



**USAID**  
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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**  
**April - June 2013**

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**LIST OF ABBREVIATIONS**

AUC – Association of Ukrainian Cities  
AUC RO – Regional Office of the Association of Ukrainian Cities  
ARC – Autonomous Republic of Crimea  
CMU – Cabinet of Ministers of Ukraine  
LGRAB – Local Government Regional Advisory Board  
Ltd. – limited  
MFA – Ministry of Foreign Affairs  
MOH – Ministry of Health Care  
NA – News Agency  
PHEPS – Pumped Hydro-Electric Power Station  
STVRC – State TV and Radio Company  
TVRC – TV and Radio Company  
USA – United State of America  
USAID – U.S. Agency for International Development  
UWLGA – Ukraine-Wide Local Government Association  
VRU – Verkhovna Rada of Ukraine  
ZhEK – housing neighbourhood maintenance unit

## RESUME

The purpose of the DIALOGUE Project is to promote the environment conducive for local government reforms and to ensure a broad-based support for decentralisation from public servants, civil society organisations and the public at large.

Project implementation in April – June of 2013 yielded the following outcomes:

- DIALOGUE Project experts prepared **two** draft laws, performed the monitoring of **55** draft legislation and ordinances;
- The Project conducted working sessions of **two** AUC Professional Groups and updated **nine** local government technical area profiles;
- The Project conducted a Dialogue Day for local governments and state executive authorities;
- DIALOGUE Project experts took part in **28** working sessions of **nine** parliamentary committees. This enabled the AUC to defend its position with regard to draft laws initiated by National Deputies;
- DIALOGUE Project experts handed a package consisting of **23** draft laws to the Inter-Faction National Deputy Group to Support Local Self-Governance to be further submitted to the Verkhovna Rada of Ukraine for consideration;
- The Project facilitated the discussion of the Concept for Local Government Reform by participants of **13** working sessions of Local Government regional Advisory Boards in **13** oblasts. The Project also conducted **12** working session of regional press clubs and **one** National Press Club;
- The «ЗМІСТОВА Україна» [*city-minded Ukraine*] TV Project is underway and continues to cover local government issues and best practices from cities. The Project aired **10** TV programs;
- The Project conducted **33** expert workshops in AUC ROs;
- The Project provided **167** consultations to local governments and officials; and,
- The Project published **three** issues of the AUC Herald and professional legal publications, such as the Legislation News, **one** issue of the Legal Consultations and the Sectoral Monitoring.

V. Rybak, Chairman of the Verkhovna Rada of Ukraine, participated in the Dialogue Day. He promised his support to the newly-established (upon the initiative of the Association) Inter-Faction National Deputy Group to Support Local Self-Governance. In response to the Petition to the Country Leadership, which was approved by the participants of the Dialogue Day, central government agencies prepared a package of tasks to government authorities.

**Chapter 1. KEY ACHIEVEMENTS IN THE REPORTING PERIOD**

**April 03**, the Project conducted an expert workshop in the Ivano-Frankivsk AUC RO

**April 03**, the Project conducted an expert workshop in the Kirovohrad AUC RO

**April 03-04**, the Project conducted a working session of the AUC Culture and Arts Professional Group, city of Kirovohrad

**April 03**, the First National TV Channel УТ-1 featured the «ЗМІСТОВА Україна» [*city-minded Ukraine*] program (about the working session of the AUC Culture and Arts Professional Group, city of Kirovohrad)

**April 09**, the Project conducted an expert workshop in the Kherson AUC RO

**April 09**, the Project conducted an expert workshop in the Vinnytsya AUC RO

**April 09**, the Radio Era Company broadcast a program about local government issues

**April 10**, the First National TV Channel УТ-1 featured the «ЗМІСТОВА Україна» [*city-minded Ukraine*] program (about the city of Dniprodzerzhynsk, Dnipropetrovsk oblast)

**April 11**, the Project conducted an expert workshop in the Kharkiv AUC RO

**April 11-12**, the Project conducted a working session of the AUC Public Education Professional Group, city of Mykolaiv

**April 17**, the First National TV Channel УТ-1 featured the «ЗМІСТОВА Україна» [*city-minded Ukraine*] program (about the working session of the AUC Public Education Professional Group, city of Mykolaiv)

**April 17**, the Project conducted a working session of the Ternopil Oblast Local Government Regional Advisory Board and the Regional Press Club

**April 18**, the Project conducted a working session of the Dnipropetrovsk Oblast Local Government Regional Advisory Board and the Regional Press Club

**April 18**, the Project conducted an expert workshop in the Poltava AUC RO

**April 18**, the Project conducted an expert workshop in the Chernihiv AUC RO

**April 19**, the Project conducted a working session of the Odesa Oblast Local Government Regional Advisory Board and the Regional Press Club

**April 19**, the Project conducted an expert workshop in the Rivne AUC RO

**April 19**, the Project conducted an expert workshop in the Luhansk AUC RO

**April 19**, the Project conducted an expert workshop in the Dnipropetrovsk AUC RO

**April 24**, the First National TV Channel УТ-1 featured the «ЗМІСТОВА Україна» [*city-minded Ukraine*] program (about the city of Drohobych, Lviv oblast)

**April 25**, the Project conducted an expert workshop in the Zakarpattia AUC RO

**April 25**, the Project conducted a working session of the Volyn Oblast Local Government Regional Advisory Board

**April 25**, the Project conducted a working session of the Zhytomyr Oblast Local Government Regional Advisory Board and the Regional Press Club

**April 25**, the Project conducted a working session of the Zaporizzhya Oblast Local Government Regional Advisory Board and the Regional Press Club

**April 25**, the Project conducted a working session of the Poltava Oblast Local Government Regional Advisory Board and the Regional Press Club

**April 26**, the Project conducted an expert workshop in the Zhytomyr AUC RO

**April 30**, the Project conducted a working session of the Zaporizzhya Oblast Local Government Regional Advisory Board and the Regional Press Club

**April 30**, the Project conducted a working session of the Volyn Oblast Regional Press Club

**Late April**, the Project published the “AUC Herald” (Issue #96)

**Late April**, the Project published and disseminated the twenty-eighth issue of the “Legislation News”

**Late April**, the Project published and disseminated the thirty-second of the “DIALOGUE Newsletter”

**May 15**, the Project conducted an expert workshop in the Lviv AUC RO

**May 16**, the Project conducted a working session of the Ivano-Frankivsk Oblast Local Government Regional Advisory Board

**May 17**, the Project conducted a working session of the Ivano-Frankivsk Oblast Regional Press Club

**May 17**, the Project conducted a working session of the Vinnytsya Oblast Local Government Regional Advisory Board and the Regional Press Club

**May 17**, the Project conducted an expert workshop in the Odesa AUC RO

**May 17**, the Project conducted an expert workshop in the Crimean AUC RO

**May 22**, the Project conducted an expert workshop in the Mykolaiv AUC RO

**May 22**, the Project conducted an expert workshop in the Ternopil AUC RO

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

**May 23**, the Project conducted an expert workshop in the Chernihiv AUC RO

**May 23**, the Project conducted a working session of the Khmelnytskyi Oblast Local Government Regional Advisory Board and the Regional Press Club

**May 28**, the Project conducted an expert workshop in the Volyn AUC RO

**May 28**, the Project conducted an expert workshop in the Zaporizzhya AUC RO

**May 28**, the Project conducted an expert workshop in the Chernivtsi AUC RO

**May 29**, the Project conducted a working session of the Rivne Oblast Local Government Regional Advisory Board and the Regional Press Club

**May 29**, the Project conducted an expert workshop in the Poltava AUC RO

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

**May 30**, the Project conducted a working session of the Donetsk Oblast Local Government Regional Advisory Board and the Regional Press Club

**May 30**, the Project conducted an expert workshop in the Sumy AUC RO

**May 31**, the Project conducted an expert workshop in the Khmelnytskyi AUC RO

**Late May**, the Project published the “AUC Herald” (Issue #97)

**Late May**, the Project published and disseminated the twenty-ninth issue of the “Legislation News”

**Late May**, the Project published and disseminated the thirty-third issue of the “DIALOGUE Newsletter”

**June 01**, the Radio Era Company broadcast a program about local government issues

**June 04**, the Project conducted an expert workshop in the Vinnytsya AUC RO

**June 05**, the Project conducted an expert workshop in the Kharkiv AUC RO

**June 05**, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Hola Prystan, Kherson oblast)

**June 06**, the Project conducted an expert workshop in the Rivne AUC RO

**June 12**, the Project conducted a Dialogue Day and the working session of the National Press Club, city of Yalta, Autonomous republic of Crimea

**June 12**, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Kupiansk, Kharkiv oblast)

**June 17-21**, the Project conducted the 6<sup>th</sup> training session of the Young Local Government Lawyer School

**June 18**, the Project conducted an expert workshop in the Kherson AUC RO

**June 19**, the Project conducted an expert workshop in the Cherkasy AUC RO

**June 19**, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the Dialogue Day conducted within the framework of the 9<sup>th</sup> Ukrainian Municipal Forum, city of Yalta)

**June 20**, the Project conducted an expert workshop in the Odesa AUC RO

**June 20**, the Project conducted an expert workshop in the Zakarpattya AUC RO

**June 26**, the Project conducted an expert workshop in the Luhansk AUC RO

**June 26**, the First National TV Channel УТ-1 featured the «ЗМІСТОВНА Україна» [*city-minded Ukraine*] program (about the city of Armyansk, Autonomous Republic of Crimea)

**June 26-27**, the Project conducted one study tour for local government officials from the Autonomous Republic of Crimea to the city of Odesa

**June 27**, the Project conducted an expert workshop in the Kyiv AUC RO

**Late June**, the Project published the “AUC Herald” (Issue #97)

**Late June**, the Project published and disseminated the thirtieth issue of the “Legislation News”

**Late June**, the Project published and disseminated the thirty-fourth issue of the “DIALOGUE Newsletter”

**Late June**, the Project prepared and published the twelfth issue of the “Legal Consultations”

## 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 55 draft laws and other legal and regulatory documents, 27 laws and regulations were sent for AUC concurrence including 16 concurred without reservations, 7 with reservations, with 4 not concurred with. Two pieces of legislation was prepared. One piece of local government-enhancing legislation came into effect.*

*Since its inception, the Project worked on 523 draft laws and other legal and regulatory documents, and enabled the AUC to participate in the concurrence of 173 draft legislation and regulations (including 105 documents concurred without reservations, 49 concurred with reservations, 21 not concurred, and 14 draft laws were prepared). 35 pieces of local government-enhancing legislation came into effect.*

#### **Local government legislation need assessment**

The survey of city and town councils about their problems the Association conducted during May as part of the preparations for the Dialogue Day (took place on June 13 in the city of Yalta) represented the main source of information to identify new needs of local governments in legislation drafting. The purpose of the survey was to find out the issues, which stay within the area of expertise of the Ministry of Finance, Ministry of Regional Development, and ministry of Economic Development and Trade.

The survey helped to identify 82 issues local governments need to be resolved at the level of legislation including:

Technical Area	Total number of problem issues raised	Including those raised for the first time	Including those requiring legal regulation
Local finance and budgeting	36	2	2
Housing and utilities sector	23	4	4
The areas covered by the Ministry of Trade and Economic Development including:	23		
local economic development issues	7	5	3
government procurement issues	14	6	4
Issues related to arrangements for the provision of administrative services	2	2	0

Among the new issues that require legislative solutions are the following:

*In the sector of local budgets and local government financial foundations:*

- increase the deduction rate of personal income tax to local budgets by 10-50%, fixing the rate at 35-50% for village budgets, town budgets, and rayon significance city budgets and at 100% for the oblast significance and republican significance cities;

- improving the formula calculations of the amount of financial resources for the implementation of the delegated authority (amendments to Decree # 1149 of August 12, 2010 “Certain Aspects of Intergovernmental Transfers Distribution” in the part of implementation of the fixed local budgets’ revenues adjustment mechanism in the event of liquidation or termination of an enterprise whose personal income tax contribution is in excess of 1% of total tax revenues of the relevant budget.

*In the sector of housing and utilities:*

- introduction of the mechanism for granting subventions for the difference in tariffs, subsidies, monthly benefits in proportion to the volume of services provided, as well as the possibility to allow in the subventions for the amount of fines, penalties and financial sanctions accrued on debt for electricity and natural gas;
- exemption of communally-owned water supply companies from charges for issuance of special permits for extraction of groundwater;
- settling particular aspects of public procurement of works on maintenance of amenities, as provided in Paragraph 2 of Part Four of Article 2 of the Law of Ukraine “On Public Procurement”; and,
- development of costs sharing procedure for electricity consumption in the residential buildings and dormitories with a single electricity meter, taking into account difference in the tariffs for utilities that consume more than 150 kWh, and for people who consume below 150 kWh.

*In the sector of local economic development:*

- in Paragraph Two of Article 13 of the Law of Ukraine “On the Principles of Regulatory Policy in Economic Activities” give clear definition of the mode of promulgation of the notice on making public a draft regulatory act in order to receive comments and suggestions on the draft regulatory act and the pertinent regulatory impact analysis. The same article should be supplemented with a paragraph prescribing procedure for repeated promulgation of the draft regulatory act and the relevant regulatory impact analysis and identify the reasons behind repeating the promulgation of the draft regulatory act and the relevant regulatory impact analysis.
- amend the Law of Ukraine “On Principles of Regulatory Policy in Economic Activities” on the issue of preparation, adoption and tracking the regulatory acts’ impact procedure. Simplify procedure for cancelling, amending a no longer valid regulatory act due to changes in legislation; and,
- ensure adoption of important for business activities laws of Ukraine, in particular the law on “On Domestic Commerce”, to settle the issue of street vending, placement of small architectural constructions for a brief period of time, placement of commercial, catering entities, etc. Absence of such regulation complicates organization of in-city trading while taking into account the needs and concerns of both citizens and businesses.

*In the sector of public procurement:*

- part one of Article 7 of the Law “On Public Procurement” should be complemented with a sentence: “it is not expected to provide documents on competitive bidding and proposals of participants to other agencies not engaged in state regulation and control in the area of procurement”;
- Part Four of Article 10 of this Law should be supplemented with provision on free of charge publications in the international information periodicals on public procurement, as

- provided in the part two of this article for publication and posting of announcements and other information that does not require publications in international periodicals;
- reduce the list of documents that need to be published in the official publication (“Bulletin of Public Procurement”) with exception of the following:
    - annual plan;
    - announcement of the procurement procedure;
    - message on acceptance of tender or quotation; and,
    - report on the results of the procurement procedure;
  - arrange for training process for heads and secretaries of the tender committees in charge of arranging and carrying out procurement, as stipulated in Article 11 of the Law of Ukraine “On Public Procurement”.

Among the priority legislation drafting work:

- drafting of the Housing Code of Ukraine;
- drafting of the new law on local elections, taking into account all the shortcomings of the current law (is being drafted on the order of the AUC);
- amendments to the Tax, Civil and Commercial Codes on improved administration of personal income tax to ensure this tax deduction by geographically separate subdivisions of legal entities to local budgets depending on location;
- drafting of social standards and norms to provide services in the areas of social protection, health, public education and culture;
- drafting of the law “On the Monetization of Social Benefits and Targeted Monetary Assistance”;
- changes to the formula of intergovernmental transfers’ allocation for every branch of the budget sector;
- amendments to the Tax and Land Codes in the part of introduction of land payment at the level of rental for land users - owners of real estate objects on land parcels who do not have a properly executed title to land and for land users who have land parcels in continuous use and use them for economic activities; and,
- amendments to the Law of Ukraine "On Principles of Urban Development" to return to village, town and city councils the function of state architectural and construction control (issuing permits to start construction, commissioning of completed objects, preventing unauthorized development).

Among the priority needs there should also be attributed drafting of the Law on Amending the Law of Ukraine “On Public Procurement”.

### ***Activities to update Technical Area Profiles***

While monitoring amendments to the local government regulatory and legal framework, the Project experts made the corresponding changes to the lists of regulatory and legal documents in the profiles. The documents, which were enacted, were added, while those, which became outdated or annulled, were excluded. The laws introducing amendments to the current Ukrainian legislation were not added as separate items to the lists of legislation.

In general, during the reporting period the Project added seven new pieces of regulatory and legal documents to the Technical Area Profile chapters dealing with the current legal and regulatory framework. None of the regulatory and legal documents already included in the technical area profiles have not been annulled.

Based on the findings of monitoring of local government problem issues, the Project added 12 new issues to be resolved and excluded 3 issues from the profiles.

For example, in the sector of *land relations*, in view of the coming into force as of June 15, 2013 of Law of Ukraine # 233-VII “On Amendments to Certain Ukrainian Legislation Concerning the Improvements of the Mechanisms for the State Registration of Property Rights for Communally-Owned and State-Owned Land Plots in the Context of Delineation of Their Boundaries”, the Project rendered the issue of delays in the state registration of communal ownership rights to land plots associated with the necessity of making payments for registration services to the category of resolved issues.

In the sector of *health care*, the enactment of Resolution of the Cabinet of Ministers of Ukraine # 1113 of October 24, 2012 “On Approving the Mechanisms for Establishing Hospital Districts in the Vinnytsya, Dnipropetrovsk and Donetsk Oblasts, and in the City of Kyiv” facilitated the resolution of the problem issue of unclear criteria for establishing hospital districts in the pilot oblasts selected for the implementation of the medical reform.

In general, by the end of the reporting period, the number of key problem issues in the technical area profiles by each sector constitutes:

Technical Area Profile	As of the beginning of the reporting period	Issues added	Issues resolved	By the end of the reporting period
Local budgets and financial foundations of local self-governance	31	6	0	37
Housing and utilities sector	57	3	0	60
Land relations	29	0	1	28
Organisational and legal foundations of local self-governance	33	0	0	33
Local elections	23	0	0	23
Social protection	36	1	0	37
Health care	29	1	1	29
Public education	26	0	1	25
Culture and arts	25	1	0	26

### ***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 **55** draft legislation.

DIALOGUE Project experts were involved in the AUC concurrence procedure with regard to **27** draft legislation and other legal and regulatory documents sent for concurrence / proposals or comments to the AUC by the:

- Ministry of Regional Development, Construction, Housing and Utilities of Ukraine – **22**;
- Ministry of Economic Development and Trade of Ukraine – **2**;
- Ministry of Justice of Ukraine – **1**;
- Ministry of Revenues and Collections of Ukraine – **1**; and,
- National Service of Ukraine for Regulatory Policy and Entrepreneurship – **1**.

**Sixteen** of these pieces of legislation were concurred without reservations, **7** – with reservations, and **4** – not concurred with, and the Project sent the proposals on how to integrate local government interests back to the authors. The AUC has been engaged in the continuous active cooperation with the Ministry of Regional Development, Construction, Housing and Utilities of Ukraine.

One should also mention a very active cooperation between the AUC and the ad-hoc Committee of the Verkhovna Rada of Ukraine for State Building and Local Self-Governance. The Committee constantly solicits the expert opinion from the AUC on draft laws, which are debated at its working sessions, and publishes this information in its materials for National Deputies who are members of the Committee, as well as for other stakeholders.

Local governments received draft regulatory and legal documents for feedback on how they reflect their interests.

**DIALOGUE Project experts performed a weekly monitoring draft regulatory and legal documents included for the Cabinet of Ministers agenda on a weekly basis.** Proposals and comments were sent to S. Tatusyak, Chairman of the Vinnytsya Oblast Council and Representative of Nation-Wide Local Government Associations in the Cabinet of Ministers, to be reflected in its decisions. In the reporting period, the Project provided comments and suggestions to a number of regulatory and legal documents, namely: draft laws of Ukraine “On Peculiarities of Activities of Health Care Establishments”, “On Amendments to Article 35 of the Budget Code of Ukraine”, “On State Assistance to Business Entities”, “On Amendments to Certain Legislation Promoting Investment Attraction”, and, “On Amendments to the Law of Ukraine “On the State Budget of Ukraine for 2013” Concerning the Increase of Expenditures to Support the State Registration Service”; draft resolutions of the Cabinet of Ministers of Ukraine “On Amendments to the Mechanism for Covering Temporary Cash Shortages of Local Budgets”, “On Amendments to the Model Rules for Placing Out-Door Advertisements”, and, “On Approving the Rules for Access of Telecommunication Operators and Providers to Housing Stock Items to Enable Them Provide Telecommunication Services, Including Internet Access for Customers”; draft instructions of the Cabinet of Ministers of Ukraine “On Some Issues Related to the Activities of the “NaftoHaz Ukrainy” National Joint-Stock Company for 2013” and “Some Aspects of Activities of State Registration Offices to Register Legal Persons and Entrepreneurs (Represented by Physical Persons)”. The expert opinion was submitted to S. Tatusyak, Representative of National-Wide Local Government Associations in the Cabinet of Ministers, to be presented as the corresponding local government position.

**The Cabinet of Ministers has taken into account suggestions of the DIALOGUE Project:**

- draft Resolution of the Cabinet of Ministers of Ukraine “On Amendments to the Procedure of Covering Temporary Cash Gaps of Local Budgets” - suggestions made by the DIALOGUE Project experts were acknowledged at the working session of the Cabinet of Ministers;
- draft Law of Ukraine “On Peculiarities of Health Care”, draft resolution of the Cabinet of Ministers of Ukraine “On Amendments to the Standard Rules for Placing Outdoor Advertising” - upon consideration by the Cabinet of Ministers the draft documents were rejected; and,
- draft Resolution of the Cabinet of Ministers of Ukraine “On Approval of the Rules for Access of Operators, Telecommunications Providers to Residential Housing Stock to Provide Telecommunications Services, among other to Provide Consumer Access to the Internet”, draft resolution of the Cabinet of Ministers of Ukraine "On Certain Aspects of National Joint Stock Company “NaftoHaz Ukrainy” operation in 2013” - upon consideration by the Cabinet of Ministers the projects were sent for elaboration.

**During the reporting period, the Verkhovna Rada of Ukraine and the Cabinet of Ministers approved regulatory and legal documents of significant impact on local self-governance:**

➤ On May 14, 2013, the Verkhovna Rada of Ukraine approved the Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine Concerning Improvement of the Procedure of State Registration of Property Rights to State-Owned and Communally-Owned Land Plots in State and Municipal Ownership Due to their Delineation” (Draft # 2303-2). The purpose of the Law is to resolve the problems that have arisen since January 1, 2013 when trying to carry out state registration of property rights to state-owned and communally-owned land plots. Under the above changes, local governments are exempt from fees for obtaining excerpts from the State Register of Property Rights on Immovable Property during the state registration of ownership rights of the state or local community to land parcels. Also, procedure of registering ownership rights on land parcels by private persons was simplified, where registration of the rights was initiated in accordance with pre-existing law. The law was signed by the President of Ukraine on November 06, 2013;

➤ On June 21, 2013, the Verkhovna Rada of Ukraine approved the Law of Ukraine "On Amendments to the Final Provisions of the Law “On Regulation of Urban Development Activities” (on postponing the ban on land allotment) (Draft # 2363-1). The draft law was developed by the DIALOGUE Project experts and was supported at the working session of AUC Professional Groups and submitted by the National Deputies who are members of the Inter-Faction Local Government Support Group of National Deputies (local government caucus) (V. Saldo, S. Brajko, Yu. Herzhov, Ye. Kartashov, U. Lyubonenko) to the Verkhovna Rada for consideration. The Law postponed until January 01, 2015 the prohibition on transfer (provision) of state-owned or communally-owned land parcels to ownership or use of natural and legal persons for urban needs whenever a zoning plan or a detailed plan of populated area are not available. Starting from January 01, 2013, the provisions of the Law of Ukraine “On Regulation of Urban Development Activities” came into force. The above provisions prohibit allocation of land and changing of their purpose without urban planning. But the vast majority of cities do not have such documents because local budgets did not have (and do not have) any funds for its production. The prohibition on provision of land for urban purposes in the absence of documented urban planning almost froze available land resources in local communities and blocked development of cities. The law is expected to be signed by the President of Ukraine.

**With an established effective cooperation between experts and the parliamentary committees, executive agencies and high quality level of the submitted proposals and substantiations positive interim results of legislative activity have been achieved in the reporting period:**

➤ On April 08, 2013, the Cabinet of Ministers approved a draft decree of the President of Ukraine “On the Concept of the Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine”. The Prime Minister of Ukraine instructed the Ministry of Regional Development along with the National Local Government Support Foundation of Ukraine, the Coordinating Council for Civil Society Development under the President of Ukraine, regional councils for cooperation of local executive authorities and local self-government authorities to arrange for additional discussion of the draft Concept among territorial communities and provide analysis and synthesis of the results. Given the positive results of the Concept discussion, its consistent support by national associations of local self-governance authorities, the Minister of Regional Development, Construction and Housing and Communal Services of Ukraine H. Temnyk addressed the Cabinet of Ministers with a proposal to submit the draft decree “On the Concept of the Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine” to the President of Ukraine for consideration. The draft Concept was approved by the AUC Board, on March 14, 2013 and discussed at the working sessions of the Local Government Regional Advisory Boards, established by the DIALOGUE Project;

- May 05, 2013, the **draft Law of Ukraine “On Amending the Law of Ukraine “On Environmental Protection”** was submitted to the Verkhovna Rada of Ukraine by National Deputy K. Huzenko, who is a member of the Inter-Faction Local Government Support Group of National Deputies and was registered under # 2168a. The draft document was developed by the DIALOGUE Project experts upon the initiative of local government authorities - AUC members. The purpose of the draft document is to provide self-government agencies with a right to independently make better use of local environmental protection funds, aiming them at not only for maintenance of land cadastre and land improvement purposes, but also to improve the quality of drinking water and for rehabilitation of people living in contaminated areas.
- On June 06, 2013, the Cabinet of Ministers of Ukraine approved the draft Law of Ukraine “On Amendments to the Budget Code of Ukraine Concerning Admission of Rent Payments for Water Objects to Local Budgets”. The document, developed by the Ministry of the Agricultural Policy, provides that funds paid for the use of land parcel with a water object on it will be directed to local budgets. Previously the payments for the use of water basins went to the National Budget. Currently, the draft law was sent to the Parliament for consideration and registered under # 2374a.
- The draft Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine Regarding Vehicles Parking Rules and Liability for Violation of Parking Rules” (# 2499) developed by the Ministry of Regional Development, Construction and Housing of Ukraine with direct participation of the DIALOGUE Project experts was submitted by the Cabinet of Ministers to the Verkhovna Rada of Ukraine. The bill is based on another draft initiated by the DIALOGUE Project. The purpose of the amendments is to eliminate gaps in the legislation regulating relations in the area of organization and operation of parking sites and enforcement of the vehicles parking rules. The bill proposes to separate the powers of local self-government agencies and the State Highway Police under the Ministry of Internal Affairs. In particular, it is proposed to authorize local self-government agencies to make decisions on the organization of parking sites and monitor compliance with the requirements as to location, equipment and operation of parking sites as established by the Parking Rules for vehicles. The draft also provides for identifying the bodies authorized to hear cases of administrative violations in cases of violation of the requirements of location, equipment and operation of parking sites for vehicles - namely, administrative commissions of the executive committees of village, town and city councils, executive committees of village, town and city councils. On April 03, 2013, the parliamentary Committee on Transport and Communications reviewed the document and recommended to the Verkhovna Rada of Ukraine to approve the draft in the first reading as a basis;
- The draft Law of Ukraine “On Amendments to the Budget Code of Ukraine” (to increase the financial autonomy of local budgets in Ukraine) (# 2242a-1) was registered in the Parliament. The purpose of the draft law is to create the conditions for the effective solution of socio-economic, cultural, environmental and other issues by local territorial communities of smaller cities and villages by providing them greater financial independence through increasing the revenue base of local budgets in Ukraine. The draft bill also aims at improving the legislation regarding efficiency of budget funds in accordance with the principles of fairness and economic expediency. In particular, the following is proposed: to collect 100 percent of the personal income tax paid on the territory of Kyiv and Sevastopol to their city budgets; channel 30 percent of the environmental tax (with 65 percent in the current version) to the National Budget and, respectively, 70 percent to local budgets (with 35 percent in the current version); with the purpose of local innovation and investment development assign to local budgets of all levels a share of corporate income tax; expand the list of expenses that are taken into account when determining the amount of intergovernmental transfers, in particular at the expense of outlays on out-of-school activities. Most of the draft provisions reflect proposals of the DIALOGUE Project concerning the improvement of the financial capability of local self-governance that have been repeatedly passed on to the Cabinet of Ministers and the parliament for consideration.

**In the reporting period, the Project performed the activities related to drafting the legislation to reflect local government needs.** The DIALOGUE Project finished the preparation of the following draft laws:

- “On Amendments to the Law of Ukraine “On Elections on Deputies of the Verkhovna Rada of the Autonomous Republic of Crimea, Local Council Members and Village, Town and City Mayors”.
- “On the Mechanism for Resolving Issues of the Administrative and Territorial Arrangement in the Part Dealing with the Abolishment of Complicated Administrative and Territorial Units (Embedded Communities)” to completely merge those entities of the common territorial community, which have no economic capacity to be independent, to this community and to completely separate those communities, which have their own economic potential and infrastructure network. On June 10, 2013, the Project conducted a round table discussion to debate on the first version of the draft law. The draft document was finalised later on to reflect the comments and proposals voiced.

Since the beginning of the Project, its experts prepared 14 draft laws to respond the requests made.

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

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

#### **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*

##### Working session of the AUC Public Education Professional Group

April 11-12, 2013, city of Mykolaiv

The working session was attended by 22 representatives of city and town departments for public education from 14 regions of Ukraine.

The main issues for discussion included the following:

1. A package of draft legislation supported by the event participants, because the approval of this package will promote the resolution of legal and organisational problem issues local governments face. The package includes the following:

- “On Amendments to Chapter 14 of the Budget Code of Ukraine (concerning the financial support to the out-of-school education in Ukraine)” (Registration # 2490) – purpose: getting rid of discrepancies between Articles 89-91 dealing with the financial support to out-of-school establishments;
- “On Government Procurement” (concerning the peculiarities of exercising the procurement of foodstuffs for pre-school educational establishments) (Registration # 2055) – purpose: abolishing the requirement to go through the tender process to purchase foodstuffs for state-owned and communally-owned pre-school and secondary school educational establishments. The event participants expressed their suggestion to envision the abolishment of tender-based procurements for comprehensive educational establishments as well;
- “On Amendments to Certain Ukrainian Legislation (concerning the optimal number of students in groups in pre-school educational establishments and resolving a number of other problem issues in the public education sector)” (Registration # 2322). The

document envisions resolving the problem issue related to the shortage of jobs in pre-school educational establishments through the possibility for the founder (owner) to make a decision on increasing the maximum acceptable number of children in pre-school educational establishments (not more than 25 persons); and,

- “On Amendments to Certain Ukrainian Legislation (concerning the optimal number of students in groups in pre-school educational establishments and resolving a number of other problem issues in the public education sector)” (Registration # 0906). The document envisions the mechanisms for the reorganisation or closing of comprehensive educational establishments upon the decision of the representative local government body under whose jurisdiction the educational establishment is.

2. A package of draft laws aiming at increasing the social protection of teachers. The event participants supported the approval of this package, but under condition that the National Budget envisions the proper financing for increased social guarantees for teachers. In addition to this, the participants supported the idea of revisiting the salaries of local government officials, which have not been raised since 2008.

3. Draft law “On Amendments to Certain Ukrainian Legislation” (concerning the appointment of heads of comprehensive educational establishments)” (Registration # 2528). The local government officials who were present at the event came up with a suggestion to envision in the draft law a separate mechanism for appointing school headmasters in oblast significance cities, namely: “The appointment and dismissal of the manager of the communally-owned comprehensive educational establishment in the oblast significance city shall be performed by the corresponding department for public education of the city council”.

4. Draft law “On Amendments to the Law of Ukraine “On Local Self-Governance in Ukraine” (concerning the free transfer of children and teachers in rural areas) (Registration # 2244), whereby the free transfer of children and teachers will be introduced in rural areas. This may put schoolchildren and teachers in cities in an unequal situation. The departmental heads, who were present at the event, rejected the idea of approving the draft law in view of its discriminatory nature with regard to urban schoolchildren.

Following the discussions of the Public Education Professional Group, the AUC experts decided to make a request to the Executive Board of the Association of Ukrainian Cities to send the corresponding proposals to the Verkhovna Rada Committee on Science and Public Education and to the Ministry of Science and Public Education. In addition to this, the experts made another emphasis on problem issues, which need to be resolved:

- imperfect formula-based calculation of the financial support needed for the public education sector;
- complicated mechanisms for tender procurements of services and foodstuffs to arrange for nourishment in comprehensive and pre-school educational establishments; and,
- the necessity to change the mechanisms for external independent knowledge inspection, as this issue poses barriers for training in comprehensive educational establishments.

In the course of discussions, the participants were presented a draft questionnaire for the sociological survey in the sector of public education. The participants had no comments to the draft document.

### *Setting up a network of lawyers to participate in legislation drafting*

Currently, the network includes <b>364</b> local government lawyers from <b>25</b> oblasts.
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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.

During the reporting period, the Project sent draft laws and other legislative and regulatory documents prepared by the central state executive agencies and draft legislative and regulatory documents sent to the AUC for concurrence to lawyers to solicit their expert opinion.

In particular, the AUC received comments and proposals concerning the following draft Laws of Ukraine: “On Peculiarities of Activities of Health Care Establishments», “On Peculiarities of Government Procurement of Urban Beautification Works”, “On Making Amendments to Certain Ukrainian Legislation Concerning the Improvements of the Mechanism for the Only Source of Power in Ukraine (the People) to Exercise the Right to Own, Use and Administer Water Reservoirs Including In-Land Water Reservoirs”; draft resolutions of the Cabinet of Ministers of Ukraine: “On Approving the General Regulations on the Center for Social Services for Families, Children and Youth”, “On Approving the Mechanisms for Preparing, Approving and Endorsing Investment Programs to Be Implemented at the Housing Stock Items”, “On Making Amendments to the Model Rules for Placing Out-Door Advertisements”, “On Approving the Model Regulations on Dormitories”, and, “On Approving the Mechanism for Granting the Preliminary Complete Compensation to Entities Established in the Course of the Privatisation (Corporatisation) Whose Statutory Funds Include Dormitories for Transferring These Dormitories to the Ownership of Territorial Communities”; draft instructions of the Ministry of Regional Development, Construction, Housing and Utilities of Ukraine “On Approving the Methodology for the Preparation of the Street and Road Infrastructure of Populated Areas for the Winter Period”, “On Approving Amendments to the Minimum List of Requirements for the Organisation of Burials and Ritual Services to Citizens”; draft instruction of the Ministry of Finance of Ukraine “On Approving the Mechanisms for Issuing Certificates to Physical Persons about Their Ownership of the Land Parcel and its Form, etc.

The proposals and comments were used in the course of the preparation of the official position and expert opinion of the Association with regard to the draft regulatory and legal documents mentioned above.

## **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***

On June 13, the Dialogue Day was held within the framework of the 9<sup>th</sup> Ukrainian Municipal Forum took place in Yalta (Autonomous Republic of Crimea (ARC)). City mayors and deputy mayors from 263 AUC member cities took part in the event. The forum was attended by representatives of central government authorities, international organisations, and experts.

The main purpose of the event was to establish cooperation and come out with a common understanding of the state executive authorities and the Association of Ukrainian Cities on issues related to the development of local self-governance, legislation reform, and resolving the specific problem issues of life-sustaining activities of territorial communities.

The dialogue was arranged in the format of two big meetings (the introductory and the summarising one) and three concurrent sessions of working groups:

- financial support for the implementation of the local government authority;

- housing and utilities; and,
- local economic development in territorial communities.

V. Rybak, Chairman of the Verkhovna Rada of Ukraine made a presentation to the Forum participants. In his speech he outlined his vision of the problem issues local governments face and ways to resolve them:

- The need to increase in the next year the share of local budgets in the consolidated budget of Ukraine and increasing their financial sufficiency. Increasing the transparency and effectiveness of budget funds management and introduction of the performance program budgeting as well as mid-term local budget planning remain the top priority tasks.
- The Concept of the Local Government Reform should envision the implementation of mechanisms of participatory democracy, in particular, through local referendums, increased authority and capacity of citizen self-organisation bodies, and improved mechanisms for consultations of state executive authorities and local governments with the citizenry.
- The Concept should also envision a substantial budget decentralisation, thus requiring amendments to the Budget and Tax Codes of Ukraine in the parts dealing with improvements of the system of local taxes and fees whose collections are to be channelled to the community needs.
- The proportional system of elections to local councils has 'de-personalised' these representative bodies of local self-governance and has kept the citizenry from managing issues of local importance and developing local development policies. Members of communities should have the tools to influence composition of membership of local councils.
- Reforms in the housing and utilities sector require serious decisions. The implementation of reforms in the housing and utilities sector is not possible within the framework of the current legislation. The reality requires immediate improvements of the corresponding current regulatory and legal documents.

The actual dialogue of local government representatives with representatives of the state executive took place during the sessions of working groups. In preparation for the Dialogue Day, the AUC collected from its member cities problem issues and passed them to ministries for preliminary response including 127 issues to the Ministry of Finance and Ministry of Revenues and Collections, 29 issues to the Ministry of Regional Development, and 27 issues to the Ministry of Economic Development and Trade.

The dialogue on budget issues was attended by S. Rybak, Deputy Minister of Finance of Ukraine.

Based on the discussions of the problem issues the sides reached an agreement to establish working groups at the Ministry of Finance and Ministry of Revenues and Collections to resolve problem issues related to the financial support for local self-governance. The membership of these groups will include representatives of ministries, local government associations, and National Deputies. The main task will be focused on elaboration and implementation of proposals aimed at strengthening the financial foundations of local self-governance prepared by the DIALOGUE Project. The Ministry of Finance has agreed to improve mechanisms for the Treasury administration of local budgets based on the compromise approaches taking into consideration the difficult economic situation in the country and the necessity to ensure the proper quality of services provided by local governments. The Ministry of Finance and Ministry of Revenues and Collections have agreed to take into consideration the proposals concerning the increased investment component of local budgets and introduction of mechanisms for promoting additional financial resources (local borrowings, deposits, and credit resources).

The dialogue on housing and utilities was attended H. Semchuk, First Deputy Minister of Regional Development, Construction, Housing and Utilities of Ukraine. Following the discussions of the problem issues the sides came to an agreement to establish at the Ministry a number of expert commissions to develop the legislation to resolve the issues local governments face. To ensure the proper understanding of the issues the commission membership will include city mayors. In addition to this, H. Semchuk mentioned that the state does not have the necessary financial resources to resolve problem issues in the housing and utilities sector. This is why the Ministry has a suggestion to use both domestic and foreign credit resources. At the same time, the state will take the credit repayment obligation and will partially repay the interest. The Ministry of Regional Development will work directly with cities and will co-finance socially important projects.

The dialogue on local economic development of territorial communities was attended by A. Maksyuta, First Deputy Minister of Economic Development and Trade of Ukraine. In his speech dedicated to the problem issues local governments raised he emphasised the readiness of the Ministry to take into account the AUC proposals on how to resolve them and mentioned that some of them are already being resolved. For example, these include: issues with government procurement (these are the most numerous issues cities raised) to be resolved through legislation improvements, rather than exempting some procurement mechanisms from the legislation.

At the end of the Dialogue Day, city mayors approved the draft Appeal to the country leadership. The Appeal states that despite all the steps the central government takes to strengthen and develop local self-governance, the resource foundations of local budgets to perform the local government own and delegated authority remains insufficient, especially when it comes to providing the financial support for the development of the housing and utilities sector, urban improvements, public transportation network and other issues related to the social infrastructure. Therefore the priority task is to ensure the 100% financial support form the National Budget to local budgets for the implementation of the delegated authority and projects for the modernisation and reconstruction of the housing and utilities sector.

Aiming at expanding the sources of financial support for the implementation of the delegated authority, the Appeal suggests revisiting the ways the proceeds from certain taxes and fees are used, in particular:

- channelling 10% of company profits tax (except for communally-owned companies) to the category of local budget revenues;
- assigning 70% of deductions from the overall amount of the environmental tax to go to local budgets; and,
- rendering the land fee to the category of local taxes and fees and giving local governments the right to regulate the rates for local taxes and fees.

The Appeal also has a suggestion to change radically the work of State Treasury Service of Ukraine and its territorial authorities in the part dealing with the local budget administration, in particular:

- setting a clear timeframe for the implementation of local budgets orders and introducing the liability for Treasury officials for the violation of these terms;
- development of the appropriate procedure for the local budgets payments on non-earmarked budget line items.

Currently, the State Treasury offices freeze local government accounts for no reason and this makes it almost impossible for cities to effectively exercise their authority.

In addition to this, the AUC came up with a suggestion to introduce amendments to the legislation to ensure the following:

- debt repayment on mid-term loans;

- provision of tax payment on personal income at the location of separated subdivisions of enterprises and organizations;
- ensuring the right of local government to user their discretion in determining the uses of the funds the subvention for construction, reconstruction, repairs and maintenance of municipal property in populated areas;
- increasing the personalised nature of benefits and social welfare;
- cancellation of the mandatory state examination of construction documents for housing repairs and repairs of engineering networks;
- regulating public procurement of works for the maintenance of town maintenance objects;
- cost-share payments by developers for improvements of city infrastructure;
- selling electricity and gas to utility companies according to tariffs established for residents;
- Introducing a moratorium for changing the price for energy resources during the budget year; and,
- giving the authority to exercise the state architectural and construction control back to village, town and city councils.

The Appeal was sent to the President of Ukraine, Chairman of the Verkhovna Rada of Ukraine, and Prime Ministers of Ukraine.

### ***Cooperation with central government authorities***

#### Cooperation with the Ministry of Finance of Ukraine

The Project cooperation with the Ministry through the participation of DIALOGUE experts in the activities of the working group to implement reforms in the area of reforms of public finance and financial sector, as well as in the sub-area of the inter-budget relations reform (all in all, two working sessions were organised).

Activity type: 1) endorsing the previously lobbied for provisions of the National Action Plan for 2013 concerning the implementation of the Economic Reform Program for 2010-2014 with regard to enhancing the financial foundations of local self-governance; 2) preventing the elaboration of draft regulatory and legal documents, which may have a detrimental effect on local government interests.

Following the discussions, the Project managed to achieve the following:

- 1) submitting the draft law on amendments to the Tax Code of Ukraine for expert opinion (concerning the payment of the land fee) introducing the payment upon the resolution of state executive agencies of local governments for land parcels, which are not used by clients, however with the right to own or use these land plots not being registered (re-registered). The DIALOGUE Project has been lobbying for the draft law for quite a long time, because its approval will increase collections to local budgets as mentioned at the Anniversary All-Hands Meeting of the Association of Ukrainian Cities (September 27-28, 2012);
- 2) elaboration by the Ministry of Finance of the draft law proposed by the DIALOGUE Project experts to make amendments to the Tax Code of Ukraine (concerning the payment of the land fee), whereby the requirement to have the minimum amount of the land rent payment for state-owned and communally-owned lands may not be lower than the triple land tax should apply to all categories of lands. On May 23, 2013, the Ministry of Economic Development and Trade concurred with the document without reservations. The approval of this draft law will increase collections to local budgets. The necessity to approve the draft law was announced at the Anniversary All-Hands Meeting of the AUC (September 27-28, 2012);
- 3) submission by the Ministry of Finance to the CMU Secretariat of the draft law amending Article 265 of the Tax Code of Ukraine concerning the tax on immovable property as opposed to

the land parcel, whereby the total floor space rather than the living floor space will be taken as the tax base. The DIALOGUE Project has been lobbying for the approval of this draft law for two years;

4) submission for the repeated consideration to reflect the DIALOGUE Project opinion of the draft law amending Article 268 of the Tax Code of Ukraine envisioning the introduction of the tourist fee as the percentage of the minimum salary. The approval of the draft law will increase collections to local budgets and will enhance the effectiveness of the tourist fee; and,

5) taking into account the position of the DIALOGUE Project experts about improvements of the methodology of the Ministry of Finance for comparative analysis of effectiveness of budget-financed programs – for programs with low efficiency the document will introduce a mandatory detailed explanation of the reasons why the tasks and intended indicators have not been achieved (for example, performance of the State Treasury or insufficient financial support provided by the Cabinet of Ministers).

#### Consultations on local budgets

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

#### Cooperation with the Ministry of Regional Development, Construction, Housing and Utilities

The Ministry of Regional Development, Construction, Housing and Utilities of Ukraine has been taking into consideration the position of the Association of Ukrainian Cities with regard to draft regulatory and legal documents and the comments the Association made in the course of its concurrence:

- in February and June, representatives of the AUC participated in the coordination meetings held by the Ministry of Regional Development, Construction, Housing and Utilities to streamline the discrepancies, which arose in the course of the discussions of the draft Law of Ukraine “On Amendments to Certain Ukrainian Legislation Regulating the Area of Solid Waste Management”. The Association did not concur with the draft Law of Ukraine in the part dealing with the introduction of licensing of such types of activities as processing and disposal of solid waste. In the opinion of the Association, the approval of such draft law will make the activities of the corresponding utility companies more difficult and may lead to a more limited access of new providers of such services to this market in the future. The Ministry of Regional Development took the position of the Association into consideration and decided not to submit the draft law to the Cabinet of Ministers of Ukraine for consideration so far;
- the Ministry took into account the AUC comments to the draft Instruction of the Ministry of Regional Development, Construction, Housing and Utilities “On Approving the Methodology for the Preparation of Street and Road Networks in Populated Areas for the Winter Period” concerning grating the recommendation status of this document for local government, which may serve as a guiding document for the citizenry, local council members, executive agencies of village, town and city council for their control over the proper and justified use of budget resources in the area of city beautifications; and,
- the Ministry took into account the AUC comments to the draft Instruction of the Ministry of Regional Development “On Approving the Model Regulation on the Urban Beautification Inspection in Populated Areas” concerning the inclusion into the Model Regulations of various potential possibilities for the organisational form of city beautification inspection while leaving the right for local governments to decide upon

their discretion on the type of inspection and concerning better streamlining certain tasks and authority of the city beautification inspection.

### Discussion of the draft Concept for the Local Government Reform and Reform of the Territorial Arrangement of Government Institutions

On March 14, the Board of the Association of Ukrainian Cities supported the draft Concept for the Local Government Reform and Reform of the Territorial Arrangement of Government Institutions and on March 18, the Association signed the official letter endorsing the document.

On March 21, the Council of Regions under the President of Ukraine having discussed the draft Concept made a recommendation for the Cabinet of Ministers of Ukraine, Ministry of Regional Development and Construction, local agencies of the state executive, National Local Government Support Foundation of Ukraine, local government, and their associations “to organise the public discussion of the draft Concept ... in territorial communities, and ensure the expert evaluation and generalisation of the findings”, as well as “to ensure a broad-based information and educational campaign in territorial communities about the advantages of the reformed local government system including the explanation of the nature and main directions of the Concept of the Local Government Reform and familiarising every territorial community with its main provisions”. In addition to this, a recommendation was made for the Cabinet of Ministers of Ukraine “to take into consideration the findings of the public discussions in territorial communities and to further elaborate the Concept for Local Government Reform outlining the areas, mechanisms and resources needed to make the Reform happen”.

In April, the Project facilitated the discussion of the Concept for the Local Government Reform at working session of Local Government Regional Advisory Boards (such institutional entities have been established under the DIALOGUE Project as a tool to facilitate and promote the dialogue between local governments and state executive agencies at the local level).

#### April 17, working session of the Ternopil Oblast Local Government Regional Advisory Board.

In the course of the discussions, the event participants stated that some communities do not have executive offices (entities) of local governments, they lack public sector institutions, do not have any communally-owned companies, etc. Local governments in such communities, in fact, are not in the position to fully exercise their authority given to them by the legislation, and this is why the reform is so much badly needed.

Following the discussions of the draft Concept, the participants came to the conclusion that this document represents a step forward towards the qualitative reform of the local government system and made a decision to arrange broad-based discussions of the document in their village, town and city communities. The participants of the working session of the Local Government Advisory Board stated the following: the Concept will be effective provided it reflects the opinions of territorial communities.

#### April 18, working session of the Dnipropetrovsk Oblast Local Government Regional Advisory Board

The event participants mentioned that “the Reform represents a serious step forward towards changing the vector and coordinates of the local government development and attracting citizens in communities to independent resolution of issues of local importance”. They expressed a proposal to let the Dnipropetrovsk oblast become a pilot region for elaborating the experience, which will serve as the foundation of the final version of the Concept for the Local Government Reform. The participants approved the draft Concept and expressed their proposals concerning the delineation of the authority between the central and local agencies of the state executive on

one hand and local governments on the other based on the principle of decentralisation of the public authority.

April 19, working session of the Odesa Oblast Local Government Regional Advisory Board

In the course of the discussions, the event participants stated that the main problem issues to be resolved during the implementation of the Reform include the promotion of financial sufficiency of territorial communities and defining a list of services, which will be rendered to citizens in territorial communities. Following the discussions, the event participants approved the draft Concept and made a decision to arrange broad-based discussions of the document in their village, town and city communities.

April 25, working session of the Poltava Oblast Local Government Regional Advisory Board

In the course of the discussions, the event participants stated that the reform is expected to increase the efficiency of management at the local level and improve the quality of administrative and social services rendered to citizens. The participants also discussed the tasks of local governments at all stages of the preparation and implementation of the Reform. Following the discussions, the event participants supported the draft Concept and made a decision to set up a regional working group to for discussion and explanation of the provisions of the Concept to residents of territorial communities. They also came up with a suggestion to recommend the leaders of the local offices of the state executive and local governments to submit the proposals to the draft Concept after the discussions of the document in territorial communities.

April 25, working session of the Volyn Oblast Local Government Regional Advisory Board

The issue of training local government specialists was one of the hot topics for the discussion at the event. The event participants mentioned that low level of qualifications of local government officials leads to poor effectiveness of managerial decisions. However, there are objective reasons to explain this situation: insufficient competitiveness of local governments as employers at the job market and poor image of local government positions. The event participants stressed that the proper legal regulation of service in local governments should become the priority task. Following the discussions, the event participants made a decision to support the draft Concept for the Local Government Reform.

April 25, working session of the Zaporizhzhya Oblast Local Government Regional Advisory Board

In the course of the discussions, the event participants emphasised the necessity of preparing a high quality and well thought out regulatory and legal framework for the local government reform, which should be brought into conformity with the national legislation and international documents ratified by Ukraine. The event participants mentioned that the draft Concept should envision a justified territorial foundation for the activities of local governments and state executive agencies, promoting the proper material, financial and organisational conditions to ensure the implementation of the local government own authority. Following the discussions, the participants decided to provide their written recommendations and proposals to the draft Concept.

April 25, working session of the Zhytomyr Oblast Local Government Regional Advisory Board

The event participants discussed specific tasks, which should be resolved due to the Local Government Reform, in particular: promoting the proper material, financial and organisational conditions to ensure the implementation of the local government own authority and the authority delegated by the state. In the course of the discussions, the participants mentioned that the next priority task after the reform has been implemented is the public control over the activities of local governments. The participants of the event supported the draft Concept.

The draft Concept of the Reform was also discussed and supported by the participants of the 9<sup>th</sup> Ukrainian Municipal Forum, which was held in Yalta on June 13-14 with the participation of 263 village, town and city mayors. Even before the Forum, M. Pittsyk, Executive Director of the Association of Ukrainian Cities, expressed the support for the Reform in his interview to the «Урядовий кур'єр» [*government courier*] newspaper.

The Concept of the Local Government Reform and Reform of the Territorial Arrangement of Government Institutions is expected to be signed by President of Ukraine V. Yanukovich.

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

Aiming at the protection and promotion of interests of local self-governance, the DIALOGUE Project came up with an initiative in the parliament to establish, in accordance with Article 60-1 of the By-Laws of the Verkhovna Rada of Ukraine, the Inter-Faction Local Government Development National Deputy Group (local government caucus). The caucus includes 32 National Deputies who have previous experience working in local government bodies.

During the reporting period, the caucus conducted 5 working sessions. The outcomes of these meetings are the following:

- approving the Caucus Regulations outlining the main areas of its activities;
- setting up within the organisational structure of the caucus 4 departments: on improvements of the organisational and legal foundations of local governments; 3 on strengthening the financial foundations of local governments; on housing, utilities and land relations; and, on social and environmental policy;
- approving the work plan for the caucus for the second session of the parliament; and,
- discussion and assigning to National Deputies for further submission to the parliament of 23 draft laws prepared by DIALOGUE Project experts including 6 draft laws already registered in the parliament and 1 law approved.

In addition to this:

- with the support of the local government caucus the Project managed to more completely reflect local government interests in the draft Main Directions of the Budgetary Policy for 2014 (Registration # 2769-д of May 28, 2013, National Deputy Ye. Heller);
- in the course of the discussions in the VRU Committees and the parliament of draft Resolutions on the Report on the Implementation of the Law of Ukraine “On the National Budget of Ukraine for 2012” (Registration # 2688 of April 02, 2013, CMU) and Registration # 2688 of May 28, 2013, National Deputy Ye. Heller) the caucus members managed to draw the attention to problem issues related to the financial support for local governments, with the priority attention given to the unsatisfactory conditions with the financial support for the implementation of the authority delegated to local governments, problem issues with the treasury administration of local budgets, and, consequently, the increases local government debt; and,
- the caucus members engage in active work with media to draw the attention of the general public to key problem issues local governments face and promoting legislative initiatives aimed at the development of local self-governance.

***Participation in the work of parliamentary committees***

In the reporting quarter the Project continued to work with the ad-hoc committees of the Verkhovna Rada of Ukraine. Project experts took part in **28** meetings of **9** parliamentary committees including:

- Budget Committee – 7 meetings;
- Committee on Tax and Customs Policy – 1 meeting;
- Committee on State Building and Local Self-Governance – 5 meetings;
- Committee for Agrarian Policy and Land Relations – 2 meetings;
- Committee on Construction, Urban Development, Housing, Utilities and Regional Policy – 4 meetings;
- Committee for Science and Public Education – 5 meetings;
- Committee for Health Care – 2 meetings;
- Committee for Social Policy and Labour – 1 meeting;
- Committee for Industrial and Investment Policy – 1 meeting.

#### Verkhovna Rada of Ukraine Committee for State Building and Local Self-Governance

The Project cooperated with the VRU Committee on State Building and Local Self-Governance in the following areas:

1. Participation of AUC experts in working groups set up at the Committee (total of two working groups: 1) to develop and prepare for the second reading the draft Law of Ukraine “On Local Referendum” (Registration # 0867 of December 12, 2012); 2) to examine the situation with the pre-term termination of the authority of the Mayor of Cherkasy – set up upon the AUC initiative).
2. Participation in the working meetings of the Committee and its Sub-Committees to present the AUC position concerning the draft laws, which were discussed at the meetings. Over the reporting period, the Committee held 5 working meetings where AUC representatives participated in the discussion of 11 items of the agenda with significant impact on the protection of local government interests.
3. Facilitation of the preparation of the official legal position of the Committee, in particular, participation in the preparation of the Committee Explanation of the application of Part Two of Article 42 of the Law of Ukraine “On Local Self-Governance in Ukraine” in the part dealing with the execution by the secretary of the village, town and city councils of the authority of the corresponding mayor in case the latter is not in a position to exercise his/her authority, as well as with certain issues related to the establishment, changing composition, activities and dissolving standing commissions of the village, town and city council.
4. Submitting to the Committee expert opinion and suggestions concerning 20 draft laws on local self-governance, which were discussed by the Committee.
5. Organisation of the internship courses at the Committee for students of the AUC Young Local Government Lawyer School who, in particular, participated in the working session of the Committee on June 19, 2013.

#### Verkhovna Rada of Ukraine Budget Committee

Over the reporting period, DIALOGUE Project experts participated in 7 working sessions of the VRU Budget Committee and VRU Committee on Tax and Customs Policy. The main issues of the discussions related to local government interests were the following:

- draft laws on amendments to the Law of Ukraine “On the National Budget of Ukraine for 2013” with significant impact on local budget indicators and indicators of inter-budget relations;
- report on the implementation of the National Budget of Ukraine for 2012;
- draft resolution of the VRU resolution “On Main Directions of the Budget Policy for 2014”; and,
- draft laws on amendments to the Tax Code of Ukraine with significant impact on the tax base of local governments directly (through local taxes and fees) and indirectly (through nation-wide taxes and fees whose share should go to local budgets).

Following the discussions, the Project managed to achieve the following:

- rejection of 4 draft laws amending the National Budget of Ukraine for 2013 in the part dealing with increased social guarantees and welfare to be paid to various categories of public servants. This move would lead to decreased local budget resources allocated to local governments;
- preparation of a draft resolution alternative to the one prepared by the Cabinet of Ministers on the report on the implementation of the Law of Ukraine “On the National Budget of Ukraine for 2012” (Registration # 2688-д of May 28, 2013, National Deputy Ye. Heller). This document was included in the Project report on the negative tendencies with the financial support for the implementation of the authority delegated to local governments by the state and with the treasury administration of local budgets;
- bringing to the Budget Committee hearing reports of the leadership of the Accounting Chamber of Ukraine and State Treasury Services of Ukraine concerning the treasury administration of local budgets; and,
- preparation of a draft resolution alternative to the one prepared by the Cabinet of Ministers “On the Main Directions of the Budget Policy of Ukraine for 2014” (Registration # 2769-д of May 28, 2013, National Deputy Ye. Heller) where the Project managed to have better reflection of local government interests.

Verkhovna Rada of Ukraine Committee on Tax and Custom Policy rejected:

- legislative initiatives concerning the transfer of authority in the area of registering violation of alcohol and tobacco sales from consumer rights protection agencies and authorised local government agencies to the Ministry of Interior, with the transfer of the authority to impose sanction in this area from administrative commissions and consumer rights protection agencies to courts. Such innovations would have reduced the local government authority and their implementation could have lead to reduced collections to local budgets, because the proceeds from fines imposed by administrative commissions are collected to local budgets (Paragraph 12 of Part 1 of Article 69 of the Budget Code of Ukraine); and,
- draft law on amendment to the Tax Code of Ukraine (concerning the abolishment of the income tax from sales of cars) (Registration # 2123, National Deputy I. Miroshnichenko). The implementation of this legislative initiative would have lead to decreased collections to the National Budget and local budgets from the income tax (currently, this tax is the main tax of local governments).

Verkhovna Rada of Ukraine Committee on Construction, Urban Development, Housing, Utilities and Regional Policy

The Committee supported the draft laws, which reflect the AUC position concerning the following:

- approval in the second reading of the draft law and amendment to certain laws of Ukraine concerning the regulation of activities of economic entities working in the area of utility services (Registration # 0859). The draft law has a suggestion to improve the system for settling electricity bills through granting the National Commission for the Regulation of Utility Service Market the authority to establish the algorithm for the distribution of funds from special operational accounts of business entities operating in the area of heat supply, water supply and sewerage under condition that these companies have paid complete salaries for their employees in a timely manner; and introduce the investment component in the housing and utilities tariffs;
- sending back for further revision the Draft Law introducing amendments to certain laws of Ukraine concerning setting up and using corporate depreciation deposit accounts of residential buildings (Registration # 2948, National Deputy Ye. Morozenko). The Draft Law partially meets the local government needs, because they undoubtedly need a clear identification of sources of finance for repairs and renovation of the residential housing stock whose 94% are privately owned. At the same time, the draft law needs to be finalised in the part dealing with the identification of the mechanism for opening the account; making a decision by co-owners of apartment blocks on how to use such funds; and, setting the size of membership contributions.

However, these draft laws were not discussed in the session hall.

#### Verkhovna Rada Committee on Science and Public Education

The Committee includes the AUC position with regard to the following:

- the necessity to finalise the draft Law “On Amendments to Certain Ukrainian Legislation Concerning the Appointment of Heads of Communally-Owned Comprehensive Educational Establishments” (Registration # 2528). The draft Law has a suggestion to introduce a mechanism for appointing school headmasters upon the decision of local government agencies with concurrence of oblast level public education authority. This may make the decision making on personnel issues more complicated. In addition to this, the mechanism for appointing managers of schools in oblast significance cities needs to be clarified. The Committee made a decision to return the draft law to its authors for further elaboration;
- abolishing the requirement for tender purchases of foodstuffs and catering services for comprehensive educational establishments. The Committee supported the draft Law “On Amendments to Article 2 of the Law of Ukraine “On Public Procurement” (concerning the purchases of foodstuffs for comprehensive educational establishments) (Registration # 2668). The document abolishes the requirement for the tender procurement;
- changing the mechanisms for the provision of financial support for out-of-school establishments and introducing the corresponding amendments to the Budget Code of Ukraine. The draft Law “On Introducing Amendments to Chapter 14 of the Budget Code of Ukraine” (concerning the financial support for out-of-school educational establishments) (Registration # 2490a) envisions amendments to Articles 88-90 of the Budget Code dealing with the inclusion of expenditures for out-of-school education (communally-owned establishments for out-of-school activities with children), which should be made through the budgets of the Autonomous Republic of Crimea and oblast budgets, rayon budgets and budget of republican significance cities of the Autonomous Republic of Crimea and oblast significance cities, villages and consolidated villages, towns, and rayon significance cities, and should be taken into consideration in the calculation of the amount of inter-budget transfers. The approval of the draft Law will

promote the reduction of the financial load on local budgets and will ensure the proper maintenance of out-of-school educational establishments;

- necessity to revisit the standard number of schoolchildren in pre-school educational establishments as a way to reduce the shortage of places in pre-school educational establishments. The draft Law “On Introducing Amendments to Certain Ukrainian Legislation (concerning the number of schoolchildren in pre-school educational establishments and regulation of other issues in the public education sector)” (Registration # 2322) envisions the necessity for making decisions by the owner (founder) on approving an increased number of schoolchildren in classes of pre-school educational establishments, which will reduce the tension with the supply of places for pre-school students in the corresponding establishments and will improve the provision of educational services by communally-owned pre-school educational establishments; and,
- preventing the approval of the draft Law “On Introducing Amendments to the Law of Ukraine “On Local Self-Governance in Ukraine” (concerning the free transfer of children and teachers in rural areas) (Registration # 2244). The amendments suggested by the draft Law will limit the rights and interests of schoolchildren and teachers in cities. In addition to this, the proposed amendments will require additional expenditures from the National Budget and local budgets. The Committee made a decision to return the draft law to the subject of legislative initiative who were the authors of the document for further elaboration.

**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 and working sessions of Local Government Regional Advisory Boards*

The DIALOGUE Project conducted **13** working sessions of Local Government Regional Advisory Boards in **13** oblasts: Vinnytsya, Volyn, Donetsk, Dnipropetrovsk, Zhytomyr, Zakarpattya, Zaporizzhya, Ivano-Frankivsk, Odesa, Poltava, Rivne, Ternopil, and Khmelnytskyi. The purpose of such meetings 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 of 2012, as well as the Concept of the Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine.

<p><b>Working session of the Ternopil Oblast Local Government Regional Advisory Board</b> city of Ternopil April 17, 2013</p>	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine and proposals concerning the improvements of the national policy towards local self-governance and social and economic development of territories.</p> <p>They made a decision to support the draft Concept mentioned above in general, however, they also came up with a suggestion to send to the Oblast State Administration their proposals and comments for further elaboration abs submission to the National Local Government Support Foundation of Ukraine.</p> <p>In the course of the discussions of the second item on the agenda, the participants expressed a number of proposals on how to improve the national policy towards local self-governance. IN the opinion of the event participants, the main problem issues local governments are: loss some part of the local government authority, overlapping functions of local governments and state executive agencies, budget issues and problems concerning the unsatisfactory treasury administration of local budgets. Following the discussions of this issue, the participants set up a working group to implement new organisational, legal, financial and economic mechanism for proper</p>
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	<p>activities of local governments in the oblast. The main focus of the working group should be examining the experience in conducting the administrative reform in Poland and in the Vinnytsya oblast, generalisation of the experience and preparation of proposals for the implementation of the pilot project to introduce the administrative reform in selected rayons in the Ternopil oblast.</p>
<p><b>Working session of the Dnipropetrovsk Oblast Local Government Regional Advisory Board</b> city of Dnipropetrovsk April 18, 2013</p>	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine, key issues of the local government reform and social and economic development of cities in the oblast, as well as problems and perspectives of setting up condominium associations. The discussion of these issues was held with the participation of H. Temnyk, Minister of Regional Development, Construction, Housing and Utilities of Ukraine.</p> <p>Following the discussion of the first item on the agenda, the event participants made a decision to address the Cabinet of Ministers of Ukraine with a suggestion to use the Dnipropetrovsk oblast as a pilot region for the implementation of the Local Government Reform and Reform of the Territorial Arrangement of Government Institutions and expressed a number of proposals prepared in the course of the discussions of the Concept, namely:</p> <ul style="list-style-type: none"> <li>- the necessity to abolish the notions of own and delegated local government authority;</li> <li>- introducing the ubiquity of local self-governance;</li> <li>- the necessity of defining the notion of the 'community' in the constitution;</li> <li>- changing the status of oblast and rayon administrations providing them only the authority local governments are not in a position to exercise; and,</li> <li>- the necessity to improve the mechanisms for control over the lawfulness of decisions local governments make.</li> </ul> <p>In the course of the discussions of the second item on the agenda, the participants approved a number of decisions approving a number of proposals for improving operations of condominium associations, with the main ones including the following:</p> <ul style="list-style-type: none"> <li>- introduce special training courses in the specialised higher educational establishments for housing managers and managers of condominium associations with a mandatory national-wide recognised certificate. Establishing a unified registry of managers of condominium associations in Ukraine;</li> <li>- specify in the legislation the provision saying that contributions of members of condominium associations are not subject to approval by local governments, whereas the approval of preferences and subsidies will require only the corresponding calculation and a protocol of the meeting of members of the condominium association, as well as envision the possibility of transferring some part of residential housing to the books of condominium associations;</li> <li>- specify in the legislation the mechanism for taking apartment blocks whose apartments have been 100% privatised off the books of municipal services and for the mandatory setting up condominium associations in such buildings; and,</li> <li>- establish a non-commercial fund based on the public-private partnership model for the modernisation of the housing stock and reducing energy consumption, as well as for the preparation of local territorial investment projects for housing sanitation and modernisation of engineering networks.</li> </ul>

<p><b>Working session of the Odesa Oblast Local Government Regional Advisory Board</b> city of Odessa April 19, 2013</p>	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine.</p> <p>Following the discussions, the event participants decided to approve the Concept in general and to send to the National Local Government Support Foundation of Ukraine the proposals expressed in the course of its discussions, namely:</p> <ul style="list-style-type: none"> <li>- the draft Concept envisions three levels of the administrative and territorial arrangement, however, it fails to mention rayon councils in cities throughout the text of the document;</li> <li>- with regard to changing the status of local state administrations from the general competence bodies to control and oversight bodies, the document fails to provide a detailed explanation of the notion of the ‘control and oversight bodies’ with regard to local state administrations, because there is a need to know what other control and oversight bodies will do and whether there will be an overlap in their authority.</li> </ul> <p>There is also a need to give the answer to the question about the financial support for the implementation of the reform, because the majority of local budgets are heavily subsidised and will not be in a position to provide the financial support for the implementation of the reform.</p>
<p><b>Working session of the Volyn Oblast Local Government Regional Advisory Board</b> city of Lutsk April 25, 2013</p>	<p>The event participants discussed 1) the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine, 2) current status of the implementation of the tasks of the Regional Energy Efficiency Improvements Program in 2012, and, 3) on the current status of the preparation of territorial planning of administrative rayons in the oblast.</p> <p>While discussing the first item on the agenda, the event participants made a decision to approve the proposed version of the Concept in general and came up with a number of tasks for the corresponding departments of the oblast state administration to engage in a broad-based information and educational campaign to discuss the draft Concept. All the proposals and comments will be generalised and submitted to the National Local Government Support Foundation of Ukraine.</p> <p>On the second item of the agenda, the event participants were informed that the oblast authorities engaged in 1,363 energy saving activities of the total value of 189.9 million UAH from the oblast budget over the reporting period. This includes the activities to install 7,487 gas meters in residential housing, replace 117 boilers (including changing 97 boilers to solid fuel), lay 13 km of insulated water pipes, and to replace 5,091 street-lamps. All these activities will save 20% of funds, or about 84 million UAH for the purchase of energy resources in 2013. Also, following the discussion of this item of the agenda, the participants made a decision to outline the main areas of the timely preparation of the oblast for the heating season of 2013 – 2014.</p> <p>Following the discussions of the third item of the agenda, the event participants made a decision to prepare 120 packages of urban development documents during 2013 with the participation of specialists from city, town and village councils and 13 digital maps of rayons in the oblast, as well as to envision 1 million 890 thousand and 492 UAH in the oblast budget for this purpose.</p>
<p><b>Working session of the Zhytomyr Oblast Local</b></p>	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of</p>

<p><b>Government Regional Advisory Board</b> city of Zhytomyr April 25, 2013</p>	<p>Government Institutions in Ukraine and the current condition of the social and economic development of the region for 2012.</p> <p>Following the discussion of the first item on the agenda, the participants approved the draft Concept, however, they expressed a number of proposals to the document, which were submitted to the representative of the National Local Government Support Foundation of Ukraine, namely:</p> <ul style="list-style-type: none"> <li>- the necessity for a more precise definition of the mechanism to involve citizens to managerial decision making, because the proposed mechanism suggested by the Concept does not reflect the current situation;</li> <li>- the necessity of a better definition of the mechanism for the public oversight over the implementation of local government decisions;</li> <li>- granting local governments the right to pass a no-confidence vote to the heads of the corresponding local state administrations; and,</li> <li>- envisioning various forms of inter-municipal cooperation with the purpose of taking into consideration issues of more or less urbanised territories.</li> </ul> <p>Following the discussion of the second item on the agenda, the participants mentioned that the implementation of a number of oblast-level programs is slow, namely: the Affordable Housing Program and the Own House Program to provide housing to citizens, as well as the oblast program to set up special permit offices and to introduce electronic document turn-over in local councils. The delays in the implementation of these programs are caused, first of all, by the absence of the proper financial support. Following the discussions of this item on the agenda, the participant prepared a number of tasks for the corresponding departments of the Oblast State Administration concerning the necessity of preparing and submitting for the consideration by the Oblast Council amendments to the oblast budget with the purpose of providing the proper financial support for the implementation of the programs mentioned above.</p>
<p><b>Working session of the Zaporizhzhya Oblast Local Government Regional Advisory Board</b> city of Zaporizhzhya April 25, 2013</p>	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine. Following the discussions of this item of the agenda, the event participants established the corresponding working group to prepare the proposals to the draft Concept and came up with a package of priority issues, which should improve the draft document mentioned above, namely:</p> <ul style="list-style-type: none"> <li>- after the Concept has been approved at the legislation level, its provisions should not narrow down the existing right and legitimate interests of local governments;</li> <li>- one should clearly define the sources of the financial support for the implementation of the provisions of the Concept.</li> </ul> <p>The further work to finalise the Concept will be aimed at resolving the issues mentioned above.</p> <p>Following the discussions of the draft Concept, the participants, also made a decision about the necessity of preparing and approving the Regional Local Government Development Program in the Zaporizhzhya oblast. The main provisions of the draft Program mentioned above will be prepared based on the provisions of the draft Concept and will be submitted for consideration at the next working sessions of the Local Government Regional Advisory Board.</p>
<p><b>Working session of the Poltava Oblast Local Government Regional Advisory Board</b></p>	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine. They approved the resolution,</p>

<p>city of Poltava April 25, 2013</p>	<p>which establishes a regional working group to facilitate the discussion and explanation of the main provisions of the draft Concept and tasks village, town and city councils to conduct by late August of 2013 the discussion of the draft Concept in the territorial communities in the oblast, as well as tasks the corresponding departments of the Oblast State Administration and the Oblast Council to collect the proposals raised and to discuss and approve them at the Oblast Council session in September of 2013.</p> <p>The Department for Information and Media Relations of the Oblast State Administration received a task to facilitate the information and explanation campaign for the population on issues related to the local government reform and reform of territorial arrangement of government institutions and to organise special coverage of these issues in regional and local media.</p>
<p><b>Working session of the Zakarpattya Oblast Local Government Regional Advisory Board</b> city of Uzhgorod April 30, 2013</p>	<p>The event participants discussed issues related to mechanisms and approaches for establishment and activities of condominium associations. Following the discussion of this item of the agenda, the event participants prepared a number of protocol decisions to the corresponding departments of the Oblast State Administration and the Oblast Council aiming at promoting the conditions for establishing and supporting condominium associations, namely:</p> <ul style="list-style-type: none"> <li>- prepare and approve at the Oblast Council section the mechanism for transferring condominium association land plots to private ownership and send this mechanism to city and town mayors in the oblast for implementation;</li> <li>- aiming at supporting the activities of condominium associations, conduct an oblast level competition for urban modifications of territories adjacent to buildings and envision the corresponding prizes; and,</li> <li>- conduct an oblast level competition of small energy efficiency and energy saving projects for condominium associations on a cost-sharing basis;</li> </ul> <p>The event participants also came up with a suggestion to prepare and approve at the session of the Oblast Council a Regional Program to Support Civil and Social Activities in Communities. Within the framework of the Program local communities will be able to resolve a wide spectrum of issues related to the development of social infrastructure ranging from repairs of roads inside residential quarters and building children and sport playgrounds to street lighting and green plantations.</p>
<p><b>Working session of the Ivano-Frankivsk Oblast Local Government Regional Advisory Board</b> city of Ivano-Frankivsk May 16, 2013</p>	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine and the issue of additional actions for substantial improvements of the investment climate in the oblast.</p> <p>Following the discussions of the first item of the agenda, the participants made a protocol decision for all members of the Local Government Regional Advisory Board to organise during April-September of 2013 the discussions of the draft Concept and submit proposals and comments to the Oblast State Administration for their further generalisation and submission to the National Local Government Support Fund of Ukraine.</p> <p>Following the discussion of the second item of the agenda, the participants made a decision to recommend heads of rayon state administrations and oblast significance cities together with local governments take all possible steps to allocate land plots for the implementation of investment projects, perform the survey of land parcels, which have the engineering infrastructure suitable for setting up industrial parks, spur up activities of the Oblast State</p>

	Administration Council of Investors, continue the activities to identify communal property items suitable for public-private partnerships.
<b>Working session of the Vinnytsya Oblast Local Government Regional Advisory Board</b> city of Vinnytsya May 17, 2013	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine and issues of the budget support for the implementation of the delegated authority.</p> <p>Following the discussions of the first item of the agenda, the event participants approved the draft Concept, although they stressed that the Concept fails to resolve the key local government problem issues, such as:</p> <ul style="list-style-type: none"> <li>- absence of the material and financial foundations of local self-governance;</li> <li>- absence of the opportunity for discretionary use of funds of territorial communities; and,</li> <li>- considerable limitations of the local government authority in the area of regulation of land use, urban development, architectural and construction control, and registration of immovable property rights.</li> </ul> <p>Following the discussions of the second item of the agenda, the participants made a decision about the necessity to address the Vinnytsya Oblast caucus in the parliament with a request to lobby for the necessary amendments to the Law of Ukraine “On the National Budget of Ukraine for 2013” and envision in the document mandatory 100% financial support to local governments to enable them perform the delegated authority.</p>
<b>Working session of the Khmelnytskyi Oblast Local Government Regional Advisory Board</b> city of Khmelnytskyi May 23, 2013	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine and issues related to the repayment of salary, pension and scholarship arrears, as well as other social welfare payments in the Khmelnytskyi oblast.</p> <p>Following the discussion of the first item of the agenda, the event participants made a decision to approve the draft Concept and promote the comprehensive and broad-based discussion of the draft document by local governments and territorial communities in the oblast, as well as to identify two pilot regions, the Dunayivtsi and Krasyliv rayons whose communities should prepare by September 01 this year draft programs for social and economic development for the period till 2015 with the justification of tasks, activities, timeframes and sources of finance for their implementation. Such programs will be discussed at the next working session of the Local Government Regional Advisory Board and will be used as a model for other territorial communities in the oblast, which will prepare similar programs after the draft Concept has been approved.</p> <p>Following the discussion of the second item of the agenda, the event participants made a decision to recommend chairmen of rayon councils, village, town and city councils take personal responsibility for preventing wage arrears in the public sector. Despite the absence of the wage arrears in the public sector in the first quarter of 2013, there was a budget shortfall for salary payments in the following periods in 4 of 6 oblast significance cities in the region, as well as in 18 of 20 rayon budgets for the total amount of 159 million UAH. This situation happened despite the allocation by the Oblast State Administration of an additional subsidy from the oblast budget for payment of salaries, whose arrears currently constitute 102.3 million UAH.</p>
<b>Working session of the Rivne Oblast Local Government</b>	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of</p>

<p><b>Regional Advisory Board</b> city of Rivne May 29, 2013</p>	<p>Government Institutions in Ukraine and issues related to the implementation of oblast budgets in 2013, as well as about the peculiarities of activities of local governments in the context of the implementation of the Law of Ukraine “On the State Registration of Immovable Property Rights and Their Limitations”.</p> <p>With regard to the second item of the agenda, the event participants expressed a number of proposals, which were submitted to state executive agencies, namely:</p> <ul style="list-style-type: none"> <li>- approve in the new reading the omnibus laws “On Local Self-Governance in Ukraine” and “On Communal Property”;</li> <li>- make amendments to the Budget Code of Ukraine in the part dealing with the budget decentralisation and envision in the National Budget of Ukraine the mandatory 100% financial support for local government for the implementation of the delegated authority; and,</li> <li>- make amendments to the Tax Code of Ukraine with regard to increased share of local taxes and fees, in particular, the share of the property tax. Envision the collection of some part of the profits tax from all companies (except for the communally-owned ones) to village, town and city budgets. Increase the share of the environmental tax to be used for the needs of territorial communities. Envision channelling collections from the income tax to the government agencies located in the areas the companies and organisations are actually located.</li> </ul> <p>Following the discussions of the second item of the agenda, the event participants, taking into consideration problem issues related to subventions from the National Budget of Ukraine, made a decision to increase the control over the use of subventions for the payment of preferences and subsidies for citizens and for avoiding overdue wage arrears for employees in the public sector, as well as to take the immediate steps to repay wage arrears for employees of communally-owned companies before July 01, 2013. The participants also noted a successful experience of territorial communities in the oblast in attracting funds of various projects and programs. Taking this into account, the Oblast Council made a decision to increase the pool of money for the oblast-level competition to promote the development of territorial communities up to 1 million. In 2012, this amount constituted 200 thousand UAH.</p> <p>Following the discussions of the third item of the agenda, the event participants, taking into account the fact that the absence of the possibility to obtain excerpts from the registry of property rights caused by the discrepancy of regulatory documents of the treasury and state registrars is the main barrier for the implementation of the Law of Ukraine “On the State Registration of Property Rights”, made a decision to file a written request to the Ministry of Justice of Ukraine for clarifications of further actions of local governments in the current legal framework regulating the registration of property rights.</p>
<p><b>Working session of the Donetsk Oblast Local Government Regional Advisory Board</b> city of Donetsk May 30, 2013</p>	<p>The event participants discussed the draft Concept for Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine.</p> <p>The event participants prepared a number of comments and suggestions to the draft Concept, which were systematised and prepared as a comparison table. These comments and proposals refer, first of all, to the following:</p> <ul style="list-style-type: none"> <li>- absence of the proper material, financial and organisational conditions to facilitate the implementation by local governments of their own (self-governance) and delegated authority;</li> <li>- absence of the resource base in local communities</li> </ul>

	<p>(informational, training, consultative, methodological, financial, etc.) for the implementation of local initiatives;</p> <ul style="list-style-type: none"> <li>- absence of a clear distinction between the notions of administrative and communal services;</li> <li>- avoiding the provision of commercial services by specially authorised government oversight (control) agencies on issues related to the corresponding sectors;</li> <li>- absence of the clear and transparent formula for the distribution of inter-budget transfers, failure to provide the financial support for the preferences granted by the state, delegated authority and national programs;</li> <li>- absence of the real opportunity for members of territorial communities to directly participate in resolution of issues of local importance; and,</li> <li>- stripping local councils of their right to express a no-confidence vote to heads of local state administrations.</li> </ul> <p>These proposals were signed by the Head of the Local Government Regional Advisory Board and were submitted to the Ministry of Regional Development, Construction, Housing and Utilities of Ukraine and to the National Local Government Support Foundation of Ukraine.</p>
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***Selection of issues to be discussed at working meetings of Local Government Regional Advisory Boards in 2013-2014***

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***

In April and June, the Project performed two presentations of the status of local self-governance in Ukraine in 2010-2012 for representatives of donor organisations, which work in the sector of local democracy, and for representatives of the U.S. Embassy.

On April 05, 2013, a DIALOGUE Project expert participated in the 11<sup>th</sup> Financial and Economic Forum to discuss energy efficiency of budget spendings as a way to economic prosperity. The event was conducted by the Institute for Socio and Budgetary Research. The expert made a presentation on key issues of financial sufficiency of territorial communities.

In May, the Project conducted a working meeting with representatives of the Public-Private Partnership Project to discuss the potential cooperation between the two projects, especially with regard to the implementation of the TV Program series called the «ЗМІСТОВНА Україна» [*CITY-minded Ukraine*].

On May 27-31, 2013 a DIALOGUE Project expert participated in a seminar held in the city of Chisinau (Republic Moldova) for experts from Eastern Partnership Reform of the Public Administration at the Local and Regional Levels Project (organised by the Ministry of Foreign Affairs of the Czech Republic together with the European Commission).

In June, the Project conducted a number of meetings with representatives of the State University of New York and Ohio State University to discuss the cooperation within the framework of the new project supporting the Ukrainian parliament. The project is expected to start in September of 2013.

## **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 Internet resources of the DIALOGUE Project are accessible for users at [www.dialogueauc.org.ua](http://www.dialogueauc.org.ua). The purpose of the Project web-site in the Internet is to serve as a platform for dialogue to promote local government development, 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:

April – 1,281

May – 669

June – 682

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 below:

Publication	Targeted audience	Description
<b>The “AUC Herald” printed monthly publication</b>	AUC member communities, AUC partner organisations	<u># 96, April</u> . The DIALOGUE Chapter features the material dedicated to the draft Concept for Local Government Reform and its discussions at Local Government Regional Advisory Boards. <u># 97, May</u> . The DIALOGUE Chapter features the material about how the AUC position was taken into account through the approval by the parliament of the law to unfreeze the allocation of land plots. <u># 98, June</u> . The thematic issue is dedicated to the 9 <sup>th</sup> Ukrainian Municipal Forum whose framework included a Dialogue Day.
<b>The “DIALOGUE Newsletter” electronic monthly publication</b>	International organisations and international technical assistance projects	The English-language publication presents Project activities over a month and provides monthly highlights in detail: <u># 32</u> , monthly highlight – National deputies who used to work for local governments have set up an inter-faction group in the parliament. <u># 33</u> , monthly highlight – Draft laws prepared by the DIALOGUE Project have been handed in to National Deputies for further submission to the parliament for consideration. <u># 34</u> , monthly highlight – summing up the Dialogue Day.
<b>The “Legal Counselling” electronic quarterly publication</b>	Local government lawyers	In June of 2013, the AUC City Legal Assistance Center prepared and disseminated Issue # 12 of the “Legal Counselling” electronic publication. It included the following: 1) generalised explanations of the new Law of Ukraine “On Charity Activities and Charity Organisations”, in the context of its application by local governments and other communally-owned institutions; 2) generalised responses (explanations) to certain questions received through the mobile telephone line (11). The publication was sent to regional offices and local government lawyers.
<b>The “Legislation News” electronic publication</b>	Local government lawyers	<u>#28, April</u> features the information about 19 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>#29, May</u> features the information about 29 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>#30, June</u> features the information about 24 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.
<b>The “Press News” electronic weekly publication</b>	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. Eleven issues were prepared and published. The Press News is distributed to more than 230 media representatives, journalists and press offices of city councils. The mailing list is being constantly updated.
<b>Short local government updates</b>	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. Eleven issues were prepared and sent.

### *Radio coverage*

The Project prepared **six** 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 - an interview with M. Pittsyk, AUC Executive Vice President in the «Обідня перерва» [*lunch break*] program about the local government reform in Ukraine (April 09, 2013);
- Radio «Свобода» [*liberty*] – a live telephone interview with O. Slobozhan, DIALOGUE Project expert, in the news section about the amount of subventions and withdrawals from local budgets (April 09, 2013);
- Radio Era FM – an interview with V. Parkhomenko, Director of the AUC Analytical Center, about the reform of administrative and territorial arrangement and local self-governance in Ukraine (June 01, 2013);
- Radio «Українське радіо» [*Ukrainian radio*] – news report about the 9<sup>th</sup> Ukrainian Municipal Forum (June 13, 2013);
- Radio «Свобода» - news report about the 9<sup>th</sup> Ukrainian Municipal Forum (June 13, 2013);
- Radio «Місто над Бугом» [*a city on the Buh river*] (Vinnytsya) – news report about the 9<sup>th</sup> Ukrainian Municipal Forum (June 13, 2013); and,
- «УХ» Radio (Ternopil) – news report about the 9<sup>th</sup> Ukrainian Municipal Forum (June 13, 2013).

### *TV coverage*

Project activities were covered by **sixteen** TV programs aired on the following channels:

- the «NTD» TV Channel – interview with V. Parkhomenko, Director of the AUC Analytical Center, about the reform of local self-governance in Ukraine (April 10, 2013);
- The «Ера» TV Channel – video story with comments of Ya. Raboshuk, DIALOGUE Project Expert, in the «Підсумки» [*summing up*] program about the availability of urban development documents in cities (April 18, 2013);

- The «24» News TV Channel – a video story with comments of Ya. Raboshuk, DIALOGUE Project Expert, in the «Підсумки тижня» [*summary of the week*] news program about the current condition of the housing and utilities sector in Ukraine (April 21, 2013);
- The «Ера» TV Channel – a video story with comments of O. Slobozhan, DIALOGUE Project expert, in the «Підсумки: бізнес» [*summary business*] program about the shortage of funds in local budgets (April 23, 2013);
- The «Ера» TV Channel – a video story with comments of Ya. Raboshuk, DIALOGUE Project Expert, in the «Підсумки» [*summing up*] program about shortage of funds for the preparation urban development documents (April 24, 2013);
- The «24» News TV Channel – a video story with comments of A. Antonenko, Deputy Director of the AUC City Legal Assistance Center, in the news program about the current condition of the housing and utilities sector in Ukraine (May 22, 2013);
- The «Рада» [*council*] TV Channel – participation of V. Parkhomenko, Director of the AUC Analytical Center, in the «Експертна рада» [*expert council*] program about the current status of local self-governance in Ukraine and ways to develop it (June 14, 2013);
- The «ИТВ» TV Channel (ARC) – a video story about the 9<sup>th</sup> Ukrainian Municipal Forum (June 14, 2013);
- The «БТБ» TV Channel (banking television) – a video story in the news section about the 9<sup>th</sup> Ukrainian Municipal Forum (June 15, 2013);
- The «Крим» [*Crimea*] TVRC – a video story in the news section about the 9<sup>th</sup> Ukrainian Municipal Forum (June 14, 2013);
- The «Рада» TV Channel – a video story about the 9<sup>th</sup> Ukrainian Municipal Forum (June 14, 2013);
- The «ТБ-Бердянськ» [*TV Berdyansk*] – a story in the news section about the 9<sup>th</sup> Ukrainian Municipal Forum (June 18, 2013);
- The «Рудана» TV Channel (Кругви Ріх) – a video story about the 9<sup>th</sup> Ukrainian Municipal Forum (June 17, 2013);
- The «МТМ» TV Channel (Zaporizhzhya) – a story in the news section about the 9<sup>th</sup> Ukrainian Municipal Forum (June 19, 2013);
- The «ТВи» - participation of O. Slobozhan, DIALOGUE Project expert, in the «Сьогодні про головне» [*today about what is important*] program about the shortage of financial resources for local government to implement the authority delegated by the state and about problem issues related to the treasury administration of local budgets (June 27, 2013); and,
- The «24» News TV Channel – a video story with comments of O. Slobozhan, DIALOGUE Project expert, in the «Підсумки тижня» news section about the State Treasury freezing of local budgets (June 29, 2013).

### **«ЗМІСТОВНА Україна» TV program series**

Working within the framework of the DIALOGUE Project, the AUC has been cooperating with the ESG Communication Group to prepare a series of TV programs about local self-governance called «ЗМІСТОВНА Україна» [*CITY-minded Ukraine*]. The programs are aired by the УТ-1 TV Channel within the program «Діловий світ» [*business world*].

Aiming at a better focus on the problem issues local government face in various aspects of their activities, the Project updated the concept of the «ЗМІСТОВНА Україна» [*CITY-minded Ukraine*] program. From this time and on, the program consists of two formats:

Format #1: “A Program about the City”. The format consists of two parts:

- a 3-4 minute story (presentation of innovative approaches in resolving problem issues the community faces, and coverage of AUC activities within the framework of the DIALOGUE Project);

- a 7-9 minute story with the guest of the studio: discussion of key local government issues with the mayor of the city.

Format #2: “A Program about the Project Activities”. The format consists of three parts:

- a 2.5-3 minute story about activities within the DIALOGUE Project framework (working session of Local Government Regional Advisory Boards, AUC Professional Groups, Dialogue Day, etc.) The main topic of the program is the dialogue between local self-governance and representatives of the oblast council/oblast state administration/state executive authority about how to resolve key problem issues;
- a 4 minute interview with Studio Guest #1 (a representative of the oblast council, National Deputy, etc.) on the pre-selected important topic; and,
- a 4 minute interview with Studio Guest #2 (mayor of the city – Head of the AUC RO, AUC expert, etc.) on the pre-selected important topic.

#### Working session of the AUC Culture and Arts Professional Group (city of Kirovohrad), April 03

The TV program was dedicated to the working session of the AUC Culture and Arts Professional Group where the participants of the corresponding city departments discussed a number of important issues, in particular, the unsatisfactory financial support for the sector and expressed their suggestions and comments to the draft laws, which are being considered by parliamentary ad-hoc committees at the moment. The program guests included A. Nazarets, Heads of the Kirovohrad City Department for Culture and Tourism, and O. Smyk, Head of the Department of Culture of the Ternopil City Council, who provided more details to TV viewers about the problem issues local governments face in the sector of culture and spoke about the successful experience in the organisation of cultural and art events.

#### Dniprodzerzhynsk (Dnipropetrovsk oblast), April 10

The main topic of the program was how the city of Dnipropetrovsk pays attention to children upbringing and preservation and improving their health. The city government renovated a water facility for health improving at the pre-school facility aimed at early intellectual development of children. Centers for physical and health improving activities are being set up at schools whose main task is to promote healthy style of living for schoolchildren. The interview with S. Safronov, mayor of the city, touched upon the issues related to the city priority development areas, construction of social housing, opening of the religious and cultural center, interaction with the oblast authorities and the role of the AUC in establishing a dialogue with the top country leadership and safeguarding the interests of territorial communities.

#### Working session of the AUC Public Education Professional Group (city of Mykolaiv), April 17

The video story covered problem issues in the sector of public education and ways to resolve them. The participants of the working session discussed issues of the budget support for the implementation of the authority delegated to local governments by the state in the sector of public education, financial support for out-of-school educational establishments, problems with the optimal number of schoolchildren in pre-school establishments, etc. The program included an interview with H. Derkach, Head of the Department of Public Education of the Mykolaiv City Council, and V. Karabutova, DIALOGUE Project expert. H. Derkach spoke about the city experience in introducing informational and communication technologies aimed at improving health of schoolchildren and raising the quality of school training. V. Karabutova presented the AUC position concerning the draft laws, which introduce amendments to the current legislation in the sector of public education.

#### Drohobych (Lviv oblast), April 24

The city government of Drohobych provides the maximum possible support for small and medium-sized businesses. In particular, the city houses one of the biggest companies to grow roses in Ukraine. This fact promotes new jobs and netter revenues to the city budget. In his

interview, O. Radzievskiy, mayor of the city, spoke in detail about the development of the city over the recent years, about the difficult situation of big industrial companies and how all these factors impact the city economy. He also stressed the importance of supporting small and medium-sized businesses and spoke about best practices in reforming the housing and utilities sector. The mayor of the city praised the role of the AUC in lobbying for local government interests and establishing the cooperation between cities.

#### Uzhgorod (Zakarpattia oblast), May 22

The story about the city focused on the activities of the city government aimed at promoting energy efficiency and energy saving. The program touched upon how to transfer public sector institutions and residential buildings to the autonomous heating system. The city has some achievements, such as efficient use of energy resources, considerable savings of public funds, and timely start of the heating season. In the future, the city is planning to completely give up the centralised heating system. In his interview, V. Pohorelov, mayor of the city, spoke about the local government activities aimed at promoting an attractive tourist image of the city, implementation of programs in the solid waste management sector, cooperation with foreign partners and interactions with government authorities at the regional level. The city mayor praised the role of the AUC as an organisation to present and safeguard local government interests at the national level.

#### Novodnistrovsk (Chernivtsi oblast), May 29

The main focus of the program was the cooperation between the city council, city community and the Novodnistrovsk Hydroelectric Power Station. This cooperation enabled the city to successfully implement a number of projects: roof repairs, repairs of lifts and educational establishments. The interview with the guest of the studio A. Boldyshev, First Deputy City Mayor, covered the city fruitful cooperation with businesses, city plans to build the industrial park, future development of the city, mutual understanding with the oblast authorities in resolving local issues, and the role of the AUC in resolving problems of local importance.

#### Hola Prystan (Kherson oblast), June 05

The program was dedicated to the cooperation between the city authorities and citizenry in developing the city and improving its urban maintenance objects. In particular, the city renovated its infrastructure: city budget funds and private contributions were used to reconstruct the city embankment and the palace of sport, as well as founded the Park of School Graduates. At the same time, a considerable attention is being paid to the development of the festival industry. The guest of the program, A. Negra, Mayor of Hola Prystan, in his interview spoke about the city best practices in developing tourism, sport, festival movements, cooperation with small and medium-sized businesses and highly praised the law drafting activities of the AUC.

#### Kupiansk (Kharkiv oblast), June 12

The city of Kupiansk is implementing a project for cooperation between the city government and the community called “The Council Member Platform”. The Project helps city residents to exercise the oversight of activities of the council members. Every interested person may address the council members, who are responsible for the electoral district, in the live weekly TV program. The city is also using other mechanisms to interact with the community, in particular, through regular meetings of citizens with local council members in districts. In his interview, V. Demchenko, the mayor of the city, spoke about the achievements of the implementation of programs in the housing and utilities sector, solid waste management, city budget implementation, support to the entrepreneurship initiative through setting up business incubators and temporary exemption from paying taxes, as well as the AUC assistance in resolving local government problems.

#### DIALOGUE Day (city of Yalta), June 19

The program featured the Dialogue Day held within the framework of the 9<sup>th</sup> Ukrainian Municipal Forum. The event participants – representatives of local self-governance and state executive authorities – discussed issues in three areas: budget support for the implementation of the local government authority, housing and utilities sector and local economic development of territorial communities. Yu. Vilkul, AUC President and Mayor of Kryvyi Rih, O. Sin, Mayor of Zaporizzhya, S. Nadal, Mayor of Ternopil, O. Mazurchak, Advisor to the Head of the Kyiv City State Administration, and A. Maksyuta, First Deputy Minister of Economic Development and Trade, shared their interviews in the program. The key speaker was represented by V. Rybak, Chairman of the Verkhovna Rada of Ukraine, who dwelt upon the issues related to the local government reform. He also touched upon the necessity of the budget decentralisation and increasing the share of local budgets in the consolidated budget of Ukraine, improving the election legislation and other important topics.

Armyansk (Autonomous Republic of Crimea), June 26

The main topic of the program was dedicated to the implementation of projects to modernise the housing and utilities sector and to reconstruct social facilities within the framework of the Memorandum for Cooperation and Social Partnership between the city council and the «Кримський Титан» [*Crimean Titan*] private joint stock company (main taxpayer in the city). In his interview, V. Demydov, mayor of the city, raised issues related to the strategy of further development of the city, increasing its investment potential, promoting partnership relations with businesses, and areas of cooperation with the ARC authorities. The city mayor praised the AUC activities aimed at disseminating city best practices and lobbying for local government interests at the national level.

**Activity 2.3.4. Fostering media relations**

*Setting up a team of AUC speakers*

The team of AUC speakers was *updated*. S. Odarych, Mayor of Cherkasy, whose authority was terminated by the Cherkasy City Council, was excluded from the team. The AUC web site also provides an updated list of experts (see Table 1), as well as contacts of the PR-Coordinator to get in touch with the speakers of the Association.

Table 1. 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
<b>Current status and issues of local self-governance in Ukraine. AUC dialogue with central government agencies</b>	
Yu. H. Vilkul	AUC President, Kryvyi Rih City Mayor
Myroslav V. Pittsyk	AUC Executive Vice President, DIALOGUE Project Senior Expert on Inter-Governmental Relations
<b>Legal support to local government activities, AUC initiatives</b>	
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
<b>Local elections</b>	
Victor V. Kravchenko	AUC Legal Assistance Center Director
<b>Local budget and finance</b>	

Oleksandr Ch. Sin	Zaporizzhya 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
Oleksandr V. Slobodzhan	DIALOGUE Project Legislation Monitoring Expert
<b>Housing and Utilities, city economy and infrastructure</b>	
Victor O. Antonenko	Deputy DIALOGUE City Legal Assistance Center Director, AUC
Volodymyr B. Groisman	AUC Vice President on Housing and Utilities, Vinnytsya City Mayor
Hennadiy A. Kernes	AUC Vice President on Energy Efficiency, Kharkiv City Mayor
<b>Big and medium-sized city issues</b>	
Oleksandr O. Lukianchenko	AUC Vice President on Big Cities, Donetsk City Mayor
Ivan I. Kulichenko	AUC Vice President, Dnipropetrovsk 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
<b>Innovation development, introduction of effective management technologies</b>	
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
<b>Land relations</b>	
Yaroslav O. Raboshuk	DIALOGUE Project Analyst

### *Implementation of mechanisms for regular communication between local governments and media*

#### Working session 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><b>Topic:</b> DIALOGUE Day as a forum for coordinating the position for resolving key problem issues local governments face</p> <p><b>Date:</b> June 13, 2013 <b>Venue:</b> city of Yalta</p> <p><b>AUC participants:</b></p> <p>V. Rybak, Chairman of the Verkhovna Rada of Ukraine, Yu. Vilkul, AUC President and Mayor of Kryvyi Rih</p> <p><b>Participants from the media and expert community:</b></p>	<p>Yu. Vilkul, AUC President opened the meeting of the National Press Club. He informed the journalists about the three thematic areas for the dialogue between representatives of cities and state executive agencies this year: budget support for the implementation of the local government authority, housing and utilities, and local economic development of territorial communities. The AUC President mentioned that such format allows to discuss at the high expert level the key issues local governments face and to find such joint approaches to resolve them, which would help to work effectively for the benefit of territorial communities.</p> <p>The journalists were interested in the position of V. Rybak with regard to the main issues of local governments and ways to resolve them. The speaker of the parliament expressed the following opinion:</p>
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<p>The «Рада», «Крим», «Рудана», «ИТВ», «Ялта» TVRC, «Атлант СВ» (Crimean TV), «КІА» news agency, «Крим: коментарі» [<i>Crimean comments</i>], and «Большая Ялта» [<i>bigger Yalta</i>] TV channels; the «Ялтинський меридіан» [<i>Yalta Meridian</i>] and «Блексіньюз» radio stations; and, the «Червоний гірник» [<i>red miner</i>], «Кримська правда» [<i>Crimean truth</i>], and «Крымские известия» [<i>Crimean news</i>] newspapers</p> <hr/> <p><b>Mentioning in the media after the event:</b></p> <p>Video stories on the «Рада», «Рудана», «МТМ», «БТБ», «Крим», «АТР», and «ТЬ-Бердянськ» [<i>Berdyansk TV</i>] TV channels; coverage on the «Уніан», ІА «УНН», «РБК-Україна», «Інтерфакс-Україна», «Главком», «Україна комунальна» [<i>communal Ukraine</i>], «Е-Крим», «Новости Донбасса» [<i>Donbas news</i>], «День» [<i>day</i>], «Багнет» [<i>bayonet</i>], and «Телеграф» web sites; in the «Голос України» [<i>voice of Ukraine</i>], «Президент і ми» [<i>president and us</i>], and «Червоний гірник» [<i>red miner</i>] newspapers; on the «Українське радіо» [<i>Ukrainian radio</i>] radio stations and others; and on websites of state executive authorities and local councils.</p>	<ul style="list-style-type: none"> <li>- one has to increase in the next year the share of local budgets in the consolidated budget of Ukraine. A high priority should be given to increasing the transparency and efficiency of managing budget funds though the introduction of performance program budgeting and mid-term planning of local budgets.</li> <li>- the Concept of Local Government Reform should envision the introduction of mechanisms of participatory democracy, in particular, through local referenda, expanding the authority and possibilities of citizen self-organisation bodies, and improving the mechanisms for consultations of state executive authorities and local governments with citizens.</li> <li>- the Concept should also envision a substantial budget decentralisation and will require amendments to the Budget and Tax Codes of Ukraine, in particular with regard to improving the system of local taxes and fees going to finance the needs of territorial communities.</li> <li>- the proportional system of elections to local councils de-personalised local government representatives agencies and keeps citizens away from managing local issues and elaborating the local development policy. Therefore, the improvements of the election legislation in Ukraine should focus on complete realisation of the rights of every citizen to elect and be elected. Members of communities should have effective tools to influence the composition of local councils.</li> <li>- reforms in the housing and utilities sector require serious decisions. The implementation of reforms in the housing and utilities sector is not possible within the framework of the current legislation. The reality requires immediate improvements of the corresponding current regulatory and legal documents.</li> </ul> <p>Yu. Vilkul informed that city mayors approved the text of the Appeal to the top country leadership concerning the most important problem issues of territorial communities. The document states that despite all the steps the central government takes to strengthen and develop local self-governance, the resource foundations of local budgets to perform the local government own and delegated authority remains insufficient, especially when it comes to providing the financial support for the development of the housing and utilities sector, urban improvements, public transportation network and other issues related to the social infrastructure. Therefore the priority task is to ensure the 100% financial support from the National Budget to local budgets for the implementation of the delegated authority and projects for the modernisation and reconstruction of the housing and utilities sector. The problem of unjustified freezing of local budget funds by the State Treasury offices needs to be immediately resolved. This problem causes the inability of cities to finance the expenditures for community needs.</p> <p>In his closing remarks, the AUC President expressed his hope that the DIALOGUE Day will promote better solutions and actions aiming at resolving problem issues of territorial communities.</p>
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Working sessions of the Straight from the Source press-clubs

Working sessions of the regional press clubs are held in AUC Regional Offices twice a year based upon the outcomes meetings of Local Government Regional Advisory Boards.

### Working session of the Ternopil Regional Press Club

<p>Topic: “Draft Concept of Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine”</p> <p><b>Date:</b> April 17, 2013</p>	<p>The press club was conducted following the working session of the Ternopil Oblast Local Government Regional Advisory Board.</p> <p>V. Khoptyan stressed that the main task of the local government reform is to improve living conditions of citizens in territorial communities, ensuring the sustainable development of territories, and effective use of budget funds and other resources. The draft Concept outlines the areas, mechanisms and the timeframe for establishing effective local self-governance capable of ensuring to the maximum degree possible the provision of high quality and affordable public services to citizens. The Head of the OSA mentioned that the local government reform has to be conducted following the principles of decentralisation of public authority and consolidation of available resources.</p> <p>S. Nadal emphasised that one could observe over the last couple of years how local governments are being stripped of their authority. If local governments could have had more meaningful rights and authority, they could have expedited the reforms aimed at the development of Ukraine. S. Nadal mentioned that members of the Ternopil AUC RO have already prepared their specific proposals to the Concept of Local Government Reform and submitted them to the Verkhovna Rada of Ukraine, Cabinet of Ministers, and to the Ternopil Oblast State Administration.</p>
<p><b>Participants:</b> S. Nadal, Mayor of Ternopil, Head of the Ternopil AUC RO, V. Khoptyan, Head of the Oblast State Administration</p> <p><b>Media representatives:</b> The «ТТБ» TV Channel; the «Нова Тернопільська» [<i>new Ternopil</i>] newspaper; the «ІНТБ» TV Channel; Oblast State Radio Station; the «20 хвилин» [<i>20 minutes</i>] newspaper; the «Свобода» [<i>liberty</i>] newspaper; Ternopil Press Club; the «Тернопіль Вечірній» [<i>evening Ternopil</i>]; and, the «Уніан» News Agency.</p>	

### Working session of the Dnipropetrovsk Regional Press Club

<p><b>Topic:</b> “Draft Concept of the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine”</p> <p><b>Date:</b> April 18, 2013</p>	<p>The press club was conducted following the working session of the Ternopil Oblast Local Government Regional Advisory Board.</p> <p>H. Temnyk mentioned that the reform of local self-governance should be based on the principle of decentralisation of public authority, consolidation of available resources and strategic planning of the development of territorial communities. The reform should promote to the maximum degree possible the provision of high quality and affordable public services, strengthening institutes of democracy, and protection of citizen interests in all sectors of activities. Proposals of local government associations should be given a special attention in the draft Concept.</p> <p>Ye. Udod mentioned that the reform of local self-governance should promote the involvement of citizens in governance, which is the manifestation of democracy at the local level. The reform should represent a decisive step to change the vector of local government development.</p> <p>Yu. Vilkul pointed the attention of the media representatives to the fact that the Concept is based on the principle of self-sustainability of territorial communities and the document, as a whole, represents the interests of local governments. He praised the work of AUC experts to develop the draft document. The AUC President informed the journalists that Concept will be discussed all levels of local governments to enable the maximum possible reflection of</p>
<p><b>Participants:</b> Yu. Vilkul, Deputy Head of the Local Government Regional Advisory Board in the Dnipropetrovsk oblast, AUC President and Mayor of Kryvyi Rih, H. Temnyk, Minister of Regional Development, Construction, Housing and Utilities of Ukraine, Ye. Udod, Head of the Local Government Regional Advisory Board and Chairman of the Oblast Council</p> <p><b>Media representatives:</b> State Oblast TVRC (51 канал), the «5 канал» [<i>Channel 5</i>], «27 канал», and «34 канал» TV Channels; the «Днепрінфо»</p>	

<p>[<i>Dnipropetrovsk information</i>], and «Днепропетровск: события, факты, коментармм» [<i>Dnipropetrovsk: events, facts, comments</i>] news agencies; the «В городе» [<i>in the city</i>], «Наше місто» [<i>our city</i>], «Днепр вечерний» [<i>evening Dnipropetrovsk</i>], «Зоря» [<i>star</i>], «INSIDE», and «Горожанин» [<i>citizen</i>] newspapers; and the «Грані» [<i>facets</i>] almanac.</p>	<p>suggestions and comments.</p>
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**Working session of the Zhytomyr Regional Press Club**

<p><b>Topic:</b> “Draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine”</p> <p><b>Date:</b> April 25, 2013</p>	<p>The press club was conducted following the working session of the Zhytomyr Oblast Local Government Regional Advisory Board.</p> <p>City mayors stressed the necessity of reforming local self-governance in Ukraine, because the existing system in the country is not capable of satisfying the needs of the society, promote and support the environment conducive for the integrated development of the personality, his/her self realisation, protection of human rights, and provision of high quality and affordable administrative and social services. The tendency for over-centralisation of public authority, as well as financial and material resources, limitations of local government authority in resolving land issues has been growing by the year.</p> <p>V. Areshokov mentioned that the purpose of the draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine is to resolve these very issues. He also gave answers to questions from journalists about the expected outcomes, sources of financial support and the timeframe for the reform implementation.</p>
<p><b>Participants:</b> city mayors, V. Areshonkov, First Deputy Chairman of the Zhytomyr Oblast Council, Yu. Merzlov, Policy Dialogue Coordinator of the Zhytomyr AUC RO.</p> <p><b>Media representatives:</b> Zhytomyr Oblast State TV and Radio Company, the «Союз-ТВ» and «Ц-ТВ» TV companies, Oblast Radio Station, the «КРОК-радіо» [<i>step radio</i>] radio station, the «Пульс-норма» and «Житомирщина» [<i>Zhytomyr region</i>] newspapers, and the «Вісник обласної ради» [<i>herald of the Oblast Council</i>] web site.</p>	

**Working session of the Zaporizzhya Regional Press Club**

<p><b>Topic:</b> “Draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine. Draft Project for the Regional Local Self-Governance Project in the Zaporizzhya Oblast”</p> <p><b>Date:</b> April 25, 2013</p>	<p>The press club was conducted following the working session of the Zaporizzhya Oblast Local Government Regional Advisory Board.</p> <p>Ye. Kartashov stressed that the Concept for the Local Government Reform should be an integrated well-prepared document and should not be focused on narrowing down the rights and legitimate interests of local self-governance and communities. Only such reforms can yield the expected outcomes, such as promotion of effective local self-governance and coordination of interests of the state and territorial communities.</p>
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<p><b>Participants:</b> city, town and village mayors from the oblast, M. Yarmoshuk, Deputy Chairman of the Zaporizhzhya Oblast Council, Ye. Kartashov, National Deputy of Ukraine and Permanent AUC Representative in the Verkhovna Rada of Ukraine.</p> <p><b>Media representatives:</b> the «Запорізька правда» [<i>Zaporizhzhya truth</i>] and «Запорізька Січ» newspapers; Zaporizhzhya National TVRC «ТБ-5», Zaporizhzhya Oblast State TVRC, «Алекс» TVRC, and the «5 канал» [<i>Channel5</i>] TVRC.</p>	<p>The media representatives were interested whether the reform will resolve issues of budget support of territorial communities. The city mayors mentioned that according to the draft document, the local taxes and fees constitute the financial foundation for local governments to exercise their own authority. The draft document also envisions increased rights of local governments with regard to identification of their tax base and establishing tax rates.</p> <p>M. Yarmoshuk informed the media representatives that the oblast authorities continue to collect proposals from territorial communities in the oblast to the draft Project for the Regional Local Self-Governance Support in the Zaporizhzhya Oblast. A separate working group will be established to consider the proposals and prepared the draft document.</p>
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### Working session of the Poltava Regional Press Club

<p><b>Topic:</b> “Draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine”</p> <p><b>Date:</b> April 25, 2013</p>	<p>The press club was conducted following the working session of the Poltava Oblast Local Government Regional Advisory Board.</p> <p>M. Stavniychuk mentioned that the reform of the system can have a high quality nature only if it includes the participation of community representatives. She also informed that the Reform is expected to be implemented on a step-by-step basis by 2015. In particular, it is envisioned to: establish the legal conditions for voluntary consolidation of territorial communities and to set up self-sustaining local government agencies capable of performing their own authority and the authority delegated by the state; involve citizens to managerial decision making; ensure openness and accountability of activities of local governments and their officials; and, to transfer the authority from local agencies of the executive and territorial offices of the state executive to local government agencies.</p> <p>I. Momot mentioned that the implementation of these tasks will represent a clear signal for the availability of the political will in the state for changes in relations between the central government and local governments. This will also represent a step towards the implementation of the provisions of the European Charter of Local Self-Governance by Ukraine.</p> <p>The city mayor stressed that the transfer of the public authority to the local level should include the improvements of inter-budget relations and should provide the proper material, financial and organisational conditions for local governments to implement their own authority and the authority delegated by the state. The authority delegated by the state should have the 100% financial support for the implementation.</p>
<p><b>Participants:</b> mayors of oblast and rayon significance cities, I. Momot, Chairman of the Local Government Regional Advisory Board in the Poltava oblast and Chairmen of the Oblast Council, O. Udovychenko, Head of the Oblast State Administration, M. Stavniychuk, Advisor to the President and Head of the Main Authority of the Presidential Administration on Constitutional and Legal Modernisation.</p> <p><b>Media representatives:</b> The «Лтава» TV Channel, the «Місто» [<i>city</i>] TV studio; the «Зоря Полтавщини» [<i>Poltava region star</i>], «Село полтавське» [<i>Poltava village</i>], «Вечірня Полтава» [<i>evening Poltava</i>], «Полтавський вісник» [<i>Poltava herald</i>], and «Коло» [<i>circle</i>] newspapers; and the «Полтавщина» [<i>Poltava region</i>] and «Новини Полтавщини» [<i>Poltava news</i>] web sites.</p>	

### Working session of the Zakarpattia Regional Press Club

<p><b>Topic:</b> “Promoting the conducive environment for establishing and supporting condominium associations”</p> <p><b>Date:</b> April 30, 2013</p>	<p>The press club was conducted following the working session of the Zakarpattya Oblast Local Government Regional Advisory Board.</p>
<p><b>Participants:</b> city and town mayors, S. Yakovleva, Deputy Head of the Department of Housing and Utilities of the Zakarpattya OSA, M. Kuberka, Deputy Head of the Department of Housing and Utilities of the Uzhgorod City Council, I. Revtiy, Policy Dialogue Coordinator of the Zakarpattya AUC RO.</p> <p><b>Media representatives:</b> The «Закарпаття он-лайн» [<i>Zakarpattya online</i>], «Вся закарпатська правда» [<i>all Zakarpattya truth</i>], «Новини Закарпаття» [<i>Zakarpattya news</i>], «Заголовок» [<i>headline</i>], and «Ужгород.in» web sites.</p>	<p>I. Revtiy mentioned to the media representatives that the Local Government Regional Advisory Board was set up in the Zakarpattya oblast at the end of the last year. The promotion of the environment conducive for establishing condominium associations is one of the most important issues of local government activities, which needs to be resolved with the participation of non-governmental organisation and state executive agencies.</p> <p>S. Yakovleva gave answers to the questions from the journalists concerning the current programs working in the sector of local self-governance and reforms of the housing and utilities sector.</p> <p>M. Kuberka mentioned that the department for Housing and Utilities of the Uzhgorod City Council prepared a Program to Support Condominium Associations, whereby in addition to the assistance in performing capital repairs, the city government will provide co-financing for the preparation of documents for the allocation of territories adjacent to buildings, modernisation of buildings, and capital repairs of engineering networks. The priority financial support will be given to those projects, which will introduce energy-saving technologies in buildings. The city council will also engage in a dialogue with banks concerning the possibility of giving condominium associations privileged loans for capital repairs.</p> <p>I. Revtiy informed the media representatives that the recommendations voiced at the meeting of the Local Government Regional Advisory Board will be sent to city and town councils in the oblast, as well as to the corresponding departments of the Oblast State Administration and rayon state administrations.</p>

### Working session of the Volyn Regional Press Club

<p><b>Topic:</b> “Draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine”</p> <p><b>Date:</b> April 30, 2013</p>	<p>The participants of the press club discussed key provisions of the Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine.</p>
<p><b>Participants:</b> V. Sapozhnikov, Mayor of Novovolynsk, V. Hodyk, Mayor of Horokhiv, H. Pustovit, Secretary of the Lutsk City Council, O. Lyashko, City Clerk of the Executive Office of the Volyn Oblast Council, I. Samoilenko, Executive Director of the Volyn AUC RO.</p> <p><b>Media representatives:</b> The Volyn Oblast State TVRC; the «Волинь-нова» [<i>new Volyn</i>] newspaper; the «Волинські</p>	<p>The existing system of local self-governance has been in need for modernisation and changes in the system for quite a long time. These need to be done to comply with the modern European democratic standards and to be accessible to citizens, stressed I. Samoilenko.</p> <p>V. Sapozhnikov expressed his general support for the Concept and mentioned that the Reform can provide a good incentive for the development of territories, especially in the context of legislation amendments, which would allow to retain a certain share of tax collections in budgets of city and town councils. Local governments should be financial independent and should bear responsibility only of their own authority. Then, everything will be as it should be, the city mayor summed up.</p> <p>V. Hodyk provided more details on the tasks, which need to be resolved in the context of the Reform. These include: ensuring the</p>

<p>новини» [<i>Volyn news</i>], «Волинська правда» [<i>Volyn truth</i>], and «Волинський інформаційний портал» [<i>Volyn information portal</i>] web sites; and the «Сід ФМ» radio station.</p>	<p>accessibility and high quality of public services, which should be rendered according to the national standards; promoting the proper financial environment to support local governments in their implementation of their own authority and the authority delegated to them by the state; and involvement of citizens to managerial decision making to the maximum degree possible.</p> <p>H. Pustovit mentioned that the reform of local self-governance will be effective only if political considerations will not dominate over the interests of territorial communities.</p>
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### Working session of the Vinnytsya Regional Press Club

<p><b>Topic:</b> “Draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine and the Current Condition of the Financial Support for the Delegated Authority”</p>	<p>The press club was conducted following the working session of the Vinnytsya Oblast Local Government Regional Advisory Board.</p> <p>The event participants informed the journalists about the outcomes of the working session discussion of the draft Concept of Local Government reform in Ukraine and about the issues related to the financial support for the implementation of the delegated authority.</p>
<p><b>Date:</b> May 17, 2013</p>	<p>V. Groisman mentioned that the reform of local self-governance and of territorial arrangement of government institutions in Ukraine should be performed according to the principles of the substantial budget decentralisation and improvements in the system of local taxes and fees, which should be channelled to the needs of territorial communities. The reform should ensure a clear delineation of the authority between local state administrations and local government agencies; harmonise the notion of the “delegated authority”; and to outline the economic and managerial framework for activities of territorial communities.</p>
<p><b>Participants:</b> V. Groisman, Mayor of Vinnytsya and Head of the Vinnytsya AUC RO, I. Movchan, Chairman of the Local Government REGIONAL Advisory Board in the Vinnytsya oblast and Head of the Oblast State Administration, S. Tatusyak, Chairman of the Oblast Council.</p>	<p>S. Tatusyak informed that the event participants came up with the following proposals to the draft Concept:</p> <ul style="list-style-type: none"> <li>- approve omnibus laws “On Local Self-Governance in Ukraine” (new version), “On Territorial Communities”, and “On Communal Ownership”;</li> <li>- make amendments to the Budget and Tax Codes of Ukraine in the part dealing with the budget decentralisation in increased local taxes and fees; and,</li> <li>- envision in the National Budget the mandatory 100% financial support for the implementation of the authority delegated to local governments by the state.</li> </ul>
<p><b>Media representatives:</b> The «Місто над Бугом» [<i>city on the Buh river</i>] radio station; the «ВінницяОК», «Моя Вінниця» [<i>my Vinnytsya</i>], and «Вінниця-інфо» web sites; and, the «Місто» [<i>city</i>] newspaper.</p>	

### Working session of the Ivano-Frankivsk Regional Press Club

<p><b>Topic:</b> “Draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine”</p>	<p>The press club was conducted following the working session of the Ivano-Frankivsk Oblast Local Government Regional Advisory Board.</p>
<p><b>Date:</b> May 17, 2013</p>	<p>O. Voitychuk outlined the main provisions of the Concept and the tasks the document is supposed to resolve, in particular, increased quality and accessibility of public services, ensuring the capacity of</p>

<p><b>Participants:</b> city and town mayors of the oblast, V. Melnychuk, Head of the Organisational Department of the OSA, O. Voitychuk, Executive Director of the Ivano-Frankivsk AUC RO.</p> <p><b>Media representatives:</b> The «Західний кур'єр» [<i>western courier</i>], «Галичина», and «Репортер» newspapers; the «Галичина» oblast TV station and the «ВЕЖА» [<i>tower</i>] city TV station; and the «Фіртка» [<i>gate</i>] and «Правда ІФ» [<i>Ivano-Frankivsk truth</i>] web sites; and the oblast radio station.</p>	<p>local governments to promote the economic and social conditions for the development of territorial communities, the decentralisation of public authority and financial and material resources, etc.</p> <p>V. Melnychuk stressed that the reform should be implemented in the context of the high quality dialogue with citizens and focused discussion with communities of the provisions of the Concept with the purpose of preparing specific proposals to serve as the foundation of the Reform. The cooperation between local agencies of the state executive and local governments will play a key role in the implementation of the reform.</p>
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### Working session of the Khmelnytskyi Regional Press Club

<p><b>Topic:</b> “Draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine”.</p> <p><b>Date:</b> May 23, 2013</p>	<p>The press club was conducted following the working session of the Khmelnytskyi Oblast Local Government Regional Advisory Board.</p> <p>V. Osadchyi mentioned that the system of local self-governance the country currently has is inefficient and presents considerable barriers for the development of the country, whereas the legal framework does not meet the requirements of the European Charter of Local Self-Governance, which hampers the integration of Ukraine into the European community.</p> <p>M. Simashkevych spoke in detail about the main provision of the Concept. The document, in particular, envisions the promotion of the transparent system of local self-governance at three levels: basic (village, town and city councils), rayon (rayon councils and its executive committee), and the regional (regional council and its executive committee). To ensure the proper quality of administrative and social services for citizens, one should establish a substantial territorial foundation for the activities of local governments and offices of the state executive, thus providing the basic public services at the place of residence in a timely manner and in the convenient format. The city mayor also expressed his opinion about the expediency of introducing the continuous on-the-job training system for local government officials and local council members, which will increase the level of trust on the part of citizens.</p> <p>M. Derykot informed about the intention of the members of the Local Government Regional Advisory Board to approve the draft Concept and to make a decision to provide a comprehensive support for its discussions in their communities.</p>
<p><b>Participants:</b> M. Derykot, Chairman of the Local Government Regional Advisory Board in the Khmelnytskyi oblast and Chairman of the Oblast Council, V. Osadchyi, Deputy Chairman of the Oblast Council, M. Simashkevych, Mayor of Kamianets-Podilskyi, S. Kucheruk, Policy Dialogue Coordinator of the Khmelnytskyi AUC RO.</p> <p><b>Media representatives:</b> The "Поділля-центр" Khmelnytskyi Oblast State TVRC; Khmelnytskyi oblast radio station; and, the "Подільські вісті" [<i>Podillya news</i>], «Голос України» [<i>voice of Ukraine</i>], «Всім» [<i>for all</i>], and «Пульс» newspapers.</p>	

### Working session of the Rivne Regional Press Club

<p><b>Topic:</b> “Draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government</p>	<p>The press club was conducted following the working session of the Rivne Oblast Local Government Regional Advisory Board.</p> <p>O. Chupryna informed the media representatives about the problem issues local governments face and the barriers for the development</p>
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<p>Institutions in Ukraine”</p> <p><b>Date:</b> May 29, 2013</p>	<p>of territorial communities, in particular, discrepancies in the state regional and local policies for the social and economic development with the real interests of territorial communities, and about the tendencies for over-centralisation of the public authority and financial and material resources.</p>
<p><b>Participants:</b> City and town mayors from the oblast, O. Chupryna, Chairman of the Local Government Regional Advisory Board in the Rivne oblast and Chairman of the Oblast Council, R. Stasyuk, Policy Dialogue Coordinator of the Rivne AUC RO.</p>	<p>In their answers to the questions from the journalists about the current tasks for local government and state executive representatives, the city mayors mentioned the following: ensuring transparency and maximum involvement of citizens to the discussion of the Concept to prepare specific proposals, which will serve as the foundation for the local government reform. The city leaders stressed that local governments have a considerable impact on the future development of civil freedoms and democratic values in Ukraine. The implementation of the reform will require very balanced managerial decisions with the due regard to the opinion of the public.</p>
<p><b>Media representatives:</b> The «Рівне вечірне» [<i>evening Rivne</i>] newspaper, the «Рівне1» TV Channel, and the «7днів» [<i>7 days</i>] and «Новини Рівного» [<i>Rivne news</i>] newspapers.</p>	<p>R. Stasyuk informed that the proposals will be generalised and submitted to the country leadership after the discussions of the Concept.</p>

### Working session of the Donetsk Regional Press Club

<p><b>Topic:</b> “Draft Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine”</p>	<p>The press club was conducted following the working session of the Donetsk Oblast Local Government Regional Advisory Board.</p>
<p><b>Date:</b> May 30, 2013</p>	<p>A. Fedoruk informed the media representatives about the main areas of the local government reform and reform of the territorial arrangement of government institutions, as envisioned in the draft Concept and about the peculiarities of the administrative and territorial arrangement of the Donetsk region. He spoke about the approaches to improve it at the local level. He stressed that a considerable attention should be given to the improvements of the mechanism of direct participation of citizens in territorial communities in resolving issues of local importance through: local elections, local referendums, all-hands meetings of citizens, public hearings, etc. One should also simplify the mechanism for the implementation of proposals of citizens.</p>
<p><b>Participants:</b> city mayors, chairmen of rayon councils, A. Fedoruk, Chairman of the Local Government Regional Advisory Board in the Donetsk oblast and Chairman of the Oblast Council, A. Shyshatskyi, Head of the Donetsk Oblast State Administration, V. Kochuev, Policy Dialogue Coordinator of the Donetsk AUC RO.</p>	<p>The city mayors expressed the opinion about the necessity to including in the draft Concept the provisions about the organisational and financial autonomy of local governments in the issues related to approving the system of managing the local development; preparation of main directions of the local financial, budget and investment policy; preparing a list of services to be provided to the local population.</p>
<p><b>Media representatives:</b> The «Жизнь» [<i>life</i>], «Донеччина» [<i>Donetsk region</i>], «Вести Донбасса» [<i>Donbas news</i>], and «Регион.Донбасс» [<i>Donbas region</i>] newspapers; the «27-й канал» [<i>channel 27</i>] TV Channel.</p>	<p>A. Shyshatskyi stressed that the local government reform will allow to set up effective government institutions at the local level and to establish self-sustaining communities. V. Kochuev informed that the generalised proposals from the Donetsk oblast will be sent to the country leadership.</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 167 consultations to local government officials. Since its inception, the Project provided 1,978 consultations to local governments, their officials and local council members.*

City Legal Assistance Center consultants provided **167** legal consultations through the mobile telephone line, mail, and AUC and DIALOGUE web-sites in the following areas:

- local budgets and inter-budget relations – 13;
- land relations – 18;
- housing, utilities and communal property – 37;
- organisational and legal foundations of local self-governance – 90;
- public education – 6;
- health care – 2; and,
- culture – 1.

***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 April – June of 2013, the Project conducted **33** expert workshops with participation of **715** local government officials.

<b>Date and venue</b>	<b>Participants</b>	<b>Topic</b>	<b>Description of the event</b>
Ivano-Frankivsk AUC RO city of Ivano-Frankivsk April 03, 2013	20 participants – deputy heads of departments of housing and utilities, lawyers, city councils members, public activists, and journalists	The role of local councils in the implementation of the regional program for infrastructure development	The expert workshop moderator familiarised the participants with the details of the programs implemented by the city council, in particular: involving citizens to managing residential housing stock; investment attraction and implementation of energy saving grant projects (instalment of energy saving windows in 9 most problematic from the energy efficiency educational establishments); a Hungarian-Slovak-Romanian-Ukrainian Trans-Border Cooperation Program (instalment of 54 sites for sorted collection of solid waste and purchase of 2 specialised vehicles). The expert workshop moderator pointed the attention of the participants to the best practices of protecting pipes from corrosion, such as drainage of earth currents to the ground. The event participants discussed issues related to the cooperation of condominium associations and private business entities, as well as regulatory and legal aspects of organisation of their activities.

Kirovohrad AUC RO city of Kirovohrad April 03, 2013	20 participants – heads of city departments for economy, specialists of local councils	Models of social investments at the local level and promotion of external social and business investments	The expert workshop moderator provided a brief overview of the Laws of Ukraine “On Local Self-Governance in Ukraine”, “On Investment Activities”, “On the Regime of Foreign Investments”, as well as on other regulatory and legal documents regulating the standards of investment activities. She familiarised the participants with the current models of social investments at the local level (industrial parks); mechanisms for attracting foreign, social and business investments. The expert workshop participants discussed the practical and methodological aspects of the preparation of investment proposals, shared their experience in promoting social investments at the local level; and became familiarised with the international investment promotion experience.
Kherson city of Kherson April 09, 2013	20 participants – city and town mayors, local council secretaries, and city clerks of local councils	Key problem issues related to service in local governments and implementation of amendments to the current legislation	The expert workshop moderator familiarised the participants with the main regulatory and legal documents, which regulate the service in local government. The event participants discussed the draft Law of Ukraine “On Service in Local Government” and prepared their proposals. The participants also pointed their attention to issues related to personnel, overview of such activities, hiring people based on the findings of special inspections, and declaring income and financial obligations. The expert workshop helped to increase the qualification level of local government officials, and helped them to learn new skills in applying in their daily work of the current legislation on service in local governments.
Vinnytsya AUC RO city of Vinnytsya April 09, 2013	20 participants – city and town mayors	Organisational and legal framework of local government activities in the context of anti-corruption legislation	The expert workshop moderator used the findings of sociological surveys to present the information about the general status of corruption in Ukraine and cases of holding representatives of state executive agencies and local government officials accountable. The event participants discussed the details of the legal aspects of preventing and fighting corruption (Law of Ukraine “On the Framework of Preventing and Fighting Corruption”). The participants engaged in a lively

			discussion of the information about the international experience in implementing the anti-corruption legislation (Poland, Georgia, Denmark, and USA). In the course of the expert workshop, the participants were offered a training event on the algorithm of actions of government officials in case if they face corruption-related charges. The expert workshop participants received useful advice on how to avoid corruption situations and to fight corruption in their daily work, and about their actions during the preparation (attempt to prepare) a corruption protocol.
Kharkiv AUC RO city of Kharkiv April 11, 2013	33 participants – city, village mayors and deputy mayors	Modernisation of housing and utility infrastructure on the principles of public-private partnership	The event participants discussed issues related to the establishment of condominium associations to resolve housing and utility issues and increased comfort level for residents; daily activities of utility companies in the city of Kharkiv in providing water and heat supply services, energy efficiency and energy saving; increased energy saving and energy efficiency in water-supply networks, and technologies to prolong the exploitation period of such networks. The event participants visited the communally-owned Kharkiv Heat Distribution Networks company, a boiler of the Kyiv section at 301a Shevchenko St. where the experimental KBMY-1,25 ГН. boiler was installed for the first time in Ukraine, which was designed by the Institute of Thermal Physics of the National Academy of Sciences of Ukraine (energy saving with this boiler constitute 40%). The expert workshop participants learned about the new approaches in the housing and utilities sector and shared their work experience.
Poltava AUC RO city of Khorol April 18, 2013	25 participants – deputy city mayors, heads of financial departments, economic specialists, main bookkeepers of local councils	Local government budgeting, problem issues related to increasing the revenue part of local budgets	The expert workshop participants discussed the following issues: budget authority of local governments; components of budgeting, stricture of revenues to the general fund of local budgets using the budget of the city of Khorol for 2011-2013 as an example; preparation of the budget and assessment of revenues; and, projecting of revenues. She pointed the attention of the participants to the fact that the Budget Code of Ukraine

			has become the first systematise document, which in general terms managed to regulate the relationships between various levels of government institutions, however, in the course of its implementation, there are still some drawbacks, namely: absence of the reliable statistics information, no possibility to have an acceptable quality calculations of the revenue part of local budgets caused by various innovations in the tax policy, etc. In the course of the discussions, the expert workshop participants came up with a suggestion to specify in the legislation the following: writing-off mid-term debts in case of the over-estimation of macro indicators of the economic and social development of Ukraine in the course of budgeting; and accountability of State Treasury Offices for their failure to administer local government transitions in a timely manner.
Chernihiv AUC RO city of Chernihiv April 18, 2013	20 participants – city, town mayors and their deputies, heads of departments and specialists of local councils who deal with urban beautification issues	Urban beautifications in populated areas: legal framework and experience in resolving problem issues	The expert workshop moderator familiarised the participants with legal foundations and components of the system of urban beautifications (urban beautification legislation, city beautification rules, control and accountability in this sector, road and bridge networks, street-lighting, green plantations, artificial constructions on city roads and streets, sanitary cleaning, solid waste management, pet animal management, etc.). The event participants received explanations and answers to their questions, shared their experience in resolving specific issues. A particular attention was paid to the organisation of voluntary citizen cleaning of populated areas, which the local government scheduled for April 20.
Rivne AUC RO city of Rivne April 19, 2013	20 participants – city mayors and their deputies, specialists of local councils	Reforms in the housing and utilities sector using the experience of the city of Rivne as an example	In the course of the expert workshop, the moderator spoke about the changes in the housing and utilities sector, about the difficulties and activities to change for the better. He provided an overview of the status of the housing and utilities sector over the last three years and noted the achievements in this sector: setting up condominium associations, preparation of the Resolution of the City Council to announce a competition for housing maintenance to involve building maintenance companies; attracting

			<p>investment in the development of the housing and utilities sector (the «Санком» company, a private investor for solid waste removal); and technical modernisation of housing and utility facilities. The expert workshop moderator pointed the attention of the participants to the peculiarities of local government activities in the context of the Law of Ukraine “On the State Registration of Immovable Property Rights and Their Limitations”.</p> <p>The event participants received answers to their questions about how to involve sub-contract organisations to perform the activities to implement the program for sustainable development, about who is responsible to control the quality of works, etc.</p>
<p>Luhansk AUC RO city of Luhansk April 19, 2013</p>	<p>28 participants – heads of city and town finance departments of local councils</p>	<p>Budgeting and budget support for the implementation of the local government authority</p>	<p>The expert workshop moderator familiarised the participants with the following issues: sources of the revenue part of local budgets and ways to use budget funds; preparation of the expenditure part of local budgets (public education, health care, social protection, and development budget). In the course of the discussions, the event participants focused their attention on problem issues related to the preparation of the revenue part of the budget and expressed their proposal concerning the improvements of the mechanism of local budgeting. The expert workshop moderator provided recommendations to the participants about expenditures for social protection. The participants raised a number of questions concerning the discussion of issuing municipal bonds.</p>
<p>Dnipropetrovsk AUC RO city of Dnipropetrovsk April 19, 2013</p>	<p>20 participants – communally-owned media representatives, PR specialists</p>	<p>Modern municipal communication technologies and their role in the public and political life</p>	<p>The expert workshop participants had a chance to learn the details of activities of press services of city councils in the Dnipropetrovsk oblast, and about the availability of Internet sites in city councils. In the course of the event, the participants discussed issues related to the cooperation between press services of city councils and other local media, shared their opportunities for cooperation between media and local governments. The experience shared by a representative of the city of</p>

			Pavlohrad provided the participants the information about the system of providing information to media, how to avoid misinformation, and about the weekly planning of activities with media and the monthly media plan. The event participants visited the Dnipropetrovsk TV studio where they became familiar with the activities of the «34 каналу» [Channel 34] TV Channel.
Zakarpattya AUC RO village of Polyana, Svalyava rayon April 25, 2013	20 participants – city and town mayors, chief architects of city councils	Organisation of activities to protect, preserve and revive the historical and architectural heritage of cities	The expert workshop moderator stressed the importance of this topic and provided a number of Laws of Ukraine speaking about the priority of the state in promoting the proper conditions for the preservation, renovation and protection of cultural and historic environment in the country. She provided an overview of the current status of the preservation of the historical and architectural heritage in the Zakarpattya oblast and stressed the insufficient financial support for such activities and the lack of specialists who could perform the repair works with cultural monuments (city councils have to resort to extreme actions: aiming at preserving their historic buildings they lease or privatise them). The event participants discussed issues of social importance in the sector of culture, namely: introduction of an effective mechanism for the preservation of monuments and approval it by the Verkhovna Rada of Ukraine.
Zhytomyr AUC RO city of Zhytomyr April 26, 2013	20 participants – city and town mayors, secretaries of local councils	Municipal information system. Autoimmunisation of the housing and utilities system	The expert workshop moderator familiarised the participants with the main principles of activities of the municipal automated system to manage the housing and utilities sector, which has been working in Zhytomyr since 1997. He noted its efficiency, in particular: energy resources savings, quick response to critical situations and breaks in the housing and utilities sector; centralised management, etc. The event participants expressed a great interest and engaged in a lively discussion of the by-building metering of expenditures to maintain the residential housing stock. The automation of the management system in the housing and utilities sector will allow to obtain quick

			information about housing and activities performed in the sector, accidents and funds spend to remove the consequences, provide information to citizens through the web-portal of the city council, and application of geo-informational system.
Lviv AUC RO city of Lviv May 15, 2013	23 participants – city mayors and their deputies, heads of city and town departments of housing and utilities	Reforms in the system of management of housing stock, increased efficiency of residential housing	The expert workshop moderator familiarised the participants with models and ways of managing and developing the residential housing stock; with Ukrainian legislation on real property and maintenance of the residential housing stock, and with legal aspects of thermal modernisation of buildings. The event participants learned hands-on skills in training heads of condominium associations and professional building managers, and discussed mechanisms to reform the housing and utilities sector of the city. The participants shared their experience and engaged in a lively discussion of energy costs and energy saving (thermal insulation) in residential buildings. The expert workshop moderator presented the participants best practices in energy saving in apartment blocks in Ukraine, as well as the Polish and Eastern German experience.
Crimean AUC RO city of Simferopol May 17, 2013	23 participants – press secretaries of city mayors, heads and deputy heads of city and town departments of information policy of local councils	Peculiarities of activities of press services of city councils	The expert workshop moderator pointed the attention of the participants to the main duties of the press secretary; on hands-on aspects of their activities; daily and specific examples of ensuring the information policy of both the city government and the territorial community. The event participants discussed the following areas of activities: formation of the good image of the city mayor; continuous informing the territorial community about the current local government activities, etc. The event moderator paid a lot of attention to writing press releases and preparation and holding round table discussions. The event participants shared their contact information aiming at disseminating the experience of activates of press services of city councils.
Odesa AUC RO city of Odesa	20 participants – deputy city mayors,	Mechanisms for the interaction of local	The expert workshop moderator familiarised the participants with

May 17, 2013	specialists in land management issues	governments with state executive agencies in the sector of land relations	amendments in the eland legislation of Ukraine; with the new mechanism for the state registration of rights to immovable property; and with activities of the State Registration Service. The event participants prepared the following comments to the new land legislation: the state registry should specify the right of the city community to communally-owned lands; there should be a unified approach to the requirements of the property right registration service with regard to the documents for the registration; lack of new forms for the registration of property and obtaining copies of documents, etc.
Mykolaiv AUC RO city of Mykolaiv May 22, 2013	20 participants – deputy city mayors, specialists in managing communally-owned property	Use of international standards and managerial system for communal property in the Mykolaiv oblast	The expert workshop moderator familiarised the participants with the issues related to the privatisation (alienation) of communally-owned property items; mechanisms for renting the communally-owned property; transfer of communally-owned property to joint ownership; and the legal framework in the sector with legislative amendments.
Ternopil AUC RO city of Ternopil May 22, 2013	20 participants – city mayors and their deputies, secretaries of local councils	Peculiarities of service in local governments	The expert workshop moderator familiarised the participants with the following issues: peculiarities of the competition to hire persons to service in local governments; mechanisms for conducting exams to fill in the vacant positions in local governments; election (appointment), dismissal, and granting preferences ad guarantees for local government officials in view of elections of members of local councils and village, town and city mayors; main provisions of the laws of Ukraine “On Service in Local Governments” and “On he Framework for Preventing and Fighting Corruption”. The expert workshop participants discussed the ways to fill in the work books, the correctness and completeness of information put in the declaration of property and income; peculiarities of organising personnel reserve; and mechanisms for recoding and preserving the “official information”.
Chernihiv AUC RO city of Chernihiv May 23, 2013	20 participants – secretaries of city and village councils, heads and specialists of the corresponding	Implementation of the right of residents of populated areas in exercising local self-governance	The expert workshop moderator presented and discussed with the participants the following issues: mechanisms to involve citizens to local self-governance and its legal

	departments of local councils		regulation; informing citizens about activities of local governments: feedback from citizens and participation in decision making; ways for citizens to realise their right to participate in local self-governance; general meetings of citizens at the place of their residence; local initiatives and public hearings. The expert workshop participants shared their hands-on experience in resolving issues related to the participation of citizens in local self-governance and learned new knowledge and skills.
Volyn AUC RO city of Lutsk May 28, 2013	20 participants – city and town mayors and their deputies, heads of city and town departments for economy	Regulatory policy and business development	The expert workshop moderator dwelt upon the following issues: main provisions of the Law of Ukraine “On the Framework of the State Regulatory Policy in the Sector of Economic Activities”; overview of the regulatory impact as one of the instruments of the regulatory policy; performance indicators in the regulatory policy: setting up performance indicators for regulatory documents. In the course of the discussions, the event participants pointed their attention on the typical problems of the regulatory activities of local governments, typical mistakes in examining the regulatory impact, and economic effectiveness of regulatory and legal documents. The event participants received numerous technical consultations concerning regulatory activities at the level of local governments and learned hands-on experience in applying the Law of Ukraine mentioned above.
Zaporizzhya AUC RO city of Zaporizzhya May 28, 2013	20 participants – city clerks of executive committees of local councils, heads of legal departments of local councils	New legislation in the sector of property right registration. Place and role of local governments.	The expert workshop moderator provided a deep overview of the current legislation governing legal relations in the sector of the state registration of property rights and the court practices. In the course of the discussions of these issues, the event participants expressed their ideas concerning improvements of the regulatory and legal foundations, namely: exempt local government from paying the fee for obtaining information in the form of excerpts from the State Registry of Property Rights while taking stock of the abandoned property; resolve issues related to the registration and assigning to the territorial community

			immovable property items constructed in the cities before 1991 with no corresponding property documents, which are kept on the books of local governments or communally-owned companies, institutions or organisations. The event participants familiarised with the details of the state registration of property rights and established the cooperation with the Main Department of Justice in the Zaporizzhya oblast.
Chernivtsi AUC RO city of Chernivtsi May 28, 2013	20 participants – city mayors and their deputies, secretaries of local councils	The main aspects of activities of local governments in the context of involving citizens to local self-governance	The expert workshop participants discussed the following issues: conducting the local referendum; local elections; general meetings, local initiatives, public hearings, and participation in the activities of citizen self-organisation bodies. In the course of the discussions, the event participants learned about the advantages of involving citizens to local self-governance and became familiar with the general methods of ensuring the effective participation of the community in decision making and preventing corruption in local councils.
Poltava AUC RO town of Reshetylivka May 29, 2013	27 participants – city, town and village mayors	Community-oriented municipal development	In the course of the expert workshop, the participants became familiar with municipal facilities of the Reshetylivka town council, in particular: equipment and machinery of the local urban beautification department, town maintenance and trade facilities, sport school for children and youth, and the water and sewerage company. The event participants discussed programs for development of smaller cities and towns in the Poltava region, problem issues and ways to resolve them at the level of the small city and town, issues of the housing and utilities sector, and ensuring law enforcement on the territories of rayon significance cities.
Sumy AUC RO city of Sumy May 30, 2013	20 participants – local government officials	Urban development activities in local governments	The expert workshop moderator familiarised the participants with the provisions of the Law of Ukraine “On Regulation of Urban Development Activities”, namely: application by executive committees of city councils of activities to implement the provisions of the Law; updating and actualisation of urban development

			documents at the local level; amendments to the land legislation and experience in its application while resolving urban development issues. In the course of the discussions, the participants expressed a live interest in the mechanisms for providing urban development documents and limitations for developing the land plot, construction passport for the development of the land pilot, placing small architectural and temporary buildings for commercial purposes. The expert workshop participants expressed their proposals concerning amendments to the Law of Ukraine “On Regulation of Urban Development Activities” with regard to allowing taking into consideration the provisions of zoning plans and detailed territorial outline maps (in case such documents are available) in the course of preparing urban development documents, and in case such documents are not available to use the current master plans of populated areas.
Khmelnyskyi AUC RO city of Khmelnytskyi May 31, 2013	20 participants – city mayors and their deputies, heads of departments of land relations	Land as the main resource for sustainable development of local communities	The expert workshop moderator familiarised the participants with innovations in the current legislation, land reform in Ukraine, and implementation of the Land Cadastre of Ukraine.
Vinnytsya AUC RO city of Vinnytsya June 04, 2013	20 participants – deputy city mayors, secretaries of local councils, and heads of legal departments	Ukrainian legislation concerning the state registration of property rights to immovable property items. Role and Place of local governments in the organisation of such activities.	The expert workshop moderator familiarised the participants with the organisation of activities of the State Registration Service of Ukraine and its territorial departments; the framework to enable citizens to realise their rights to register property rights to immovable property items, and with activities of the State Registration Service in the “Transparent Office”. The event participants discussed the list of property items subject to the state registration, maintenance of the electronic registry of property items, interaction of the territorial offices of the State Registration Service and the technical inventory bureaus (TIBs), and the registration of land parcels. The issue of rent payments for the land located under temporary architectural buildings caused a live discussion of the participants.

<p>Kharkiv AUC RO city of Kharkiv June 05, 2013</p>	<p>25 participants – city and town mayors, heads of executive committees of city and town councils</p>	<p>Problem issues related to the disposal and recycling of solid waste</p>	<p>The expert workshop moderator familiarised the participants with the current regulatory and legal foundations regulating the activities of local governments in the housing and utilities sector. The event participants discussed the implementation of the requirements of the legislation on solid waste; preparation and approval of mechanisms for sanitary cleaning of populated areas; approvals of local and regional programs of solid waste management; resolving issues related to placing solid waste management facilities on their territories, etc. In the course of the discussions, the event participants stated that the per capita volume of solid waste has been growing, as well as its absolute amount; the composition of solid waste became complicated and includes more environmentally hazardous component; the solid waste management economy is becoming more complicated and the prices for solid waste disposal are rising. Therefore, it is necessary to involve private companies and big investments to the solid waste management sector.</p>
<p>Rivne AUC RO city of Rivne June 06, 2013</p>	<p>25 participants – city and town mayors, secretaries of local councils, representatives of non-governmental organisations</p>	<p>Local government activities in the context of the requirements of the current legislation on preventing and fighting corruption</p>	<p>The expert workshop moderator familiarised the participants with the Program of Economic Reforms of the President of Ukraine and the National Anti-Corruption Strategy for 2011-2015, Law of Ukraine “On the Framework for Preventing and Fighting Corruption”. The event participants discussed the Concept for the Local Government Reform and Reform of the Territorial Arrangements of Government Institutions in Ukraine. They expressed the following proposals: approve the omnibus Laws of Ukraine “On Local Self-Governance in Ukraine”, “On Territorial Communities”, and “On Communal Property”; make amendments to the Budget and Tax Codes of Ukraine in the part dealing with budget centralisation, and envision in the National Budget the mandatory 100% financial support for the implementation of the authority delegated to local governments by the state.</p>

<p>Kherson AUC RO city of Kherson June 18, 2013</p>	<p>20 participants – secretaries of local councils, city clerks of executive committees, heads of archive departments</p>	<p>Organisation of local government actions to respond to inquiries of social and legal nature</p>	<p>The expert workshop moderator familiarised the participants with a number of amendments to the current legislation and regulatory documents, which came into force during 2012 and during the first half of 2013. (These include the Laws of Ukraine “On Amendments to the Law of Ukraine “On Information” and “On Access to Public Information”; Rules for Activities of Archive Institutions of Ukraine, etc.; and, Model Regulations on the Archive Department of the State Executive Authority, Local Government, State-Owned and Communally-Owned Company, Institution and Organisation). The expert workshop participants discussed the key issues related to actions taken to respond to social and legal inquiries in the context of amendments to the current legislation and exchanged their experience. The expert workshop participants prepared their proposals to the Law of Ukraine “On National Archive Fund and Archive Institutions”.</p>
<p>Cherkasy AUC RO city of Cherkasy June 19, 2013</p>	<p>22 participants – deputy city mayors, leading specialists of local councils, heads and secretaries of citizen self-defence committees</p>	<p>Methods of increasing the motivation for more effective performance of local governments</p>	<p>The expert workshop moderator familiarised the participants with methods to increase the motivation, namely: system of thinking; using the tone of voice; and listening skills. In the course of the expert workshop, the moderator conducted a hands-on training to help the participants learned the principles of learning personal and professional skills; discover their own self-motivation mechanisms; and became familiar with the ways to build an effective and motivated local government team. the event participants became interested in learning skills in effective communication with citizens. Residents of territorial communities, and correct identification of goals. Using the experience of the Center for Administrative Services of the city of Cherkasy as an example, the expert workshop participants learned the necessity of proper setting of tasks and setting goals for effective performance of local governments. The participants expressed their willingness to make amendments to the Law of Ukraine “On Rules of</p>

			Ethical Conduct”.
Odesa AUC RO city of Odesa June 20, 2013	20 participants – city clerks of local councils, heads of organisational and general departments of local councils	Organisation of document turnover in city and village councils. Hands-on experience.	The expert workshop moderator familiarised the participants with the regulatory and legal framework for the organisation of document turn-over and control over actions taken on documents in government institutions. She provided the participants with the details of preparing documents in compliance with the requirements of Resolution of the Cabinet of Ministers of Ukraine # 1242 of November 30, 2011 “On Approving the Model Instruction on Document Turnover in Central Executive Agencies, Council of Ministers of the ARC, Local Authorities”. In the course of the discussions, the participants learned the experience of representatives of the Yuzhne City Council. The event participants were particularly interested in the organisation of electronic document turn-over with the use of the computer software and enforcing discipline in government offices (regulatory framework).
Zakarpatya AUC RO village of Shayan, Khust rayon June 20, 2013	20 participants – city and town mayors, secretaries of local councils	Mobilisation of internal resources of communities and interaction with citizens on issues related to the development of cities and towns	The expert workshop moderator familiarised the participants with the following issues: theoretical and legal foundations for the participation of citizens in local self-governance; forms of involving citizens to resolve issues of city and town development. The event participants engaged in a live discussion of methods for local governments to inform citizens, dialogue with citizens, and making joint decisions, as well as shared their experience.
Luhansk AUC RO city of Luhansk June 26, 2013	24 participants – city mayors, heads of city and town departments of land relations	Problem issues of regulating land relations at the municipal level	The expert workshop moderator familiarised the participants with innovations in the Land Code introduced as of January 01, 2013, namely: registering land plots in the State Land Cadastre and registration of real property rights in the State Land Cadastre and their limitations. The moderator discussed with the participants the following issues: mechanism for registering land plots; selling communally-owned non-agricultural land plots to citizens and legal persons and selling land plots or rights to them on competitive basis; zoning plans for land plots. In the course of the discussions, the participants focused their attention to

			the unsatisfactory performance of registrars: legal mistakes and delays in preparing registration documents.
Kyiv AUC RO city of Kyiv June 27, 2013	20 participants – city and town mayors, specialists of local councils	Active community and effective governance	The expert workshop moderator pointed the main attention of the participants to the role of the community and its active participation in the development of effective governance. The event participants focused on the importance of involving territorial community members to city activities. In particular, A. Fedoruk, Mayor of Bucha, mentioned that if citizens actively engage in activities they are capable of resolving many issues and take responsibility for resolving their problem issues. He was supported by V. Udovychenko, Mayor of Slavutych. The event participant further developed the topic and touched upon the issue of European training programs and initiatives to support youth mobility in the European environment and training proper skills. The moderator also presented the findings of sociological surveys on these issues.

**Activity 2.4.2. Legal protection services**

In the reporting period, the attorney services were provided to 8 local government institutions and officials. The attorney services were provided in the following key areas:

- protection of rights of local governments and their officials including in courts and/or with on-site visits of attorneys (Oleksandrivsk City Mayor, Luhansk oblast, Kalynivka Town Council, Luhansk oblast, former Zhmerynka City Mayor, Artsyz City Mayor, Odesa oblast, Trostyanets City Mayor, Sumy oblast, Velyka Dymarka Town Mayor and Boryspil City Mayor, Kyiv oblast);
- legal assistance to local governments and their officials (Konotop City Mayor, Sumy oblast, Artsyz City Mayor, Odesa oblast, and Trostyanets City Mayor, Sumy oblast).

***Monitoring of cases of harassment of local governments and their officials***

In the reporting period, the Project identified 22 such cases with regard to:

- city mayors – 7;
- village and town mayors – 12; and,
- local council members and local government officials – 4.

The hottest conflicts are:

- pre-term termination by the city council of the authority of Yu. Mykhailo, Artsyz City Mayor, in the Odesa oblast in pursuance of Part 2 of Article 79 of the Law of Ukraine “On Local Self-Governance in Ukraine”;
- pre-term termination of the authority of the Cherkasy City Mayor;
- pre-term termination of the authority of the Konotop City Mayor (Sumy oblast);

- pre-term termination of the authority of the Saky City Mayor (ARC);
- pre-term termination of the authority of the Kodyma City Mayor (Odesa oblast);
- pre-term termination of the authority of Kamianka City Mayor (Cherkasy City Mayor);
- pre-term termination of the authority of Marhanets City Mayor (Dnipropetrovsk oblast);
- detention by law enforcement agencies of the Mykolaiv City Mayor (Lviv oblast); and,
- detention by law enforcement agencies of the Rodynske City Mayor (Donetsk oblast).

### ***Monitoring pre-term elections of local council members, village, town and city mayors***

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

### ***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 interests of territorial communities.

Over the period of June 17 to 21, the Project conducted the 6<sup>th</sup> 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;
- internship at the Secretariat of the Verkhovna Rada of Ukraine Committee on State Building and Local Self-Governance, Kyiv City State Administration as an executive agency of the Kyiv City Council (Legal Department), and the Executive Board of the Association of Ukrainian Cities;
- self-training and preparation of individual assignments; and,
- verification of the learned knowledge and skills in the form of the preparation of the report on the fulfillment of individual assignments and exams.

The DIALOGUE Project organised a meeting for the School students with National Deputies of Ukraine, responsible officials of the Staff of the Verkhovna Rada of Ukraine, and leading scientists who work in the sector of the constitutional and municipal legislation.

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

## **2.5. Component 5: Special Emphasis on Crimea**

On June 26-27, 2013, the Project conducted one study tour for local government officials from the Autonomous Republic of Crimea to other Ukrainian cities. Ten 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.

<p>Topic: Learning best practices of city councils in organising specialised beaches for people with special needs, putting together an electronic map showing facilities, urban maintenance object and underground engineering</p>	<p>The topic of the training was selected based on the findings of the survey of Crimean city councils conducted by eh Crimean AUC RO.</p> <p>According to the opinion of the members of the Crimean delegation, the experience of the Odesa City Council in organising the activities of specialised beaches for the</p>
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communications of the city	disabled and putting together an electronic map of the city is very useful and should be implemented in cities.
Date: June 26-27, 2013	Putting together an electronic map of the city will allow to systematise scheduled repairs of urban maintenance objects, communications and road surfaces in the city, keep the inventory of urban maintenance objects, green plantations, monitor the condition of territories adjacent to buildings, introduce photo registry of urban maintenance objects from various angles to study their condition, introduce a system to keep the inventory numbers for small architectural buildings specifying their exact location, perform dispatching services for ambulance vehicles and fire engines to select the shortest route to the patient or the place of the fire, etc. This systematised map will also make it possible for citizens to quickly inform the city government about garbage of breaks of urban maintenance objects for the proper action by utility companies of the city. One should also mention that this map was 100% designed in Ukraine and the information is fed to it by departments and entities of the city council without involving additional resources.
City: city of Odesa	
Participants: heads of city and town departments of housing and utilities, labour and social policy from the cities of Alupka, Alushta, Bakhchysarai, Yevpatoria, Saky, Simferopol, Sudak, and Yalta.	As far as the specialised beaches for people with special needs are concerned, the Crimean delegation paid a particular attention to the experience of the city of Odesa in organising not only ramps to provide access to water to the disabled, but also the allocation and coordination of transportation vehicles to transfer the disabled to recreation places, putting up special booths, shower rooms, equipping recreation places for people with special needs, and purchases of special carts to enable them go to the sea. This experience is extremely useful, because Crimean cities are located on the sea shore.

**Chapter 3. IMPLEMENTATION PROBLEMS AND WAYS TO RESOLVE THEM**

From the point of view of the DIALOGUE Project, the situation with establishing Local Government regional Advisory Boards in the Autonomous Republic of Crimea and 4 oblasts in Ukraine: Chernivtsi, Sumy, Cherkasy, And Mykolaiv remains difficult. The Project has not managed yet to establish effective communication with the oblast authorities and set up Local Government Regional Advisory Boards in these oblasts. In September, following the working sessions of AUC ROs, the Project is planning to send appeals from city mayors to the leadership of the corresponding oblasts with the initiative to establish Local government Regional Advisory Boards.

## Chapter 4. SUCCESS STORIES

### **DIALOGUE PROJECT CAME UP WITH AN INITIATIVE TO ESTABLISH AND NATIONAL DEPUTY LOBBY ON LOCAL GOVERNMENT ISSUES**

On April 18, 2013, the Verkhovna Rada of Ukraine officially registered the Inter-Faction Local Government Support Group of National Deputies whose membership includes 32 National Deputies of Ukraine. Over the time of its activities, the group conducted 5 working meetings where the National Deputies discussed 23 draft laws prepared by the DIALOGUE Project experts (including 6 draft laws already registered and one law approved by the parliament) and aimed at resolving the key local government problem issues.

### **DIALOGUE INFLUENCES THE MAIN DIRECTIONS OF THE BUDGET POLICY FOR 2014**

The draft VRU Resolution “On the Main Direction of the Budget Policy for 2014” (Registration # 2769 of April 10, 2013) only partially reflected the proposals of local government representatives, which were presented in the letter of the National Congress of Local Self-Governance of Ukraine. DIALOGUE Project experts addressed National Deputies of Ukraine and VRU committees with the proposal to have a better reflection of local government interests in the draft Main Directions of the Budgetary Policy. The DIALOGUE Project managed to have the VRU Committee for State Building and Local Self-Governance approve the decision on the draft Resolution prepared by the Cabinet of Ministers with a proposal for the Budget Committee to take into account all proposals of local government representatives, which were sent to the CMU. Based on this decision, the Chairman of the Budget Committee registered a draft VRU Resolution “On the Main Directions of the Budgetary Policy for 2014” (Registration # 2769-д of May 28, 2013, National Deputy Ye. Heller) with supplemented provisions aimed at resolving local governments issues, namely increasing the effectiveness of the tourist fee, improving mechanisms for local borrowings, repayment of local government debts associated with the difference in tariffs, and state support through the National Regional Development Foundation.

### **BUDGET COMMITTEE TAKES INTO CONSIDERATION THE DIALOGUE PROJECT PROPOSAL**

The draft Resolution on the Report on the Implementation of the Law of Ukraine “On the National Budget of Ukraine for 2012” (Registration # 2688 of April 02, 2013, CMU) submitted to the parliament did not reflect the problems and negative tendencies with the budget support for local governments, first of all the issues related to the unsatisfactory situation with the financial support for the implementation of the authority delegated to local governments by the state, issues with the treasury administration of local budgets and related increases of debts. The DIALOGUE Project addressed the members of the Budget Committee with this regard and the parliament registered the alternative resolution in the Report on the Implementation of the Law of Ukraine “On the National Budget of Ukraine for 2012” (Registration # 2688-д of May 28, 2013, National Deputy Ye. Heller) reflecting the issues of local governments in 2012.

### **THE BAN ON ALLOCATION OF LAND PLOTS POSTPONED**

On June 21, the Verkhovna Rada approved the Law “On Amendments to the Closing Provisions of the Law “On Regulation of Urban Development Activities” (concerning the postponement of the ban for the allocation of land plots) (#2363-1). The draft Law was prepared by the DIALOGUE Project experts. It was widely supported by working sessions of AUC Professional Groups and was submitted to the parliament through the National Deputies who used to work as city mayors.

The Law postpones till January 01, 2015, the introduction of the ban on the transfer (allocation) of state-owned or communally-owned land plots to the ownership or use by physical or legal

persons for urban development purposes in case cities have not prepared their zoning plans or detailed territorial outline maps of the populated area.

January 01, 2013 marked the enactment of the provisions of the Law of Ukraine “On Regulation of Urban Development Activities” prohibiting the allocation of land plots or changing their designation without the urban development document package (such as the zoning plan and detailed territorial outline maps of the populated area). However, most of cities (both big and small) do not have such documents, because local governments continue not to have the necessary funds for their preparation. The prohibition on the allocation of land plots has, in fact, stalled the administration of land plots in territorial communities by cities, thus blocking the development of cities.

The approval of the Law will enable local governments to administer their land plots and involve funds to local budgets, as well as accomplish the works they already started to prepare urban development documents. In addition to this, the Law says that the Cabinet of Ministers while preparing the National Budget for 2014 has to envision funds for the preparation of urban development documents, which was not the case in previous years.

#### **MECHANISM FOR THE STATE REGISTRATION OF PROPERTY RIGHTS TO STATE-OWNED AND COMMUNALLY-OWNED LAND PARCELS IN VIEW OF THEIR DELINEATION IMPROVED**

As of January 01 this year, the boundaries between state-owned and communally-owned land plots were delineated and a new mechanism for the state registration of property rights to land parcels was introduced. Such moves lead to increased number and longer time of actions necessary to take to fully administer communally-owned land parcels, as well as to the necessity to make payments from local budgets. National Deputies in the Verkhovna Rada of Ukraine registered three alternative draft laws, which suggested two different approaches to resolving this issue. The draft laws were discussed at the working sessions of the AUC Land Relations Professional Group and the Local Government Lawyers Professional Group. The draft law supported by the meetings of the Professional Groups was endorsed by the ad-hoc committee and approved by the Verkhovna Rada of Ukraine. The law exempts local governments from all payments associated with the state registration of property rights to communally-owned land parcels, as well as envisions the registration of both the communal ownership right and the rights derivative from it within one day. These innovations will allow to reduce the time necessary for resolving land issues by local governments at least by one month and will make some mechanisms simpler.

#### **KONOTOP CITY MAYOR RESTORED ON HIS POSITION**

Upon the decision of the Konotop City and Rayon Court of the Sumy Oblast of June 17, 2013, Vasyl I. Dzeda, Mayor of Konotop, who received the legal assistance from the DIALOGUE Project, was restored on his position.

#### **ARTSYZ CITY MAYOR RELEASED FROM CUSTODY ON MONEY GUARANTEE**

Upon the decision of the Pechersk Rayon Court of the city of Kyiv, the Artsyz City Mayor who was detained by law-enforcement agencies received an alternative preventive punishment (detentions on the money guarantee). DIALOGUE Project experts provided the assistance to the city mayor in preparation of the corresponding documents.

#### **GROUNDING JUSTIFICATIONS TO LIMIT THE LIST OF REASONS FOR PRE-TERM TERMINATION OF AUTHORITY OF CITY MAYORS AND LOCAL COUNCIL MEMBERS IN CASE THEY FACE CORRUPTION CHARGES**

The Law of Ukraine “On the Framework for Preventing and Fighting Corruption” envisions two groups of administrative offences with regard to the severity of accountability: the first group

includes violations of limitations and the second one includes violations of other requirements. Violations under the first group entail fines and dismissal from the position, whereas the second group entails fines only. However, the division of administrative offences mentioned above did not apply to city mayors and local council members. For the types of officials mentioned above, any violation of the abovementioned Law entailed the automatic termination of their authority. This provided opportunities for removing the officials mentioned above from their positions for minor violations from the legal standpoint, which could have been used for political harassment of such officials. The AUC pointed the attention of state executive authorities to the necessity of removing extra sanctions from city mayors and local council members during the Dialogue Day on September 27, 2012, as well as provided the Ministry of Justice the corresponding proposals. Following such activities of the AUC, the Verkhovna Rada of Ukraine approved Law of Ukraine # 224-VII of May 14, 2013 “On Amendments to Certain Ukrainian Legislation Concerning the Implementation of the National Anti-Corruption Policy” The Law resolved this problem.

#### **VINNYTSYA OBLAST. LOCAL GOVERNMENT REGIONAL ADVISORY BOARD ESTABLISHES COOPERATION WITH THE PARLIAMENT**

During the working session of the Local Government Regional Advisory Board on May 17, 2013, the participants expressed the proposal to establish cooperation with the members of the Vinnychyna [*Vinnytsya region*] group of National Deputies with the purpose of promoting the interests of communities in the oblast in the parliament. This proposal was supported by all members of the Local Government Regional Advisory Board and by I. Movchan, Head of the Oblast State Administration, who had a meeting with O. Dombrovskiyi, representative of the group, and reached an agreement to conduct a joint meeting of the members of the National Deputy group and the Local Government Regional Advisory Board in August of 2013.

#### **VINNYTSYA OBLAST. DIALOGUE PROJECT HELPS TO ALLOCATE FUNDS FOR CITIES TO RESOLVE KEY PROBLEM ISSUES IN THE HOUSING AND UTILITIES SECTOR**

In pursuance of the protocol resolution of the Local Government Regional Advisory Board of March 15, 2012, the oblast budget allocated in 2013 funds to city councils in the Vinnytsya oblast to help them resolve problem issues in the housing and utilities sector, namely: 4.7 million UAH for the Ladyzhyn City Council to resolve environmental issues and to repair road surfaces, 1.5 million UAH for the Kalynivka City Council to restore road surfaces, and 780 thousand UAH for the Tulchyn City Council to purchase a garbage truck.

#### **KIROVOHRAD OBLAST. DIALOGUE PROJECT FACILITATES RESOLUTION OF PROBLEM ISSUES OF RECYCLING SOLID WASTE**

In pursuance of the resolution of the Local Government Regional Advisory Board of March 20, 2013, “On Urban Beautification of Territories of the Kirovohrad Oblast”, the Chairman of the Oblast Council conducted a number of negotiations with representatives of construction companies of the Peoples’ Republic of China and Republic of Austria in May – June 2013 concerning the construction of solid waste recycling facility and plants on the territory of the oblast. The first plant is expected to be constructed on the territory of the Kirovohrad rayon. Each of the construction companies has come up with a suggestion to construct their solid waste processing plants with their own funds and transfer them to the ownership of communities in 5-10 years of their exploitation.

#### **LUHANSK OBLAST. DIALOGUE PROJECT PROMOTES ENERGY INDEPENDENCE OF THE OBLAST**

In pursuance of the resolution of the Local Government Advisory Board of December 26, 2012, the oblast authorities prepared programs to reform heating facilities and at the beginning of 2013 implemented a number of actions to reduce the consumption of the natural gas: they constructed 5 coal boilers and 20 modern gas boilers, performed the reconstruction and modernisation of 24

boilers, and replaced and repaired 38 km of heat distribution networks. The implementation of the actions mentioned above allowed to reduce the consumption of the natural gas by 22 million cubic meters.

**LVIV OBLAST. DIALOGUE PROJECT HELPS RESOLVE ROAD CONSTRUCTION, RECONSTRUCTION AND REPAIR ISSUES**

In pursuance of the protocol resolution of the Local Government Regional Advisory Board of December 27, 2012, the oblast authorities prepared and approved an oblast level program to provide a cost-share financial support for the construction, reconstruction, repairs, and maintenance of automobile roads for 2013. The National Budget and the oblast budget have earmarked 64 million 203 thousand UAH for its implementation. Since the beginning of the year, rayons and cities in the oblast received the total amount of 19.9 million UAH for the construction, repairs and maintenance of general purpose roads.

**ODESA OBLAST. DIALOGUE PROJECT PROMOTES UNIFIED TERRITORIAL PLANNING SYSTEM IN THE OBLAST**

In pursuance of the resolution of the Local Government Regional Advisory Board of September 20, 2011 “On Organisational and Legal Support for the Implementation of the Law of Ukraine “On Regulation of Urban Development Activities”, the oblast authorities in 2012 prepared the System of Planning of Territories of the Odesa Oblast and the Planning Arrangement Spa and Recreational Territories of the Odesa Oblast. Following the numerous discussions of the documents mentioned above, representatives of local governments and state executive agencies finalised these documents and approved them at the session of the Odesa Oblast Council on April 24, 2013.

**ODESA OBLAST. DIALOGUE PROJECT HELPS ALLOCATE FUNDS TO REPAIR CITY INFRASTRUCTURE**

In pursuance of Protocol Resolution of the Local Government Regional Advisory Board # 2 of September 20, 2011, and due to the coordinated expenditures on the capital construction in 2013 the oblast authorities allocated almost 2 million UAH for repairs of roads in the city of Bolhrad. The capital repairs of roads were conducted on the central streets in Bolhrad: Lenin Avenue and Inzovska Street, and on the Arsen Khrystov and Tereschenko Streets. In addition to road repair works, the authorities perform the works to improve the waster distribution system in the city.

**RIVNE OBLAST. DIALOGUE PROJECT HELPS RIVNE TO OBTAIN URBAN DEVELOPMENT DOCUMENTS**

In pursuance of the resolution of the Local Government Regional Advisory Board of July 20, 2012, the oblast budget earmarked for the city of Rivne 150 thousand UAH to make amendments to the city master plan, 250 thousand UAH to prepare the plan for historical and architectural development of the city, and 260 thousand UAH for the preparation of electronic urban development cadastre.

**RIVNE OBLAST. DIALOGUE PROJECT PROMOTES RENOVATION OF ROADS IN THE OBLAST**

In pursuance of the resolution of the Local Government Regional Advisory Board of January 27, 2011 “On Road Repairs in Populated Areas in the Rivne Oblast” the oblast authorities continued to lay white rubble roads in the Volodymyrets rayon in 2013. The repairs works are also underway in more than 20 populated areas. To make this happen, the oblast budget allocated 230 thousand UAH since the beginning of the year. The oblast authorities continued to lay new roads in the Berezne and Hoscha rayons. The oblast budget has allocated the total of 300 thousand UAH.

**VOLYN OBLAST. DIALOGUE PROJECT HELPS COMMUNITIES TO RECEIVE FUNDS FOR CAPITAL REPAIRS OF FACILITIES IN THE SOCIAL AND CULTURAL SECTOR**

In pursuance of Resolution of the Local Government Regional Advisory Board # 2/4 “On the Status of the Modernisation of Dilapidated Buildings in the Oblast” of April 25, 2013, the Volyn oblast received almost 7 million UAH to settle accounts for the capital repairs of communally-owned streets and roads and social sector facilities. These funds will be spent on the renovation of the roof of the cinema house in the city of Berestechko, taking down the 20-apartment building in the city of Kivertsi, capital repairs of the house of I. Stravinskyi in the city of Ustyluh, as well as on the works to build a comprehensive school in Lutsk.

**KHMELNYTSKYI OBLAST. DIALOGUE PROJECT HELPS INCREASE THE LEVEL OF ENERGY EFFICIENCY**

In pursuance of the Protocol Resolutions of the Local Government Regional Advisory Board in 2012, the oblast is successfully implementing activities to increase the level of energy efficiency. In particular, the authorities are going to introduce electricity heating as an alternative to the gas one. Electricity heating has already been introduced in a number of educational establishments in the oblast. These include the «Електропiк» system introduced in the Polissya, Bilohorodka, Khrystivka, and Lischany Grade I-III Comprehensive Schools. The Novosilka Grade I-III Comprehensive School and Pluzhne District Hospital have been switched over to the heat accumulation system. The heat supply system in the Pluzhne Manufacturing and Training Facility and the Kuniv Grade I-III Comprehensive School were reconstructed with the introduction of innovative types of electricity heating. These activities enabled to decrease the energy expenditures three times as compared with the use of the natural gas for the same purposes.

**KHERSON OBLAST. DIALOGUE PROJECT HELPS EARMARK FUNDS FOR ROAD REPAIRS**

In pursuance of the resolution of the Local Government Regional Advisory Board of December 19, 2012, concerning the necessity to repair roads and streets in the populated areas in the oblast, the National Budget of Ukraine starting with the beginning of the year earmarked funds to repair roads and streets in the populated areas in the Bilozerka rayon in the amount of 485.4 thousand UAH. Local governments in the area have already compiled a list of projects for the construction, reconstruction, repairs, and maintenance of communally-owned streets and roads. All in all, by the end of the current year, local governments are expected to receive subventions in the amount of more than 1.5 million UAH for scheduled and capital repairs of streets and roads in 22 populated areas in the rayon.

**KHERSON OBLAST. DIALOGUE PROJECT HELPS PROVIDE NEW BUSES FOR SCHOOLCHILDREN**

In pursuance of the resolution of the Local Government Regional Advisory Board of December 19, 2013 concerning the necessity of partial replacement and upgrading the fleet of buses providing transportation services to schoolchildren according the School Bud Program, the oblast authorities earmarked funds to purchase new buses. The Biloozerka, Hola Prystan, Hornostaivka, Novovorontsovka, and Chaplyne rayons received 3 buses each to transfer schoolchildren, the Beryslav, Velykooleksandrivka, Verkhniy Rohachyk, Vysokopillya, Novotroitske, and Tsyurupynsk rayons received 2 buses each, and the Henichesk and Ivanivskiy rayons received 1 bus each.

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

- Legislation Group**
- Legislation drafting;
  - Legislation monitoring;
  - 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**
- Consultations with ministries;
  - Support for the activities of the inter-faction parliamentary group (local government caucus);
  - Working meetings of Local Government Regional Advisory Boards;
  - Holding a meeting of donor organisations
- 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;
  - Monitoring of pressure on local government officials;
  - Preparation and dissemination of the Legal Consultations electronic publication;