </ul>                                     | <ul style="list-style-type: none"> <li>- Strategic planning</li> </ul>  | <p>Izyum (Kharkiv oblast), Romny (Sumy oblast), Sverdlovsk (Luhansk oblast) and Pryluky (Chernihiv oblast):</p> |
| <p><b>GTZ</b></p> <p>Reform of the national administration for the support of decentralisation (<i>The end of the project date is Dec 2009</i>)</p>  | <ul style="list-style-type: none"> <li>- Trainings of local authorities and national authorities on best practices of governance</li> </ul>   | <p>All Ukraine</p>  |

### III. PROJECT PROGRESS

#### III.I. OUTCOMES AND OUTPUTS

##### III.I.1. Outcome 1 **Quality of and access to public services in pilot regions are improved based on principles of participatory planning and decision making**

Managerial stability at regional and rayon administration level as well as approval of the state budget and the annual budgets of the target regions and rayons following the 2010 presidential elections became key preconditions for effective cross-sectoral intervention by DESPRO in the reporting year. Unfortunately, the protracted process of change (lasting from February to July) of the administrative management at the regional and rayon levels during the first half of 2010 resulted in the start of DESPRO activities being postponed at both the grass-roots and

regional/rayon levels. Although the organisational and management situation is now quite clear in all DESPRO regions, these postponements meant that it was possible to implement only a part of the DESPRO key activities. For example, although the selection of partner villages in Vinnytsya oblast and ARC and DESPRO target rayons in Sumy oblast was made, co-financing of the selected community projects did not begin.

**Output 1.1      *Alternative (innovative) approaches for public services delivery have been developed***

***Developing procedures for community projects on Water Supply Services (activities 1.1.1, 1.1.3)***

Based on the lessons learnt in Phase I, DESPRO — in consultation with the rayon authorities — has revised procedures for designing, budgeting, co-funding, implementing and monitoring community-based projects for decentralised service provision.

New versions of the **Guidelines**, **Project Proposal Form** and **Project Budget Form** have been drawn up and agreed with the partners. Key innovations that have been introduced into these documents and into the CBO project selection and implementation framework include the following:

- As a rule, only service cooperatives are invited to participate in competitions, with operation of the water supply subsequently transferred to these organisations.
- Only community projects that will cover the whole settlement will be considered.
- DESPRO limits its co-financing share to 60% (compared with 75% in Phase I). Thus not less than 40% of the finance should come from the local budget and the community itself.
- Before a community project starts, it must reach agreement with at least 75% of the households covered by the project on specific project-related technical, organisational, financial and other issues.
- A firm rule that all connected households must be equipped with water meters.
- As annexes to the project proposal, the CBO must submit a Technical & Economic Validation (TEV) paper and an estimated tariff for water supply services after project completion, which is arrived at using the Simplified Model of Tariff Calculation designed by DESPRO and other important innovations.

***Developing mechanisms and procedures for inter-municipal projects on Solid Waste Management (1.1.1, 1.1.3)***



DESPRO/Skat expert A. Olschewsky presents the Stepwise Planning Procedure model at a round table on SWM

Solid Waste Management (SWM) is a new area of DESPRO intervention that partly serves to pilot another new approach for the Project — *inter-community* or *inter-municipal* cooperation, which means that a project covers several neighbouring communities (towns and/or villages that are separate administrative-territorial units).

After wide-ranging consultations with rayon authorities, communities, local experts and also DESPRO/Skat expertise (Mr. Andre Olschewsky), it was decided to take on the following projects as pilots in the SWM field for DESPRO Phase II:

- Tulchyn rayon. The project covers Tulchyn city and two neighbouring village communities — Kynashiv and Suvorovske.

- Bakhchysaray rayon. The project was initially supposed to cover two village communities — Pishchane and Viline. However, there was recently a proposal to start negotiations to include the city of Bakhchysaray in the project, thereby creating the same SWM project arrangement (city plus neighbouring communities) as in Tulchyn rayon.

Before embarking on the development of procedures in the area of SWM, DESPRO conducted an assessment of the current state of the SWM field in the selected regions. This assessment was carried out in the course of the mission of DESPRO/Skat expert Mr. A. Olschewsky, which was conducted from June 17–29, 2010. The key finding of the mission was the existence of a definite need for support in the fields of planning methodology and technical and financial expertise to produce SWM solutions in the local context. The findings created prospects for further DESPRO activities.

Based on the results of the mission and follow-up consultations and discussions, DESPRO has developed the **Stepwise Planning Procedure** for an SWM system that actively involves local people. The procedure was introduced to partners during a series of individual meetings and public events held with the participation of a wide range of stakeholders, such as the MGSDP round table on SWM in May 2010 and the DESPRO Partners' Forum in December 2010.

The **Stepwise Planning Procedure** will be launched in Tulchyn in late January 2011 and in Bakhchysaray a month later.

To create synergies with other SDC-supported projects, the **Inter-Project Working Group on SWM** was established jointly by DESPRO and MGSDP/UNDP in the autumn of 2010. Three formal meetings of the group have already taken place.

#### ***Selection of partner villages in Vinnytsya oblast and ARC (1.1.2)***

A new round of DESPRO community project competitions began in late July/early August 2010. In adherence to established practice, the announcement of the competition in each of the six DESPRO target rayons in Vinnytsya oblast and ARC was followed by information and sensitisation sessions for, as a rule, all village heads and/or community activists.

25 community projects proposals had been submitted to DESPRO by the end of September 2010. In mid-October, each of the applicant communities was visited by DESPRO together with the Rayon Working Groups (RWGs) for situation analysis and initial assessment. In mid-November 2010 a **final selection meeting** took place. In total, 18 proposals were supported. For the moment, preparatory tasks for the signing of agreements with the communities are being carried out (completion of documentation, finalising of budgets, etc.). Agreements should be signed and, thereby, the community projects launched starting from mid-January 2011.

#### ***Selection of target rayons in Sumy oblast (1.1.2)***

To facilitate DESPRO cooperation in Sumy oblast, an **Oblast Steering Committee** (OSC) has been formed, chaired by Mr. V. Cherniavsky, the First Deputy Head of Sumy Oblast State Administration. Three Coordination Meetings were held during 2010. The Main Department of Economics of the Oblast State Administration has been appointed by the OSA to coordinate DESPRO activities in the oblast.

In August and September 2010, DESPRO worked with Sumy OSC to select target rayons in the oblast. A set of selection criteria was developed and agreed upon. These criteria included:

- The urgency of the water supply problem in the rayon



*"Decentralised Water Supply. Social Mobilisation" training session for the RWGs from Sumy oblast. Vinnytsya, December, 8-9, 2010*

- The level of socio-economic development of the rayon
- The level of cooperation between the executive authorities (Rayon State Administration) and elected authorities (Rayon Council)
- Organisational capacities within the rayon
- Capacities and resources for co-financing community projects

All 18 rayons in the oblast were invited to participate in a competition for selection as target rayons. A total 15 applications were submitted to DESPRO, out of which DESPRO, together with the OSC and with the approval of the SCO, pre-selected five. After this, DESPRO and OSC coordination unit representatives conducted joint site visits to all the pre-selected rayons. Special meetings were held with the rayon authorities — the local state administration and council. As a result, three rayons – Konotop, Krolevets, and Romny – were finally selected. In each of these rayons, a **Rayon Working Group** (RWG) has been formed. On December 8-9, 2010, in Vinnytsya oblast, DESPRO conducted an introductory training session for the RWGs from Sumy oblast, entitled “**Decentralised Water Supply. Social Mobilisation**”. As well as gaining specific skills and knowledge, the participants visited one of the DESPRO partner villages in Vinnytsya oblast — Cherepashyntsi in Kalynivka rayon.

#### ***Monitoring, providing expert and advisory support to already co-financed community-based projects (1.1.4)***



*Monitoring visit to Suvorovske village (Tulchyn rayon, Vinnytsya oblast)  
19/01/2010*

Jointly with RWGs, DESPRO continued providing support to CBOs and water supply operators. RWGs monitored the state of water supply service provision in DESPRO partner villages on a regular monthly basis, including site visits and individual and group meetings with village heads, CBO leaders and local operators. This work was mostly done by RWG coordinators, but when necessary other members of RWGs participated in various related events.

DESPRO conducted 12 monitoring visits to partner villages: Sevastianivka, Beregove, Brianske, Viline (all in Bakhchysaray rayon), Liulyntsi, Cherepashyntsi (in Kalynivka rayon), Mayaky, Nestervarka (Tulchyn rayon),

Shyroke (Nyzhnyohirsk rayon) and others. The site visit to Sevastianivka in Bakhchysaray rayon on **February 11, 2010** was conducted with the participation of Mr. Manuel Etter, Country Director, SDC Ukraine.

DESPRO also attended ceremonies to mark the launch of the village water supply system in Shyroke (Nyzhnyohirsk rayon) on **July 27** and Mayaky (Tulchyn rayon) on **August 8**.

Starting from November 2010, RWGs have been using the **Project Information and Monitoring System** (PIMS) (for details, see Part IV — Monitoring and Evaluation), partly to monitor the current status of already co-financed community-based projects (see also Output 1.2).

#### ***Harmonising the CBO project planning with village/rayon socio-economic profiles and with the national planning and budgeting cycle (1.1.7)***

During the reporting period, DESPRO, in consultation with rayon/oblast authorities as well as with project experts, studied different methods and tools for aligning the community project planning procedure with the national planning cycle, including the budgeting cycle.

It was decided and agreed with partners that the “**Drinking Water of Ukraine**” National Programme for 2006-2020, approved by Parliament in 2005 in the form of a State Law, serves this purpose best. By incorporating those activities related to village community project implementation into the appropriate rayon programme, the “**Drinking Water**” programme could serve to harmonise specific DESPRO activities with the rayon/regional as well as national planning and budgeting cycle

***Integrating cross-cutting issues of governance and gender into local socio-economic profiles and strategic local development plans (1.1.8)***

DESPRO experts (O. Garnets, V. Sorokovsky) took part in a workshop entitled “**Governance as a Transversal Theme**”, organised by the SCO in Kyiv on December 13—14, 2010. The workshop was designed to provide participants with a better understanding of governance and its importance in SDC’s programme in Ukraine as well as an exploration of possible ways of addressing governance as a cross-cutting topic in their respective projects (See also Chapter V).

***Output 1.2 Capacities and skills of the local self-government, in particularly representatives of village councils in participatory decision-making, planning, budgeting, implementation and monitoring of decentralised service provision have been strengthened***

Capacity development is carried out in line with the **Capacity Development Programme** (CDP) designed by the Project’s experts based on the experiences and lessons learnt of DESPRO Phase I and in consultation with project partners (see Annexes I, II). The **CDP** is multilevel, multiformat and content-rich in character.



*Sensitisation workshop in Vinnytsya oblast*

Activities aimed at developing the capacities of DESPRO partners at local level began on a large scale in July 2010 with information sessions in target regions and rayons. The sessions were conducted in all partner rayons by the DESPRO Decentralisation team, consisting of Decentralisation Expert Vyacheslav Sorokovskyy and Decentralisation Specialist Vyacheslav Kozak. The primary goal of the sessions was to reconfirm DESPRO’s commitment to co-financing local development projects and to provide project partners with comprehensive information about DESPRO operations in Phase II, including the level and ratio of co-financing, changes in procedures, etc. In practical terms, these meetings marked the start of identifying priorities and the preparation of project proposals by partners.



*The Republican Steering Committee  
February 10, 2010, ARC*

The sessions were followed by sensitisation workshops for those villages participating in the DESPRO community projects competition as well as for RWGs. Two three-day workshops on the topics of decentralised water supply, project drafting and implementation, and social mobilisation were conducted in August for Vinnytsya oblast and ARC. In addition to the theoretical content, each workshop included site visits to already co-financed community projects. About 60 community leaders,

village heads, and rayon authority officials gained specific knowledge on specific topics relating to improving water supply services in a decentralised way.

In December 2010, DESPRO conducted a sensitisation workshop for officials of the rayon authorities in DESPRO target rayons in Sumy oblast (see also the “Selection of target rayons in Sumy oblast (1.1.2)” subsection). This workshop was conducted in one of the DESPRO partner oblasts — Vinnytsya — in order to present best practices to the participants “on the ground”. Through this workshop DESPRO also linked in with the knowledge management component (Outcome 2), since the invitees included not only DESPRO direct partners, but also representatives from other interested rayons in Vinnytsya oblast (Nemyriv) and even from another oblast — Kherson.

**Output 1.3 Experiences, practices and lessons learnt of decentralised service provision have been documented and shared through networks and platforms established at the local, regional and national levels**

Publications:

In 2010 DESPRO continued its work in collecting and disseminating best practices. The first collection of best practices — the brochure “**Best Practices in the Provision of Decentralised Services: Acquiring, Enhancing and Disseminating Successful Experience**” was republished in Ukrainian.



DESPRO also organised the translation, editing, design and printing of an English language version of the brochure, which was published at the end of 2010. This publication is intended for distribution among the international community to promote the achievements of DESPRO partners in the area of DLG.

Platforms and networks:

On February 10, 2010, a meeting of the Republican Steering Committee was held in Simferopol, ARC. In order to actively disseminate the ideas of decentralisation and DESPRO input into implementing models of decentralised service provision in the area of water supply, it had been jointly decided with partners to invite a wider audience. As a result, the authorities of ARC rayons that are not DESPRO partners were represented at the meeting (including managers of communal enterprises working in the water supply and sanitation field). Heads of large enterprises in Crimea and representatives of international

organisations also attended.

DESPRO's input into the development of models of decentralised service provision in Crimea was highly commended by the Minister of Housing of ARC, Mr. Volodymyr Bazhenov. DESPRO was invited by the Ministry to address its Annual Board Meeting on March 3 2010. Ms. Oksana Garnets, DESPRO Senior Project Coordinator, made a presentation in which she informed Crimean partners about the significant results of Phase I of the Project in Crimea as well as the major priorities for Phase II. In addition, two DESPRO partner villages — Berehove (Bakhchysaray) and Pshenychne (Nyzhnyohirsk) — presented their specific successful stories to the meeting.

**III.1.2. Outcome 2 Effective knowledge management processes in the sector of decentralised service provision and local self-government are developed and integrated into the local governance system**

In Phase II, knowledge management (KM) became a strategic direction of DESPRO activities. This demanded a thorough elaboration of strategic outlines and instruments for the implementation of KM ideas.

***Development of the Concept Paper on the Knowledge Management System for Decentralisation and Local Self-Governance in Ukraine***

In the first half of 2010, the ***Concept Paper on the Knowledge Management System for Decentralisation and Local Self-Governance in Ukraine*** was developed in a participatory manner by Skat's DESPRO team and Skat HQ with support and input from experts in the areas of decentralisation, local governance and knowledge management. From April to June 2010, a series of meetings took place to discuss key issues relating to expectations of the KM system, the system's services and products, and the information and capacity building component. These meetings included:

- April 12–13, 2010 — Two-day internal workshop with the DESPRO team during which key concepts within the KM field were discussed.
- April 14, 2010 — First Discussion Group meeting, dedicated to the aims and tasks of the DESPRO KM System.
- June 2, 2010 — Second Discussion Group meeting, where the Draft Concept Paper on the KM System was presented.
- June 24, 2010 — Internal DESPRO/SDC discussion of the Draft Concept Paper.

The resulting KM Concept Paper covers the proposed organisation and structure of the KM System on DLG in Ukraine; potential challenges; a preliminary action plan outlining the implementation stages for the KM System; and the proposed TOR for the Needs and Capacities Assessment and the KM Coordination Board.

The final version of the ***Concept of the Knowledge Management System for Decentralisation and Local Self-Governance in Ukraine*** was submitted to SDC for consideration in July and was subsequently approved in August 2010.

***Output 2.1 Knowledge base and capacities of local authorities such as representatives of rayon and oblast councils and administrations to better fulfil their functions in the areas of planning, budgeting and provision of services have been strengthened.***

***Conducting a comprehensive assessment of the needs and capacities of public servants at different levels of government in KM/sharing mechanisms (2.1.1)***

An assessment of the needs and capacities of public servants in knowledge management and sharing mechanisms in the sector was undertaken from August to October 2010. The Needs and Capacities Assessment (NCA) was conducted to provide start-up information about a knowledge base on DLG in the system of civil servants training and as a basis for developing a strategic and operational plan for running the KM System. In particular, the NCA set out to:

- Assess how and what kind of information and experiences regarding local governance and decentralised service provision in Ukraine target groups access, collect, share, analyse, store, and use.
- Identify and analyse gaps in and constraints on the provision and sharing (horizontally and vertically) of the relevant information and experiences regarding local governance and decentralised service provision in Ukraine.

Following the announcement of a tender to conduct the assessment, by the end of July 2010 bids, had been received from the Centre of Social Advertising, the Intellectual Perspective Foundation, and the Centre of Social



*The presentation of the NCA findings November, 24, 2010*

Expertise. The Intellectual Perspective Foundation was contracted to undertake the work.

The NCA methodology developed by the Intellectual Perspective Foundation consultant in coordination with DESPRO included:

- Interviews with 600 respondents (70.5% male, 29.5% female) — heads of local councils and representatives of local self-government bodies from all parts of Ukraine: north, south, east, west and ARC
- Expert interviews with key players at the national and regional levels on the problems of KM (100 interviews organised)
- Focus groups to obtain qualitative information

The NCA findings were presented at the Main Department of the Civil Service on November 24, 2010 and at the DESPRO Partners Forum on December 15. The findings confirmed that there is a high demand among the representatives of authorities at all levels for knowledge and practical skills in DLG. In particular, demands are:

- Knowledge of land laws and budget laws (1<sup>st</sup> and 2<sup>nd</sup> place in the ranking)
- Oral communication skills; strategy and tactics in business negotiations; delivering meetings

Annex III of this report includes an executive summary of the NCA results.

Another important contribution to the assessment of KM in the area of DLG in Ukraine — a study of existing experience in the sphere of KM in Ukraine — was undertaken in December 2010. It revealed that only two Ukrainian enterprises actually publicly acknowledge that they implement KM strategies: Antonov Aircraft Company and Novokramatorsk Engineering Plant. A study will be published on the KM web portal's introductory section dedicated to KM concepts, principles, types and existing practices.

### ***Establishing and launching a KM web portal (2.1.3)***

Preparatory work on the establishment of a KM Portal on DLG was started in 2010. According to the Project document, the KM Portal on DLG is to be established to facilitate easy access to information and knowledge on DLG issues for public servants at rayon, oblast and community levels. The portal is also intended to become a platform for communication, continuous learning, information sharing and knowledge exchange for the target audience.

The Needs and Capacities Assessment revealed a special Internet resource centre to be the preferred way of accessing information and knowledge. Therefore, the establishment of the KM web portal has been given priority over an on-site documentation centre in DESPRO's planning.

The KM Concept emphasises that sustainability should be a key consideration at all stages of KM System implementation, including the planning stage. For this reason, a number of meetings with key stakeholders were organised to discuss the DESPRO initiatives within the knowledge management component and the potential for cooperation on them.

Meetings took place with the following institutions and their representatives:

- Ministry of Housing and Communal Services — Mrs. Olga Romanyuk, Deputy Minister
- Main Department of the Civil Service — Mr. Andriy Vyshnevskyy, Deputy Head of the Main Department of the Civil Service; Dr. Oleksandr Sayenko, Director of the Ukrainian School of Senior Civil Service; Mr. Andriy Bega, Deputy Director of the Center for Adaptation of the Civil Service to the Standards of the European Union;
- National Academy for Public Administration (NAPA) — Mr. Yuri Kovbasyuk, NAPA President; Mr. Vitaliy Malashchenko, NAPA Vice-President; Mrs. Olha Bosak, Head of the Directorate of International Cooperation

A partnership for cooperation on development of the KM web portal and other initiatives within the DESPRO KM component has been established with NAPA and a memorandum of understanding

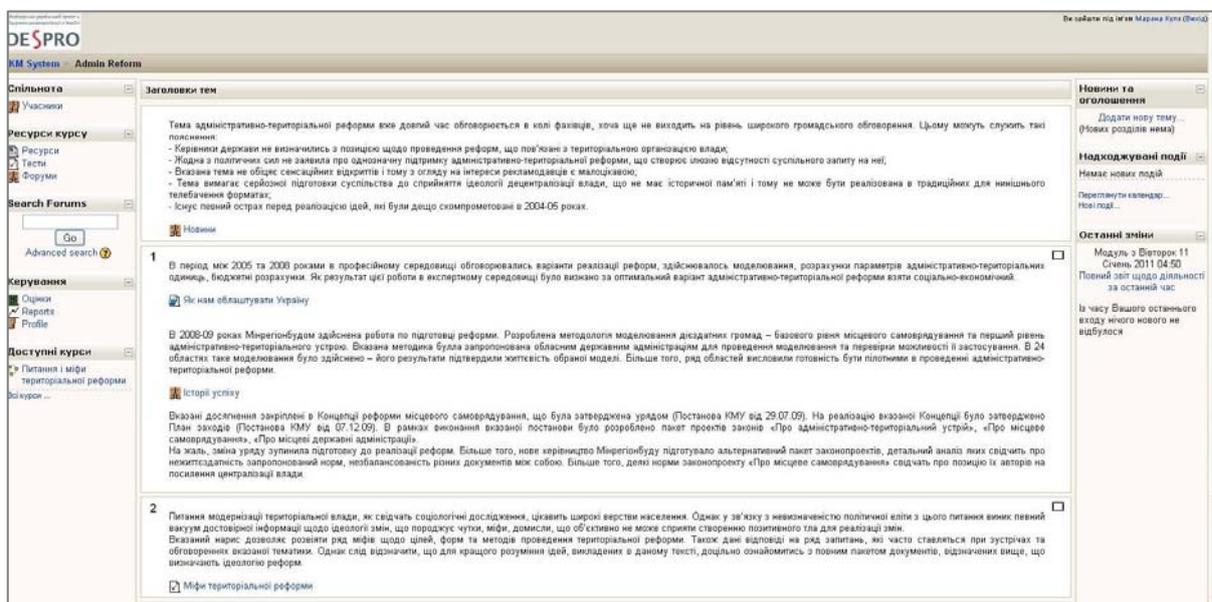
between NAPA and DESPRO specifying the strategic directions of this cooperation is being finalised.

Work on developing the Terms of Reference for the KM portal was started in conjunction with NAPA. In addition to conceptual issues, the document aims to address the technical maintenance issues.

The idea of the portal, its goal, tasks and services were discussed on November 16 at the meeting of the DESPRO Expert and Advisory Board to gather expert opinions. A presentation of the KM portal concept was made on December 15 during the DESPRO Partners' Forum in Yalta. The ToR were subsequently revised in light of the opinions expressed. See also in Annex IV.

**Developing and institutionalising e-training courses for public servants and those interested on the variety of issues related to decentralisation and good governance (2.1.4)**

The NCA of public servants in knowledge management and sharing mechanisms in the sector showed that local government representatives are either not familiar with e-training, or consider it to be an inefficient means of learning. DESPRO convinced that both the content and design of e-training courses are equally important for the courses to succeed, has initiated cooperation with the Ukraine Distance Learning (UDL) System<sup>1</sup>. UDL is an organisation with 10 year's experience in the distance learning market in Ukraine and will be providing its expertise to DESPRO and the project's experts in developing the respective e-training courses.



An e-learning platform has been incorporated into the DESPRO portal<sup>2</sup> - it will subsequently be incorporated onto the KM portal after it's launching. Work on the content and design of the course on administrative-territorial reform has been started..

**Facilitating synergies on KM between Ukrainian and Swiss, as well as international education institutions (2.1.7)**

DESPRO has initiated a discussion on the potential forms of cooperation on the subject of KM with the Institute of Management and Regional Economics at Lucerne University of Applied Sciences and Arts, School of Business (see activity 2.2.3 below).

**A Knowledge Management Workshop** is planned to take place in March of 2011 led by the Institute's experts aiming at professors and lecturers teaching public administration disciplines at the universities of Ukraine. The workshop will be designed to address the following issues:

<sup>1</sup> <http://www.udl.org.ua/en/index.htm>

<sup>2</sup> <https://mx.despro.org.ua/km/>

- KM concepts, strategies, types, and tools;
- best practices of knowledge management in public and private sectors;
- differences: public vs. private sector;
- current developments in public sector KM;
- case studies discussions;
- practical guidance for teaching KM to public servants and representatives of local self-government.

The workshop is expected to become a first stage in the process of activities that will result into revising the curricula of relevant educational institutions and institutionalising of KM training courses for different target groups.

***Output 2.2*** Knowledge and information sharing mechanisms have been developed at the local, regional and national levels and used by the target groups.

***In cooperation with national and regional authorities forming and/or strengthening networks and communities of practices among project partners as well as beyond these target groups using and sharing the already existing networks (2.2.1)***

As a follow-up to the meetings with key stakeholders, DESPRO has established good working relations with the Main Department of the Civil Service of Ukraine (MDCS). The MDCS provides training for the leadership of rayon state administrations and agreement has been reached to cooperate in the provision of training to this audience.

Thus the MDCS facilitated the participation of the local authorities' representatives from Nemyriv rayon (Vinnytsya oblast), Novovorontsovsky rayon (Kherson oblast), Ivanivsky rayon (Kherson oblast), and Verkhnirogachytsky rayon (Kherson oblast) in the sensitisation workshop for rayon authority officials from the newly selected target rayons in Sumy oblast that took place in Vinnytsya on December 8–9, 2010. The workshop included sessions on decentralised service provision in the water-supply sector, project planning and social mobilisation as well as a site visit to Cherepashyntsi village and a meeting with the local community there, who have successfully implemented a project with support from DESPRO. The workshop was the first attempt to upscale DESPRO experiences to other regions. This was reflected in the design of the workshop program - it was done to be equally interesting and useful both for the representatives of target and non-target rayons.

***Supporting delivery of trainings by different public institutions providing training for public servants of different levels to effectively use the knowledge and practices accumulated within DESPRO KM component. (2.2.2)***

Together with the MGSDP and the NAPA, DESPRO is developing a package of training modules on the subject of decentralisation and local self-governance. This package is intended to act as a practical step-by-step guide that will include case studies from both DESPRO and MGSDP best

practices. It has been agreed that the community-based approach to local development and good governance will be the cross-cutting theme of all modules throughout the course.

A working group comprised of recognised Ukrainian experts on local self-government and decentralisation and representatives of the NAPA chair dealing with local self-governance issues (Yevgen Fyshko (Association of Regional Development of Ukraine), Vyacheslav Negoda (Cabinet of Ministers of Ukraine), Anatoliy Tkachuk (Civil Society Institute), Ihor



*Working group discussion on training modules October 27, 2010*

Koliushko (Center for Political and Legal Reforms), Anatoliy Chemerys (European Management Center), Volodymyr Vakulenko (National Academy for Public Administration), Olexandra Vasilyeva (National Academy for Public Administration), Olena Ursu (UNDP/MGSDP), Galyna Serova (Institute for Advanced Studies) was formed to revise and finalise the course as a package of training modules. DESPRO organised two group discussions (held on September 7 and October 27, 2010), during which the teams of authors and the contents of the separate modules were agreed upon.

The package of training modules will address the following topics:

- Local self-governance and decentralisation
- Social mobilisation and its influence on the decentralisation process
- Local development. Citizens' participation in local development
- Decentralised model of services provision
- Strategic planning
- Operational planning
- Financial planning and budgeting
- Quality management system for administrative services

It is planned that the course will be developed in line with the recommendations of the Ministry of Education, Science, Youth and Sport of Ukraine so that it will receive a special endorsement from the ministry upon completion.

***Forming groups of trainers and conduct Training of Trainers to further develop capacity of public servants on policy development and decentralisation promotion (2.2.3)***

The NCA conducted by DESPRO confirmed that KM remains largely unknown as a concept within Ukraine. Therefore, the KM system's potential added value, benefits, outcomes, impact and, above all, role in fostering decentralisation should be promoted through formal education and by institutionalising KM training courses for different target groups.

DESPRO started preparatory work on the organisation of a KM workshop with the involvement of international experts from the Institute of Management and Regional Economics at Lucerne University of Applied Sciences and Arts, School of Business (2.1.7). The objective of the workshop is the provision of professional training on KM to lecturers in public administration from NAPA, the Academy of Municipal Development, and universities running MA courses in public administration.

The workshop is expected to be the first in a series of activities that will result in revision of the curricula of the relevant educational institutions and the institutionalisation of KM training courses for different target groups.

***Introducing effective mechanisms of knowledge and practices sharing between practitioners and decision-makers, with emphasis on Rayon Working Groups, CBOs and Associations of CBOs; In cooperation with regional and local authorities introducing KM focal points in administrations of different levels (2.2.5)***

Bearing in mind the selection of new rayons in Sumy oblast and the forthcoming work by officials from the authorities of these rayons on project proposals, the DESPRO team decided to establish a forum for the Rayon Working Groups through the e-learning platform on the DESPRO portal. This initiative aims to facilitate an exchange of information between the three DESPRO target regions, thus forming a community of practice that is eventually expected to move on to the KM web portal.

***Facilitating and supporting thematic knowledge and information sharing events, round table discussions, public debates and study visits (2.2.6)***

A group of Ukrainian officials that included Mr. Viktor Sinchenko, Member of Parliament and member of the Parliamentary Committee on Local Self-Government and State Building; Mr.

Oleksandr Revyakin, Deputy Head of the Regional Policy Department, Secretariat of the Cabinet of Ministers of Ukraine; Mr. Myroslav Koshelyuk, Head of Vinnytsya City Development Institute; Mr. Volodymyr Garazd, Mayor of Dolyna, Ivano-Frankivsk region; and Ms. Anzhela Maluyha, Executive Secretary of the Parliamentary Committee on Local Self-Government and State Building, participated in the International Conference on "**Democracy and Decentralisation**" which was held in St. Gallen (Switzerland) on May 3-4, 2010.

The event was organised by the Federal Department of Foreign Affairs of Switzerland, the Council of Europe's Venice Commission and the University of St. Gallen. Politicians, experts, scholars and public figures were invited to discuss and explore issues related to democracy and sound governance and the synergy between centralisation and decentralisation. Elaboration of 12 theses emphasising the benefits of decentralisation was one of the key features of the conference. In particular, the participants stressed that decentralisation creates the necessary conditions for the optimum exercise of the rights of the citizens; local and regional authorities must have their own fiscal powers; globalisation increases the need for local and regional democracy as a compensatory mechanism.

Participation in the conference provided the Ukrainian delegates with a broad picture of the most recent trends and visions in the area of DLG. For the Ukrainian delegation, attendance at the conference was combined with a short study tour of St. Gallen and Zurich municipal services, including visits to the waste incineration plant in St. Gallen, municipal health and traffic departments in Zurich, and meetings with officials in both cities. These visits and meetings provided a perfect opportunity for the Ukrainian officials to get to know how the workings of the Swiss federal system are implemented in practice as well as look out for examples and models that could be applicable to Ukraine.

The "**Local Self-Governance: Its Current State and Development Prospects**" round table was jointly organised by DESPRO and NAPA on December 2, 2010 and was dedicated to Local Self-Governance Day. The central objective of the round table was to identify and discuss the main approaches to and prospects for local self-government reform in Ukraine as well as its priority tasks.

Faculty members and doctoral, postgraduate and undergraduate students from NAPA discussed the current situation of local self-government, the availability of human resources to develop it and prospects for local self-government reform. Speakers included Mrs. Olga Bodnar, First Deputy Head of the Parliamentary Committee on Local Self-Government and State Building; Mr. Vasyl Kuybida, Member of Lviv Oblast Council; Mr. Volodymyr Udovychenko, Mayor of Slavutych (Kyiv oblast); Mr. Valeriy Vorotin, Advisor to the Director of the National Institute for Strategic Studies; Professor Oleksander Vasylyev, NAPA; and Mr. Vyacheslav Sorokovskyy, DESPRO expert.

The discussion revealed that the major obstacle to the development of capable local communities is the inactivity of city and village heads, rather than inadequate legislative support for local self-governance. It was concluded that regional development, the decentralisation of authority and the professionalisation of local self-government servants should not just remain slogans, but need to be implemented in practice. Based on the results of the discussion, the participants developed recommendations to be submitted to the Parliamentary Committee on Local Self-Government and State Building.



*The "Local Self-Governance: Its Current State and Development Prospects" round table. December, 2, 2010*

### **III.1.3. Outcome 3    The national reform process towards decentralisation and local self-government is strengthened**

The changed political situation in Ukraine entailed the need to develop new strategies and approaches in developing policy dialogue aimed at promoting DLG reforms. A strategy of DESPRO operations at the national level should be developed that will outline goals, key activities and those priority areas which could and should be supported by the project.

#### ***Output 3.1        National policy dialogue on the process of decentralisation and local self-government reform is strengthened***

Synergies with all national-level players in the DLG area undoubtedly promote the concept of decentralisation and need for reforms.

Policy meetings at national level have been found to be an efficient way to promote the National Agenda on Decentralisation. Regular meetings with the representatives of key governmental bodies have become a good tradition within the DESPRO format of working at national level. During 2010, contributions to policy development in the area of decentralisation were made at meetings between representatives of the Verkhovna Rada (Parliament) of Ukraine, the Cabinet of Ministers, ministries of Ukraine, non-governmental sector. In particular meetings with:

- Mr. Victor Sinchenko, People's Deputy of Ukraine, and Ms. Anzhela Maliuga, Head of the Secretariat of the Parliamentary Committee on Local Self-Government and State Building on developing training materials for newly elected village heads councilors - Ms. O. Lytvynenko, National Programme Officer, SDC Ukraine, and Ms. O.Garnets, DESPRO Senior Project Coordinator
- Mr. Volodymyr Yatsyuk, Head of the Regional Policy Department of the Secretariat of the Cabinet of Ministers of Ukraine on establishing working relations between SCO, DESPRO and the CM Secretariat - Mr. Manuel Etter, Country Director, SDC Ukraine; Ms. O.Lytvynenko, National Programme Officer, SDC Ukraine; and Ms. O.Garnets, DESPRO Senior Project Coordinator
- Mr. Kostyantyn Pivovarov, newly appointed Deputy Minister of Regional Development and Construction on re-establishing working contacts with the new staff of the Ministry and identifying possible new areas of cooperation - Mr. Manuel Etter, Country Director, SDC Ukraine, and Ms. O. Garnets, DESPRO Senior Project Coordinator
- Mr. Myroslav Pittsyk, Head of the Association of Cities on discussing lines of cooperation with the Association on LSG reform - Mr. Manuel Etter, Country Director, SDC Ukraine; Mr. Christian Disler, Programme Officer (Division Commonwealth of Independent States / Cooperation with Eastern Europe); Ms. O.Lytvynenko, National Programme Officer, SDC Ukraine; and Ms. O.Garnets, DESPRO Senior Project Coordinator
- Mr. Vyacheslav Negoda, Director of the newly established Regional Policy and LSG Department of the Secretariat of the Cabinet of Ministers of Ukraine on re-establishing working relations between the CM Secretariat and SCO, DESPRO and identifying possible areas of cooperation - Mr. Manuel Etter, Country Director, SDC Ukraine; Ms. O.Lytvynenko, National Programme Officer, SDC Ukraine; and Ms. O.Garnets, DESPRO Senior Project Coordinator
- Mrs. Olga Romanyuk, Deputy Minister of Housing and Communal Services (Municipal Economy) of Ukraine on establishing cooperation with the Ministry on promoting decentralized services provision and incorporating DESPRO best practices in the Ministry led training programs as well as developing joint programs and learning materials - Ms. O. Lytvynenko, National Programme Officer, SDC Ukraine, and Ms. O.Garnets, DESPRO Senior Project Coordinator
- Mr. Yuri Kovbasyuk, President of the National Academy of Public Administration under the President of Ukraine on establishing working relations in the area of Knowledge Management - developing and introducing practice based training courses for public

servants (in cooperation with UNDP), establishing KM Portal that will be hosted by NAPA etc.

In 2010 cooperation with Verkhovna Rada and the Cabinet of Ministers of Ukraine was concentrated mainly on the consultative support aimed at updating the strategic base in the area of DLG due to the new political vectors after the presidential elections in Ukraine. DESPRO team and EAB members (Mr. Ihor Koliushko, Mr. Anatoliy Tkachuk, Mr. Yuriy Ganushchak) are intensively involved in further development and expertise of current concepts and legislative documents as well as development of innovative approaches to the DLG promotion.

Cooperation between DESPRO and the key national partner, MoRDC, has assumed different forms and formats in the new political environment. It is undertaken primarily through regular meetings with the Ministry's Department for International Affairs as well as meetings with the management of the Ministry on various aspects of DLG, joint participation in events – round table discussions, conferences, forums on DLG promotion organized by the Ministry at central and regional levels 2010 was successful in strengthening contacts with the Ministry for Housing and Communal Services of Ukraine. Since 2010 The Ministry has taken over the responsibility for rural water supply systems and therefore DESPRO experience is mostly relevant and demanded for the incorporating this area in the Ministry structures operation. Ministry for Housing and Communal Services of Ukraine is also the key state institution for implementing the state programs on SWM. Solid Waste Management is currently one of the most topical issues of municipal management both in urban and rural areas. A series of meetings was held with Mrs. Olga Romanyuk, Deputy Minister for Housing and Communal Services of Ukraine launched activities of DESPRO aimed at promotion of the reform of housing and communal services in Ukraine, developing joint experience based training programs on decentralized services provision and introducing them through the Ministry based training institutions. Ms. Olena Lytvynenko, National Programme Officer, SDC Ukraine and Ms. Oksana Garnets, DESPRO Senior Project Coordinator as well Project experts participated in these meeting that resulted in outlining the major areas of cooperation. An agreement which foresees DESPRO participation in developing of training courses for housing and communal services employees sector was reached. Another important agreement is the participation of DESPRO in the future discussion of the Draft Law on Local Plebiscites. DESPRO SPC became a member of a Working Group dealing with reforms in the sector. DESPRO SPC and experts participated and DESPRO supported together with the Ministry the International Water Forum Aqua Ukraine 2010.

In Phase II DESPRO is further developing cooperation with NAPA and aiming it at primarily using the Academy potential to build a good, unbiased, national-level discussion platform of the reform process as well as ; developing practice-based training courses for public servant of all levels on DLG, services provision etc. Another aspect of the DESPRO – NAPA cooperation is Knowledge Management that includes a NAPA based KM Portal with a best, including Swiss, selection of publications on DLG, access to various data bases and resources that provide knowledge in the field, on-line training courses for public servants etc.. Good working relations are established with both NAPA management and the faculty which allows involving professors from NAPA to be intensively involved in developing training courses for public servants (see page 23). All these issues have been discussed and agreed during regular meetings between DESPRO and NAPA management and staff.

In 2010, DESPRO continued to initiate discussions and create platforms - round tables, workshops and seminars - at national and regional levels involving key stakeholders and experts, including donor organisations such as DFID, World Bank, SIDA, GTZ, UNDP, etc. in order to conduct policy dialogue and debate on decentralisation. Round tables with government officials and donor community provide opportunities to further discuss decentralisation strategies in Ukraine, promote harmonization of donor efforts in this area and find solutions both for national partners coordination and for donor cooperation and alignment,

DESPRO cooperation with UNDP projects that promote decentralisation — CBA, MGSDP, CIDP — has a long tradition and has proved to be beneficial for all concerned. A report with the title "**From improving services in the community – to reform**" was presented by Mr. V. Sorokovskyy, DESPRO Decentralisation Expert, to the participants of the UNDP/MGSDP



The banner of the National Round table "Prospects for Reform of Local Self-Government in Ukraine" contains SDC, Skat and DESPRO logos. May 27, 2010

municipal support department's staff conference which took place in Yaremche in Ivano-Frankivsk oblast on March 18–20, 2010. In his presentation, Mr. Sorokovsky highlighted areas of DESPRO activities relevant to the work of MGSDP/UNDP partners. He emphasised the importance of cooperation between the two projects in complementing the expertise

acquired at community level to integrate it into the work of government at different levels. The discussion of such issues as innovations in the legislation of Ukraine in the area of housing and utilities infrastructure, forms of building management, housing energy conservation measures, the quality of development and implementation processes of the community projects supported by UNDP/MGSDP, and opportunities for receiving international support for measures in the area of municipal governance and community capacity building was a substantial input into the strengthening of the DLG process in Ukraine.

The National Round table "**Prospects for Reform of Local Self-Government in Ukraine**", held with the support of DESPRO in Kyiv on May 27, 2010, was another important event aimed at further developing the national policy dialogue on DLG. The event was organised by the Foundation for Local Self-Government Support in Ukraine and the Council of Europe Programme "**Strengthening Local Democracy and Support for Local Government Reforms in Ukraine**". The roundtable was conducted jointly with academic institutions, universities, NGOs, local government associations, and international bodies working in the sector of local and regional development.

Participants in the roundtable analysed the current state of local government reform from the institutional, constitutional, administrative and legal angles. Special attention was paid to:

- Ukrainian realities and European experience in the decentralisation area
- The institutional tools of local self-government reform
- The speed of implementation of conceptual and legal documents on local self-government reform in Ukraine
- Capacities of communities and competitiveness among regions
- The stages of local self-government reform in Ukraine in 2010–2015 and its support mechanisms

Recommendations on priority measures for local self-government reform in Ukraine, which will be directed to the central government, were adopted as the outcome of the round table.

**Output 3.2 A platform for participatory multi-level and cross-institutional policy dialogue has been established and is operational**

2010 saw the establishment of the DESPRO Expert and Advisory Board (EAB), consisting of leading experts in DLG and regional policy. The main tasks of the Board are seen as providing expert support to the project, producing analytical papers on current policy developments in the fields of regional policy, local self-governance and decentralisation, representing civil society interests in the work of DESPRO, and ensuring the transparency of project activities. See the EAB ToR in Annex VI.



*The first meeting of the EAB. June, 23, 2010*

**The first meeting of the EAB was held in Kyiv on June 23, 2010.** A pool of experts including Mr. Anatoliy Tkachuk (Head of the Civil Society Institute); Mr. Ihor Koliushko (Head of the Centre for Political and Legal Reforms); Mr. Anatoliy Chemerys (Director of the Centre for European Management); Mr. Yuriy Ganushchak (DESPRO expert); Ms. Anzhela Maliuga (Head of Secretariat of the Parliamentary Committee on Local Self-Government and State Building); Mr. Vitaliy Malashchenko (Vice President, NAPA); Mr. Dmytro Vasyliiev (Publicity Ukraine communication agency) discussed current issues in the sector of decentralisation and local self-

government as well as organisational matters.

The experts agreed that the discussion of such urgent and important issues for the country should involve representatives from the government, the general public and the mass media. Similar expert meetings were tentatively scheduled to be held on a quarterly basis. It was agreed that EAB members would elaborate practical recommendations with regard to improving the strategic programmes proposed by the new state leadership in the intervals between meetings.

**The meeting of the EAB dated November 16, 2010** gathered experts to discuss the practical instruments of DLG promotion within the DESPRO activities. In particular, the EAB members discussed the technical characteristics of KM web portal as well as its sustainability in the future. The sustainability was discussed in the parameters of human, informational and financial resources.

Another important issue in the EAB agenda was the development of a complex of training modules. The goal was to elaborate a mechanism of involving key DESPRO partners in the process and to ensure further incorporation of the training modules into the NAPA curriculum. The need for developing and conducting ToTs for NAPA and similar institutions faculty was also discussed. Experts' Board discussed and approved the concept of the new DESPRO publication – DLG Analytical Brief that will be issued starting from 2011 on quarterly basis. .

The Expert Board members are also intensively contributing to the development of the comprehensive training course on DLG that is designed in close cooperation with UNDP – separate working group chaired by Anatoly Chemerys was formed within the EB to coordinate this activity and ensure the quality of delivered products.

### **III.II. Public Relations**

DESPRO PR activities are implemented in line with the Project Document and DESPRO Communication Strategy for 2010–2012. PR is considered by DESPRO as an effective tool for achieving the Project's goals through a variety of channels. Among these, the following were particularly utilised in 2010:

- Direct personal communication
- Communication via RWGs
- Organisation of and participation in public events, including press-conferences with the national media and round tables in cooperation with the national weekly newspaper "Dzerkalo Tyzhnya" ("The Weekly Mirror")
- TV broadcasts of the project videos
- Web-portal development and promotion

- Cooperation with national and regional media
- Publications of all types

### ***Public events, collaboration with media and press-clipping***

In 2010, a number of public events with the participation of media representatives were conducted:

- February 10, 2010 — **DESPRO Steering Committee of the Autonomous Republic of Crimea** in Simferopol. The news opportunity was strong enough to attract about 20 Crimean media representatives (TV, radio, print and online media). The presence of VIPs (*Mr. Aziz Abdullaev, First Deputy Chairman of the Council of Ministers of ARC and Mr. Manuel Etter, Country Director of the Swiss Agency for Development and Cooperation in Ukraine*) and the great interest of the Crimean journalists in the topic of Swiss technical assistance in ARC resulted the press-clipping of material by 15 journalists, including the analytical TV programme “Euro Integration” (timing 45’), which was broadcast on the national channel “Crimea”.

- March 12, 2010 — **SDC and DESPRO guidance meeting with Mr. Oleksandr Zupro, Head of Sumy State Administration.**

Three articles dedicated to the meeting were published in the regional media under the headlines “Achieving high efficiency in cooperation”, “Swiss experience” and “Swiss to help Sumy oblast’s citizens reform local government”. The articles described the benefits of Swiss technical assistance for local communities.



*The journalists during press-conference on March, 16*

- March 16, 2010 — “**Decentralisation in Action**” Conference in Kyiv. The conference, attracted a “full house” of media representatives — 48 journalists from the national media. A press-conference was organised to provide the media representatives with a full overview of DESPRO achievements in the DLG area. 34 pieces about DESPRO activities and the conference were found in the Internet media and at least 5 stories were broadcast on national TV channels’ evening news programmes.

- November 9, 2010 — **VIII International Water Forum “Aqua Ukraine - 2010” and VI International Congress “Institutional and Technical Aspects of Housing and Communal Services Reform – 2010”** with the participation of the Minister of Housing and Communal Services of Ukraine and other officials and experts in the water sector. Both events were held at the International Exhibition Centre in Kyiv. DESPRO promotional materials distributed at the exhibition and a showing of the video “Living at New Coordinates” promoted ideas of DLG and decentralised service provision in the water supply area.



*VIII International Water Forum “Aqua Ukraine - 2010”  
November 9 2010*

- December 2, 2010 — **Mr. Manuel Etter, Director of the Swiss Cooperation Office in Ukraine, met with Mr. Mykola Dzhyga, Head of Vinnytsya Regional State Administration, Mr. Sergiy Tatusyak, Head of**

**Vinnitsya Regional Council, and Mr. Volodymyr Groisman, Vinnitsya City Mayor**, to discuss the results of the implementation of Swiss-Ukrainian projects in Vinnitsya oblast and the development of new and promising areas of cooperation for 2011–2014. This event was covered in 5 items in the Internet media.

- December 8, 2010 — **“Local Self-Organisation” round table** for media representatives, local authority representatives and community activists was organised by DESPRO in cooperation with the national weekly newspaper Dzerkalo Tyzhnya. During this event Mr. Dilyaver Hayredinov, Deputy Head of Nyzhnyohirsk Rayon State Administration (ARC), Mrs. Vira Honcharuk, community activist from the village Nova Hreblya in Kalynivka rayon (Vinnitsya oblast), and Mr. Oleh Novikov, DESPRO RWG Coordinator in Tulchyn Rayon shared their experience with the media representatives and experts present.



*“Local Self-Organisation” round table. December 8, 2010*

As a result of the round table, one long article was published in Dzerkalo Tyzhnya, one analytical article was published in the parliamentary journal Viche, and a news story and an analytical programme were broadcast on the UTR national TV channel.

- December 15-16, 2010 — **DESPRO Partners’ Forum** in Yalta (ARC). As this was a “closed” event, journalists were not invited to the forum. Nevertheless, the Forum’s key findings have been highlighted both on the DESPRO website and in the latest “DESPRO News” Bulletin.

Taking media coverage as a whole, during the reporting period there were 57 items in the online media and two analytical articles in the national printed media, eight TV broadcasts on local and national TV channels (not counting collaboration with the “24” channel), and three radio programmes. In total, **70 media items about DESPRO appeared during the year.** (See Annex VII).

### ***“Living at New Coordinates” and “Living in New Coordinates 2” promotional videos***

In February 2010 DESPRO released a promotional video produced by Volodymyr Kuznietsov Production, **“Living at New Coordinates”**, for communities and localities that are interested in initiating local development projects using the community mobilisation approach and co-financing mechanisms. This video has been broadcast on local TV channels and also distributed to a wide audience (up to 200 copies). Screenings of the video have become part of all DESPRO capacity building and promotion activities — for instance, at sensitisation workshops, during the initial meetings in target rayons in Sumy oblast, and so on.



*The premiere of the documentary “The Reverse Side of Waste” during the DESPRO Partners’ Forum. December, 16*

During the second half of 2010, a second video was made for educational purposes — **“Living at New Coordinates 2”**. A “step-by-step” approach to presenting information on decentralised

service provision and other methods used make the video an effective means of transferring knowledge and developing skills. Following its “premiere” during the “Decentralisation in Action” Conference, the video was shown in all DESPRO target regions — Vinnytsya and Sumy oblasts and ARC. Copies of “Living at New Coordinates” and “Living at New Coordinates 2” are regularly distributed as handouts.

### **“The Reverse Side of Waste” documentary on SWM**

The aim of the 12.5-minute video produced by famous documentary filmmaker Volodymyr Kuznietsov “**The Reverse Side of Waste**” is to promote the possibility and necessity of managing solid waste given the current ecological situation. Filmed from the point of view of the beneficiaries, the documentary convincingly demonstrates the real effects of SWM upon the lives of local communities and ordinary people and also encourages viewers if not to become active devotees of separate waste collection, then at least to recognise the need for changes in the SWM sector in Ukraine. The film is seen as a powerful tool for motivating people to improve the quality of their lives. The documentary was first shown during the DESPRO Partners’ Forum and will be distributed in the target regions and among key national partners — both governmental bodies and educational institutions.

### **Collaboration with the National TV Channel “24”**

Three different 3-minute programmes with the title “Decentralisation” were broadcast on the national TV channel “24” during the four weeks of February 2010. In total the videos went on air 88 times; the total time on air was 3 hours 24 minutes. It is important to note that “Decentralisation” video occupied first place in the rating of this TV-channel for that time slot and that it was broadcast during prime-time. (See Annex VII).

Following the broadcasts of the video, the rate of telephone enquiries to the DESPRO office increased dramatically. People called from 12 different oblasts asking for co-financing of local projects to improve the quality of life and provision of services. DESPRO team members also received numerous e-mails. The total number of enquiries was more than 50. Most of those making contact received a set of DESPRO books and educational materials on DLG by mail.

### **Printed materials/handouts**

A not-insignificant achievement in this area was the elaboration of a DESPRO “corporate” style for all printed materials. All DESPRO materials have now become instantly recognisable. Books, booklets, calendars, etc. published in the DESPRO style are used as an efficient means of raising the visibility and awareness of all project partners. As well as republishing the Ukrainian edition of “**Best Practices in the Provision of Decentralised Services: Acquiring, Enhancing and Disseminating Successful Experience**” and publishing the English edition (see 1.3.), in 2010 the Project also produced the following “DESPRO style” publications:

- “**Rural Water Supply Systems in Ukraine**” manual (2010) was republished in the new “corporate” style
- DESPRO Phase II booklet
- DESPRO Calendars for 2011
- Planners for 2011
- Pens with the project logo



### ***DESPRO Newsletter***

To keep partners and key people informed about the activities of the Project, DESPRO not only uses its website, but also distributes a newsletter. Its A4 format and two forms of publication (full-colour hard copy and PDF e-version) make it easy, quick and inexpensive to produce. Each issue of the newsletter usually contains up to five articles dedicated to the most important and interesting events and activities of the Project, a success story and general information about the Project which is presented in a standard format. In accordance with SDC Guidelines on Communication, the newsletter contains the following disclaimer: "This newsletter has been produced with the support of the Swiss Confederation. The contents of this newsletter are the sole responsibility of DESPRO and can in no way be taken to reflect the views of the donor."

The newsletter is bilingual — in Ukrainian and English — which broadens the potential readership and allows DESPRO to get messages across all audiences at the same time. During 2010, seven issues were produced. Among the Ukrainian recipients of the newsletter are local partners, rayon administrations and self-government bodies, local media (not only in pilot regions, but all over Ukraine), national stakeholders and partners — more than 150 “subscribers” in total. There are about 30 English speaking recipients, which are mainly donor organisations and projects. All materials are authorised for republication and replication with obligatory reference to the source. The newsletter is one of the reasons why the number of visitors to the DESPRO website has increased. Positive feedback from the readership allows DESPRO to conclude that the newsletter is effective as a PR tool.

It is also worth noting that starting from March 2010, the newsletter has gained a new, more attractive design. This has helped increased attention from DESPRO partners.

### ***Media content survey***

In promoting reform, DESPRO has to consider political trends and the current processes occurring in the power structures of the country and society. Project experts analyse the information environment to reflect the processes of decentralisation and reform of public administration. Such monitoring permits the Project not only to plan activities adequately, but also to monitor how the situation in the DLG area is being influenced. For these reasons, over the course of 2009 and 2010 DESPRO and the Ukrainian Institute of Sociology of the National Academy of Science conducted a joint, large-scale study of coverage of the topic of decentralisation and territorial-administrative reform in the Ukrainian media.

The findings of the study may be summarised as follows:

In 2009 - 2010 the Ukrainian media presented the practice of reforms against the relationship between centre and regions, describing the process as:

- Strengthening the role of regional authorities to enhance their powers and responsibilities (43%)
- Harmonisation of regional development with the development of territorial communities (38%)

The survey reveals a positive change in public consciousness towards DLG.

### ***Web portal***

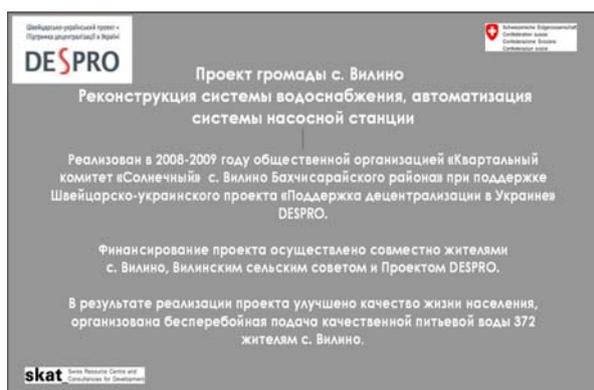
In the second half of 2010, the DESPRO web portal was significantly modified with the aim of making it more interactive, dynamic and informative. The site-map was upgraded and better structured compared with the previous “tree” (Table 2):

Table 2

| Section menu                         | Changes  |
|--------------------------------------|--|
| Authorisation                        | Experience showed that users did not see any benefit in authorisation, and almost never used this option. Therefore, it was decided to exclude the option and eliminate the section. |
| Interactive Map                      | The geography of the project activities now can be found in the “About the Project” section.   |
| How to Implement a Community Project | This topic has found its logical place in the main menu under “Knowledge Management”.  |
| Search                               | The previous version of the site did not allow searching by keywords. Now this possibility exists, which is a great help to users.   |
| Slide show on the Home Page          | Dynamically changing photos make the site more vivid, interesting and connected to real life.  |

Other improvements include:

- More dynamic, contemporary and user-friendly design.
- Slide show of project photos in a wide panel on the home page.
- Panel for partners’ website banners, including SDC, Skat, Ministry for Housing and Communal Services of Ukraine, Ministry of Regional Development and Construction, NAPA.
- The most interesting events happening in the area of DLG and in the course of DESPRO implementation are presented in the “News” category.
- Two new sections on the Ukrainian homepage: “Partners’ News” and “Experts’ Opinions”, where one can find interesting articles written by the members of DESPRO Expert Board. These sections have not yet been translated into English.
- An interactive survey on the Ukrainian homepage with the question “In your opinion, decentralisation is...?”, where a visitor can chose one of three proposed answers.



### Recognition plaques

A recognition plaque has been installed at each of the newly launched water supply systems. These plaques contain acknowledgements of all parties who have contributed to the project. In the reporting period, DESPRO distributed 27 recognition plaques.

Summarising the PR achievements in 2010, it can be noted that DESPRO has expanded the range of awareness about its activities among all interested parties. This is confirmed by the increased coverage in the media as well as the growth in the number of enquiries to the project from the citizens of Ukraine.

### III.III Synergies with other actors in the field of DLG

DESPRO cooperation with UNDP projects that promote decentralisation — CBA, MGSDP, CIDP — has a long tradition and has proven to be beneficial for all concerned. Working in synergy with the UNDP Municipal Governance and Sustainable Development Programme (MGSDP),

DESPRO develops a comprehensive training course (package of training modules) for public servants and LSG officers. This course is developed in close cooperation with NAPA. The course and specialised modules will be introduced into the NAPA curriculum for public servants.

A special area of collaboration between MGSDP and DESPRO is designing and contributing to implementation of the joint Tulchyn city and rayon SWM project. Within this activity, it is intended to introduce the Stepwise Planning Procedure for an SWM system, which envisages the participation of local communities in decision-making. The design of such an integrated approach to SWM planning will allow both projects to develop recommendations for decision makers and practitioners in both the legal and operational areas (1.1.1, 1.1.3).

A presentation entitled «**From Improving Services in the Community to Reform**» was made by Mr. Vyacheslav Sorokovskyy, DESPRO Decentralisation Expert, at the UNDP/MGSDP Municipal Support Units staff conference which took place in Yaremche, Ivano-Frankovsk oblast, on March 18–20, 2010. In his presentation, Mr. Sorokovskyy highlighted the areas of DESPRO activities that are relevant to the work of MGSDP/UNDP partners. He emphasised the importance of cooperation between the two projects in complementing the expertise acquired at community level to integrate it into the work of government at different levels. The ensuing discussion of such issues as innovations in the legislation of Ukraine in the area of housing and utilities infrastructure, forms of building management, housing energy conservation measures, the quality of development and implementation processes of the community projects supported by UNDP/MGSDP, and opportunities for receiving international support for measures in the area of municipal governance and community capacity building was a substantial input into the strengthening of the DLG process in Ukraine.

Skat is also exploiting synergies with the WatSan (ApaSan) Project in Moldova on behalf of SDC. The DESPRO and ApaSan project teams have established a community of practice to intensify the exchange of knowledge and practices in Phase II.

Coordination and cooperation with CIDP, specifically in promoting decentralised water supply service mechanisms, takes place through joint workshops and conferences that involve partners of both projects and enable them to share experiences in the area.

Policy dialogue at the national and regional levels continued to be an effective way of promoting the reform process. In 2010, the format of this work included regular meetings with the representatives of governmental structures, primarily with the key national partner — the MoRDC — as well as with the Verkhovna Rada, the Presidential Administration, NAPA, and oblast and rayon state administrations and councils (3.1).

DESPRO continues mutually beneficial cooperation with the donor community to promote DLG. DESPRO has continued to initiate and participate in round tables, workshops and seminars at the national level involving all key stakeholders, including donor organisations such as, SIDA, DANIDA, GTZ, UNDP, etc. in order to continue the policy dialogue and debate on decentralisation (3.2.1, 3.2.2, 3.2.3).

## **V. MAINSTREAMING GOVERNANCE AND GENDER**

In its Strategy 2010, SDC formulated five priority themes, one of them being quality management of public affairs, also known as governance, which is defined as *the way in which power is exercised and applied at different levels*. The golden rule “Sectoral support is insufficient if it focuses only on infrastructural and technical aspects” has been applied to the DESPRO Phase II philosophy and resulted in integration of the following principles — accountability, transparency, participation, non-discrimination and efficiency — into the DESPRO activities:

*Accountability:* Since water is a common good, it is necessary that all actors feel responsible for its management. This implies clear regulations for pricing policies and subsidies, as well as the implementation of policies that guarantee good management of watersheds and water-producing ecosystems.

*Transparency:* Proper distribution of information about the availability of water and about transparent pricing policies is a decisive factor.

*Participation:* Civil society is involved in water management and has rights and obligations. Such structures are all the more important for the establishment of public/private partnership.

*Non-discrimination:* The basic needs for water must be met for the entire population and on an equitable basis. Access to water is a human right, and water policies need to balance everyone's interests equally.

*Efficiency:* Without integrated management of the various uses of water, human potential and public health are at risk. Water must remain a resource that is accessible to all, regardless of its potential for being taxed; it needs to be protected from pollution and wasteful use.

In practice during 2010, the governance principles served as working methods in the following dimensions of DESPRO activities:

*Transparency and accountability in the government.* DESPRO supports the government of Ukraine in providing reliable information about the on-going reform process. In the sectors of water supply and solid waste management, the Project's work has been focused on a better definition of roles and responsibilities (financial and operational) between national, oblast, rayon and local levels of the government in the process of service provision, with special attention paid to strengthening accountability. DESPRO experts and partners at local and regional levels have jointly developed and brought into practice transparent procedures for developing and selecting the co-financed community projects. Local and rayon administrations are deeply involved in the process and accountable before the people for the decisions that are taken.

*Participation of the rural population in decision-making processes.* In 2010 DESPRO promoted wider participation of people in communities, both men and women, as well as civil society organisations, in decision-making processes related to community-based service provision by supporting community meetings and the formation of community based organisations and service cooperatives as well as by building the capacities of community activists and leaders in articulating community needs and priorities to administrative bodies at all levels.

*Establishing partnerships* between the public and private sectors, as well as between the government and citizens is promoted by DESPRO through participation of administrative bodies, local communities and the private sector in successful implementation of community initiatives.

Obviously, governance cannot be effective if there is no understanding of the differing needs of women and men, and of various groups of women and men in public spending, policies and legislation. Governance must respect and ensure gender equality and women's rights.

DESPRO target communities have been selected by MoRDC as pilots for the implementation of the European Strategy on Innovation and Good Governance at Local Level — the new political initiative of the Council of Europe aimed at promoting citizen participation in local public life and enhancing the capacity for and quality of governance in local authorities.

The five principles of governance include de facto equal opportunities for men and women. SDC pursues the theme of gender as a cross-cutting topic across all its development programmes and projects, understanding gender with regard to equal rights and equal opportunity for women and men. Therefore, 2010, as the first year of DESPRO Phase II, had the aim of placing increased emphasis on mainstreaming gender equality in accordance with the priorities outlined in the national policy on gender. Special focus was placed on promoting women's participation in public service and in decision-making positions at village, rayon and oblast levels through the facilitation and introduction of participatory mechanisms, through sensitisation, and by conducting training on leadership and management issues. This was done not from scratch but on an adequate platform of gender balance at community level, formed during Phase I of DESPRO activities (Table 3).

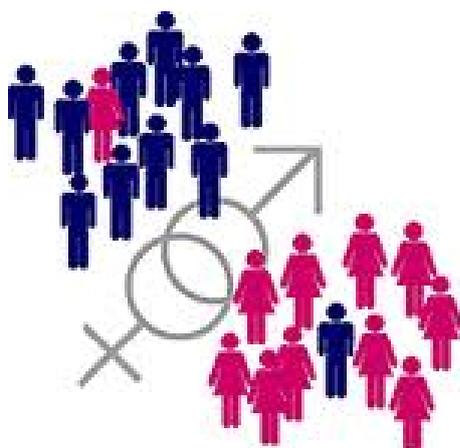
## DESPRO direct beneficiaries (at the end of Phase I)

| DESPRO Target Rayons in Ukraine      | Total         | Women        | Men          |
|--------------------------------------|---------------|--------------|--------------|
| <b>Autonomous Republic of Crimea</b> | 9 258         | 5 093        | 4 165        |
| <i>Bakhchysaray</i>                  | 2 820         | 1 645        | 1 175        |
| <i>Lenino</i>                        | 1 005         | 539          | 466          |
| <i>Nyzhniohirsk</i>                  | 5 433         | 2 909        | 2 524        |
| <b>Vinnytsya oblast</b>              | 6 117         | 3 542        | 2 575        |
| <i>Illintsi</i>                      | 1 336         | 756          | 580          |
| <i>Kalynivka</i>                     | 1 157         | 631          | 526          |
| <i>Tulchyn</i>                       | 3 624         | 2 155        | 1 469        |
| <b>Total for Phase I</b>             | <b>15 375</b> | <b>8 635</b> | <b>6 740</b> |

At the same time, it is important to note that although the representation of women in local government administrations is currently close to 50% at the community and rayon levels in Ukraine, at oblast level it is only 12%. At the national level almost no women at all are represented in legislative and top executive offices. Therefore, it is essential to sustain women's participation at local level and identify potentials to increase the participation of women at oblast and national levels through the ongoing decentralisation process.

In order to improve the implementation of gender as a cross-cutting theme within DESPRO, a national expert Ms. Svitlana Pavlysh and an international expert Ms. Erika Schläppi were assigned to provide input, to explore and analyse the needs of men and women in local governance, to identify potentials within DESPRO Phase II to foster both men and women's participation in decision-making, planning, budgeting, and decentralised service-provision, and to identify challenges and potentials of partners and formulate practical recommendations to DESPRO. The assessment was carried out based on documents and a series of interviews with project partners and community representatives in Kyiv, ARC and Vinnytsya oblast conducted between August 18 and August 27, 2010.

**The Assessment Report** provides an overview of relevant concepts, experiences and key lessons learnt from other contexts to frame the assessment's approach to gender equality and gender mainstreaming in the context of decentralisation, local governance, and water supply. It then briefly analyses the Ukrainian context relating to governance and gender and presents the teams' findings.



DESPRO is not intended to become a gender project, so it will not primarily address gender equality goals. However, the report argues that within the current logframe there is important potential for DESPRO to explore and some concrete entry points to have positive effects on gender equality — and avoid some risks.

According to Outcome I planned for Phase I, DESPRO's activities focus on funding local projects to provide good quality water supply to households, which is highly relevant for gender relations: housework — generally done by women — is easier and takes much less time if running water is available. Improvements in health also tend to lessen the burden of women who normally take on responsibilities for care when family members fall ill. Moreover, DESPRO's design and approach, focusing on community initiatives, have favoured the involvement of many women in project activities, from decision-making to implementation. However, there is a need for a better and more differentiated understanding of gender aspects in the project context and the project effects, with a view to making DESPRO responsive to the current needs of both men and women and

using the potentials for promoting gender equality — and containing the risks of reinforcing gender stereotypes which go against gender equality.

Several entry points to improve DESPRO's sensitivity to gender equality issues are identified in the report, such as:

- DESPRO, with its involvement in service delivery at local level, would be in a very good position to find out, analyse and share lessons learnt on local governance and service delivery from a gender perspective.
- DESPRO should pay attention to and avoid the risk that the share of unpaid work in the current community mobilisation approach is taken on mainly by women, with negative consequences for women's empowerment and reinforcing gender stereotypes. Thus, DESPRO should invest particularly in motivating men, together with women, to engage with water services management and practical community work.
- DESPRO can take a specific role in building the capacity and self-confidence of women and men and opening spaces to get information and knowledge, to reflect on and recognise their own needs, to ally with others having the same interests beyond their own community, with a view to making political participation more meaningful at village council as well as rayon and oblast level and address more general but highly relevant constraints in the water sector.
- DESPRO can raise the awareness of the authorities and communities responsible for tariff policy, with a view to avoiding risks of exclusion (of women and men) and holding authorities accountable to ensure a minimal standard of water services for everyone.
- DESPRO, with its reputation of being an effective and efficient supporter in the area of water services, could actively contribute to and lobby for improved gender sensitivity, awareness of the needs of men and women, and a supportive role of village, rayon and oblast level authorities, with a view to building an effective, efficient and accountable water supply system responding to the needs of men and women equally.

DESPRO Outcome II is aimed at developing knowledge management processes and integrating them into local governance systems. The capacity of public servants should be built to take responsibilities in establishing, running and maintaining public services. Local authorities are mainly directed and controlled by men, but the presence of women staff in regional and local public administrations is high, at least at lower management levels. DESPRO has developed a first draft Concept on Knowledge Management. There is a need to add a gender equality perspective to the next draft, with a view to promoting equal access to knowledge and information for men and women within the administrations at various levels as well as within the communities involved.

DESPRO Outcome III refers to support of the national reform process towards decentralisation and local self-government. DESPRO is still in the process of re-adapting to the new realities after the change of government, and it seems to be difficult for the moment to assess the concrete plans of the new government in this area and the potentials for support. Given the limited attention paid by many political actors to gender issues in general, it might be difficult to get the gender perspective into the discussion on decentralisation. However, DESPRO has local experience to build on, and the existing gender machinery provides some tools which can be used if DESPRO allies with gender specialists.

The report makes seven recommendations for DESPRO, and specifies various suggestions for concrete action to be implemented for each recommendation during the current phase. The following recommendations are made:

1. Study the gender dimension of some selected DESPRO funded projects and their context in detail, based on gender disaggregated data, to identify a gender equality baseline, potentials for fostering gender equality and risks for reinforcing gender stereotypes.

2. Make gender equality aspects more explicit and visible throughout the funding process of local water supply projects, and try to identify and use potentials for fostering gender equality.
3. Mainstream gender into DESPRO's new knowledge management system.
4. Build on the emerging potential of local women leaders as well as on gender champions among male leaders to foster the political voice of women.
5. Make gender sensitivity and the promotion of gender equality part of DESPRO's approach to the national concept of decentralisation.
6. Address gender aspects explicitly in all phases of the Project Management Cycle.
7. Build the capacities of the DESPRO team to use the gender concept concretely in each specific task.

Based on this, the DESPRO team has developed a Recommendations Implementation Framework that transforms the above recommendations into concrete project activities in 2011 and 2012.

#### **IV. MONITORING AND EVALUATION**

In the first half of 2010, the Project Information and Monitoring System (PIMS) was elaborated and piloted. PIMS is an electronic online system for managing all events within DESPRO activities. The system records the status of the decentralised service provision projects and the progress made in implementing them; contains data on the geographic coverage of DESPRO, its partner organisations and people that in one way or another cooperate with the project; and brings together all important documents relating to events and project activities.

By the end of 2010, PIMS was fully and actively functioning. Its database is populated as follows:

- People section — 199 entries
- Organisation section — 154 entries in 9 categories
- Geography section — contains information on all partner towns, districts and regions, as well as information about all other places associated with the project activities
- Community Projects section — contains 132 entries in 5 categories, formed on the principle stages of the project
- Events section — contains 164 entries in 5 categories, formed on the basis of the implementation stage of projects
- Results section — displays clusters of events and activities aimed at implementing particular project tasks

In the course of piloting, PIMS has shown its efficacy in the following aspects:

- Monitoring implementation of projects in rural communities — the submission of project proposals, approval, project implementation (particularly financing).
- Monitoring development of the project at all levels. The awareness of the DESPRO team about planned, ongoing and past events has significantly improved.
- The database of DESPRO partners has grown substantially, decreasing the search time for contacts and information.
- The process of reporting has become easier and more efficient due to a clear binding of events to project objectives and indicators.

You signed in as **olena\_sas** ukr eng **DESPRO**

Home Page | Logs | Profile | Log Out

Projects in rural communities | Events | **Results** | People | Organizations | Geography

**Results**

Outputs | Indicators | People | Types of events | Organizations | Geography

Display:  Year:  Event Type:  Status:

| ID | Outputs  | Total | Planned | In preparation | In progress | Completed |
|----|--|-------|---------|----------------|-------------|-----------|
| 1  | Quality of and access to services in target areas are improved | 95    | 0       | 2              | 0           | 93        |

| ID | Event  | Outputs                          | Status    | Event Type       |
|----|--|----------------------------------|-----------|------------------|
| 7  | Conference partners DESPRO Decentralization in Action  | 1.1.8<br>1.3.6<br>3.1.2          | Completed | Conference       |
| 46 | Monitoring visit (the prospect of projects with the treatment of solid waste)                          | 1.1.1<br>1.1.4                   | Completed | Monitoring visit |
| 47 | Monitoring visit (the prospect of projects with the treatment of solid waste)                          | 1.1.1<br>1.1.4                   | Completed | Monitoring visit |
| 49 | Roundtable "Needs and addressing problems in the solid waste management in cities of Ukraine"          | 1.1.1<br>1.1.4<br>1.1.6<br>1.3.5 | Completed | Roundtable       |
| 51 | Monitoring visit Bryanskoe   | 1.1.2                            | Completed | Monitoring visit |
| 52 | Monitoring visit Beregovoe   | 1.1.2                            | Completed | Monitoring visit |
| 54 | Monitoring visit Uglovoe   | 1.1.2                            | Completed | Monitoring visit |
| 55 | Monitoring visit Liulyntsi   | 1.1.2                            | Completed | Monitoring visit |
| 56 | Monitoring visit Nestervarka   | 1.1.2                            | Completed | Monitoring visit |
| 57 | Monitoring visit Mayaky  | 1.1.2                            | Completed | Monitoring visit |
| 69 | Donor Meeting at the Ministry of Housing   | 1.3.6                            | Completed | Meeting          |
| 71 | Information Session - announcement of competition and Working Group in Kalinovka rayon                 | 1.1.2                            | Completed | Meeting          |
| 72 | Information Session - announcement of competition and Working Group projects in the area Illinetskogo  | 1.1.2                            | Completed | Meeting          |
| 73 | Information Session - announcement of competition and Working Group projects in the area Tull'chin     | 1.1.3                            | Completed | Meeting          |
| 74 | Information Session - announcement of competition and Working Group projects in the area Bakhchissaray | 1.1.2<br>1.1.3                   | Completed | Meeting          |

The challenge for 2011 within the implementation of PIMS is the active involvement of the RWGs of Sumy oblast. To this end, a special training session on using the system is planned for early 2011.

## V. PROJECT MANAGEMENT AND STEERING

Within Phase II the goals and objectives of DESPRO have been changed, which entailed corresponding changes in the type and scope of tasks of the Project staff. Two new staff members were recruited through an open competition – Knowledge Management Specialist Ms. Maryana Kulya and Decentralisation Specialist Mr. Vyacheslav Kozak.

Thus, the current core staff of the PIU is composed of Senior Project Coordinator, Decentralisation Expert, Decentralisation/Social Mobilisation Specialist, Knowledge Management Expert, Finance/Administrative Manager, Project Assistant and Driver/Office Manager. Currently, the PIU is fully staffed and functional. Experts in specific areas are being contracted on a short term basis.

Elena Sas, who previously worked on the Project as a part-time Public Relations Specialist was contracted in Phase II as Communications and M&E Specialist to maintain project communications and to operate as the focal point for the recently developed DESPRO Project Information and Monitoring System (PIMS).

Project documentation is properly maintained and exists both in electronic form and in hard copy. This is applicable to financial documentation, procedure-related documents, documentation on community projects, correspondence, and so forth. DESPRO has developed a set of Financial and Administrative Procedures (FAP), which are guidelines for financial and administrative operations. The latest revision of the FAP was updated and approved in April 2010 (See Annex VIII). An operations manual covering all aspects of project planning, management and implementation has also been developed. The operations manual will be revised in the course of Phase II as necessary, based on the changes and modifications that will be made to project procedures.

The Project Information and Monitoring System (PIMS), which is fully operational as of March, 2010, allows management to keep track of all project activities both at the PIU and in the partner regions.

The DESPRO PIU is supervised and thematically supported by the Management Team of Skat HQ through regular missions in Ukraine and through permanent support from Switzerland.

The Project Director (Mr. Juerg Christen) and the Project Manager (Mrs. Claudia Schneider), based in St. Gallen, provide regular project management, monitoring and conceptual support to the PIU in Kyiv through missions, e-mail and phone communication. During the reporting period, the Project Director visited Ukraine in March. Mr. Christen participated in the DESPRO Phase I Summarising Conference. He also visited Sumy oblast, together with Mr. Manuel Etter, SDC Country Director, to establish working contacts with the administration of the new DESPRO partner region. The Project Manager Mrs. Claudia Schneider visited Ukraine in February with her mission focused primarily on administrative and operational issues in Phase II. Mrs. Claudia Schneider mission to Ukraine in September was focused on internal monitoring visits to AR Crimea and Vinnytsya oblast.

Mrs. Bertha Camacho, Skat Expert on KM, visited Kyiv in April to start working together with DESPRO KM Experts on developing the KM Concept Paper for the Project. Mr. Andre Olshevsky, Skat Expert on SWM, conducted monitoring visits to project sites in Vinnytsya oblast and ARC where SWM projects are supposed to be implemented according to Phase II plans.

At the national level, DESPRO is closely aligned with the key national counterpart – MoRDC. The MoU between MoRDC and SDC that was signed on March 20, 2009 — which provides, along with other stipulations, an outline of cooperation between the Ministry and DESPRO — remains valid for Phase II.

DESPRO is also further developing close working relations with the Secretariat of the Cabinet of Ministers of Ukraine, Ministry of Municipal Economy, National Academy of Public Administration, Ukrainian Associations of Cities, Committees of Parliament, Association of Cities, etc.

Cooperation with MoRDC has different forms and formats and is undertaken through monthly bilateral meetings with the Ministry's representatives and joint participation in different events organised by both the Ministry and the Project.

The DESPRO Expert and Advisory Board (EAB), consisting of key national experts in DLG and regional policy, was formed with the central task of providing expert support to the project as well producing analytical papers on current policy developments. The first meeting of the EAB took place on June 23, 2010. The TORs of the EAB were developed in consultation with the Board members. The KM Coordination Board is intended to be part of the EAB.

MTR conducted during DESPRO Phase I confirmed that there was no need to establish a separate national steering committee for the Project within the current phase. It was decided that, for the time being, DESPRO should keep established cooperation on track and work further on its systematisation and content-oriented development. However, the issue of establishing a national steering committee was reviewed during the planning of Phase II. The formation of a Steering Committee at the national level appeared to have become important in the current political situation. Consultations with key stakeholders on the issue are underway.

The compositions of Steering Committees in both Vinnytsya oblast and ARC will be revised based on the changes in management that have taken place. The Steering Committee in Sumy Oblast will be established upon the signing of the MoU between Sumy Oblast Administration and SDC COOF.

## **VI. LESSONS LEARNT AND NEXT STEPS**

The year of 2010 brought major changes to Ukraine — following the 2010 presidential elections, together with the change of President of Ukraine came a change of practically all decision-makers. Despite this, the ideas of decentralisation and administrative and territorial reform remain strategic priorities for the country's development.

Although progress in these areas is not as quick as could be expected, the forward dynamic can clearly be observed. This is evidenced by a number of statements by the President of Ukraine in

which he has declared the need to develop the legislative basis of DLG reforms by the end of 2010 and to start implementing the reforms beginning from 2011.

- Despite the political, economic and social transformations in Ukraine in 2010, DESPRO has managed to tune in to the new realities and continue interventions within the DLG area at all levels. This has been possible due to the openness and flexibility of DESPRO conceptual approaches as well as synergy with all interested parties in the various forms of cooperation (meetings, boards, etc.).
- Recent developments in government policy in the field of alternative energy sources testify to the fact that SWM as a new area of DESPRO intervention is today extremely topical and will doubtless be supported by the national authorities and society in general.
- The need for decentralisation appeared more and more to be an objective requirement of current life, especially at local level. It has encouraged the successful forging of relations with new oblast and rayon authorities in Vinnytsya and AR Crimea.
- Economic and social realities in Sumy oblast indicate the correctness of the choice of this region by DESPRO. Here, the need for DLG reforms reinforces the commitment of the authorities, particularly in the water supply area.
- The remoteness of Sumy oblast from Vinnytsya oblast and AR Crimea does not promote adequate dissemination of the achievements and best practices of partner CBOs in these regions among Sumy authorities and local communities. This can be considered as one of the factors which explain the not very rapid progress of DESPRO strategy development for Sumy region.
- In autumn 2010, about 30% of representatives changed after the local council elections. The fact that a great majority of the new representatives had never worked in the system of public administration before makes the capacity building for civil servants at oblast, rayon and local levels that is planned for within the DESPRO Capacity Development Programme (CDP) very timely.
- After the elections, the first stage of administrative reform was launched, resulting in a reduction in the number of ministries from 24 to 16, as well as a redistribution of functions within the government of Ukraine. As a result, two key partner ministries — the Ministry of Regional Development and Construction and the Ministry of Municipal Economy — have been merged into one — the Ministry of Regional Development, Construction and Municipal Economy. This requires additional time and efforts for re-establishing contacts.
- The NCA conducted in 2010 by DESPRO confirmed the demand for knowledge and skills among all levels of authorities in Ukraine and indicated the possible algorithm for development of the DESPRO KM System.
- DESPRO, with its involvement in service delivery at local level, would be in a very good position to find out, analyse and share lessons learnt on local governance and service delivery from a gender perspective.

Given the above, DESPRO will focus project activities in the next period primarily on:

- Providing expert and advisory support to further develop legislation related to DLG reforms.
- Developing action plans with interested parties — donors, local authorities, the private sector, civil society — both stipulating activities and defining responsibilities in achieving jointly identified goals. A good example would be the designing of the SWM project for Tulchyn rayon.
- Starting to develop and introduce the Stepwise Planning Procedure for an SWM system, which envisages the participation of local communities in making decisions.
- Conducting further consultations with newly appointed administrations as well as with newly elected local governments following the municipal elections on October 31, 2010. Intensifying their involvement in DESPRO activities.

- Analyzing baseline data concerning the socio-economic situation in rayons of Sumy oblast specifically in regard to water supply services; based on the conclusions of the analysis — selecting the most appropriate rayons.
- Updating the Capacity Development Programme for DESPRO partners in order to provide required capacity development to newly elected civil servants.
- Further developing, designing and introducing training modules on DLG in cooperation with NAPA and other partners.
- Making gender equality aspects more explicit and visible throughout the funding process for local water supply projects; mainstreaming gender into DESPRO's new knowledge management system.

## VII. FINANCES

2010 is the first year of the DESPRO Phase II. Due to no-cost extension of the Phase I for one month, the Phase II of the project started on February 1, 2010. Therefore the reporting period for 2010 amounts to 11 months and annual financial statements cover the period from February 1 till December 2010.

The planned budget for DESPRO activities for 2010 is amounted CHF 1 329 215.

Actual expenses composes CHF 661 568.51, where administrative part makes up CHF 300 364.63 and program part – CHF 361 203.88. The 2010 planned budget is delivered on 50%.

There are following objective reasons that caused the decrease of delivery level in 2010. Firstly, the changes in political situation after the Presidential elections, and primarily changes in the management at all levels of state administration – changing of Ministers and the staff in key partner ministries, changing of the Governors and their offices, as well as changing of the heads of rayon administrations in partner regions. This process lasted, in fact, up to September and was followed by local elections that brought substantial changes in the local self-government – more than 30% of village heads are newly elected people. This dynamic was crowned by the start of the Administrative reform the result of which was merging of the two key DESPRO partner ministries - Ministry of Regional Development and Construction and Ministry of Regional Economy. The legal base on housing and communal services was also under revision in 2010. Therefore the above general situation in the country prevented DESPRO from timely implementation of the activities under Output 1 – including co-financing of community projects. In fact Output I is the most resource consuming budget line in the DESPRO budget and mounts to almost 50% of the program budget for 2010. Major expenditures in 2010 were done within Output 2 and Output 3. The Output 2 covers the expenses on new component Knowledge Management. The actual expenses include assessment activity, expert support, web-portal launching and elaboration of training modules for public servants. The Output 3 covers national level partnership activity and media support. In frame of this Output the expenses covers the supporting of range of events on decentralization topic conducted by the profile Ministers. Also it was produced the informative movie on SWM problem. The actual expenses in Output 1 present the preparatory activity for communities' project, in particular, information meetings, project proposals preparation workshops, workshops on SWM. Thus all preparatory works for community project co-financing are done for the projects to be started early 2011 and all corresponding expenses will be made.

## **VIII. ANNEXES**

- I. DESPRO Capacity Building Plan 2010-2012
- II. DESPRO Capacity Building Thematic Areas
- III. Executive Summary of the NCA results
- IV. KM portal draft concept
- V. DESPRO KM Concept
- VI. EAB TOR
- VII. PR Annexes
- VIII. FAP
- IX. Logframe