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DEVELOPMENT INITIATIVE FOR ADVOCATING LOCAL
GOVERNANCE IN UKRAINE (DIALOGUE PROJECT)

QUARTERLY REPORT
for the Development Initiative for
Advocating Local Governance
in Ukraine (DIALOGUE) Project
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LIST OF ABBREVIATIONS

AUC – Association of Ukrainian Cities
AUC RO – Regional Office of the Association of Ukrainian Cities
CIDA – Canadian International Development Agency
CLAC – City Legal Assistance Center
CMU – Cabinet of Ministers of Ukraine
KCSA – Kyiv City State Administration
LED – Local Economic Development
LOTVC – Luhansk Oblast TV Company
MHC – Ministry of Health Care
MIA – Ministry of Internal Affairs
MA – Main Authority
OCNA – Oblast Communal News Agency
OSA – Oblast State Administration
PMSAC – Primary Medical and Sanitary Assistance Center
RSA – Rayon State Administration
SSSU – State Standard System of Ukraine
STA – State Tax Administration
STI – State Tax Inspection
STVRC – State TV and Radio Company
TIB – Technical Inventory Bureau
TVRC – TV and Radio Company
USAID – U.S. Agency for International Development
UTVRC – Ukrainian TV and Radio Company
VAT – Value Added Tax
VRU – Verkhovna Rada of Ukraine
ZhEK – housing neighbourhood maintenance unit

INTRODUCTION

In the beginning of 2012, some radical changes took place in the Mykola Azarov Cabinet. Two new vice-prime ministers came on board – R.Bogatyriova, in charge of reforms in health care and V.Khoroshkovskiy as a first vice-prime minister. New people came to head the finance and economics units of the Cabinet. After a brief stay in position as a Minister of Finance, Mr. Khoroshkovskiy stepped down for Yu. Kolobov; P.Poroshenko was appointed as a Minister of Economic Development upon extensive consultations. It is hard to foresee whether the reshuffle initiated by the President will be a success and how it will impact the social and economic and political situation that remains difficult.

Ukraine entered 2012 with the traditionally high 20-billion UAH deficit of local budgets in financing their delegated authority and a promise to review the budget indicators within a year. But in March, the President of Ukraine V.Yanukovych announced his social initiatives that according to informed opinions will require another 10-16 billion UAH from the State Budget. Thus, the prospects of revising the State Budget to reduce the deficit of local budgets look bleak.

The tariffs issue is still a problem. Even worse – now it's everyone's business: President V.Yanukovych ordained bringing the tariffs in accordance with the costs while not increasing them; Prime Minister Azarov called upon local self-governance organs to stop speculating on tariffs issue while ignoring the fact that the mentioned self-governance was deprived of the tariffs setting function. Any attempts of the Association of Ukrainian Cities to arrange for a roundtable with the country's leadership to agree on a subsidiarity principle albeit in the tariffs issue only were disregarded. Neither the President, nor the Prime Minister of Ukraine see any sense in a meeting like this and actually either ignore the issue or dodge it.

Amendments introduced to the law “On Service in Local Governments” only fanned the flames of confrontation between the local self-governance and the Ministry of Justice tasked by the President to bear responsibility for local self-governance reforms. Following the established rule the Ministry of Justice got down to work never bothering to consult the self-governance itself and it was only after interference on the part of the Verkhovna Rada of Ukraine Chairman V.Lytvyn that the Ministry of Justice finally complied with legal provisions of the law “On Local Government Associations” and invited representatives of all-Ukraine local and regional self-governance organizations to the negotiating table. However, the Ministry of Justice never intended to change its own position and rejected virtually all suggestions of substance that came from the local government representatives. Now it's up to the Parliament.

The very reforms announced and partially begun by the country's leadership are now uncertain. The best outlook on reforms implementation was given by the head of the Parliamentary faction of the Regions Party when he asked I.Akimova, the ‘reform coordinator’, “Are we running for the Parliament or are we implementing reforms?”

The pre-election race grows ever more self-evident. Local government leaders are subjected to coercion again and again. City mayors of Trostyanets, Yuzhnoukrainsk and Netishyn were voted out of their offices by the pertinent city councils. Over three month of 2012 around 50 local self-governance officials and local council deputies were made criminally responsible for corruption. A draft law emerged in the Parliament, whereby a protocol of administrative responsibility for corruption may serve grounds for dismissal of a city, town or village head by the council session.

Chapter 1. KEY ACHIEVEMENTS IN THE REPORTING PERIOD

January 10, the Project conducted a working meeting of the Lviv Oblast Local Government Regional Advisory Board, city of Lviv

January 18, the First National TV Channel YT-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Sumy)

January 19-20, the Project conducted a working meeting of the AUC Land Relations Professional Group, city of Lviv

January 23, the Radio Era Company broadcast a program about local government issues

January 25, the First National TV Channel YT-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Ukrainka, Kyiv oblast)

January 25, the Project conducted an expert workshop in the Donetsk AUC RO to discuss the organisation of administrative services in compliance with the requirements of the Quality Management System ISO 90001: 2009, city of Donetsk

January 26-27, the Project conducted a working meeting of the AUC Social Protection Professional Group, city of Komsomolsk, Poltava oblast

January 27, the Project conducted an expert workshop in the Cherkasy AUC RO to discuss the urban development in the cities of the oblast, their experience, plans for the future and unresolved issues, city of Cherkasy.

January 27, the Project conducted an expert workshop in the Lviv AUC RO to discuss the leadership and working with people, city of Lviv

January 31, the Project conducted a working meeting of the Kharkiv Oblast Local Government Regional Advisory Board, and a meeting of the Regional Press Club, city of Kharkiv

Late January, the Project published the “AUC Herald” (Issue #82)

Late January, the Project published and disseminated the sixteenth issue of the “Legislation News” electronic publication

Late January, the Project published and disseminated the seventeenth issue of the “DIALOGUE Newsletter

February 01, the First National TV Channel YT-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Komsomolsk, Poltava oblast)

February 02, the Project conducted an expert workshop in the Khmelnytskyi AUC RO to discuss the land reform in Ukraine and its consequences, city of Khmelnytskyi

February 02, the Project conducted a working meeting of the Kirovohrad Oblast Local Government Regional Advisory Board, city of Kirovohrad

February 02, the Project conducted a working meeting of the Luhansk Regional Press Club, city of Luhansk

February 02-03, the Project conducted a working meeting of the AUC Public Education Professional Group, city of Pervomaisk, Mykolaiv oblast

February 07, the Project conducted an expert workshop in the Kyiv AUC RO to discuss the local government advocacy, city of Kyiv

February 07, the Project conducted an expert workshop in the Rivne AUC RO to discuss the new anti-corruption legislation, city of Rivne

February 08, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Khmilnyk, Vinnytsya oblast)

February 08, the Project conducted an expert workshop in the Kherson AUC RO to discuss the land legislation of Ukraine and how local councils resolve land issues, city of Kherson

February 10, the Project conducted an expert workshop in the Kirovohrad AUC RO to discuss the reform in the management of the housing and utilities sector and condominium associations, city of Kirovohrad

February 15, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Ostroh, Rivne oblast)

February 16, the Project conducted a working meeting of the Chernihiv Oblast Local Government Regional Advisory Board, city of Chernihiv

February 16-17, the Project conducted a working meeting of the AUC Health Care Professional Group, city of Kharkiv

February 16, the Project conducted an expert workshop in the Ternopil AUC RO to discuss the basic fundraising and practical aspects of writing project proposals to the Local Government Support Foundation of Ukraine, city of Ternopil

February 17, the Project conducted a working meeting of the Luhansk Oblast Local Government Regional Advisory Board, city of Luhansk

February 21, the Radio Era Company broadcast a program about local government issues

February 21, the Project conducted a working meeting of the National Press Club

February 21, the Project conducted a session of parliamentary inter-faction local government group (local government caucus)

February 22, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Horodok, Lviv oblast)

February 23, the Project conducted a working meeting of the Poltava Oblast Local Government Regional Advisory Board and a meeting of the Regional Press Club, city of Poltava

February 23, the Project conducted an expert workshop in the Sumy AUC RO to discuss the land legislation, city of Sumy

February 23, the Project conducted an expert workshop in the Kharkiv AUC RO to discuss the legal support to local government activities in the environmental and urban improvements area, city of Kharkiv

February 23, the Project conducted an expert workshop in the Luhansk AUC RO to discuss the condominium association activities and their managerial issues, city of Luhansk

February 23, the Project conducted an expert workshop in the Zhytomyr AUC RO to discuss the implementation of the Law of Ukraine “On Access to Public Information”, city of Zhytomyr

February 24, the Project conducted an expert workshop in the Zakarpattia AUC RO to discuss the innovative approaches to rendering decentralised utility services to citizens, city of Irshava, Zakarpattia oblast

February 24, the Project conducted an expert workshop in the Chernivtsi AUC RO to discuss the Local government activities in the area of environmental policy implementation, city of Chernivtsi

February 24, the Project conducted an expert workshop in the Ivano-Frankivsk AUC RO to discuss the investment programs and participation in local development projects, city of Ivano-Frankivsk

February 24, the Project conducted an expert workshop in the Volyn AUC RO to discuss the Implementation of the Law of Ukraine “On Access to Public Information”, city of Lutsk

February 28, the Project conducted an expert workshop in the Vinnytsya AUC RO to discuss the management of territorial community land resources, city of Vinnytsya

February 28, the Project conducted an expert workshop in the Mykolaiv AUC RO to discuss the Cooperation of local governments with media, promotion and protection of local government interests and issues and interests of territorial communities, city of Mykolaiv

February 28, the Project conducted a working meeting of the Volyn Oblast Local Government Regional Advisory Board, city of Lutsk

February 28-29, the Project conducted a working meeting of the AUC Housing and Utilities Professional Group, city of Rivne

February 29, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Simferopol)

Late February, the Project published the “AUC Herald” (Issue #83)

Late February, the Project published and disseminated the seventeenth issue of the “Legislation News” electronic publication

Late February, the Project published and disseminated the eighteenth issue of the “DIALOGUE Newsletter”

March 01, the Project conducted a working meeting of the Zhytomyr Oblast Local Government Regional Advisory Board, city of Zhytomyr

- March 02**, the Project conducted a working meeting of the Volyn Regional Press Club, city of Lutsk
- March 07**, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Alchevsk, Luhansk oblast)
- March 12-13**, the Project conducted the third session of the Young Local Government Lawyer School
- March 13**, the Project conducted an expert workshop in the Rivne AUC RO to discuss the solid waste management, city of Rivne
- March 14**, the Project conducted an expert workshop in the Crimea AUC RO to discuss the key issues of management in the housing and utilities sector, city of Simferopol
- March 14**, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Rivne)
- March 15**, the Project conducted a working meeting of the Vinnytsya Oblast Local Government Regional Advisory Board, city of Vinnytsya
- March 15-16**, the Project conducted a working meeting of the Association of Ukrainian City Finance Officers, city of Kherson
- March 15**, the Project conducted an expert workshop in the Poltava AUC RO to discuss the municipal record keeping and its regulatory and technical foundations, city of Khorol, Poltava oblast
- March 15**, the Project conducted an expert workshop in the Chernihiv AUC RO to discuss the service in local governments, city of Chernihiv
- March 16**, the Project conducted an expert workshop in the Dnipropetrovsk AUC RO to discuss the institutional and information support for the sustainable city development, city of Dnipropetrovsk
- March 16**, the Project conducted an expert workshop in the Odesa AUC RO to discuss the management of territorial community land resources, city of Odesa
- March 19**, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Unman, Cherkasy oblast)
- March 19**, the Radio Era Company broadcast a program about local government issues
- March 20**, the Project conducted a working meeting of the Poltava Oblast Local Government Regional Advisory Board and a meeting of the Regional Press Club, city of Poltava
- March 22-23**, the Project conducted a working meeting of the AUC City Lawyers Professional Group, city of Sumy
- March 23**, the Project conducted consultations with the Ministry of Justice of Ukraine

March 23, the Project conducted an expert workshop in the Zhytomyr AUC RO to discuss the basic fundraising and practical aspects of writing project proposals to the Local Government Support Foundation of Ukraine, city of Zhytomyr

March 26, the Project conducted a working meeting of the Ternopil Oblast Local Government Regional Advisory Board and a meeting of the Regional Press Club, city of Ternopil

March 27, the Project conducted a working meeting of the Odesa Oblast Local Government Regional Advisory Board and a meeting of the Regional Press Club, city of Odesa

March 27, the Project conducted a working meeting of the Kyiv Oblast Local Government Regional Advisory Board and a meeting of the Regional Press Club, city of Kyiv

March 28, the First National TV Channel УТ-1 featured the «ЗМІСТОВА Україна» [*city-minded Ukraine*] program (about the city of Mariupol)

March 29-30, the Project conducted a working meeting of the AUC Culture and Arts Professional Group, city of Khmelnytskyi

March 29-30, the Project prepared a study tour for local government officials from the Crimean Autonomous Republic to learn about the city transportation system reform, city of Dnipropetrovsk

Late March, the Project published the “AUC Herald” (Issue #84)

Late March, the Project published and disseminated the eighteenth issue of the “Legislation News” electronic publication

Late March, the Project published and disseminated the nineteenth issue of the “DIALOGUE Newsletter”

Late March, the Project prepared the seventh issue of the “Sectoral Monitoring” for printing

Late March, the Project disseminated the seventh issue of the “Legal Consultations” electronic publication

Chapter 2. PROJECT IMPLEMENTATION

2.1. Component 1: Legal Framework

Activity 2.1.1. Legislation drafting based on local governments legislative needs

*The Project worked on 48 draft laws and other regulations, 12 laws and regulations were sent for AUC concurrence including 7 concurred without reservations, 3 with reservations, with 2 not concurred with. **One** piece of local government-enhancing legislation was prepared.*

Since its inception, the Project worked on 288 draft laws and other regulatory documents, and enabled the AUC to participate in the concurrence of 89 draft legislation (including 55 documents concurred without reservations, 27 concurred with reservations, 9 not concurred, and 7 draft laws were prepared). 22 pieces of local government-enhancing legislation came into effect.

Local government legislation need assessment

In the reporting period, the Project specialists discussed the current issues in such local government technical sectors as: Local Budgets and Financial Foundations of Local Self-Governance, Organisational and Legal Foundations of Local Self-Governance, Housing and Utilities, Land Relations, Health Care, Public Education, Social Protection, and Culture. These discussions took place during the working sessions of the corresponding AUC Professional Groups (more details about these events are provided in Chapter 2.1.3).

The Project started to work on the descriptions of each sector and will include them in the Technical Area Profiles.

Legislation monitoring

Working within the local government related legislation monitoring Project Component, the Project experts took part in legislation drafting and preparation of proposals and suggestions to 48 draft legislation. **One** document, which was drafted or supported by DIALOGUE experts, became enacted.

DIALOGUE experts were involved in the AUC concurrence procedure with regard to 12 draft legislation and other regulatory documents sent for concurrence / proposals or comments to the AUC. All of them were sent by the Ministry of Regional Development, Construction, Housing and Utilities of Ukraine. The AUC concurred 7 of them without reservations, with 3 being concurred with reservations, and 2 not concurred, and provided its proposals on how to reflect the local government interests. The draft laws and regulations were sent to local government for their comments with regard to local government interests.

The Project continued to pursue the effective cooperation with the Ministry of Regional Development, Construction, Housing and Utilities, Ministry of Finance, Ministry of Social Policy, Verkhovna Rada Committee on State Building and Local Self-Governance, Verkhovna Rada Committee on Construction, Urban Development, Housing, Utilities and Regional Policy, and Verkhovna Rada Budget Committee in the area of legislation drafting.

Over the reporting period, the Verkhovna Rada (as well as the Cabinet of Ministers) approved in the final versions too few on local self-governances. One of the examples would be **Law of Ukraine “On Amending the Budget Code of Ukraine and Certain Other legislation of**

Ukraine” # 4318-VI of January 12, 2012. The Law reflects the AUC position and is supposed to identify the sources of funds for the National Regional Development Fund and to streamline the more fair procedures for the distribution of the Fund money to support the implementation of social and economic development projects in cities, towns and villages.

At the same time, thanks to the well-coordinated and effective cooperation of Project experts with the Verkhovna Rada of Ukraine committees, and due to the high quality of well-justified proposals they submitted, the Project achieved quite a number of good intermediate outcomes in its legislation-drafting activities:

➤ **Draft Law “On Technical Inventory of Immovable Property Items” (Registration # 10286 of March 29, 2012)**, prepared by the Committee of Economic Policy Working Group with participation of AUC experts. Despite the urgent requests of the Ministry of Justice to transfer the archives of communally-owned technical inventory bureaus to the state ownership, and the request to transfer the right to provide technical inventory services to private business entities, the Draft Law does reflect the AUC opinion: namely, communally-owned companies will retain the sole right to provide technical inventory services, whereas the technical inventory archives will remain in the communal ownership.

➤ **Draft Law “On Amending Certain Ukrainian Legislation Concerning the delineation of Boundaries of State-Owned and Communally-Owned Lands” (Registration #10043 of February 13, 2012)**, submitted by a group of National Deputies. The document reflects the suggestions the AUC Board sent to the state executive agencies on September 15, 2011. In particular, the AUC suggested to depart from the practice of preparing land management document packages for the delineation of boundaries between state-owned and communally-owned lands and to conduct the actual delineation according to the “by default/by law” principle.

➤ **Draft Law “On Amending the Land Code of Ukraine (concerning the procedures for conducting land sales) (registration # 10231 of March 21, 2012)**. The document was registered in the parliament by a group of National Deputies following the repeated requests of the AUC to the parliament and the Cabinet of Ministers to approve such a law to unlock the process of sales of communally-owned lands because the proceeds from such sales are to go to the development part of local budgets. The Draft Law reflects the proposals of the AUC and envisions the possibility of selling land plots in cases when there is only one interested buyer.

➤ **Draft Law of Ukraine “On Amending Certain Laws of Ukraine” (concerning urban improvements in populated areas) (Registration # 9381 of November 01, 2011)**. The Draft Law was approved by the parliament in the first reading on December 21, 2011. The text of the Draft Law, which was prepared for the second reading reflects the key proposals of the AUC experts: the provisions stripping local governments of the right to approve urban improvements rules exclusively at local council plenary sessions and to set up populated area urban improvement inspection offices were excluded from the original version of the text. The document also reflects the AUC position concerning the introduction of the permit for displacing urban beautification items in the course of earth works, assembly works and repair works.

➤ **Draft Law of Ukraine “On Amending the Budget Code of Ukraine (concerning the financial support to off-school educational establishments and comprehensive specialised boarding schools)” (Registration # 9766 of January 31, 2012)**. The document reflects the AUC proposals concerning the sources of finance for maintenance of off-school educational establishments the Association repeatedly sent to ad-hoc parliamentary committees and respective ministries. The Draft Law regulates the discrepancies in approaches concerning the sources of financial support to off-school educational establishments and their activities. Such discrepancies arose in 2010 following the approval of the new version of the Budget Code.

➤ **Draft Laws of Ukraine “On Amending the Law of Ukraine “On Pre-School Education (concerning the tuition in the native language) (Registration # 9714 of January 16, 2012) and “On Amending the Law of Ukraine “On Pre-School Education (concerning the organisation of the training and upbringing process) (registration # 9714-1 of January 16, 2012).** The Verkhovna Rada Committee on Science and Education on its meeting on March 21 decided to take into account the AUC position regarding the necessity to reject the draft laws mentioned above, because they place an additional burden on local governments. The burden is associated with the necessity to provide the necessary material, financial and personnel support for training in non-state languages, setting up including training groups and providing free food for schoolchildren without the proper financial support.

One should mention that some of the proposals were categorically rejected by the Cabinet of Ministers. For example, despite the well-justified position of local governments approved by the AUC Board on February 21, 2012, the Cabinet of Ministers refused to postpone till January 01, 2013 the enactment of Paragraphs 14 and 16 of the Parking Rules approved by Resolution of the Cabinet of Ministers of Ukraine # 1342 of December 03, 2009. These provisions require mandatory placement of parking meters and incoming and outgoing terminals at parking lots. Local governments have repeatedly expressed their concerns regarding the high price of such equipment as this may render the whole parking business conducted either by communally-owned companies or private firms as economically non-profitable may force such businesses to close down their operations. Consequently, local budgets will lose the corresponding source of revenues.

In the reporting period, the Project worked on drafting the legislation, which responds to the local government needs.

Project experts finished drafting the Draft Law “On the Status of the Village, Town and City Head” and continued their work on draft laws “On the Legal Regime of the Property Jointly Owned by Territorial Communities” and “On the Status and Organisation of the Territorial Community”.

Since its inception, the Project prepared seven pieces of draft legislation. Project experts conducted consultations with members of the Verkhovna Rada Committee on State Building and Local Self-Governance regarding the possibility of introducing the draft laws mentioned above to the parliament and having them approved before the end of the current convocation of the Verkhovna Rada.

Activity 2.1.2. Expert evaluation of conformity of draft legislation to the European Charter of Local Self-Governance

The National Academy of Sciences of Ukraine Institute of State and Law named after V.Koretskyi and the Scientific Research Institute for State Building and Local Self-Governance of the National Academy of Legal Sciences of Ukraine provided the AUC with their supportive comments to the Project drafted legislation with regard to its conformity with the provisions of the European Charter of Local Self-Governance. As far as the Verkhovna Rada of Ukraine Institute of Law is concerned, its representative informed the AUC by telephone that the Institute does not perform expert evaluation of draft legislation requested by corporate entities.

Taking into account the fact that the V.Koretskyi Institute of State and Law is the leading scientific and Research institution working in the sector of legislation in Ukraine, the Project made a decision to address the Institute with a request to provide its legal opinion regarding the three draft laws. In view of the changes in the legislation regulating the procedures for value

added tax exemptions for purchases with the USAID funds, the corresponding service agreements will be concluded after the Project Procurement Plan is approved by the Ministry of Economic Development and Trade of Ukraine.

Activity 2.1.3. Introduction of institutional tools for local governments to participate in legislation drafting

Round table discussions in AUC Regional Offices and meetings of AUC Professional Groups

197 local government officials joint the Project activities to identify the local government legislation drafting priorities.

The Project conducted working meetings of **eight** AUC Professional Groups to discuss current problem issues in key local government technical areas (sectors) and to identify the priorities in legislation drafting. Following the discussions, the participants made adjustments in the list of problem issues in each sector and identified the priorities for further work on legislation drafting.

General information	Key issues and priorities
Land Relations Professional Group	
<p>Date: January 19-20 Venue: cit of Lviv</p> <p>Participants – 27 city ad town heads of land resource departments</p> <p>The participants discussed: - Draft Law of Ukraine “On Amending Certain Ukrainian Legislation on the Delineation of Boundaries Between state-Owned and Communally-Owned Lands” (Registration #9495 of November 24, 2011) and how it responds to the needs of local governments, - implementation of Order of the Ministry of Regional Development #244 “On Approving the Procedures to Place Temporary Constructions for Commercial Purposes» of October 21, 2011.</p>	<p><i>Key issues in the technical area (sector) including the issues raised earlier:</i></p> <ul style="list-style-type: none"> • complicated procedures for the allocation of land plots to place temporary constructions for commercial purposes; • absence of rules to regulate selling land plots at land sales (auctions), whereas such a necessity has been envisioned by the Land Code of Ukraine; • problem issues associated with the administration of land fee payments for built-in premises, which have the purpose different from the main building; • simplification of the procedures for the delineation of boundaries between state-owned ad communally-owned land plots; • redrafting land lease agreements caused by the changes of land fees in the legislation or by the introduction of a new regulatory and pecuniary evaluation of the populated area. <p><i>Priorities of the technical area:</i></p> <ul style="list-style-type: none"> • simplification of the procedures for the delineation of the state-owned and communally-owned lands; • legislation to regulate selling land plots on a competitive basis; • simplification of the procedure to allocate land plots to place temporary buildings for commercial purposes; • improved administration of land fee payments to establish the land fee in the amount equal to the land rent payment for those land users who, in accordance with the Land Code of Ukraine, do not have the right for the permanent use of land plots.
Social Protection Professional Group	
<p>Date: January 26-27 Venue: City of Komsomolsk</p> <p>Participants – 24 heads of city and town social protection departments</p>	<p><i>Key issues in the technical area (sector) including the issues raised earlier:</i></p> <ul style="list-style-type: none"> • absence of national social service standards; • introduction of targeted personalised social assistance and allowances; • failure of the Ministry to provide the necessary quantity of application forms to be submitted by citizens who apply for allowances and privilege person IDs (disabled, disabled children,

<p>The participants discussed:</p> <ul style="list-style-type: none"> - draft legislative and regulatory documents prepared by the Ministry of Social Policy and those, which were sent to the VRU ad-hoc committees for consideration; - the position of the Ministry of Social Policy concerning a number of problem issues in the sector; - priorities in drafting legislation and regulations in the area of social protection. 	<p>etc.);</p> <ul style="list-style-type: none"> • better approaches to provide the financial support to the social protection sector, such as: having the calculation formula include the indicator showing the available social center taking care of homeless persons and persons released from confinement, as well as social service centers. <p><i>Priorities of the technical area including those raised at the previous meeting of the Professional Group:</i></p> <ul style="list-style-type: none"> • preparing and introducing national standards of social services to be provided by social assistance centers; • introducing the requirement to take into account the property status of applicants while making a decision to grant them preferences or social allowances; • ensuring the transition to targeted personalised allowances. <p><i>Priorities mentioned for the first time:</i></p> <ul style="list-style-type: none"> • expanding the market of social service providers; • necessity to introduce a unified procedure for the calculation of the cost of commercial social services, • introducing the mechanism for the indirect assessment of personal income while making a decision to grant social assistance.
<p>Public Education Professional Group</p>	
<p>Date: February 02-03 Venue: city of Pervomaisk</p> <p>Participants - 20 heads of city and town departments of public education</p> <p>The participants discussed:</p> <ul style="list-style-type: none"> - problem issues related to draft legislation and regulations in the public education sector; - preparing proposals concerning the main directions for further improvements of legislative and regulatory framework of the sector. 	<p><i>Key issues in the technical area (sector) including the issues raised earlier:</i></p> <ul style="list-style-type: none"> • discrepancies between the provisions of the Budget Code of Ukraine regulating the financial support for expenditures for off-school education; • attempts of the central government to shift to local governments the financial burden of exercising state executive authorities, such as making local governments maintain and financially support vocational education establishments; • unsatisfactory financial support for the implementation of the authority delegated to local governments by the central government in the sector of public education; • mandatory introduction of traditional payroll positions in pre-school educational establishments without the proper financial support and without the necessary personnel support; • approving the standards of budget sufficiency in the public education sector according to the following criteria: per capita expenditures for secondary schools, arts schools, sports school, pre-school establishments, specialised training establishments, etc.; • approving model payroll schedules for educational and upbringing establishments, centers and schools (specialised schools, lyceums, grammar schools, educational and upbringing centers, etc.); • drafting new model regulations on the educational and upbringing center and the integrated educational and upbringing facility. <p><i>Priorities of the technical area including those raised at the previous meeting of the Professional Group:</i></p> <ul style="list-style-type: none"> • removing the discrepancies between Articles 89 and 91 of the Budget Code of Ukraine concerning the financial support for expenditures for pre-school facilities; • inadmissibility of having the Law “On Local Self-Governance in

	Ukraine” vest territorial local governments with the authority in the area of vocational education.
Health Care Professional Group	
<p>Date: February 16-17 Venue: city of Kharkiv</p> <p>Participants - 31 heads of city and town health care professional group</p> <p>The participants discussed: - draft legislative and regulatory documents prepared by the MHC, as well as draft laws submitted to the VRU ad-hoc committees for consideration; - position of the MHC concerning problem issues related to the reform of the health care system; - priority areas for further work to improve the legislative and regulatory framework for this sector at the local level</p>	<p><i>Key issues in the technical area (sector) including the issues raised earlier:</i></p> <ul style="list-style-type: none"> • transfer of secondary level health care establishments from the communal ownership of cities to the oblast level; • insufficient supply of equipment for primary level health care establishments; • shortage of general purpose physicians working in the family medicine sector; • absence of clear criteria for the delimitation of hospital districts; • tendencies for the centralisation of emergency medical assistance at the regional level; • discrepancies in the laws regulating the need to redraft licenses for health care establishments in the pilot oblasts. <p><i>Priorities of the technical area including those raised at the previous meeting of the Professional Group:</i></p> <ul style="list-style-type: none"> • proper attention to the peculiarities of specific cities with the priority given to the supply of high-quality equipment to primary level medical assistance (medical and sanitary) centers (PLMSAC) as compared with the formal approach to setting a network of primary aid centers; • increased financial support to supply equipment to PLMSACs including the funds raised through the optimisation of patient beds in secondary level medical assistance centers; • increase the timeframe for the medical establishment facility serving as the basis for the primary level medical and sanitary assistance center from six months to one year; • introducing the methodology for the calculation of the cost of medical assistance services to be rendered by communally-owned health care establishments; • simplifying the procedures for the procurement medicine and effective anaesthetization means, as well as fuel for health care transportation vehicles. <p><i>Priorities mentioned for the first time:</i></p> <ul style="list-style-type: none"> • preservation of the existing system of emergency medical assistance system in cities and preservation of the status of legal persons for the existing communally-owned ambulance stations; • inadmissibility of introducing local referendums in case the decision about the closing/reorganisation of communally-owned health care establishments; • including general purpose physicians/family medicine doctors who are eligible for company-owned premises to be turned into housing; • elaborating mechanisms to compensate local budgets the use of the medical staff of communally-owned health care establishments as members of medical qualification commissions by the Ministry of Defence of Ukraine.
Housing and Utilities Professional Group	
<p>Date: February 28-29 Venue: city of Rivne</p> <p>Participants - 26 heads of</p>	<p><i>Key issues in the technical area (sector) including the issues raised earlier:</i></p> <ul style="list-style-type: none"> • switching apartments in multi-storeyed buildings into

<p>city and town departments for housing and utilities</p> <p>The participants discussed:</p> <ul style="list-style-type: none"> - issues related to the expediency of separating the water supply service into the production, transportation and selling potable water; - assessment of the possibility of resuming the work of State Inspection for Prices; - issues related to the improvements of the housing stock management. 	<p>independent heating systems leads to misbalance in the overall city heating system;</p> <ul style="list-style-type: none"> • improved in the housing stock management system (introduction of the system of managerial companies); • problem issues related to the functioning of condominium associations (allocation of land plots, capital repairs of the building while transferring it to the books of other owners); • absence of funds for the reconstruction of engineering networks; • National Utility Services Market Regulation Commission sets the utility service tariffs below the economically justified level. <p><i>Issues not raised earlier and included into the Technical Area Profile following the discussion of the AUC Professional Group:</i></p> <ul style="list-style-type: none"> • Necessity to introduce as of 2012 poky the special project design and cost estimate documents and state expert evaluation requirements while performing capital repairs of parts of multi-storeyed buildings with the use of budget finds leads to additional expenditures and time spent. <p><i>Priorities of the technical area:</i></p> <ul style="list-style-type: none"> • Improvements in the system of housing stock management (introduction of managerial companies); • Introduction of economically justified tariffs;
Ukrainian Association of City Finance Officers	
<p>Date: March 15-16 Venue: city of Kherson</p> <p>Participants - 23 heads of city and town finance directors</p> <p>The participants discussed:</p> <ul style="list-style-type: none"> - issues related to the increased financial capacity of cities through better sources of revenues to local budgets; - improved mechanism for the calculation of expenditures for the implementation of the delegated authority; - possibility of writing-off the debt on mid-term loans local budgets took in the past. 	<p><i>Key issues in the technical area (sector) including the issues raised earlier:</i></p> <ul style="list-style-type: none"> • necessity of increasing the financial capacity of local governments through better sources of revenues to local budgets; • the necessity of improving the mechanism for calculating the expenditures to support the implementation of the authority delegated to local governments by the central government through developing and introducing national social service standards and normative for each type of the authority delegated by the central government with due regard to the current demographic, social, economic and financial situation; • possibility of writing off the debts related to mid-term loans local governments took in the previous years and using the funds of the unified treasury account for this purpose. <p><i>Priorities of the technical area including those raised at the previous meeting of the Professional Group:</i></p> <ul style="list-style-type: none"> • amending the Tax Code of Ukraine in the part dealing with increased efficiency of local taxes and fees; • preparing the draft law to amend the Budget Code of Ukraine in the part dealing with streamlining revenues and expenditures for the implementation of the delegated authority.
City Lawyer Professional Group	
<p>Date: 22-23 March Venue: city of Sumy</p> <p>Participants – 26 representatives of city and legal departments.</p> <p>The participants discussed:</p> <ul style="list-style-type: none"> - instruments to discuss draft 	<p><i>Key issues in the technical area (sector):</i></p> <ul style="list-style-type: none"> • provisions of the Law of Ukraine “On Access to Public Information” in the part dealing with the timeframe for providing the information make substantive barriers for activities of local governments as they have to issue lots of information in response to poorly justified requests; • the approval of the Law of Ukraine “On Court Fees” substantially increase the amount of court fees and payments of such fees take up a considerable part of local budget expenditures;

<p>legislation prepared within the framework of the DIALOGUE Project to help local governments prepare their position; - problems related to the implementation of Laws “On Access to Public Information” and “On the Protection of Personal Data”; - proposals how to improve the Draft Law “On Service in Local Governments”.</p>	<ul style="list-style-type: none"> • low level of salaries of local government officials and huge difference between such salaries and salaries of local government leaders and local council specialists; • the procedures for submitting to local governments and keeping income declarations of local government officials in compliance with the Law “On the Foundations for Preventing and Fighting Corruption”. <p><i>Priorities of the technical area:</i></p> <ul style="list-style-type: none"> • revisiting the approaches to remuneration of local government officials; • necessity of improving the legislation on access to public information in the part dealing with cases of abusing the right to obtain the information and increased timeframe for its preparation and issuing by analogy with the Law “On Appeals of Citizens”; • releasing local governments of the right from the payment of the court fee for filing court suits in the interests of territorial communities.
<p>Culture and Art Professional Group</p>	
<p>Date: March 29-30 Venue: city of Khmelnytskyi</p> <p>Participants - 20 heads of city and town culture departments</p> <p>The participants discussed: - draft legislative and regulatory documents published on the web site of Ministry of Culture and discussed by the ad-hoc VRU Committees; - position of the Ministry of Culture concerning issues related to local government activities in the sector of culture and protection of the cultural heritage identified by experts in this sector during previous meeting of the AUC Professional Group.</p>	<p><i>Key issues in the technical area (sector) including the issues raised earlier:</i></p> <ul style="list-style-type: none"> • absence of national social standards in the sector of services provided by cultural establishments and quality control for the services provided in the cultural sector; • absence of model payrolls for recreation centers, libraries, zoos, and culture and recreation parks; • improper standards of budget sufficiency for local budget expenditures in the sector of culture and protection of cultural heritage; • discrepancies between the standards of the number of cultural establishments and the demographic situation. <p><i>Priorities of the technical area including those raised at the previous meeting of the Professional Group:</i></p> <ul style="list-style-type: none"> • introduction of social standards of services provided in the sector of culture; • changing the mechanism to set the price of training in communally-owned arts schools for children; • approving model payrolls for all types of communally-owned cultural establishments; • introduction of concert tour and collecting the payments to local budgets; • approving the mechanism to set up the basic network of cultural and educational establishments. <p><i>Priorities mentioned for the first time:</i></p> <ul style="list-style-type: none"> • identifying the mechanism to use the payments of parents for the needs of art schools; • approving the methodology to set the amount of commercial services provided by cultural establishments.

Setting up a network of lawyers to participate in legislation drafting

Currently, the network includes **364** local government lawyers from **25** oblasts.

As of now, **271** cities and **70** smaller towns delegated their representatives to work in the network. Currently, the network includes **364** local government representatives from **25** oblasts.

Table 1. Network of lawyers by oblast

Oblast	Number of cities/towns	Persons	Oblast	Number of cities/towns	Persons
AR of Crimea	11	12	Mykolaiv	7	7
Vynnytsya	13	13	Odesa	16	17
Volyn	10	10	Poltava	25	25
Dnipropetrovsk	14	15	Rivne	13	14
Donetsk	10	11	Sumy	10	10
Zhytomyr	6	8	Ternopil	16	16
Zakarpattya	6	7	Kharkiv	15	15
Zaporizhzhya	15	16	Kherson	10	10
Ivano-Frankivsk	14	14	Khmelnyskyi	15	15
Kyiv	21	21	Cherkasy	10	11
Kirovohrad	17	17	Chernivtsi	12	12
Luhansk	18	30	Chernihiv	9	9
Lviv	28	29			

As of March 30, 2012, the Project collected 95% email addresses to ensure the exchange of the information, submission of draft laws for expert opinion and disseminating project publications. The project also updated its mailing list.

Over the reporting period, the Project sent draft laws and other regulatory documents prepared by the central state executive agencies to lawyers for their expert opinion. These include the draft Law of Ukraine “On Service in Local Governments” and draft laws and regulations AUC received for its concurrence.

Local government layers exchanged their experience in how local governments implement the Laws of Ukraine “On Access to Public Information”, “On the Framework for Preventing and Fighting Corruption”. Their proposals served as the foundation for the preparation of amendments to the Law “On Access to Public Information”. These amendments were sent to the Ministry of Justice of Ukraine with a suggestion to immediately in municipalities by City Legal Assistance Center to produce the corresponding draft law to the Cabinet of Ministers and parliament for consideration. The information also served for the preparation of explanations provided to cities by the Legal Assistance Center.

2.2. Component 2: Policy dialogue

Activity 2.2.1. Increasing the participation of the AUC member cities in the policy dialogue established by the AUC at the national level

Dialogue Day at the Local Government Forum

The Project did not conduct activities under this component in the reporting period.

Consultations on budget preparation

DIALOGUE Project worked in two areas under this component:

- 1) preparation of proposals to the draft Main directions of the Budget Policy for 2013;
- 2) resolving the issue of writing off the debt local budgets incurred on mid-term loans with the funds of the unified treasury accounts in the previous years.

Main Directions of the Budget policy for 2013

DIALOGUE experts:

- Prepared draft proposals to the Declaration of Goals and Tasks of the Budget for 2013 (Budget Declaration). This is the basis for the draft Main Directions of the Budget Policy. The proposals (14) can be conventionally divided into four main areas:
 - 1) Optimisation of the expenditure authorities of local budgets (streamlining the list and scope of expenditures to support the implementation of the delegated authority and own local government authority), improved mechanism to calculate expenditures for the implementation of the delegated authority;
 - 2) Increased financial capacity of local governments through expanding revenue sources of local budgets and increased collections from local taxes and fees;
 - 3) Compensating local budget losses associated with the decisions made by the central government, in particular through the proper financial support from the state to render social and tax preferences and national targeted programs;
 - 4) Improved procedures for budget sufficiency of territorial communities (real mid-term planning, access to loan capital and simplified treasury servicing).
- Prepared and conducted a working session of city finance directors and experts of the Association of Ukrainian City Finance Officers. The purpose of this meeting was to discuss the procedure of expert discussions of submitting proposals to the Budget declaration. Following the discussions, the list of proposals was increased up to 16 proposals.
- Prepared and presented to the President of Ukraine Economic Reform Implementation Steering Committee the proposals to the National Action Plan for 2012 in the part dealing with local budget development issues and inter-budget relations. Following this, the National Action Plan includes some of the proposals to the Budget Declaration (Decree of the President of Ukraine #187/2012 of March 12, 2012).
- Ensured the coordination of interests of three Ukraine-Wide Local Government Associations concerning the submission of joint proposals to the Budget Declaration. Following this, on February 14, 2012, the National Congress of Local Self-Governance sent a letter to the Prime Minister of Ukraine with 16 proposals to the Budget Declaration.

- Studied and provided their critical comments to media about the draft Main Directions of the Budget Policy for 2013. The document was discussed before at the working session of the Cabinet of Ministers on March 28, 2012. The draft document reflects only four DIALOGUE Proposals concerning the optimisation of national targeted programs; monetisation of preferences and switching over to targeted money allowances; proper financial support for the implementation of the state guaranteed preferences and compensations for preferential public transportation services to certain categories of citizens; and preparation of technical foundations for mid-term local budget planning. All key proposals of local government representatives have not been so far reflected in the draft document.

Issues related to mid-term loans

The first quarter of 2012 was characterized by a paradox when under the current devastating deficit of funds for the implementation of the delegated authority, significant resources were withdrawn from some of the local budgets to repay the loans of previous years.

The problem dates back to 2008 when as a result of financial and economic crisis significant reduction in social and economic development took place thus reducing local budget revenues in the following years. However it was not taken into account by the Ministry of Finance when calculating revenues of the local budget Basket One for 2009 and 2010. Analysts proved to be right forecasting actual revenues to be less than those expected by the Ministry of Finance. As a matter of fact, the central authorities themselves provoked the situation when city administrations had to borrow from them to ensure timely payments to the budget sector employees.

To resolve the problem the DIALOGUE experts did the following:

- 1) information on mid-term loans arrears as compared with the planned local budget deficit was collected in Ukrainian cities and analysed;
- 2) proposals on amendments to the budget legislation stipulating a mechanism of risk-free write-off by the state of local budget indebtedness on loans were prepared;
- 3) Proposals were brought up at the meeting of the Board of the Association of Ukrainian Cities attended by the head of the VRU Committee, National Deputies of Ukraine, Ministry of Finance representatives (February 21, 2012, KCSA). Following the discussions, an official address with afore mentioned proposals was approved and sent to the Prime Minister and the Minister of Finance of Ukraine. On March 21, 2012, a response was received from the Ministry of Finance stating its readiness to work on the problem issue.

Consultations with key ministries

Consultations with the Ministry of Justice of Ukraine

The consultations to coordinate the comments (proposals) from local government associations to the Draft Law of Ukraine “On Service in Local Governments” took place on March 23, 2012. The Ministry of Justice was represented by A.Panchenko, Director of the Department of Constitutional, Administrative and Social Legislation, and A.Vyshnevskiy, Director of the Department of Legal Reform and Law-Drafting.

The topics for the discussion included the comments the associations submitted to the Cabinet of Minister as back as in February of 2012.

Out of 10 comments (proposals) expressed by the Association of Ukrainian Cities and 17 comments (proposals) expressed by the Ukrainian Association of Rayon and Oblast Councils, the Ministry of Justice categorically rejected 10 (including 5 being considered as inexpedient). In particular, these relate to:

- including the provision allowing local governments to decide upon the ways to remunerate officials and decide upon the number of staff in the corresponding local government executive entities and council executive committees;
- compensation for local government officials: a) envisioning the minimum amount of the compensation rate of at least 2 minimum salaries; b) introducing new compensation rates together with the corresponding increase of compensation rates of state executive officials, as well as determining the reasons and mechanism to grant bonuses to local government officials;
- limitations of the authority of the National Agency for Civil Service in the area of local government service – the Agency should provide only consultative and technical support to local government service, whereas the legal and regulatory documents of the National Agency for Civil Service should be only of a recommendation nature for local governments;
- including in the document a provision about the mechanisms for internship while hiring persons to the local government service and setting up personnel reserve;
- clarifying the status of the village, town and city head as the key official of the territorial community, etc.

Following the meeting, the representatives of the Ministry of Justice prepared the minutes, however the representatives of local government associations did not sign it because of the difference in opinions.

The Draft Law was already submitted to the parliament and the Association will try to prevent its approval working through the committees of the Verkhovna Rada of Ukraine.

Parliamentary local government inter-faction group (local government caucus)

The working meeting of the parliamentary local government inter-faction group took place on February, 21 2012. The meeting was attended by Chairmen of their ad-hoc local government parliamentary committees, such as V.Baranov from the Budget Committee, V.Rybak from the Committee on Housing and Utilities, and O.Omelchenko from the Committee of State Building and Local Self-Governance.

The meeting participants discussed 3 issues:

- 1) Strengthening the financial foundations of local self-governance through the initiation and preparation by DIALOGUE experts in cooperation with local government officials of amendments to the Tax Code of Ukraine. According to V.Baranov, the amendments should be submitted to the parliament of the new convocation, however the preparation should start already now. He also expressed his readiness to take part in the working group to prepare the draft law.
- 2) New legislation on local government service prepared by the Ministry of Justice of Ukraine needs a substantive elaboration. O.Omelchenko expressed the readiness of the Committee to take an active part in the elaboration of the draft law prepared by the ministry of Justice, and, in case the Ministry rejects the proposals, to prepare an alternative draft law and submit it to parliament for consideration.
- 3) Initiatives of the parliament to amend the Law of Ukraine “On Local Self-Governance in Ukraine” in the part dealing with the pre-term termination of the authority of the city, town and village mayor in case he faces administrative charge of corruption activities.

The city mayors who were present at the meeting mentioned such amendments, if approved on the eve of the parliamentary elections, may lead to an increased pressure on local government officials and may serve as an instrument to remove the mayors who are neutral or in opposition to the local council majority. The National Deputies agreed to explain this reasons to the members of the factions and committees and prevent the consideration of the amendments in the parliament.

Participation in the work of parliamentary committees

During the reporting period, the Project was actively involved in cooperation with the Verkhovna Rada of Ukraine ad-hoc committees. Project experts took part in **21** working sessions of **eight** parliamentary:

Committee on State Building and Local Self-Governance – 5 meetings;

Budget Committee – 4;

Committee on Science and Education – 3;

Committee on Agrarian Policy and Land Relations – 2;

Committee on Construction, Urban Development, Housing, Utilities and Agrarian Policy – 2;

Committee on Culture and Cultural Heritage – 2;

Committee on Economic Policy – 2;

Committee on Finance, Banking, Tax and Customs Policy – 1.

The Project enjoyed an especially constructive cooperation with the Budget Committee, Committee on State Building and Local Self-Governance and Committee on Construction, Urban Development, Housing, Utilities and Regional Policy. The cooperation with these committees goes beyond the discussions in the parliament. The chairmen of these committees are very attentive to the proposals, opinions and legislative initiatives of the AUC and the DIALOGUE Project and use them in their decision making.

Acting in compliance with the Law of Ukraine “On Local Government Associations”, the committees repeatedly took the initiative to address the AUC as a unified voice of local government interests with a request to express the opinion on a number of draft laws, such as:

- “On Consolidation of Territorial Communities”, Registration # 9590;
- “On the Foundations of the State Regional Policy”, Registration # 6462.
- “On Amending the Budget Code of Ukraine (concerning the financial support off-school educational establishments and specialised comprehensive boarding schools)”, Registration # 9766, as well as
- Draft Recommendations for Hearings in the Verkhovna Rada of Ukraine Committee on State Building and Local Self-Governance on the Issues of the Legal Status of Territorial Communities of Villages, Towns and Cities Embedded into Other Territorial Communities”.

The proposals submitted by DIALOGUE experts were taken into account by the members of the corresponding tad-hoc committees in the course of the preparations of their expert opinions on the draft laws mentioned above and other draft legislation.

Activity 2.2.2. Setting up advisory boards at the regional level with participation of AUC Regional Offices and local State Executive agencies at the oblast level

Setting up Local Government Regional Advisory Boards

The Project conducted 13 working sessions of Local Government Regional Advisory Boards in 12 oblasts: Vinnytsya, Volyn, Zhytomyr, Kyiv, Kirovohrad, Luhansk, Lviv, Odesa, Poltava, Ternopil, Kharkiv, and Chernihiv. The purpose of such meeting was to discuss the issues, which the Project were identified as priorities for Local Government Regional Advisory Boards by AUC Regional Offices at their meetings conducted within the framework of the Project in September-October of 2011.

<p>Working session of the Lviv Local Government Regional Advisory Board city of Lviv January 10, 2012</p>	<p>The meeting participants discussed key problem issues of local budgeting in the Lviv oblast in 2012 including the following: decrease in the projected oblast budget by 42.6 billion UAH, decrease of the total amount of subventions from the State Budget by 20.8 million UAH, decrease of the additional subvention from the State Budget to local budgets by 50%, and failure of the State Treasury to service local government payments to purchase medicine, pay scholarships and supplies to health care and educational establishments in late 2011. Instead, currently, local governments face the need to pay increased salaries by 17-20%, energy bills by 27%, etc. Following the discussions, the Board approved the appeal of the Lviv Oblast local Government Regional Advisory Board to the President of Ukraine, Chairman of the Verkhovna Rada of Ukraine and Prime Minister of Ukraine concerning the necessity of amending the State Budget of Ukraine and Lviv oblast budget indicators for 2012, because this kind of budget is nothing more than a survival budget.</p>
<p>Working session of the Kharkiv Local Government Regional Advisory Board city of Kharkiv January 31, 2012</p>	<p>The meeting participants made a decision to set up the Kharkiv Oblast Local Government Regional Advisory Board to enable local governments to interact with local offices of the state executive. The participants also discussed the financial support from the oblast budget to city small projects (1 million UAH was earmarked in the oblast budget for these purposes in 2012), provided explanations to local government officials from the oblast about the procedures for filling in income declarations and financial liabilities of local government officials, and disseminated questionnaire forms to find out the conceptual framework for the Code of Ethical Behaviour of Kharkiv Oblast Local Government Officials.</p>
<p>Working session of the Kirovohrad Local Government Regional Advisory Board city of Kirovohrad February 02, 2012</p>	<p>The meeting participants discussed issues of local budgeting in 2012, in particular, absence of the proper financial support for the implementation of the delegated authority, necessity of re-channelling local government discretionary funds to support the earmarked budget line items and social programs, and under-estimated expenditures for the social and economic development of territories.</p> <p>The participants also discussed the joint experience of local governments and state executive agencies in the implementation of regional development investment projects. Following the discussions of this issue, the Board made a decision to set up a One-Stop-Shop Investment Center to attract investment projects in the oblast and will assist local governments in the preparation and submission of documents</p>

	to implement these projects.
<p>Working session of the Chernihiv Local Government Regional Advisory Board city of Chernihiv February 16, 2012</p>	<p>The meeting participants discussed the necessity of attracting investments in the oblast, implementation of the Oblast Development Strategy including 23 national level and 65 regional level projects in the oblast. Currently, the region attracted 2.2 billion UAH including 786.4 million UAH coming as foreign investments. Following the discussions of this issue, the Board made a decision about the necessity of identifying the key areas (areas with the greatest impact on the development of the whole territory where the investments should go to).</p> <p>The next issue the participants discussed was the delineation of boundaries between state-owned and communally-owned lands. V. Shved, Head of the Main Authority of the State Committee of Land Resources in the oblast made a presentation on this topic. He mentioned that three populated areas in the oblast already performed the delineation of such boundaries: city of Oster, town of Sosnytsya, and city of Koryukivka. The oblast budgets allocated about 210 thousand UAH for this purpose. The delineation of boundaries in the whole oblast would require about 68 million UAH, however neither the oblast budget nor local budgets have such funds available. V. Shved also made a presentation about the main provisions of the draft Law of Ukraine “On delineation of Boundaries between State-Owned and Communally-Owned Lands” and expressed his hope that this draft law would be approved and will streamline the controversial issues of what ownership (state or communal) land plots belong to and would provide for a clear mechanism to perform such delineation.</p>
<p>Working session of the Luhansk Local Government Regional Advisory Board city of Luhansk February 17, 2012</p>	<p>The meeting participants shared their experience in the area of improving the mechanisms to plan and implement city development programs in the oblast, namely: experience of the city of Rovenky in attracting funds of private companies for the implementation of the city strategic development plan in the sector of housing and utilities, education and health care (2.5 million UAH), and city of Rubizhne experience in setting up and running an industrial park. Following the discussions, the Board made a decision to use the AUC RO as a basis for setting up a resource center to promote the local economic development in the oblast and to provide a consultative, training, information, and technical support to cities on the related issues.</p> <p>S. Kravchenko, Luhansk City Mayor, made a presentation on the experience of the City of Luhansk Center for Administrative Services. He mentioned that the Center currently includes 48 state executive agencies and is about to expand its activities, such as: issuing foreign travel passports and driver licenses, providing business consultations and assistance in preparing documents for the STI. S. Kravchenko also mentioned that the activities of such centers removes all opportunities for corruption activities local government and state executive officials may be engaged in. Following the discussions of this issue, the Board made a decision to disseminate the city of Luhansk experience in setting up the</p>

	<p>center for administrative services to other cities in the oblast.</p>
<p>Working session of the Poltava Local Government Regional Advisory Board city of Poltava February 23, 2012</p>	<p>The meeting participants summarised the social and economic development of the oblast, reviewed the issues related to the local budget implementation in the previous year and local budgeting in the current year. Local council chairmen mentioned that the State Budget for 2012, like in previous years, does not envision the proper financial support for the implementation of the authority delegated to local government by the state and, therefore, it needs to be revisited to increase the expenditures for the social and economic development of territories.</p> <p>While discussing the second item of the agenda, the participants became familiar with the information about the increased (by 960 thousand UAH) subventions from the oblast budget for investments projects in cities and towns, as well as about the new performance program budgeting for putting together the budget of the regional development fund, namely: for ensuring the transparent distribution of funds for regional projects and programs. Starting with 2012, the projects submitting applications for funding will be identified through the joint decision of state executive agencies and local governments and approved by public hearings. The meeting participants also became familiar with the necessary requirements for preparing application packages.</p>
<p>Working session of the Volyn Local Government Regional Advisory Board city of Lutsk February 28, 2012</p>	<p>The meeting participants summarised the implementation of regional agribusiness support projects, namely; the successful investment promotion in the sector. For example, over 2011 the regional managed to attract more than 146 million UAH in the agribusiness sector. The money was spent on repairs of agricultural buildings, purchases of new equipment, construction of bio gas facilities, etc. the implementation of these projects and other activities will allow to create 20 thousand additional jobs.</p> <p>While discussing the second item on the agenda called “Own House Program”, the participants became familiar with the outcomes of the Program implementation in January-February of 2012, namely: out of the budgeted 1.6 million UAH, 1.5 million UAH were spent. The purpose of this Program is to assist young families in constructing or reconstructing their own housing. In 2011, this Program covered 230 families in the oblast, helped to build 5,482 thousand square meters of residential floor space, purchased 8 ready made residential buildings, and connected 114 buildings to the gas supply system.</p>
<p>Working session of the Zhytomyr Local Government Regional Advisory Board city of Zhytomyr March 01, 2012</p>	<p>The Board members discussed the outcomes of the participation of local government from the oblast in 2011 in the projects supporting local budget revenues and mentioned the successful performance of local government from the region in involving off-budget funds in the implementation of local development projects. City mayor became familiar with the hands-on experience in preparing and writing project proposals to be submitted to the Ukraine-wide local self-governance development project competition in 2012.</p> <p>The meeting participants also discussed the draft Law of Ukraine “On Service in Local Governments”. Following the</p>

	<p>discussions, the participants mentioned that a number of provisions of this draft law are inadmissible, namely: setting up local government personnel service centers to hire specialists, support their service and dismiss them, or select the specialists (the question is how is this feasible in rural communities where there are only the head and the secretary of the local council?). There are also questionable provisions imposing a three-year local government service prohibition on persons who were held administratively liable for corruption offences. It also remains unclear what consequences local officials will take for being politically biased. The document also substantially limits the local government rights in their personnel and compensation policy. Taking all the arguments mentioned above, the meeting participants decided to address the Verkhovna Rada of Ukraine with a request to make substantive improvements to this draft law.</p>
<p>Working session of the Vinnytsya Local Government Regional Advisory city of Vinnytsya March 15, 2012</p>	<p>The meeting participants discussed the key issues of local budgeting, use of the subvention money for the construction, reconstruction and repairs of communally-owned streets and roads, and discussed the issues related to promoting and attracting off-budget funds for the development of territorial communities. A separate attention was given to the allocation of oblast budget funds for local environmental projects, namely: allocation mechanisms, criteria, scope of financing, and requirements for spending the funds.</p> <p>Following the discussions, the meeting participants also expressed their proposals to the Budget Code of Ukraine and the Law of Ukraine “On the Budget Code of Ukraine for 2012”, namely: the need to provide the financial support to the delegated authority solely within the limits identified by the Ministry of Finance, to streamline and optimise the national targeted programs whose implementation require funding from local budgets, to support the transfer the implementation of certain targeted programs to local governments with the transfer of funds for their implementation, to leave the outstanding balance with local governments to enable them to construct, reconstruct and repair streets and roads, to envision the transparent mechanism for the distribution of National Regional Development Fund money, etc. The participants submitted these proposals to the AUC for its daily activities.</p>
<p>Working session of the Poltava Local Government Regional Advisory Board city of Poltava March 20, 2012</p>	<p>Having discussed the first item of the agenda about the draft Law of Ukraine “On Service in Local Governments”, the meeting participants mentioned that this draft law needs substantive elaboration in the parts dealing with the independent local government personnel policy, unfair regulations on compensation for local government and state executive officials, and failure to regulate such important issues as calculation of the local government work experience, social and household packages, social guarantees for local government servants, etc. Following the discussions, the Board made a decision to address the Verkhovna Rada of Ukraine with a request to substantial elaborate this draft law.</p> <p>Following the discussions of the second item on the agenda about the application of the provisions of the Law of Ukraine</p>

	<p>“On Preventing and Fighting Corruption”, the Board made a decision to organise a series of training seminars to explain the provisions of the new anti-corruption legislation to local government officials.</p> <p>The meeting participants also attended a technical seminar on preparing and writing project proposals to be submitted to the Ukraine-wide local self-governance development project competition in 2012.</p>
<p>Working session of the Ternopil Local Government Regional Advisory Board city of Ternopil March 26, 2012</p>	<p>The meeting participants discussed the hands-on experience in promoting the investment image of territorial communities and became familiar with the findings of the investment rating and assessment of the economic environment in Ukraine provided by the leading international rating agencies. The Advisory Board participants took a special interest in the rating of investment attractiveness of cities and rayons in Ukraine. They also became familiar with the general approaches to the formation of the investment image of territorial communities, legal, regulatory, organisational and political factors, which may improve or deteriorate the image. The practical part of the event was dedicated to the presentation of best practices in investment promotion using the city of Ternopil as an example and the Ternopil City Council experience in promoting the city. All in all, the implementation of investment projects may yield up to 300 million USD of investment funds to the city of Ternopil.</p> <p>Following the discussions of this issue, the Board made a decision to prepare the Economic Development Strategy for Territorial Communities in the Ternopil oblast and submit to the Local Government Regional Advisory Board for consideration and approval.</p>
<p>Working session of the Odessa Local Government Regional Advisory Board city of Odessa March 27, 2012</p>	<p>The purpose of the Board session was to discuss the Safe Odessa Region Program. The participants discussed the financial support for its implementation (the Program is to be funded by the oblast budget, budgets of oblast significance cities, and other sources) and reviewed the activities aimed at preventing violations of the law and improving the road safety in the oblast. All in all, the Program received 21.306 million UAH for its implementation in 2012. These funds will go for the purchases of specialised vehicles, installation of video cameras in public places in the oblast, rapiers of premises for pre-trial detention of offenders, prevention of law violations, and support (including job placement) of persons released from prisons. One should mention that D.Fuchezhdy, Head of the Odessa Oblast Main Authority of the Ministry of Internal Affairs, expressed his gratitude to those cities who supported the program with their local projects, namely: cities of Illichivsk – 457 thousand UAH, Bilhorod-Dnistrovskiy – 340 thousand UAH, Kotovsk – 90 thousand UAH, and Odessa – 1 million 200 thousand UAH.</p> <p>The meeting participants also attended the technical seminar on preparing and writing project proposals to be submitted to the Ukraine-wide local self-governance development project competition in 2012.</p>
<p>Working session of the Kyiv Local Government Regional Advisory Board</p>	<p>Following the discussions of the item of the agenda on issues related to the draft Law of Ukraine “On Service in Local</p>

<p>city of Kyiv March 27, 2012</p>	<p>Governments”, the meeting participants mentioned that the draft Law needs substantive elaboration because it limits the local government rights to the personnel and compensation policy, etc. Following the discussions of this issue, the Board made a decision to ask O.Kachnyi, Head of the Local Government Regional Advisory Board to address the Verkhovna Rada of Ukraine and the Cabinet of Ministers of Ukraine with a request to elaborate this draft Law.</p> <p>The members of the Local Government Regional Advisory Board attended the hands-on seminar on the application of the Law of Ukraine “On the Foundations for Fighting and Preventing Corruption”. The seminar included such aspects of the implementation of this law as: correct record of gifts and donations, application, timeframe and mechanism for official investigations and dismissing the officials who are held liable for corruption offences, correct behaviour in bribe-offer situations, and grounds for investigations by the prosecutor’s office.</p> <p>The meeting participants also attended the technical seminar on the preparation and writing project proposals to be submitted to the Ukraine-wide local self-governance development project competition in 2012.</p>
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Selection of issues to be discussed at working meetings of Local Government Regional Advisory Boards in 2011-2012

The Project did not conduct activities under this component in the reporting period.

Activity 2.2.3. Establishing formal and regular coordination mechanisms with other USAID supported activities and other donor organizations

Forum of Donor Organisations

The Project did not conduct activities under this component in the reporting period.

Cooperation with other USAID projects and projects supported by other donor organisations

USAID AgroInvest Project

A Project representative took part in the working session of the AUC Land Relations Professional Group on January 19-20, 2012. On March 19, a DIALOGUE Project representative took part in the land management assessment AgroInvest conducts according to the World Bank criteria, namely: the issues related to the planning and development of non-agricultural lands. The finding of the assessment will serve as a basis for the preparation of proposals to the Cabinet of Ministers of Ukraine.

USAID Municipal Heating Reform Project

A Project representative took part in the working session of the AUC Housing and Utilities Professional Group on February 28-29 in Rivne and made a presentation on the experience in the preparation municipal energy plan in Ukrainian cities.

USAID Municipal Finance Strengthening Initiative Project

On March 02, 2012, DIALOGUE Project representatives took part in the Ninth Financial and Economic Forum. The purpose of the event was to discuss the budget policy for 2013 and for the mi-term perspective. The event was organised by the Institute of Budget and Socio and Economic Research. A senior DIALOGUE expert made a presentation on the key issues related to the improvements of the relations between the State Budget and local budgets in 2013, as well as submitted on behalf of the DIALOGUE Project the proposals the Forum later on included in its recommendations.

USAID Parliamentary Development Project II

A DIALOGUE representative took part in the coordination meeting of non-governmental organisations, which cooperate with eth Verkhovna Rada of Ukraine in the area of drafting national legislation of Ukraine. In the course of the meeting, the participants discussed the outcomes of the 9th session of the parliament of the 6-th convocation.

Municipal Local Economic Development Project supported by the Canadian International Development Agency:

- DIALOGUE representatives took part in the training in the preparation and implementation of the AUC Knowledge Management Strategy. The training was conducted by the Canadian counterparts;
- DIALOGUE representatives took part in the round table to discuss the preparation of the concept for the local economic development manual. The event was held on March 28, 2012 with the participation of the leading Ukrainian and Canadian LED experts.

2.3. Component 3: Fostering Public Support for Reform

Activity 2.3.1. Implementation of the integrated Communication and Branding Strategy of the AUC

The DIALOGUE Project has been working on the implementation of its Branding Strategy, which is a component of the AUC information policy. A standard legend and logo are placed on all Project media materials, such as the AUC Newsletter, press releases, presentations, and AUC web-site.

Activity 2.3.2. Integration of communications into day-to-day operations of the AUC

Members of the AUC Professional Groups and the AUC Analytical Center keep submitting the information about their activities and Project events to the Information Center. Such updates serve as the key information for PR managers to prepare their information products for AUC web-site and Project publications. Thus, the AUC uses its web-site to disseminate information about the participation of Project experts in the work of parliamentary committees, outcomes of this work, and AUC position. The information articles published on the Project web-site, in their turn, serve as the basic information for the Press news the Information Groups sends on a weekly basis to the interested journalists. Similarly, the Project prepares information for the AUC Newsletter (DIALOGUE Section) and the DIALOGUE English version electronic publication.

Activity 2.3.3. Production and dissemination of tools for message delivery

DIALOGUE Project AUC web-site

The purpose of the DIALOGUE Project is to serve as a web platform for dialogue to resolve local government issues, improve its legislative framework, exchange managerial experience, as well as to provide timely and high-quality expert information about important local government events and Project achievements in this area. The web site and the information it places targets a wide audience of citizens who are interested in local government issues, representatives of international technical assistance projects and organisations, expert community, and media.

The Project web site has been operational since March 01, 2011. The number of its visitors is constantly growing. In March last year, there were 680 visitors, whereas the indicators for the reporting period are the following:

January 2000
February 2140
March 2100

Also, with the purpose of popularising the Project activities, its outcomes and deliverables, the Association has set up its account of the Association in the Facebook.

Electronic and printed media

Information about Project publications is presented in Table 2.

Table 3. DIALOGUE Project publications

Publication	Targeted audience	Description
The “Sectoral Monitoring” printed	State executive agencies, expert community	The seventh issue of the publication was prepared for printing to be further on

<p>quarterly publication</p>		<p>disseminated to National Deputies, technical staff of line ministries and state agencies, and local government officials. Some of its chapters feature the following topics:</p> <ul style="list-style-type: none"> - complicated (imbedded) administrative and territorial units; - progress towards the preparation of the local government reform; - changes in the mechanism to distribute the subventions for social and economic development; - tariff policy in the housing and utilities sector and the role of the state in it; - current status of capital assets of water supply companies; - financial support to the off-school education.
<p>The “AUC Herald” printed monthly publication</p>	<p>AUC member communities, AUC partner organisations</p>	<p><u># 82, January.</u> The DIALOGUE Chapter features the overview of the State Budget for 2012 in the part dealing with inter-budgetary relations. The overview was prepared by the AUC Analytical Center. <u># 83, February.</u> The DIALOGUE Chapter publishes the AUC proposals to the Main Directions of the Budget Policy for 2013. The document was approved by the AUC Board on February 21. <u># 84, March.</u> The DIALOGUE Chapter publishes the materials on the AUC position with regard to the draft Law “On Service in Local Government Bodies”.</p>
<p>The “DIALOGUE Newsletter” electronic monthly publication</p>	<p>International organisations and international technical assistance projects</p>	<p>The English-language publication presents Project activities over a month and provides monthly highlights: <u># 17,</u> monthly highlight – Committee hearings on complicated territorial units. The hearings were initiated by the AUC. <u># 18,</u> monthly highlight – AUC proposals to eth Main Directions of the Budget Policy for 2013. <u># 19,</u> monthly highlight – consultations in the Ministry of Justice concerning the draft Law "On Service in Local Government Bodies”.</p>
<p>The “Legal Counselling” electronic quarterly publication</p>	<p>Local government lawyers</p>	<p>In March, the City Legal Assistance Center prepared and disseminated Issue # 7 of the Legal Consultations publication. The issue includes: 1) generalised answers to selective questions submitted to the mobile telephone line. 2) clarifications on certain issues of the practical application of the legislation o information: whether a number of local council or its executive committee ordinances is to be considered the database of personal information; how to make public ordinances of the city council and city council executive committee,</p>

		instructions of the city mayor and their corresponding drafts with the personal data of physical persons; coordination of Article 32 of the Constitution of Ukraine, Laws of Ukraine “On Protection of Personal Data”, “On Access to Public Information”, and “On Foundations for Preventing and Fighting Corruption”. The publication was sent to AUC Regional Offices and local government lawyers.
The “Legislation News” electronic publication	Local government lawyers	<u>#16, January</u> features the information about 27 legal and regulatory documents related to local government interests either approved or taken effect and four draft laws under consideration by the Verkhovna Rada of Ukraine or its committees, or by central agencies of the state executive. <u>#17, February</u> features the information about 26 legal and regulatory documents related to local government interests either approved or taken effect and three draft laws under consideration by the Verkhovna Rada of Ukraine or its committees, or by central agencies of the state executive. <u>#18, March</u> features the information about 23 legal and regulatory documents related to local government interests either approved or taken effect and three draft laws under consideration by the Verkhovna Rada of Ukraine or its committees, or by central agencies of the state executive.
The “Press News” electronic weekly publication	Media	A selection of weekly news, publications, and announcements of major activities of the Association of Ukrainian Cities, news and events in cities, and key local government topics. Twelve issues were prepared and published. The Press News is distributed to about 200 media representatives, journalists and press offices of city councils. The mailing list is being constantly updated.
Short local government updates	USAID	The Project prepares and sends the publication to USAID on a weekly basis. The information is presented in two sections: DIALOGUE Project News and Local Government News. Twelve issues were prepared and sent.

Radio coverage

The Project prepared **five** radio programs with comments and interviews of AUC experts, references to the AUC activities mentioned in the news by radio stations, and live interviews of the AUC leadership. In particular, the radio programs were aired by the following radio stations:

- Radio Era FM. A big interview with M.Pittsyk, AUC Executive Vice President, about the problem issues of the local government reform featured in the Own View with Vitaliy Dykyi Program on January 23, 2012.
- Radio Era FM. an interview with M.Pittsyk, AUC Executive Vice President, about the State Budget expenditures for the housing and utilities sector in 2012 and problem

issues related to the renovation of capital assets in the Morning Exam Program on February 21, 2012.

- Radio Era FM. A telephone interview with M.Pittsyk, AUC Executive Vice President, about the housing and utilities sector and attraction of investment funds in pilot projects to reform the sector in the Own View with Vitaliy Dykyi Program on March 19, 2012.
- Radio Liberty. Mentioning in the news section (in the context of environmental projects) on January 25, 2012.
- Radio Era FM. Participation of the P.Kozyrev, AUC Vice President, Ukrainka City Mayor, in the Rush Time Program with S.Kryzhanivskyi on February 01, 2012.

TV coverage

- The «Рада» parliamentary TV Channel (January 11, 2012) — a story in the news section about the Hearings in the Verkhovna Rada of Ukraine Committee on State Building and Local Self-Governance on the problem issues of complicated territorial units. The Hearings were initiated by the AUC;
- The «ЛІОТ» TV Channel (Luhansk) (February 02, 2012) – a live coverage of the working session of the Luhansk Press Club in the TV studio to discuss the relations between condominium associations and monopoly companies rendering utility services;
- The «Перший Національний» [*first national*] TV Channel – broadcasting of the TV commercial about the Recognition-2012 International Program where the AUC logo was shown as a program partner on February 04, 11, 18, and 25, 2012. Total of 4 programs.
- The «УТР» TV Channel (February 21, 2012) – mentioning of the AUC Board meeting in the news section.
- Kyiv STVRC (February 27, 2012) – mentioning in the Economic Circle Program.
- The «5 канал» [*Channel 5*] TV Channel (March 15, 2012) – mentioning of the AUC activities in the course of the general discussion in the Time and Day Summary Program.

TV program series

The Ukrainian television continues to broadcast a series of the «ЗМІСТОВНА Україна» [*CITY-minded Ukraine*] TV programs about local self-governance within the framework of the DIALOGUE Project. In accordance with the agreement between the AUC and the ESG Communications Group, the programs are aired by the УТ-І First National TV Channel broadcasts on Wednesdays within the framework of the Business World Program:

Sumy, January 18

The topic of the program was dedicated to setting up communally-owned "Сумижитло" [*Sumy housing*] service centers to resolve problem issues of housing maintenance. These centers hire persons to work with visitors and passport officers who provide services and information to visitors. The interview with H.Minaev, Sumy City Mayor, featured the local government activities on the preparation and implementation of new social programs in the city, reforms in the housing and utilities sector, construction of the road infrastructure, dialogue between the local government and state executive agencies, etc.

Ukrainka (Kyiv oblast), January 25

The film was dedicated to the introduction of the service quality management system whose purpose is to ensure the high quality level of administrative, social and utility services rendered to citizens. The city operates the center of municipal services, call center and internet reception office to improve the services to citizens. The TV studio guest speaker, P.Kozyrev, Ukrainka City Mayor, spoke about the new practices of municipal management; programs the city

implements in the area of the youth and sport policy, about the cooperation with companies in the city and the dialogue with the state executive to resolve issues of small cities.

Komsomolsk (Poltava oblast), February 01

The main topic of the program was the cooperation between the city authorities and the charity foundation of the Poltava Ore-Mining and Processing Enterprise to perform the reconstruction of the maternity and infectious disease wards of the city hospital, sport grounds in the city, etc. In his broad interview, S.Suprun, Komsomolsk City Mayor, highlighted the key areas of the future city development, tariff policy for housing and utility services, introduction of energy saving technologies, use of the alternative kinds of fuel, activities in the area of the youth policy and education, interaction with the central government, etc.

Khmilnyk (Vinnytsya oblast), February 08

The topic of the program about the spa city of Khmilnyk was dedicated to the local government activities aimed at promoting the city as a spa center. In particular, the film featured the reconstruction of spa centers. The Khmilnyk City Mayor underlined the importance of obtaining the status of the National Spa Center to the city. This will promote the city as a health resort and recreation center. The program also featured the local government activities in this area, preparation and implementation of city programs, interaction of the local government with the oblast authorities, issues of local budget revenues, etc.

Ostroh (Rivne oblast), February 15

The topic of the program was dedicated to the revival of the Ostroh Academy (now the National University) and its impact on the revival and development of the city itself. The program features the construction of a modern student hostels and a new library. O.Shyker, Ostroh City Mayor, speaks about the implementation of projects to introduce energy saving technologies, dialogue between the community and the local government, city budget implementation, and significance of peer experience exchange with mayors of AUC member cities.

Horodok (Lviv oblast), February 22

The topic of the program was dedicated to city activities in energy saving. The film featured the installation of individual heating systems in the military camp. M.Savka, the City Mayor, in his interview spoke the areas of cooperation with the city neighbours across the border, city activities aimed at improving the housing and utilities sector, city support to private businesses and job creation, key role of the AUC in establishing the dialogue with the country eldership and advocating the interests of territorial communities.

Simferopol (ARC), February 29

The topic of the program is dedicated to the local government achievements in the sector of public education: establishing the School of the Future with a wide spectrum of communication and information technologies with opportunities to conduct audio and video conferences, virtual lessons, and presentations both on-line and in the remote mode. The virtual educational and social network allowed the children from various parts of Ukraine as well as the children from abroad to take part in the training. V.Aheev, the city mayor, in his interview touched upon the priorities for the development of the Crimean capital, improvements in the city infrastructure, implementation of reforms in the public education sector, interaction with the state executive agencies, etc.

Alchevsk (Luhansk oblast), March 07

The topic of the program was dedicated to the energy efficiency. Following the disaster with the heat supply networks, the Alchevsk city authorities paid a lot of attention to the modernisation of the heat supply networks. The effective cooperation between the city council and the Vostok-2003 Condominium Association yielded an energy efficient building in the city. V.Chub, the city

mayor, provides more details on this story in his interview. He also spoke about the creation of new jobs, city residents support programs, new areas of cooperation with the oblast authorities and the role of the AUC in resolving local government problem issues.

Rivne, March 14

The topic of the Program is dedicated to the working meeting of the AUC Housing and Utilities Professional Group to discuss the priority areas for drafting legislative and regulatory documents in the area of housing and utilities, legislative initiatives on condominium associations, and problem issues related to residential housing stock management. The program featured best practices of Rivne: renovation of heat distribution networks and reconstruction of boilers and how this helps to save natural gas and electricity. V.Khomko, Rivne City Mayor, spoke about how the city implements social programs, makes improvements in the housing and utilities sector, works with the private sector to improve the employment situation in the city, and highly appreciated the cooperation with eth AUC, parliament and Cabinet of Ministers.

Uman (Cherkasy oblast), March 19

The key topic of the program about the city of Uman was how the city works with talented children and youth. The film featured the systemic work of the city council to identify and support skilled and talented young Uman residents and gifted students and to create the proper condition for the promotion of creative and intellectual capabilities of schoolchildren. Over the years of Ukraine being independent, despite the lack of funds, the city did not close a single communally-owned art establishment (school). Yu.Bodrov, the city mayor, in his interview provided more details about the steps the city takes to strengthen the material and technical base of social establishments, problem issues with the city budget, attraction of investment funds in the city development, cooperation between the city government and local community, and the dialogue at the regional level.

Mariupol (Donetsk oblast), March 28

The main topic of the program was the coordinated work of the city government and the local community to improve the city environment and its property. The city competition to select the best courtyard and the active participation of citizens in its mini-projects lead to considerable improvements in the technical condition of buildings, courtyards, school territories, entrances, engineering networks, etc. The program guest speaker Yu.Khotlubei, the city mayor, in his interview stressed the preparation and implementation of environmental programs, namely, reduction of hazardous emissions; emphasized the necessity of cooperation between the local government and the community, improving the dialogue with the state executive agencies, and praised the role of the AUC in promoting the international cooperation.

Activity 2.3.4. Fostering media relations

Setting up a team of AUC speakers

The composition of the team of AUC speakers did not change over the reporting period (see Table 3). The team composition is provided on the AUC web-page together with the contact information for the PR Coordinator to liaise with the AUC speakers.

Table 3. The team of AUC speakers who are authorised to present the position of the Association and provide explanations on decisions and documents approved by the AUC in the following areas:

Name	Position
<p align="center">Current status and issues of local self-governance in Ukraine. AUC dialogue with central government agencies</p>	

Ivan I. Kulichenko	AUC President, Dnipropetrovsk City Mayor
Myroslav V. Pittsyk	AUC Executive Vice President, DIALOGUE Project Senior Expert on Inter-Governmental Relations
Legal support to local government activities, AUC initiatives	
Myroslav V. Pittsyk	AUC Executive Vice President, DIALOGUE Senior Expert on Inter-Governmental Relations
Victor V. Kravchenko	Legal Assistance Center Director, AUC
Victoria V. Sydorenko	DIALOGUE Project Senior Legal Expert
Volodymyr H. Parkhomenko	DIALOGUE Project Analytical Center Director
Local elections	
Victor V. Kravchenko	AUC Legal Assistance Center Director
Local budget and finance	
Serhiy O. Odarych	AUC Vice President On Budget Policy, Cherkasy City Mayor
Tetyana D. Taukesheva	President of City Finance Officer Association (CFOA), Deputy Kharkiv City Mayor, Director of the City Department for Budget and Finance
Natalya V. Dzhuhan	CFOA Board Member, Director of the Cherkasy City Department of Budget Policy
Oleksandr V. Slobodzhan	DIALOGUE Project Legislation Monitoring Expert
Housing and Utilities, city economy and infrastructure	
Victor O. Atonenko	Deputy DIALOGUE City Legal Assistance Center Director, AUC
Volodymyr B. Groisman	AUC Vice President on Housing and Utilities, Vinnytsya City Mayor
Serhiy O. Odarych	AUC Vice President On Budget Policy, Cherkasy City Mayor
Hennadiy A. Kernes	AUC Vice President on Energy Efficiency, Kharkiv City Mayor
Big and Medium-Sized City Problem Issues	
Oleksandr O. Lukianchenko	AUC Vice President on Big Cities, Donetsk City Mayor
Anatoliy S. Fedorchuk	AUC Vice President on Medium-Sized Cities, Boryspil City Mayor, Kyiv oblast
Pavlo H. Kozyryev	AUC Vice President on Small Cities, Ukrainka City Mayor
Volodymyr P. Udovychenko	AUC Board Member, Slavutyeh City Mayor
Innovation development, introduction of effective management technologies	
Volodymyr B. Groisman	AUC Vice President on Housing and utilities, Vinnytsya City Mayor
Anatoliy S. Fedorchuk	AUC Vice President on Medium-Sized Cities, Boryspil City Mayor, Kyiv oblast
Land relations	
Yaroslav O. Raboshuk	DIALOGUE Project Analyst

Implementation of mechanisms for regular communication between local governments and media

Working meetings of the National Press Club

The meetings of the National Press Clubs are held four times a year based on the decisions of the AUC Board Presidium, AUC Board, Ukrainian Municipal Forum and other AUC large-scale events.

<p>Topic: «Problem issues with local budgets in 2012 and AUC proposals to the budget policy for 2013»</p>	<p>Issues for the discussion: 1. AUC proposals to the Main Directions of the Budget Policy for 2013. 2. Problem issues with local budgets in 2012.</p>
<p>Date: February 21, 2012</p>	<p>The Project conducted the press club meeting following the working session of the Association of Ukrainian Cities Board.</p>
<p>Participants from AUC: S.Odarych, AUC President on Budget Policy, Cherkasy City Mayor; O.Slobozhan, DIALOGUE Legislation Monitoring Expert</p>	<p>At the beginning of the meeting, O.Slobozhan informed the media representatives that the AUC Board approved the proposals to eth Main Directions of the Budget Policy for 2013 and decided to send them to the parliamentary Budget Committee to take them into consideration.</p>
<p>Participants from media and expert community: The «Комерсант-Україна» publication, «Інтерфакс-Україна» News Agency, «Незалежне бюро новин» [<i>independent news agency</i>] News Agency, «Урядовий кур'єр» [<i>government courier</i>] newspaper, «УТР» STRC , «ТОП-100», «Cuttysark» publication, «Час руху» [<i>time of movement</i>] , and «Нація» [<i>nation</i>] News Agency</p>	<p>He also stressed that in the course of the preparations of the State Budget for 2013, thanks to the dialogue between the AUC and the Ministry of Finance as well as with the parliamentary committees, nine AUC proposals to the Main Directions of the Budget Policy for 2012 out of 17 were taken into account. The rejected proposals were included to the proposals the AUC sent this year. S.Odarych presented the AUC proposals consisting of 19 actions whose implementation will ensure the strengthening of the financial foundations of local self-governance. He also stressed that cities should perform the authority delegated to them by the central government only within the scope of the funds The State Budget provides for such purposes and should not re-channel their own financial resources.</p>
<p>Mentioning in the media after the event (as of February 22):</p> <p>video program on the «УТР» TV Channel, article on the «Комерсант-Україна», «РБК-Україна», «Рупор Житомира» [<i>Zhytomyr trumpet</i>], Independent News Agency, «Finance.ua», «Ліра», ІА «Мінпром» [<i>ministry of industry</i>], «Мінфін» [<i>ministry of finance</i>], «Главред» [<i>editor-in-chief</i>] web-sites, and in the «Урядовий кур'єр» [<i>government courier</i>], «Сейчас» [<i>now</i>], «Україна Комунальна» newspapers, etc.</p>	<p>In his responses to questions from the journalists O.Slobozhan provided more details on the AUC proposals to the tax legislation, including the following:</p> <ul style="list-style-type: none"> - rendering the land rent payments to the category of local taxes; - providing local governments with an opportunity to adjust the tax rate on their own; - accounting to local budget revenue accounts of 25% of the profits tax (except for the state-owned and communally-owned companies) and 50% of access collections from this tax and excise collections; - immovable property tax taxation (introduced as of July 01, 2012) of not only housing, but all the property located on the territory of local councils. <p>S.Odarych also mentioned that the existing budget system does not provide incentives for cities to develop and is some part of the profits tax stays in city budgets local governments will be more motivated to increase the number of operating enterprises and their profit.</p> <p>There was a separate discussion about the mid-term loans taken from the unified treasure accounts to compensate for the cash shortages associated with the over-estimated Ministry of Finance indicators. The AUC addressed the Prime Minister of Ukraine and suggested to write off these debts because it was caused by the wrong calculations of the Ministry of Finance.</p>

Meetings of regional press clubs “Straight form the Source”

The meetings of Regional Press Clubs are held two times a year based on the decisions of the Local Government Regional Advisory Boards.

Working session of the Kharkiv Regional Press Club

<p>Topic: Launching the Local Government Regional Advisory Board</p> <p>Date: January 31, 2012</p>	<p>Issues for the discussion:</p> <ol style="list-style-type: none"> 1. Development Initiative for Advocating Local Governance in Ukraine Project (DIALOGUE) as a mechanism expedite the local government reform and decentralisation. 2. Launching the Kharkiv Oblast Local Government regional Advisory Board.
<p>Participants: city, town and village mayors, Chairman of the Kharkiv AUC Regional Office, and S.Asizyan, DIALOGUE Policy Coordinator.</p> <p>Media representatives: The «Слобідський край» [<i>sloboda region</i>] oblast newspaper, Oblast Radio, and the "СтатусКво" News Agency</p>	<p>The event took place following the kick-off meeting of the Kharkiv Oblast Local Government Regional Advisory Board. S.Asizyan informed the journalists about launching a new consultative body in the Kharkiv oblast, namely, the Local Government Regional Advisory Board presided by M.Dobkin, Head of the Kharkiv Oblast State Administration. He presented the DIALOGUE Project and its implementation plan. In their responses to the questions from the journalists city mayors expressed their hope that DIALOGUE will help to come up with the proposals to improve the legislation and local self-governance. The media representatives confirmed their interest in covering key local government issues and in preparing technical articles about the DIALOGUE Project.</p>

Working session of the Luhansk Regional Press Club

<p>Topic: «Condominium Associations and Utility Service Monopolies: Problem Issues and Relations»</p> <p>Date: February 02, 2012</p>	<p>Issues for the discussion:</p> <ol style="list-style-type: none"> 1. Competitive environment on the utility service markets. 2. Conflicts between condominium associations monopoly companies on the utility service market. 3. Ways to resolve the conflict between condominium associations and monopoly companies through setting up managerial firms.
<p>Participants: city mayors from Luhansk AUC RO member cities, representatives of the Oblast Council and Oblast State Administration, representatives of city and town departments for housing and utilities, managers of monopoly companies operating in the housing and utilities sector, and managers of condominium associations.</p> <p>Media representatives: The «Гривна-плюс» newspaper, «Про ОСББ» [<i>about condominium associations</i>] web-site, «Демократичний альянс» [<i>democratic alliance</i>], the «Неделя плюс» newspaper, and the «ЛІОТ» TV Channel</p>	<p>The press club meeting took place in the premises of the LOTVRC and was translated live as a non-moderated discussion. City mayors and housing and utility specialists answered the questions from the journalists.</p> <p>All the participants stressed the importance of the topic for the cities in the oblast and stressed the necessity of resolving the conflict between condominium associations and monopoly companies, which render water-supply, gas-supply and district heating services. The city mayors entered in the discussion of with the managers of monopoly companies about the separation of the functions of the “customer” and “provider” of utility services. Everyone, for example, agreed that a condominium association may not perform the functions of the “provider” of centralised water-supply services. Therefore, to resolve this issue one has to set up a managerial firm to perform the function of the “provider” of the service and to enter into agreement with the provider company.</p> <p>Summarising the discussions, the Head of the Luhansk City Council Main Department for Housing and Utilities stressed that the sector of housing and utilities need substantial reforms, both the modernisation of managerial approaches and streamlining legal relations, and attraction of investments for technical re-equipment, introduction of modern technologies, and implementation of energy efficiency programs.</p>

Working session of the Chernihiv Regional Press Club

<p>Topic: «Outcomes of the Cooperation Between State Executive Agencies and Local Governments on Issues Related to the Financial Sufficiency»</p> <p>Date: February 16, 2012</p>	<p>Issues for the discussion:</p> <ol style="list-style-type: none"> 1. Outcomes of the cooperation between state executive agencies and local governments on issues related to the financial sufficiency. 2. Summary of the working session of the Local Government regional Advisory Board. 3. Activities of the Chernihiv AUC RO in 2011.
<p>Participants: city mayors from the Chernihiv AUC RO member cities, V.Khomenko, Head of the Chernihiv Oblast State Administration, A.Melnyk, Chairman of the Oblast Council</p> <p>Media representatives: The «Новий Чернігів» [<i>new Chernihiv</i>] TV Agency, Korop Rayon Radio, Horodnya Rayon Radio, «Чернігівські відомості» [<i>Chernihiv news</i>] Chernihiv city newspaper, Koryukivka Rayon Radio, «Деснянська правда» [<i>Desna truth</i>] Chernihiv oblast newspaper, «Голос України» [<i>voice of Ukraine</i>] newspaper, «Чернігівський монітор» web-site, УКРІНФОРМ and УНІАН news agencies, Chernihiv Oblast Radio, Chernihiv Oblast TVRC, Sosnytsya Rayon Radio, the «Сіверська» Novhorod-Siverskyi STVRC</p>	<p>The meeting of the Press Club took place following the working session of the Local Government Regional Advisory Board. A.Melnyk mentioned that the Advisory Board gives an excellent opportunity to harmonise the position of the state executive and local governments and coordinate their activities in favour of the interests of territorial communities. Such a dialogue conducted in the oblast helped to promote a balanced economic and social development, timely distribution of budget funds, and a favourable climate to promote investments in the housing and utilities sector modernisation.</p> <p>O.Sokolov, Chernihiv Mayor, spoke about the city budget indicators for 2012. He mentioned that the city budget this year envisions funding to support seven targeted city programs including such programs as: energy saving, repairs of roofs on residential buildings, improved street lighting, and setting up children and sport playgrounds.</p> <p>In the responses to the questions from the journalists about what the benefits of the AUC membership are, the city mayors emphasised three aspects:</p> <ul style="list-style-type: none"> - regular meetings and peer exchange of experience in city management; - technical, information and consultative assistance; - assistance in launching the dialogue with oblast authorities.

Working session of the Poltava Regional Press Club

<p>Topic: «Outcomes of the Social and Economic Development of the Oblast over 2011. Comparison of the 2011 and 2012 Budgets».</p> <p>Date: February 23, 2012</p>	<p>Issues for the discussion:</p> <ol style="list-style-type: none"> 1. Summary of the economic and social development and oblast budget implementation in 2011. 2. Necessary changes in the oblast budget for 2012 by sectoral budgets.
<p>Participants: city mayors from oblast cities, I.Momot, Chairman of the Oblast Council, Head of the Poltava Local Government Regional Advisory Board.</p> <p>Media representatives: The «Урядовий кур'єр» [<i>government courier</i>], «Голос України» [<i>voice of Ukraine</i>] and «Україна молода» [<i>young Ukraine</i>] newspapers, National Radio Company, «Птава» TV and Radio Company, Студія «Місто» [<i>studio city</i>] Radio,</p>	<p>I.Momot informed the participants about the summary of the social and economic development of the oblast in 2011 and spoke about the upward trend in the social and economic development. The success was made possible thanks to the joint activity of state executive agencies and local governments.</p> <p>While presenting the problem issues of the current year budget, the city mayors emphasised the failure of the State Budget for 2012 to provide the necessary financial support for the implementation of the authority delegated by the central governments. The cities have to re-channel their own funds to ensure the implementation of the earmarked budget line items. All the participants agrees about the necessity to revisit the State Budget indicators for the current year and increase its expenditures for social and economic development of territories.</p>

<p>the «Зоря Полтавщини» [<i>Poltava region star</i>] newspaper, «Село полтавське» [<i>Poltava village</i>] newspaper, «Полтавщина» [<i>Poltava region</i>] web-site, «Коло» [<i>circle</i>] newspaper, Poltava media club, «Полтавський вісник» [<i>Poltava herald</i>], and «Вечірня Полтава» [<i>evening Poltava</i>]</p>	
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Working session of the Zhytomyr Regional Press Club

<p>Topic: «Prospects for the Development of Local Self-Governance through the Projects Supported by the National Local Self-Governance Support Foundation and Non-Governmental Innovation Projects».</p> <p>Date: March 01, 2012</p> <p>Participants: city and town mayors, Y.Zapalovskyi, Head of the Local Government regional Advisory Board, Chairman of the Oblast Council, A.Areshonkov, First Deputy Chairman of the Oblast Council, and Yu.Merzlov, Policy Dialogue Coordinator in the Zhytomyr AUC RO.</p> <p>Media representatives: «Житомирщина» Zhytomyr oblast newspaper, «Zhitomir.info» web-site, the «Місто» [<i>city</i>] newspaper, Zhytomyr Oblast TV Company, «Житомирська хвиля» [<i>Zhytomyr wave</i>] Zhytomyr Oblast Radio, «Союз-TV» TV Company, and «Рупор Житомира» [<i>Zhytomyr trumpet</i>]</p>	<p>Issues for the discussion:</p> <ol style="list-style-type: none"> 1. Development of local self-governance through the projects supported by the National Local Self-Governance Support Foundation and other innovation projects. 2. On the draft Law of Ukraine “On Service in Local Governments”. <p>The meeting of the Pres Club was conducted following the working session of the Regional Advisory Board.</p> <p>Y.Zapalovskyi spoke about the outcomes of the participation of local governments from the Zhytomyr oblast in projects and programs aimed at attracting additional funds to support city development and promote active participation of citizens in local decision making.</p> <p>Yu.Merzlov mentioned that the Regional Advisory Board is planning to promote the dialogue between the oblast authorities and local governments, in particular, in the area of investment project implementation.</p> <p>V.Areshonko informed the local media representatives about the outcomes of the discussion of the members of the Advisory Board of the draft Law “On Service in Local Governments”. The city mayors made a decision to address the Verkhovna Rada of Ukraine with a request to send the document for further elaboration.</p>
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Working session of the Volyn Regional Press Club

<p>Topic: «Legal framework for local government activities in the Volyn oblast»</p> <p>Date: March 02, 2012</p> <p>Participants: V.Hodyk, Horokhiv City Mayor, V.Bondar, Kamin-Kashyrskyi City Mayor, I.Omelchuk, Executive Director of the Volyn AUC RO, B.Samoilenko, Policy Dialogue Coordinator in the Volyn AUC RO.</p>	<p>Issues for the discussion:</p> <ol style="list-style-type: none"> 1. Legal framework for local government activities. 2. Problem issues related to the implementation of the Law of Ukraine “On Access to Public Information”; <p>The meeting of the Press Club was conducted following the working session of the Volyn Oblast Local Government Regional Advisory Board.</p> <p>B.Samiolenko told the journalists about the deliverables of the DIALOGUE Project in the Volyn oblast. In particular, the Project provided more than 35 consultations to local government managers and local council members.</p>
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<p>Media representatives: The «Урядовий кур'єр» [government courier], «Голос України» [voice of Ukraine], and «Україна молода» [young Ukraine] newspaper, National TV and Radio Company, «Лтава» TV and Radio Company, Студія «Місто» [studio city] Radio, the «Зоря Полтавщини» [Poltava region star] newspaper, «Село полтавське» [Poltava village] newspaper, «Коло» [circle] newspaper, Poltava media club, «Полтавський вісник» [Poltava herald], and «Вечірня Полтава» [evening Poltava]</p>	<p>The city mayors stressed that due to the computer equipment provided by the DIALOGUE Project they are capable of taking part in preparing draft legislation together with AUC experts. In their response to the question from the media representatives about the problem issues local government shave wit the implementation of the Law of Ukraine “On Access to Public Information”, the city mayors informed that one of the related problem issue is lack of opportunity to launch and maintain official web-sites. Local budgets do not have the necessary funds.</p>
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Working session of the Poltava Regional Press Club

<p>Topic: «Cooperation of the National Local Self-Governance Support Foundation in Ukraine with the Poltava Oblast»</p>	<p>Issues for the discussion: 1. Local self-governance development through the programs supported by the National Local Self-Governance Support Foundation in Ukraine and other innovation projects. 2. Outcomes of the working session of the Local government Regional Advisory Board.</p>
<p>Date: March 20, 2012</p>	<p>The meeting of the Press Club was conducted following the working session of the Poltava Oblast Local Government Regional Advisory Board. I.Momot summarised the outcomes of the participation of local governments fro the Poltava oblast in local development projects and how they promote additional collections to local budgets. 17 projects were selected as winners of the oblast competition. The purposes of most of them were the modernisation of populated area infrastructure, urban improvements, introduction of energy efficiency activities in the public sector institutions. The journalists expressed their interests in covering the implementation of the territorial community development projects in cities, towns and villages in the oblast, and their outcomes.</p>
<p>Participants: I.Momot, Chairman of the Oblast Council, Head of the Poltava Oblast Local Government Regional Advisory Board, and O.Tertyshna, representative of the National Local Government Support Foundation in Ukraine.</p> <p>Media representatives: «Лтава» TV and Radio Company, Студія «Місто» [studio city] Radio, the «Зоря Полтавщини» [Poltava region star] newspaper, «Село полтавське» [Poltava village] newspaper, «Новини Полтавщини» [Poltava region news], «Полтавщина» [Poltava region] web-site, «Репортер», the «Полтавський вісник» [Poltava herald], «Вечірня Полтава» [evening Poltava], «Коло» [circle], and «Трудова Полтавщина» [Poltava region labour] newspapers</p>	

Working session of the Ternopil Regional Press Club

<p>Topic: «Ways to Promote Investments to Cities in the Oblast»</p>	<p>Issues for the discussion: 1. Oblast investment image. 2. Best practices in promoting investments to territorial communities in the oblast. 3. Proper conditions for economic development of the oblast.</p>
<p>Date: March 26, 2012</p>	

<p>Participants: O.Kaida, Chairman of the Oblast Council, Head of the Ternopil Oblast Local Government Regional Advisory Board, S.Nadal, Ternopil City Mayor, I.Hirchak, Policy Dialogue Coordinator in the Ternopil AUC ro.</p> <p>The meeting of the Press Club was conducted following the meeting of the Ternopil Oblast Local Government Regional Advisory Board.</p> <p>Media representatives:</p> <p>The «ГТБ» TV Channel; «Нова Тернопільська» [<i>new Ternopil</i>] newspaper; «ІНТБ» TV Channel; Oblast State Radio; «Номер один» [<i>number one</i>] newspaper; «20 хвилин» [<i>20 minutes</i>] newspaper; «Свобода» [<i>liberty</i>] newspaper; Ternopil Press Club; «Тернопіль Вечірній» [<i>evening Ternopil</i>] newspaper; and the УНІАН News Agency;</p>	<p>S.Nadal informed about the successful practices in investment promotion to support the development of the territorial community using the Ternopil experience as an example. The participants became familiar with a number of deliverables of the Ternopil City Council in city promotion and preparation of investment proposals. O.Kaida mentioned that the Ternopil region has all the necessary conditions to become a modern Ukrainian business region and local governments and state executive agencies should jointly work to achieve this goal. He emphasised that the strategy should be developed with the bottom-up approach starting with proposals from villages, towns and cities.</p> <p>In his answers to the questions from the journalists, I.Hirchak informed that economic development strategies of populated areas in the Ternopil oblast will be prepared by the Ternopil AUC RO and the Ternopil Regional Council Association of Local Governments.</p>
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Working session of the Odesa Regional Press Club

<p>Topic: «Ways to Implement the Safe Odesa Region Regional Program»</p>	<p>Issues for the discussion:</p> <ol style="list-style-type: none"> 1. Ways to implement the Safe Odesa Region Integrated Regional Program».
<p>Date: March 27, 2012</p>	<p>The meeting of the Press Club was conducted following the working session of the Odesa Oblast Local Government Regional Advisory Board.</p>
<p>Participants: M.Pundyk, Chairman of the Odesa Oblast Council, Head of the Local Government Regional Advisory Board, D.Fuchezhdy, Deputy Head of the Main Authority of the Ministry of Internal Affairs in the Odesa Oblast, Yu.Molodozhen, Policy Dialogue Coordinator in the in Odesa AUC RO.</p> <p>Media representatives: The Odesa Oblast STVRC, «Репортер» web-site, Odesa News Agency, Black Sea News Agency, «Місто.Одеса» [<i>Odesa city</i>] web-site, «Рупор» [<i>trumpet</i>], and News Odesa</p>	<p>M.Pundyk spoke about the basic framework of the Safe Odesa Region Regional Program and answered the questions from the journalists about the scope and sources of finance. In particular, he mentioned that the regional program envisions funding not only from the oblast budget, but from budgets of oblast significance cities and private companies.</p> <p>D.Fuchezhdy answered a number of questions about the crime situation in the oblast. He informed that oblast authorities are planning to install video cameras in all public places and to purchase 50 special vehicles for the patrol service to respond to car accidents.</p>

2.4. Component 4: Legal Assistance and Protection

Activity 2.4.1. Expanding legal consultation services for navigating various laws and regulations

In the reporting period, DIALOGUE City Legal Assistance Center consultants provided 185 consultations to local government officials. Since the inception of the Project, 185 consultations to local government were provided. Since its inception, the Project provided 1230 consultations to local governments.

City Legal Assistance Center consultants provided **185** legal consultations through the mobile telephone line, mail, and AUC and DIALOGUE web-sites in the following areas:

- local budgets and inter-budgetary relations (22);
- land relations (18);
- housing, utilities, construction, and communal property (44);
- organisational and legal foundations for local self-governance (97);
- social protection (0);
- public education (2);
- health care (2);
- local elections (0).

Expert workshops in AUC ROs

An Expert Workshop is a training event for local government officials who work in a given technical area held with the purpose of explaining provisions of legislation and exchanging city management experience. In addition to this, participants of expert workshops can initiate amendments to legislation and changes in municipal management activities. The topics for expert workshops have been identified by AUC ROs upon suggestions from local government officials.

In January-March, the Project conducted **26** expert workshops with participation of **611** local government officials.

Date and venue	Participants	Topic	Description of the event
Donetsk oblast city of Donetsk January 25, 2012	31 persons – city mayors, city clerks of local council executive committees, heads of city and town legal departments of local council executive committees	Local government activities in providing administrative services according to the ДСТУ ISO 90001: 2009 Quality Management System standards	The participants of the expert workshop became familiar with the tasks of the quality management system and generalised experience of Ukrainian cities to implement this system, received the informational materials about how to set up Centers for Administrative Services for Citizens, and main procedural requirements for rendering commercial administrative services.
Cherkasy AUC RO city of Cherkasy January 27, 2012	20 persons – city and town mayors, city and town departments for construction	Urban development in the oblast cities and related experience, prospects and unresolved issues	The participants of the expert workshop became familiar with the experience in resolving problem issues associated with the implementation of the Law of Ukraine “On Regulation of Urban Development Activities”, ways to resolve issues related to allocation of land plots and putting together the

			corresponding cost estimates, procedures for issuing licenses for buildings, as well as discussed the necessity of exercising the architectural and construction oversight for unlicensed construction.
Lviv AUC RO city of Lviv January 27, 2012	47 persons – city and town mayors	Leadership and staff management	The participants of the expert workshop became familiar with the new management technologies, difference in the powers of the leader and the manager, steps and opportunities to develop leadership skills, and priority areas of the territorial community leader.
Khmelnyskyi AUC RO city of Khmelnytskyi February 02, 2012	20 persons - city and town mayors, heads of city and town departments on land relations	Land reform in Ukraine and its consequences	The participants of the expert workshop became familiar with the new pieces of the current legislative framework in the land sector, discussed the land lease issues, transfer of communally-owned lands, land sales (competitions and auctions), delineation of boundaries between state-owned and communally-owned lands, and land inventory.
Kyiv AUC RO city of Kyiv February 07, 2012	37 persons - city and town mayors, local council lawyers	Protection of local government rights	The participants of the expert workshop discussed the problem issues related to the protection of local government officials and related instruments and stressed the absence of the legislation to identify the local government authority and overlaps of the authority of local governments and state executive agencies. The participants emphasised the necessity of setting up and running city legal departments and expanding the scope of consultative and law enforcement services the AUC provides to its member communities.
Rivne AUC RO city of Rivne February 07, 2012	32 persons – city and town mayors, heads of city and town executive committee legal departments	New anti-corruption legislation	The participants of the expert workshop became familiar with the new anti-corruption legislation and paid a particular attention to the rules of filling in public service income declaration forms, timeframe for submitting them and the necessity to publish the declarations in the corresponding media. The situation with publishing income declaration is difficult, especially for local government officials from smaller cities because the cost of printing them in newspapers requires the money equal to the monthly salary of such officials.
Kherson AUC RO	20 persons – city, town	Ukrainian land	The participants of the expert

<p>city of Kherson February 08, 2012</p>	<p>and village mayors, heads of city and town departments of land relations</p>	<p>legislation. Resolution of land issues by local councils.</p>	<p>workshop became familiar with the new pieces of land legislation, with a particular attention being paid to the Law of Ukraine “On Regulation of Urban Development Activities” approved as back as in 2011. The workshop participants prepared and submitted to the AUC their proposals to separate laws, in particular, to the Law of Ukraine “On Delineation of Boundaries between State-Owned and Communally-Owned Lands”, to the Procedures for Placing Temporary Constructions for Commercial Purposes, etc.</p>
<p>Kirovohrad AUC RO city of Kirovohrad February 10, 2012</p>	<p>20 persons – city and town mayors, heads of city and town local council departments of housing and utilities</p>	<p>Reforms in the management of housing and utility issues in condominium associations as a new type of management</p>	<p>The participants of the expert workshop became familiar with the main areas of the national-scale program to reform the housing and utilities sector, whose important component is to set up condominium associations and introduce new types of common property management. The participants suggested to made the following amendments to the Law of Ukraine “On Condominium Associations”, namely: to simplify the procedures for the registration of condominium associations; write in the legislation a clear procedure for the privatisation of the land under the building and the adjacent territory; and amend the legislation in the part dealing with setting up condominium associations for several buildings together.</p>
<p>Ternopil AUC RO city of Ternopil February 16, 2012</p>	<p>20 persons – city and town mayors, heads of city and town local council executive committee departments for economy</p>	<p>Foundations of fundraising. Practical aspects of writing project proposals to be submitted to the competition of the National Local Government Support Foundation of Ukraine</p>	<p>The participants of the expert workshop became familiar with the opportunities to attract funds for the implementation of local initiatives provided by international technical assistance projects and programs and discussed the requirements for their communities to participate in the Ukraine-Wide Local Self-Governance Project Competition conducted on an annual basis by the National Local Government Support Foundation with the funds of the State Budget of Ukraine. The RO staff expressed its readiness to assist cities in preparing their project proposals.</p>
<p>Sumy AUC RO city of Sumy February 23, 2012</p>	<p>20 persons – city and town mayors, heads and city and town local council executive committee departments</p>	<p>Land legislation</p>	<p>The participants of the expert workshop discussed the issues related to the implementation of the land reform. In the course of the discussion, they paid a particular</p>

	of land relations		attention to the following problem issues: privatisation of land plots and simplification of the procedures to issue state acts on land ownership; inventory of lands within and beyond the boundaries of populated areas; protection of land share owners whose lands are located on the territory of city councils beyond the boundaries of populated areas; issues of selling land plots; and approaches to conducting land auctions.
Kharkiv AUC RO city of Kharkiv February 23, 2012	27 persons – city and town mayors and their deputies, secretaries of local councils, local council department heads and managers of utility companies	Legal support for local government operations: environment and urban improvements in populated areas	The participants of the expert workshop reviewed the Laws of Ukraine “On Local Self-Governance in Ukraine” and “On Urban Improvements in Populated Areas” because these pieces of the legislation provides for the legal, economic and organisations framework for urban improvements in populated areas. In the course of the discussions, the participants stressed the drawbacks of the system to coordinate the work of local offices of the state executive and local governments and expressed the idea of giving local governments more authority in the area of urban improvements in populated areas.
Luhansk AUC RO city of Luhansk February 23, 2012	20 persons – city and town mayors, heads of city and town local council departments of housing and utilities	Problem issues of managing condominium associations	The participants of the expert workshop became learned about the foundations of managing the residential building through the condominium association and discussed the ways to make incentives for setting up effective condominium associations. The participants believe the responsibility of the owners of the common property is the key to the reforms in the housing and utilities sector.
Zhytomyr AUC RO city of Zhytomyr February 23, 2012	20 persons – city mayor deputies, local council lawyers, executive committees city clerks	Implementation of the Law of Ukraine “On Access to Public Information”	The participants of the expert workshop became familiar with the new pieces of the legislation regulating the access to public information and received comments to the Law approved last year. They also discussed the local government activities aimed at setting up citizen information and consultation centers in communities in the Zhytomyr oblast and launching community web-sites to publish local ordinances once they are approved.
City of Irshava, Zakarpattia oblast February 24, 2012	20 persons – city and town departments, city and town local council	Innovative practices of rendering decentralised utility	The participants of the expert workshop discussed the key problems of the housing and utilities sector;

	executive committee departments for housing and utilities	services to citizens	reforms in this sector in Ukraine; and performed the assessment of the legislation-guaranteed authority and actual powers of city and towns councils in the housing and utilities sector as compared to the interests of communities and the state.
Chernivtsi AUC RO city of Chernivtsi February 24, 2012	20 persons – city and town mayors, city and town local council departments of urban improvements and environmental policy	Local government activities in the area of the implementation of the environmental policy	The issues related to the sustainable development should take their due place in the municipal management in Ukraine, as it already happened in Europe. European Union programs actively encourage Ukraine to understand the necessity of developing the cities in harmony with the environment and to raise public awareness about the responsibility of using the natural resources. This is particularly important because the Bukovyna region priorities include the production of environmentally clean foodstuffs and the development of environmental tourism. Therefore, the local communities should ensure the proper conditions for this kind of development of the region.
Ivano-Frankivsk AUC RO city of Ivano-Frankivsk February 24, 2012	20 persons – deputy city mayors, city and town departmental heads, representatives of non-governmental organisations	Investment programs and participation in the local development projects	The participants of the expert workshop became familiar with the opportunities available for the oblast communities to participate in international technical assistance projects and programs, as well as the national development resources. The participants discussed the potential topics for project proposals and together with the moderator studied the preparation of project proposals and project management.
Volyn AUC RO city of Lutsk February 24, 2012	20 persons – city and town mayors, journalists and public figures	Implementation of the Law of Ukraine “On Access to Public Information”	The participants of the expert workshop became familiar with the main aspects of the implementation of the Law of Ukraine “On Access to Public Information” and stressed the importance of amending to the legislation, in particular: amending the structure and ordinances regulating the activities of each public government body; complete implementation of the provisions of the new Law in by-laws and ordinances; bringing other laws in compliance with this law including the Administrative and Criminal Codes; and approving new legislation and regulations and explanations how to implement them.
Vinnytsya AUC RO	20 persons – city	Management of	The participants of the expert

city of Vinnytsya February 28, 2012	mayors, local council secretaries, land relations specialists, members of the ad-hoc committee of the Vinnytsya City Council	territorial community land resources	workshop discussed the mechanism and experience of taking inventory of communally-owned lands, territorial community land planning and use, and mechanisms for local governments to exercise the oversight over the use of lands. The meeting participants expressed their support to the AUC initiative to support the approval of the legislation to enable local government exercise such oversight and supported the idea of giving condominium associations the right for permanent use of land plots rather than letting them lease the land plots, what they currently do.
Mykolaiv AUC RO city of Mykolaiv February 28, 2012	20 persons – city and town mayors, managers of local council press services, media	Cooperation of local government with media to promote local government ideas, problem issues and interests of territorial communities	The participants of the expert workshop discussed the opportunities for the cooperation between local governments and media for wide and unbiased coverage of local problems and fostering support from the community for local government initiatives. A special attention was given to the access to the public information and use of Internet resources and social networks.
Rivne AUC RO March 13, 2012 city of Rivne	20 persons – city and town mayors, heads of city and town departments for housing and utilities	Solid waste management	The participants discussed the ways to collect and remove solid waste in the communities in the Rivne oblast. A special attention was given to the introduction of the primary sorting of solid waste by citizens, construction of solid waste sorting and processing plants, and opening safe landfills constructed according to the European standards.
Crimean AUC RO March 14, 2012 city of Simferopol	25 persons – city and town mayors, heads of city and town departments of housing and utilities	Key issues of management in the housing and utilities sector	The participants of the expert workshop discussed the issues related to reforms and development of the housing and utilities sector: incentives for setting up condominium associations; procedures for the reconstruction of residential buildings and their parts; tariff setting; and explanations to citizens about the list of utility services and their prices. The meeting participants expressed their desire to expedite the approval of the Housing Code of Ukraine.
Poltava AUC RO March 15, 2012 city of Khorol	32 persons – city and town mayors, city clerks, local council press secretaries	Municipal record keeping and its regulatory and ethical foundations	The participants of the expert workshop became familiar with the new model instruction on how to organise the record keeping and how to apply it in the local communities in the oblast. The participants pointed their attention on the main

			requirements to writing and formatting managerial documents; and formatting citizen applications. The participants expressed their comments to the instruction because it has two different notions: “electronic document” and “document in the electronic format”.
Chernihiv AUC RO March 15, 2012 city of Chernihiv	20 persons – city and town mayors, local council secretaries	Amendments to the Law of Ukraine “In Service in Local Governments”	The participants of the expert workshop discussed the provisions of the draft law “On Service in Local Governments” and provided the constructive criticism on the document saying it needs to be substantially elaborated and should take effect simultaneously with the Law of Ukraine “On State Service”.
Dnipropetrovsk AUC RO March 16, 2012 city of Dnipropetrovsk	20 persons – deputy city mayors, city and town departmental heads	Institutional and information support for the sustainable development of cities	The participants of the expert workshop discussed how communities in the oblast create the proper environment for the sustainable local economic development. They also focused on the necessity of systemic, targeted and professional training for local government officials and became familiar with the experience of the Dnipropetrovsk City Council Department for International Relations and Foreign Trade. In the course of the discussions, they expressed a number of proposals and comments concerning the organisation of program training for city council officials.
Odesa AUC RO March 16, 2012 city of Odesa	20 persons – city and town departments, heads of city and town departments of land resources and architecture	Territorial community lands resources management	The participants of the expert workshop became familiar with the information provided by the moderator, who participated in the working session of the Verkhovna Rada of Ukraine Committee on Agrarian Policy and Land Relations, about amendments to the Land Code of Ukraine and other legislation. In the course of the expert workshop, the participants discussed the peculiarities of regulating urban development activities; and procedures for maintaining the State Land Cadastre. The participants of the event shared their experience in preparing ordinances related to land relations and land stock management.
Zhytomyr AUC RO March 23, 2012 city of Zhytomyr	20 persons – city and town mayors, heads of city and town local council executive	Foundations of fundraising. Practical aspects of writing project	The participants of the expert workshop became familiar with the algorithm of writing project proposals with due regard to the potential

	committee departments of economy	proposals to be submitted to the competition supported by the National Local Government Support Foundation of Ukraine	problems arising in the course of the implementation of these projects. The participants reviewed the case studies of how to write project proposals.
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Activity 2.4.2. Legal protection services

In the reporting period the attorney services were provided to **3** local government institutions and officials. The attorney services were provided in the following key areas:

- expert evaluation of local government documents (2);
- legal protection in cases when local government officials were held administratively liable for violating the corruption legislation and legal protection of rights and interests of local government officials and institutions (1).

Monitoring of cases of harassment of local government officials

As part of the monitoring efforts concerning the harassment of city mayors, local council members and other local government officials, the Project identified **44** instances of criminal cases, arrests, pre-term termination of office authority, etc. These include:

- city mayors (9);
- village and town mayors (12);
- local council members (10);
- other local government officials (13).

Table 4 presents the findings of the monitoring of cases when local government leaders and local council members were held accountable for criminal charges. The data came from the Ministry of Internal Affairs of Ukraine.

Table 4. Monitoring of cases when local government leaders and local council members were held accountable for criminal charges.

Position in local government	2010	2011	2012 (January – March)
City mayors and their deputies	7	9	1
Local council members	14	15	5
Village and town mayors	104	124	33
Rayon Council members	33	28	10
Oblast council members	4	3	-
Total:	162	179	49

Below is the information about the pre-term termination of the office authority of city mayors elected during the October 30, 2010 local elections. The data covers the first quarter of 2012:

#	Pre-term termination of the authority of the mayor	Justification for the termination
1.	Yuzhnoukrainsk City Mayor A.Stulin	The mayor was held administratively accountable for violating the requirements of the anti-corruption legislation (prohibition to combine and

		hold offices)
2.	Trostyanyets City Mayor Yu.Bova	The mayor was held administratively accountable for violating the requirements of the anti-corruption legislation (prohibition to combine and hold offices)
3.	Netishyn City Mayor O.Omelchuk	The city council terminated the authority of the mayor
4.	Novoazovsk City Mayor O.Sydorenko	Transfer to a different job (RSA)
5.	Piatykhatky City Mayor S.Khimanych	Upon his own will for health considerations.

Over the reporting period, the Verkhovna Rada of Ukraine scheduled the following local government by-elections:

- 2 city mayors (cities of Schors and Novoazovsk);
- 48 village mayors;
- 4 town mayors;
- 2 village council members.

Local Government Lawyer School

The Local Government Lawyer School gives an opportunity to graduate students of law schools (law departments) to adapt their knowledge in law to the actual needs of local governments. By doing so, they learn about the legal framework of local government operations and the protection of legitimate rights and interests of territorial communities.

Over the period of March 12 – 23, the project conducted the 3rd Session of the Local Government Lawyer School. The applicants were selected based on the outcomes of the oral interview conducted after the applicants submit their application forms. The program of the training consisted of the four components:

- training component (20 hours of lectures and hands-on classes on the constitutional foundations of local self-governance, law-making process and foundations of the law-making techniques, organisational and legal mechanisms for relations between local governments and state executive agencies, and problem issues related to the protection of legitimate interests of local governments);
- internship at the Secretariat of the Verkhovna Rada of Ukraine Committee on State Building and Local Self-Governance, executive committees of Ukrainka and Boryspil City Councils, and Executive Board of the Association of Ukrainian Cities (all in all 20 hours);
- self-training and preparation of individual assignments (6 hours);
- verification of the learned knowledge and skills in the form of the preparation of the report on the fulfillment of individual assignments (10 hours) and exams (4 hours).

The classes were conducted by the leading Ukrainian scientists in the area of the municipal law (Candidate of Law Sciences O.Batanov, Candidate of Legal Sciences B.Kalynovskyi, and Candidate of Legal Sciences Kh.Prykhodko), Parliamentary Development Project Director E.Rakhimkulov, National Deputy of Ukraine V.Demchyshen, and the staff of local governments and the AUC Executive Board.

27 students received their certificates upon the completion of the School.

2.5. Component: Special Emphasis on Crimea

In January – March of 2012, the Project conducted one study tour for local government officials from the Autonomous Republic of Crimea to other Ukrainian cities. Five persons took part in the tour. All of them pointed out the great value of such training and the opportunity to learn the hands-on experience of their colleagues and learn how to avoid mistakes while copying it in their cities.

Topic: City public transportation system reform	<p>Study tour topics:</p> <ul style="list-style-type: none"> - main areas of the city transportation system reform; - introducing the GPS control over the work of the city public transportation system; - coordination of the work of the municipal electric public transportation; - improving the network of parking lots and optimisation of routes for automobiles. <p>The topics of the training were selected based on the findings of the survey of Crimean city councils conducted by the Crimean AUC RO.</p> <p>According to the members of the Crimean delegation, the experience they got in the Dnipropetrovsk City Council Department of Transportation and Communication will help them to optimise the public transportation system in the cities of the Autonomous Republic of Crimea.</p>
Date: March 29-30, 2012	
City of Dnipropetrovsk	
Participants: City and town heads of departments for transportation and communication from the cities of Alushta, Bakhchysarai, Yevpatoria, Krasnoperekopsk, and Saky.	

Chapter 3. IMPLEMENTATION PROBLEMS AND WAYS TO RESOLVE THEM

The following issues has a substantial impact on the Project implementation:

- Personnel changes in the Ministry of Finance of Ukraine coincided exactly with the time of the consultations on the Budget Declaration for 2013. Consequently, the AUC submitted its proposals to the Declaration, but there was nobody to consult with. The working meeting in the Minister of Finance – Budget Committee Chairman – local governments format was scheduled on late April of 2012.
- Amendments in the legislation regulating the procedure for the VAT payment exemption almost stalled the activities under the TV Program Project component. The negotiations between the project financed by the U.S. Government and the Ministry of Trade of Ukraine lasted for two months and only in late March they managed to reach a consensus. In the interim period, the AUC had to use its own funds to pay the VAT to comply with the terms of the agreement it concluded to implement the «ЗМІСТОВНА Україна» [*CITY-minded Ukraine*] TV Program Project component.

Chapter 4. SUCCESS STORIES

AUC OPINION TAKEN TO DEVELOP THE REFORM ACTION PLAN

On January 25, the President of Ukraine commissioned the Cabinet with forming an Inter-Governmental Working Group to draft and submit for his approval by May 31 the Action Plan to reform local self-governance and territorial composition of administrative power in Ukraine. The group was formed by the Cabinet of Ministers Resolution # 169 on February 29. The Group membership includes I.Kulichenko, AUC President. The Group also includes experts, independent experts among them, and AUC representatives.

On March 27, the draft Action Plan on reforms was presented at the Inter-Governmental Working Group meeting chaired by the Minister of Regional Development, Civil Construction and Housing and Municipal Economy A.Blyzniuk. The Plan was found to be reflecting ideas of the AUC formulated in its own Reform Concept, approved by the AUC Board on March 01 and handed over to state executive agencies. The AUC has endorsed the document.

TIMEFRAMES FOR UTILITIES TARIFFS SETTING TO BE REDUCED

The Association of Ukrainian Cities not for once addressed the Government concerning the overcomplicated utilities tariffs setting procedure by local governments. Considerable protraction of the process in time (sometimes for up to several months) made it impossible to adjust the tariffs in unison with changing costs of the services components. A pertinent bill “On amending certain laws of Ukraine on utilities tariff setting procedure” was registered on November 17, 2011 and later approved by National Deputies. The law came into force from January 13, 2012. In particular, the law amended Article 3 of the Law of Ukraine “On Principles of the State Regulatory Policy in Economic Activities Area”, whereby decisions on tariffs were made independent of the regulatory procedures. As a result the tariffs setting time terms are expected to shrink by at least one month thus enabling enterprises to reduce their losses in case of jump in energy prices or changes in minimum wage.

THE PARLIAMENTARY COMMITTEE TOOK INTO ACCOUNT INTERESTS OF MUNICIPAL BUREAUS OF TECHNICAL INVENTARISATION (BTIs)

The technical inventory of real estate objects is traditionally performed by municipal enterprises (BTIs), but without proper legislative grounds. In response to the AUC concerns a working group was formed with the Verkhovna Rada Committee on Economic Policy to draft the relevant law. The group comprises AUC representatives. As a result the draft Law “On Real Estate Objects Inventory” was registered at the Parliament (# 10286 of March 29, 2012). And though the Ministry insists on transferring the BTI archives to state ownership and the right to technical inventory services – to business entities the bill takes into account position of the AUC: it is stipulated that technical inventory services will rest with municipal entities only and the technical inventory archives shall stay in municipal ownership.

DELINEATION OF BOUNDARIES BETWEEN LANDS WILL BE CHEAPER FOR LOCAL BUDGETS

The procedure for the delineation of boundaries between state-owned and municipally-owned lands leaves much to be desired. AUC proposals of September 15, 2011 on the pertinent procedure were sent to the state executive agencies. On February 13, a draft law “On Amending Certain Ukrainian Legislation Concerning the Delineation of Boundaries of State-Owned and Communally-Owned Lands” (Registration # 10043) was registered at the Verkhovna Rada. On the whole the bill is in compliance with the AUC Board proposals, in particular in the part of abandoning the delineation of boundaries between state-owned and communally-owned land management and replacing it with delimitation based on “by act of law” principle.

OPPORTUNITIES TO INCREASE LOCAL GOVERNMENT OWN RESOURCES

DIALOGUE experts developed and presented to the government a concept of comprehensive law on amending the Tax Code of Ukraine to enhance efficiency of local taxes and duties. The bill, among other, suggests taxing not just the living area, but the gross area of residential real estate.

On March 21, 2012, the Ministry of Finance published on its web-site the bill on amending Article 265 of the Tax Code regarding recognizing as taxation basis for taxation of real estate objects as opposed to land parcels the gross area of a residential property, which means that the Ministry of Finance resistance in deciding on the ways of raising efficiency of local taxes and duties has been overcome.

DIALOGUE PROPOSALS HAVE BEEN TAKEN INTO ACCOUNT BY THE PRESIDENTIAL ADMINISTRATION

Project experts actively cooperated with the Coordination Center for the Implementation of Economic Reforms at the President of Ukraine to settle the problem issues of local budgets. As a result the DIALOGUE proposals were included into the National Action Plan for 2012 (approved by the Decree of the President of Ukraine # 187/2012 of March 12, 2012). The National Plan includes a string of steps in the format of Cabinet directives on consolidation of the local self-governance financial basis. In particular:

- Streamlining procedures of internal borrowings (1.2 – 1.4);
- Raising quality of capital budgeting at the local level (3);
- Regulatory support in upgrading mid-term budget forecasting (4.2);
- Expanding taxation base with a tax on immovable property as opposed to the land parcel (9);
- Regulatory stipulation of the implementation mechanisms of regional development projects through the National Regional Development Fund (12);
- Simplification of the treasury service for local budgets through curtailment of treasury operations-related workflow (13.2);
- Revision of the regulatory and legal acts stipulating personnel standards for budget institutions outlays in healthcare, education, culture, physical culture and sports (14.1);
- Setting social standards and financial norms for budget support in healthcare, education, culture, physical culture and sports, social protection and social support (14.2);
- Improvement of the state budget – local budgets transfer mechanism by calculating intergovernmental transfers-related outlays based on national social standards and norms (14.3).

Thus, the Cabinet of Ministers has clear tasks and time line to resolve the local budget issues.

DIALOGUE SETTLES MUNICIPAL HEAT-AND-POWER ENGINEERING ISSUES

The Association of Ukrainian Cities has not for once addressed National Deputies of Ukraine requesting them to advocate for allocation of funds to local budgets to compensate for arrears accrued by municipal enterprises through a difference in heating tariffs that resulted from poorly thought-out state policy in tariffs setting. In the beginning of March, two draft laws were registered at the Parliament (#10151 of March 6, 2012, and #10153 of March 7, 2012 by National Deputy I.Gluschenko) providing for subventions from state budget to the local budgets to compensate for difference in the heating tariffs in the amount of 3.6 billion UAH and for simplification of such operation tariffing. Thus, the first step has been made in resolving the problems of the municipal heat and power engineering.

THE DEVELOPMENT BUDGET REVENUES SOURCE IS BEING UNBLOCKED

Non-agricultural land sales (auction) procedure remains legally unsettled and it hinders the sales and relevant revenues of the local budget development budgets. The AUC cities not for once addressed the Parliament and the Cabinet of Ministers requesting urgent adoption of the pertinent law. On March 21, the draft Law “On Amending the Land Code of Ukraine” was registered at the Verkhovna Rada (on land sales procedure) (Registration # 10231). The bill provides for sales of land parcels to a single bidder, which is in compliance with the AUC proposals.

LOCAL GOVERNMENT AUTHORITY SAFEGUARDED

On December 21, 2011, the Parliament adopted in the first reading the draft law “On Amending Certain Laws of Ukraine” (on urban improvements in populated areas) (Registration # 9381). The bill prepared for its second reading realizes the principal proposals of the AUC, such as: the provision on depriving local self-governance of authority to approve populated area clean-up procedure and to form inspectorates on urban improvements in populated areas in order solely at the plenary meetings of the councils was deleted. Another proposal of the cities was accounted for too: the one regarding requirement to obtain a permit before disrupting established design of populated areas whenever it is necessary to carry out earthwork, installation work or repairs.

FINANCING OF EXTRACURRICULAR EDUCATIONAL ESTABLISHMENTS AND BOARDING SCHOOLS WILL IMPROVE

AUC proposals regarding expediency of amending the Budget Code and ensuring proper financing of extracurricular educational establishments that were repeatedly sent to ad-hoc parliamentary committees and ministries were accounted for in the draft law “On Amending the Budget Code of Ukraine (concerning financing extracurricular educational establishments and comprehensive educational and specialised boarding schools)” (Registration # 9766 of January 31, 2012). The draft law settles contradictions in financing extracurricular educational institutions and extracurricular activities that emerged in 2010 because of the new Budget Code of Ukraine coming into force. Adoption of the bill will facilitate in better maintenance of the comprehensive municipal educational establishments (boarding schools) and of extracurricular entities.

NEW NOT BACKED UP FINANCIALLY AUTHORITY OF THE LOCAL GOVERNMENTS WERE AVOIDED

On March 21, the Verkhovna Rada Committee for Science and Education acknowledged the AUC concerns while considering the bills “On Amending the Law of Ukraine “On Pre-School Education” (in native language education) (# 9714 of January 16, 2012) and “On Amending the Law of Ukraine “On Pre-School Education” (on arranging for education process) (# 9714-1 of January 16, 2012) that were not supported by the Committee.

It was stated at the meeting that adoption of the bills would not be supported by specialists in the public education sector at the local level and the experts since they encumber local governments with additional material, financial, staffing obligations in the part of education in unofficial languages, of setting up groups of inclusive training, free meals for children while not providing the corresponding financial support.

DRAFTING OF THE NATIONAL STANDARDS IN PROVIDING SOCIAL SERVICES – ICE IS BROKEN!

For years and years the AUC addressed the national government requesting standards in providing social services to help calculate the central government compensation to local budgets for the services provided. In the course of a regular meeting of the AUC Social Protection Professional Group in January of 2012 in the city of Komsomolsk, its participants from local governance social protection departments addressed the Ministry of Social Policy representative once again suggesting setting up a work group to draft the standards.

The fruitful dialogue resulted in draft order of the Ministry of Social Policy “On Adoption of Social Support Services Standards in the Format of “One-Stop-Shop” that was made available on

the Ministry web-site in March of 2012. The draft provides for adoption of the services standards in terms of allocation and payment of monetary compensation in accordance with the law; lump sum material assistance, state social support, payments to citizens, the disabled, the not working and the needy. Public discussion of the draft order currently continues.

NEW ATTITUDES IN SOLID WASTE MANAGEMENT IN POLTAVA REGION

Pursuant to the Local Government Regional Advisory Board resolution of October 5, 2011 regarding recognizing as environmental the works hereunder to be financed from the oblast nature conservation fund in 2012 the Poltava Oblast Council provides funding for:

- Building a solid waste landfill in the town of Shyshaky of Shyshaky Rayon, Poltava Oblast. (Shyshaky Village Council) – 650.0 thousand UAH.
- Equipping of the finished first stage of the landfill in village of Zachepylivka, Novi Sanzhary Rayon, Poltava Oblast to be ready for commissioning – 125.951 thousand UAH.
- Procurement of metal galvanized containers for solid waste of 1,100 l (Kobyliaky City Council) – 202.500 thousand UAH.
- Building of the solid waste landfill in Lokhvytsya, Poltava Oblast (Lokhvytsya City Council) – 98.922 thousand UAH thousand.

ODESSA REGION LEADS THE WAY IN DELIMITATION OF THE POPULATED AREAS

In May of 2011, the Odesa Oblast Local Government Regional Advisory Board convened to discuss the issue of administrative and territorial unit delimitation. The principal objective was to initiate a dialogue between oblast and local administrations to settle routine issues that emerge while delimitating state-owned and municipal lands, issuing technical documentation, etc. The effort culminated in the Oblast Council resolution adopted in December 2011 that endorsed state and municipal land delimitation for all 26 Odessa Oblast rayons. Odessa Oblast was recognized as the leader in land management and land conservation documents drafting at the Regional Council meeting of February 21, 2012. President of Ukraine V.Yanukovich underscored the achievements while mentioning that this kind of work was accomplished in Odessa and Donetsk oblasts only.

QUALITY OF ADMINISTRATIVE SERVICES WAS IMPROVED IN DNIPROPETROVSK REGION

Pursuant to protocol resolutions on introduction of the state-of-the-art management methods in various services adopted by the Local Government Regional Advisory Board at its meeting of October 30, 2011 the Oblast Open Government Center comprising 35 oblast permits and resource centers was established.

PRACTICAL ADVICE FOR ZAPORIZZHYA OFFICIALS

The Zaporizzhya Oblast Council published a guide under the title “FAQ of Cities, Villages and Town Mayors Answered”. Decision on the publication was taken based on conclusions of the Zaporizzhya Oblast Local Government Regional Advisory Board in Zaporizzhya oblast that took place in June 2011. The Board gave consideration to practical aspects of implementation of the Laws “On Foundations for Preventing and Fighting Corruption” and “On Access to Public Information”. The publication offers detailed answers to the questions of local officials, samples of the documents and local regulatory acts. The publication is expected to serve as a practical guidance in the work of cities, villages and townships’ heads and local council executive officials.

CONDITIONS HAVE BEEN SECURED TO ENCOURAGE INVESTMENT INTO KIROVOGRAD REGION COMMUNITIES

Pursuant to resolution of the Local Government Regional Advisory Board of February 02, 2012 a single investment center with Kirovohrad Regional Chamber of Commerce started its testing operation in March of 2012 in Kirovohrad Oblast. The center aims at attracting investment projects to oblast and at assisting local self-governance in drafting and submitting documents on implementation of the projects.

ENVIRONMENT DAYS IN KHMELNITSKY REGION COMMUNITIES

In accordance with the Local Government Regional Advisory Board proposals of Oct. 26, 2011 Environment Days were conducted at the level of Khmelnytskyi, Kamianets-Podilskyi, Starokostyantyniv, Shepetivka, Slavuta and Netishyn City Councils in March of 2012. Populated areas, cities and rayons were being cleaned for three weeks, about 5.5 thousand trees planted, public recreation areas, water sources, monuments, cemeteries, etc. were put in order.

DIALOGUE SEEKS SOLUTION TO STACKING (IMBEDDED) COMMUNITIES

On January 11, 2012, committee hearings on settling legal status of territorial communities of villages, townships, and cities serving part of other territorial communities (the so-called nesting dolls) initiated by the DIALOGUE Project took place. Currently, 197 city councils operate within jurisdiction of the 61 larger city councils. This breeds conflict of authority in confusing representation of the territorial community interests by several local self-governance organs of basic level. Based on the results of the Verkhovna Rada Committee on State Building and Local Self-Governance hearings the lines of activities in resolution of the issue were formulated and legislative work started.

THE PROJECT HELPED TO AVOID UNLAWFUL PERSECUTION FOR CORRUPTION

Project experts repeatedly drew attention to the fact that local self-government officials' possession of corporate rights does not contradict the Law of Ukraine "On Foundations for Fighting and Preventing Corruption" since it is not a business activity. Nevertheless law enforcement and judicial organs used to apply the law equivocally. Trostyanets and Yuzhnoukrainsk city heads were made answerable for possession of corporate rights, which allowed pertinent councils to initiate termination of their stay in office. The experts addressed the Verkhovna Rada Committee on Justice Chairman, other National Deputies requesting them to ensure observance of the effective legislation in the court room. Based on National Deputy constitutional submission regarding application of the Law on Principles of Preventing and Countering Corruption the Constitutional Court of Ukraine re-confirmed the right of officials to own corporate rights and recognized as unconstitutional the legally stipulated prohibition to take part in general meetings of a business entity. Thus it made it possible to avoid illegal persecution of many territorial community officials.

Chapter 5. ESTIMATED SCHEDULE FOR THE NEXT QUARTER**Legislation Group**

- Legislation drafting;
- Expert evaluation of legislation;
- Legislation monitoring;
- Holding meetings of AUC Professional Groups;
- Participation in the work of parliamentary committees and advisory boards set by ministries;
- Preparation and dissemination of the Legislation News electronic publication;
- Preparation and dissemination of the Sectoral Monitoring

Dialogue Group

- Holding consultations with the key line ministry;
- Working meetings of the inter-faction parliamentary group (local government caucus);
- Working meetings of Regional Offices of the AUC and identification of priorities for the activities of Regional Advisory Boards for 2012;
- Working meetings of Local Government Regional Advisory Boards;
- Preparations and conducting study tours for Crimean local government officials
- Donor meeting to present the annual Local Self-Governance in 2011 publication

Information Group

- Shooting and broadcasting TV programs;
- Preparation of regular radio programs;
- Holding meetings of national and regional press clubs;
- Publication of the AUC Herald, Press News, and Dialogue Newsletter

Legal Assistance Center

- Consultations, legal assistance and protection of local governments and officials;
- Expert workshops in AUC ROs;
- Preparation and dissemination of the Legal Consultations electronic publication.