



USAID
FROM THE AMERICAN PEOPLE

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

QUARTERLY REPORT

for the Development Initiative for
Advocating Local Governance in Ukraine
(DIALOGUE) Project

October – December, 2013

TABLE OF CONTENTS

RESUME	5
Chapter 1. KEY ACHIEVEMENTS IN THE REPORTING PERIOD	6
Chapter 2. PROJECT IMPLEMENTATION	9
2.1. Component 1: Legal Framework	9
Activity 2.1.1. Legislation drafting based on local governments legislative needs	9
<i>Local government legislation need assessment</i>	9
<i>and work on local government technical profiles</i>	11
<i>Legislation monitoring</i>	11
Activity 2.1.2. Expert evaluation of conformity of draft legislation to the European Charter of Local Self-Governance	15
Activity 2.1.3. Introduction of institutional tools for local governments to participate in legislation drafting	15
<i>Round table discussions in AUC Regional Offices and meetings of AUC Professional Groups</i>	15
<i>Setting up a network of lawyers to participate in legislation drafting</i>	19
2.2. Component 2: Policy dialogue	20
Activity 2.2.1. Increasing the participation of the AUC member cities in the policy dialogue established by the Association at the national level	20
<i>Dialogue Day: answers to the questions raised</i>	20
<i>Cooperation with central government authorities</i>	20
<i>Parliamentary local government support inter-faction group (local government caucus)</i>	24
<i>Participation in the work of parliamentary committees</i>	26
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	31
<i>Working sessions of Local Government Regional Advisory Boards</i>	31
Activity 2.2.3. Establishing formal and regular coordination mechanisms with other USAID supported activities and other donor organizations	35
<i>Forum of Donor Organisations working in the local government sector</i>	35
<i>Cooperation with other USAID projects and projects supported by other donor organisations</i>	35
2.3. Component 3: Fostering Public Support for Reform	36
Activity 2.3.1. Implementation of the integrated Communication and Branding Strategy of the AUC	36
Activity 2.3.2. Integration of communications into day-to-day operations of the AUC	36
Activity 2.3.3. Production and dissemination of tools for message delivery	36
<i>DIALOGUE Project AUC web-site</i>	36
<i>Electronic and printed media</i>	36
<i>Radio coverage</i>	38
<i>TV coverage</i>	39
<i>«ЗМІСТОВА Україна» TV program series</i>	40
Activity 2.3.4. Fostering media relations	42

<i>Setting up a team of AUC speakers</i>	42
<i>Implementation of mechanisms for regular communication between local governments and media</i>	43
2.4. Component 4: Legal Assistance and Protection	47
Activity 2.4.1. Expanding legal consultation services for navigating various laws and regulations	47
<i>Expert workshops in AUC ROs</i>	47
Activity 2.4.2. Legal protection services	53
<i>Monitoring of cases of harassment of local governments and their officials</i>	53
<i>Local Government Lawyer School</i>	53
2.5. Component: Special Emphasis on Crimea	53
Chapter 3. IMPLEMENTATION PROBLEMS AND WAYS TO RESOLVE THEM	54
Chapter 4. SUCCESS STORIES	55
Chapter 5. ESTIMATED SCHEDULE FOR THE NEXT QUARTER	60

LIST OF ABBREVIATIONS

ARC – Autonomous Republic of Crimea
AUC – Association of Ukrainian Cities
AUC RO – Regional Office of the Association of Ukrainian Cities
CASE – Central Agencies of the State Executive
CGA – Central Government Agency
CJSC – Closed Joint-Stock Company
CMU – Cabinet of Ministers of Ukraine
EU – European Union
HCC – Housing Construction Cooperative
HUS – Housing and Utilities Sector
IBSER – Institute of Budget and Socio-Economic Research
IFG – Inter-Faction Group
LG – Local Government
LGRAB – Local Government Regional Advisory Board
Ltd. – limited
MFSI – II – Municipal Finance Strengthening Initiative Project - II
MOH – Ministry of Health Care
NA – News Agency
NCER – National Commission for Energy Regulation
NEFCO – Nordic Environment Financial Corporation
NJSC – National Joint-Stock Company
NPS – Nuclear Power Station
OSA – Oblast State Administration
PJSC – Private Joint-Stock Company
SOC – State-Owned Company
STU – State Treasury of Ukraine
STVRC – State TV and Radio Company
TVRC – TV and Radio Company
UNDP – United Nations Development Programme
USA – united States of America
USAID – U.S. Agency for International Development
UWLGA – Ukraine-Wide Local Government Association
UWNGO – Ukraine-Wide Non-Governmental Organisation
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 October – December of 2013 yielded the following outcomes:

- DIALOGUE Project experts prepared **one** draft law, performed the monitoring of **62** draft legislation and **400** ordinances and regulatory documents;
- The Project conducted working sessions of **seven** AUC Professional Groups and updated **nine** local government technical area profiles;
- The Cabinet of Ministers took into account the AUC position with regard to **two** legislative and regulatory documents;
- DIALOGUE Project experts took part in **18** working sessions of **five** parliamentary committees. This enabled the AUC to defend its position with regard to draft laws initiated by National Deputies;
- Members of the Inter-Faction Local Government Support Group of National Deputies submitted **two** more draft laws to the Verkhovna Rada of Ukraine for consideration;
- The Project conducted **nine** working sessions of Local Government regional Advisory boards in **eight** oblasts of Ukraine;
- 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 **eight** TV programs;
- The Project conducted **23** expert workshops in AUC ROs;
- The Project provided **127** consultations to local governments and officials; and,
- The Project published **two** issues of the AUC Herald and **three** issues of Legislation News professional legal publication, and **one** issue of the Legal Consultations and the Sectoral Monitoring.

Chapter 1. KEY ACHIEVEMENTS IN THE REPORTING PERIOD

October 03-04, working session of the AUC Health Care Professional Group, city of Vinnytsya

October 04, the Project conducted a working session of the Khmelnytskyi Oblast Local Government Regional Advisory Board and regional press-club, city of Sataniv

October 11, expert workshop in the Kirovohrad AUC RO, city of Kirovohrad

October 16, expert workshop in the Dnipropetrovsk AUC RO, city of Kryvyi Rih

October 17, the Project conducted a working session of the Rivne Oblast Local Government Regional Advisory Board and the regional press-club, city of Kospotil

October 17-18, the Project conducted a working session of the AUC Public Education Professional Group, city of Ivano-Frankivsk

October 22, expert workshop in the Khmelnytskyi AUC RO, city of Khmelnytskyi

October 22, expert workshop in the Zaporizzhya AUC RO, city of Enerhodar

October 24, the Project conducted a working session of the Poltava Oblast Local Government Regional Advisory Board and the regional press-club, city of Poltava

October 29, the Project conducted a working session of the Rivne Oblast Local Government Regional Advisory Board, city of Rivne

October 29, expert workshop in the Lviv AUC RO, city of Lviv

October 31 - November 01, working session of the Association of Ukrainian City Finance Offices, city of Zhytomyr

Late October, the Project published the “AUC Herald” (Issue # 101)

Late October, the Project published and disseminated the thirty-fourth issue of the “Legislation News”

Late October, the Project published and disseminated the thirty-seventh issue of the “DIALOGUE Newsletter”

November 04-05, working session of the AUC Housing and Utilities Professional Group, city of Kyiv

November 06, the Project conducted an expert workshop in the Ivano-Frankivsk AUC RO, city of Ivano-Frankivsk

November 07, the Project conducted an expert workshop in the Vinnytsya AUC RO, city of Vinnytsya

November 07-08, working session of the AUC Culture and Arts Professional Group, city of Ternopil

November 13, the Project conducted an expert workshop in the Zakarpattya AUC RO, city of Uzhgorod

November 15, the Project conducted a working session of the Zakarpattya Oblast Local Government Regional Advisory Board, city of Uzhgorod

November 20, the Project conducted an expert workshop in the Kherson AUC RO, city of Kherson

November 21, the Project conducted an expert workshop in the Kharkiv AUC RO, city of Chuhuiv

November 21, the Project conducted an expert workshop in the Crimean AUC RO, city of Simferopol

November 21-22, working session of the AUC Union of Local Council Secretaries, city of Vinnytsya

November 22, the Project conducted an expert workshop in the Volyn AUC RO, city of Lutsk

November 25, the Project conducted a working session of the Lviv Oblast Local Government Regional Advisory Board and the regional press-club, city of Lviv

November 28, the Project conducted an expert workshop in the Sumy AUC RO, city of Sumy

November 28-29, study tour for local government officials from the Autonomous Republic of Crimea, city of Kryvyi Rih

November 29, the Project conducted an expert workshop in the Chernivtsi AUC RO, city of Chernivtsi

Late December, the Project published the “AUC Herald” (Issue # 102)

Late December, the Project published and disseminated the thirty-fifth issue of the “Legislation News”

Late October, the Project published and disseminated the thirty-eighth issue of the “DIALOGUE Newsletter”

December 02, the Project conducted an expert workshop in the Donetsk AUC RO, city of Donetsk

December 04, the Project conducted a working session of the Zaporizzhya Oblast Local Government Regional Advisory Board and the regional press-club, city of Zaporizzhya

December 11, the Project conducted an expert workshop in the Mykolaiv AUC RO, city of Mykolaiv

December 11, the Project conducted an expert workshop in the Poltava AUC RO, city of Poltava

December 12, the Project conducted an expert workshop in the Ternopil AUC RO, city of Ternopil

December 12, the Project conducted an expert workshop in the Luhansk AUC RO, city of Luhansk

December 16-17, working session of the AUC Local Government Lawyers Professional Group, city of Mykolaiv

December 17, the Project conducted a working session of the Odesa Oblast Local Government Regional Advisory Board, city of Odesa

December 18, the Project conducted an expert workshop in the Kyiv AUC RO, city of Kyiv

December 18, the Project conducted an expert workshop in the Cherkasy AUC RO, city of Cherkasy

December 20, the Project conducted an expert workshop in the Zhytomyr AUC RO, city of Zhytomyr

December 24, the Project conducted an expert workshop in the Odesa AUC RO, city of Odesa

25 December, the Project conducted a working session of the Luhansk Oblast Local Government Regional Advisory Board, city of Luhansk

Late December, the Project published the “AUC Herald” (Issue # 103)

Late December, the Project published and disseminated the thirty-sixth issue of the “Legislation News”

Late December, the Project published and disseminated the thirty-ninth issue of the “DIALOGUE Newsletter”

Late December, the Project published and disseminated the thirty-ninth issue of the “DIALOGUE Newsletter”

Late December, the Project prepared and disseminated the fourteenth 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 62 draft laws and other legal and regulatory documents, 17 laws and regulations were sent for AUC concurrence including 10 concurred without reservations, 2 with reservations, with 5 not concurred with. One piece of legislation was prepared. Two pieces of local government-enhancing legislation came into effect.

Since its inception, the Project worked on 559 draft laws and other legal and regulatory documents, and enabled the AUC to participate in the concurrence of 207 draft legislation and regulations (including 125 documents concurred without reservations, 52 concurred with reservations, 30 not concurred with, and 16 draft laws were prepared). 39 pieces of local government-enhancing legislation came into effect.

Local government legislation need assessment and work on local government technical profiles

In the course of the work on local government technical area profiles, the Project supplemented the Current Legislative Framework chapters with the titles and detailed information on 11 new regulatory and legal documents including six resolutions of the Cabinet of Ministers of Ukraine, as well as five instructions of technical ministries. None of the regulatory and legal document mentioned earlier in the technical profiles did not become invalid, nor was it excluded from the profiles.

Based on the findings of monitoring local government problem issues, the Project made amendments only to the Local Budgets and Financial Foundations of Local Self-Governance Technical Area Profile and added the following two problem issues to be resolved:

- in the context frequent and long delays by the State Treasury administration of local budgets (n non-earmarked budget line items) local governments faced the need to introduce amendments to the budget legislation, namely: the need to render local budget expenditures for keeping municipal infrastructure facilities in the proper sanitary and technical conditions with corresponding improvements to the category of earmarked budget line items;
- local governments faced the need to harmonise the current provisions of their ordinances on the tax on immovable property as opposed to the land parcel with the Tax Code of Ukraine with due regard to the amendments introduced by Law of Ukraine # 403-VII “On Introducing Amendments to the Tax Code of Ukraine and Other Ukrainian Legislation on Immovable Property Items” of July 04, 2013. However, in accordance with Sub-Paragraph 12.3.4. of Article 12 of the Tax Code, the corresponding ordinances of local councils will come into effect only on January 01, 2015. Taking into consideration what has been mentioned above, one should initiative supplementing Paragraph 18 of Sub-Paragraph 10 of Chapter XX “Transitional Provisions” of the Tax Code with Sub-Paragraph 5 with the following wording: “5) rule out that the ordinances approved by local governments for the purposes of harmonising their decisions on the tax on immovable property as opposed to the land parcel with the provisions of the Tax Code of Ukraine come into effect the moment they are made public”.

At the same time, two problem issues have been removed from the Technical Area Profiles, because they were completely resolved. For example, the following issue was removed from the Housing and Utilities Technical Area Profile:

- absence of the opportunity to perform the works to construct engineering networks with public budget funds on general purpose lands or state-owned or communally-owned lands without proper land title documents. Amendments to the Law of Ukraine “On Regulation of Urban Development Activities” (Law # 5496-VI of November 20, 2012) allows for the construction of new engineering and transportation networks as requested by state executive authorities or local governments on the corresponding state-owned or communally-owned lands without proper land title documents.

In addition to this, the Project provided for the partial resolution of the following problem issue:

- lack of proper legislative regulation for the transfer of communally-owned property (electricity and gas supply networks) to the corresponding privately-owned companies including the cases when the property is considered to be abandoned or company-owned residential housing stock is being transferred to the communal ownership (for example, the transfer of electricity supply networks to the books of oblast energy distribution companies)”. The NCER approved its Resolution # 227 of March 07, 2013 ‘On Approving the Model Agreement for the Use of the Components of the Common Gas Transportation System of Ukraine (between owners and gas transportation or gas distribution companies)”, however, the issue of payments for the use of such networks remains unresolved.

One problem issue was completely resolved and excluded from the Culture Technical Area Profile:

- absence of the mandatory contract type labour relationships with employees in cultural establishments. The problem issue was resolved through Instructions of the Ministry of Culture “On Approving the Regulations for Holding the Competition to Fill in the Vacancies for Cultural and Artistic Staff in Cultural Establishments” (# 851 of September 06, 2013) and “On Approving the Format of the Labour Agreement between the Employee and Manager of the Cultural Establishment” (# 888 of September 23, 2013).

The Project also managed to resolve one problem issue from the Social Protection Technical Area Profile:

- vesting local governments with the authority to perform social patronage activities for the persons who completed the deprivation of freedom or partial limitation of freedom punishment, as well as absence of the proper personnel and financial resources available for social protection departments to provide assistance to persons who were released from confinement. Law of Ukraine “On Introducing Amendments to Certain Ukrainian Legislation Concerning the Social Protection of Homeless Persons” # 563-VII of September 17, 2013 introduced amendments to the Law of Ukraine “On Local Self-Governance in Ukraine” in the part dealing with vesting executive committees of local governments with the delegated authority in the sphere of social services to homeless persons and exercising a number of activities in compliance with the law aimed at preventing homelessness. However, the corresponding amendments to the Budget Code have not been introduced.

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

Technical area profiles	As of the beginning of the reporting period	Added	Resolved	As of the end of the reporting period
Local budgets and	37	2	0	39

financial foundations of local self-governance				
Housing and utilities sector	60	0	1	59
Land relations	26	0	0	26
Organisational and legal foundations of local self-governance	33	0	0	33
Local elections	23	0	0	23
Social protection	39	0	0	39
Health care	29	0	0	29
Public education	25	0	0	25
Culture	26	0	1	25

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 62 draft pieces of legislation.

DIALOGUE Project experts were involved in the AUC concurrence procedure with regard to 17 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 – 12;
- Ministry of Finance of Ukraine – 1;
- Ministry of Revenues and Collections of Ukraine – 2;
- Ministry of Agrarian Policy and Food of Ukraine – 1; and,
- National Service of Ukraine for Emergency Situations – 1.

Ten of these pieces of legislation were concurred without reservations, two – with reservations, and five – 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. In the reporting period, the Project monitored approximately 400 draft regulatory and legal documents, which were in the agenda of working sessions of the Cabinet of Ministers of Ukraine. The expert opinion was presented to S. Tatusyak, representative of local government associations in the Cabinet of Ministers and Chairman of the Vinnytsya Oblast Council, to be presented as the official opinion of the Associations.

The Cabinet of Ministers took into consideration the following proposals of the DIALOGUE Project:

- on supporting draft Laws of Ukraine “On the Right of Territorial Communities for Consolidation” and “On the Cooperation of Territorial Communities”, whose preparation was made with the participation of DIALOGUE Project experts (the AUC concurred with the draft laws without reservations) – consequently, both draft documents were approved and submitted to the parliament for consideration;
- on supporting the draft Resolution of the Cabinet of Ministers of Ukraine “On Approving the Regulations for the Re-Calculation of the Fee for the housing, building and Adjacent Territory Maintenance Services in Case These Services Have Been Provided in an Interrupted Manner, Were not Provided or Under-Provided” – consequently, the Resolution was approved.

The following proposals from the DIALOGUE Project were not approved:

- on rejecting the draft Law of Ukraine “On Introducing Amendments to Article 103-1 of the Budget Code of Ukraine” prepared by the National Agency for Automobile Roads, whereby the proposals has been made to distribute the subvention to local budgets for the construction, reconstruction, repairs and maintenance of communally-owned streets and roads in populated areas only between the budgets of the Autonomous Republic of Crimea, oblast budgets, and budgets of the cities of Kyiv and Sevastopol. The implementation of the provisions of the draft Law will deprive local governments at the lowest level of the instrument to provide the financial support to communally-owned road infrastructure. The authors of the draft law did not send the document to the AUC for concurrence. The Association will take steps aimed at persuading the parliament to reject the draft law.
- on rejecting the draft Resolution of the Cabinet of Ministers of Ukraine “On Introducing Amendments to Paragraph 3 of the Regulations from Placing Temporarily Unused Funds of Local Budgets on Deposit Accounts in Banks”. The document envisions the prolongation for 2014 of the force of Sub-Paragraph 6 of Paragraph 3 of Resolution of the Cabinet of Ministers # 6 of January 12, 2011 defining the conditions for placing temporarily unused local budget funds on deposit accounts only in those banks whose statutory fund constitutes/exceeds 10 billion UAH, with the share of the state in the statutory fund constituting/exceeding 75%. The Cabinet of Ministers failed to conduct consultations with the AUC with regard to this draft Resolution and did not send the draft document to the AUC for concurrence.

Based on the AUC activities with the Local Government Support Inter-Faction Group of National Deputies (local government caucus), the National Deputies submitted the following draft laws to the parliament:

- draft Law of Ukraine “On Introducing Amendments to Article 286 of the Tax Code of Ukraine (concerning the payment of the land fee prior to the registration of the property rights to the land parcel) (prepared by the DIALOGUE Project and submitted to the parliament earlier under the title ”On Introducing Amendments to the Tax Code of Ukraine (concerning the streamlining of the administration of land fee payment)”) - # 3353 of October 03, 2013, by National Deputies V. Zadorozhnyi, K. Pavlov, A. Martovytskyi;
- draft Law of Ukraine “On Introducing Amendments to Article 79 of the Law of Ukraine “On Local Self-Governance in Ukraine” (concerning the pre-term termination of the authority of the village, town and city mayor) - # 3387 of October 09, 2013, National Deputies M. Fedoruk, I. Haidosh, V. Chub, S. Hordiyenko, and R. Romanuik; and,
- draft Law of Ukraine “On Introducing Amendments to Certain Ukrainian Legislation (concerning the implementation of the self-governance control over the use and protection of lands)” - # 3648 of November 20, 2013, National Deputies K. Huzenko, Ye. Kartashov, Yu. Lyubonenko, and V. Zadorozhnyi.

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

- on November 27, 2013, the President of Ukraine signed **Law of Ukraine # 661-VII “On Introducing Amendments to the Land Code of Ukraine Concerning Bringing down the Cost of Preparations and Holding of Land Sales”**. The Law came into force on December 05, 2013 and reduced the maximum possible level of award for the executor of land sales down to 3500 - 2000 non-taxed income. The document also removes the requirement to publish announcements about land sales in printed media with nation-wide, regional and local circulation. According to the experience of conducting land sales in 2013, the factors curbing the land sales include the unavailability of the necessary funds of central government authorities or local governments for conducting land sales (as such government entities are to exercise the right to state-owned or communally-owned lands), lengthy nature of land sales and high cost of the preparation and holding of land sales.
- on November 05, 2013, the Verkhovna Rada of Ukraine approved **Law of Ukraine # 665-VII “On Introducing Amendments to the Budget Code of Ukraine” concerning the funds received from the use (utilisation) of the state part of manufactured products in accordance with agreements on the distribution of products)**. The Law was signed by the President of Ukraine on November 26, 2013 and envisions channelling to the development part of local budgets 10% of funds and their distribution between local budgets of the administrative and territorial units where the corresponding part of mineral resources is located. The amendments are to come into force on January 01, 2014. Previously, such funds used to go to the general fund of the National Budget. The proposals of DIALOGUE Project experts with regard to the interests of territorial communities on whose territory the mineral resources are located were taken into account by the ad-hoc parliamentary Budget Committee in the course of the preparation of the draft document from the second reading.

Due to the well-coordinated cooperation between experts and the Verkhovna Rada committees and state executive authorities, and due to high quality of expert proposals and comments it was possible to attain positive intermediate results in the legislative work in the reporting period:

- In **Law # 658-VII “On Introducing Amendments to Article 22 of the Law of Ukraine “On the National Budget of Ukraine for 2013”** approved by the Verkhovna Rada of Ukraine on October 24, 2013 and signed by the President of Ukraine on November 20, 2013 reflects the significant proposals of DIALOGUE Project experts. The amendments provide the opportunity for the Cabinet of Ministers to write off debts of heating companies associated with the differences in tariffs for heating and centralised water supply and sewerage services provided to citizens with treasury bills. Thanks to the firm position of the experts, communally-owned received legal guarantees for the NaftoHaz Ukrainy National Joint-Stock Company to accept such securities as the payment for the energy consumed by communally-owned companies.
- on October 09, 2013, the Verkhovna Rada of Ukraine Committee on State Building and Local Self-Governance in its expert opinion made a recommendation for the parliament to approve the **draft Law of Ukraine “On the Foundations of the National Regional Policy”**, under # 3135. The necessity to approve such a law is driven by the fact that Ukraine does not have an omnibus law in the sphere of the national regional policy. DIALOGUE Project experts participated in the preparation of the draft law and submitted their comments and proposals. The final version of the draft law was sent to the AUC for concurrence. The Association concurred with the draft document.
- on October 23, 2013, the Verkhovna Rada of Ukraine Committee on State Building and Local Self-Governance made a recommendation for the parliament to approve the **draft law of Ukraine “ON Introducing Amendments to Article 30 of the Law of Ukraine “ON Local Self-Governance in Ukraine” concerning the records and technical inventory activities**, under # 2371 of February 22, 2013. The draft document has a suggestion to render to the

category of exclusive local government authority keeping records and technical inventory of immovable property items. The draft document was submitted to the parliament by the members of the Local Government Support Inter-Faction Group of National Deputies (local government caucus).

➤ on November 20, 2013, the Verkhovna Rada of Ukraine Budget Committee made a recommendation for the parliament to approve the **draft Law of Ukraine “On Introducing Amendments to the Budget Code of Ukraine Concerning Channelling the Rent Payment for Water Facilities to Local Budgets”** (# 2374a of June 20, 2013) in the efforts reading and as a whole as the law. The draft document envisions channelling rent payments for water facilities to the category of own local budget revenues, or so-called Basket Two.

➤ on December 11, 2013, the Cabinet of Ministers approved the **draft Law of Ukraine “ON Introducing Amendments to Certain Ukrainian Legislation Concerning Electronic Means of Non-Cash Fare Payments and Registration of Trips in Municipal Electric transportation”**. The draft document reflects the proposals and comments of **DIALOGUE Project experts**. In accordance with the draft document, local governments will be vested with the right to decide upon the introduction of the non-cash fare payments in the municipal public electric transportation system on their own. The draft law was concurred with by the Association of Ukrainian Cities in the due manner after it has been elaborated in the Ministry of Infrastructure reflecting the proposals and comments of **DIALOGUE Project experts**.

➤ on December 06, 2013, the Verkhovna Rada of Ukraine Registered the **draft Law of Ukraine “On Local Initiatives”** (# 3740, National Deputy S. Hordiyenko). The document outlines the legal framework, organisation, and mechanisms for submitting issues for consideration and decision making on local initiatives as part of the right of citizens of Ukraine to decide on issues of local importance. The draft document has a suggestion to introduce a unified mechanisms for councils at all levels (village, town, city, rayon, city rayon, oblast, and Verkhovna Rada of the Autonomous Republic of Crimea) to submit issues for consideration and decision making by the council as part of the local initiative. **DIALOGUE Project experts** support the draft law, because its approval will provide broader opportunities for citizens to decide on issues not only of local, but regional importance as well.

➤ On October 31, 2013, the Verkhovna Rada of Ukraine registered the **draft Law of Ukraine “On Introducing Amendments to the Tax Code of Ukraine (concerning the tax exemption for physical persons on their payments for housing and utility services)**, under # 3521. The draft Law has a suggestion to exempt physical persons from paying the VAT tax on their payments for housing and utility services. The approval of the draft Law will provide opportunities to reduce the const of services for citizens; improve the economic conditions of companies providing utility services; reduce the number of those who dodge the payments, and will reduce debts on service payments in the housing and utilities sector. **DIALOGUE Project experts** support this draft Law, because it is in line with local government interests.

In the reporting period, the Project concentrated on the preparation of the legislation to meet the needs of local governments:

Upon the initiative of the AUC Land Relations Professional Group, **DIALOGUE Project experts** prepared the draft Law of Ukraine “On Introducing Amendments to Certain Ukrainian Legislation (concerning exercising local government control over the use and protection of lands)”. The purpose of the document is to provide the necessary environment for local government control over the use and protection of lands in Ukraine.

The **DIALOGUE Project** handed draft Law to the Local Government Support Inter-Faction Group of National Deputies (local government caucus). The draft Law was registered in the Verkhovna Rada of Ukraine under # 3648 of November 20, 2013.

Since its inception, the DIALOGUE Project has prepared 16 pieces of draft legislation upon request of local governments.

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

The Project did not conduct expert evaluation of draft legislation 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

Health care Professional Group Session

On October 03 – 04, 2013 in Vinnytsia, the Project conducted a working session of the AUC Health Care Professional Group. 20 representatives of city and town departments of health care participated in the event: Vinnytsya, Zaporizzhya, Yevpatoria, Kryvyi Rih, Kirovohrad, Luhansk, Lutsk, Lviv, Odesa, Rivne, Simferopol, Kharkiv, and Khmelnytskyi – all in all from 12 oblasts, as well as 15 chief doctors, managers and their deputies from communally-owned health care establishments from the city of Vinnytsya.

The Professional Group members discussed draft legal and regulatory documents, which may have a potential influence on the local government authority:

- draft resolution of the Cabinet of Ministers of Ukraine “On Approving the Standards for the Provision of the In-Patient Medical Assistance per 10 Thousand Residents”. The event participants expressed their opinion that the sufficiency level standards proposed by the draft document are already used in cities following the corresponding “optimisation” and the reduction of the bed stock in communally-owned establishments.
- draft law “On Introducing Amendments to the Basic Ukrainian Legislation on Health Care (concerning concluding work agreements with managers of state-owned and communally-owned health care establishments)” (Registration # 2188). Following the lively discussion of the draft document, the event participants decided to make a suggestion for the Committee on Health Care to change the provision on the timeframe for the contract as suggested in the draft law and to present it in the following wording: “Managers of state-owned, communally-owned health care establishments are to be appointed to their positions through concluding a contract with them for the period ranging from one to five years”.
- draft law “On Introducing a Moratorium for Closing and Reorganisation of Health Care Establishments” (Registration # 2201). Following the discussion, the event participants decided not to support the draft law, because it is not in line with the provisions of the Constitution.
- draft law “On Peculiarities of Activities of Health Care Establishments”. The event participants decided to let heads of city/town departments for health care more carefully study the draft document and send their proposals to the Project expert for generalisation and submission to the Ministry.

Following the discussion of Instruction of the Ministry of Health Care # 793 of September 10, 2013 “On Approving the Sufficiency Standards for the Network of Rural Primary Medical Assistance Stations – Sub-Departments of the Primary Medical (Medical and Sanitary) Assistance Centers”, the event participants came to the conclusion about the necessity of amending it in the part dealing with the calculation of the standards for the number of Primary Medical Assistance Stations in urban populated areas.

In the course of the discussions at the Professional Group meeting, the Project made a presentation of the findings of the public opinion survey conducted in oblast significance cities about the level of satisfaction with the performance of state-owned/communally-owned polyclinics and about the attitude of citizens to reforms in the health care system. The survey was conducted in April of 2013 upon the request of the Association of Ukrainian Cities.

Based on the discussions of the meeting of the AUC Health Care Professional Group, the participants made a decision to send their proposals to the draft legal and regulatory documents they discussed to the Ministry of Health Care of Ukraine and to initiate with the Ministry resolution of the existing problem issues in the sector of health care.

Education Professional Group

On October 17-18, 2013 in Ivano-Frankivsk, the Project conducted a working session of the AUC Public Education Professional Group with the participation of 22 representatives of city/town departments for public education from the following cities and towns: Bolekhiv, Vinnytsya, Ivano-Frankivsk, Kalush, Kolomyia, Kryvyi Rih, Luhansk, Lutsk, Lviv, Pervomaisk (Mykolaiv oblast), Rivne, Ternopil, Khmelnytskyi, Chernivtsi, and Yaremcha. The event participants represented 11 regions of Ukraine.

The participants of the Professional Group meeting discussed the draft regulatory and legal documents, which deal with the local government authority in the sector of public education:

- draft law “On Introducing Amendments to Certain Ukrainian Legislation on Using the Contract as a Special Type of the Work Agreements” (Registration # 3196); In general, the event participants supported the introduction of the contract based type of relationships with headmasters of comprehensive educational establishments and made a suggestion to have the legislation specify the timeframe for the contract with the headmasters to be from 1 to 5 years.
- draft law “On Amendments to Article 16 of the Law of Ukraine “On Comprehensive Secondary Education” (concerning the rescheduling the Knowledge Day in cases when it coincides with the weekend) (Registration # 3105-1); The participants raised no objections with regard to the draft document. They also made a suggestion to make the corresponding adjustments for the celebration of the Last Bell Day by the analogy with the proposed draft law mentioned above.
- draft law “On Introducing Amendments to Certain Ukrainian Legislation” (concerning the introduction of moral and spiritual values in the training curriculum) (Registration # 3026); In the course of the discussion of the draft law, the event participants expressed opposite opinions with regard to the potential participation of representatives of religious organisations to the training activities in comprehensive and pre-school educational establishments on a partner basis. In particular, the supporters of such an approach used as an example the successful experience of cooperation between educational establishments and religious organisations in the city of Ivano-Frankivsk. Based on the discussion of the controversial draft law, the overwhelming majority of those who was present decided not to support the draft law, because its approval may lead to potential conflicts between religious communities at the local level in educational establishments, as well as may violate the rights of children and parents for the freedom to worship.
- draft law “on Introducing Amendments to the Law of Ukraine “On Pre-School Education” (Registration # 2348a); In general, the event participants supported the draft law, however, it needs to be elaborated in the part dealing with the clarification of the cap of the child age to stay in the pre-school establishment (not exceeding 8 years old); changing the standard number of children in groups (up to 25 persons, or any other standard number as approved by the owner of the establishment); and, providing the proper financial support for the implementation of inclusive training activities.

- draft law “On Introducing Amendments to Certain Ukrainian Legislation Concerning the Provision of High Quality Food for Junior Schoolchildren (Pupils of Primary School Classes or Classes 1 - 4) in State-Owned and Communally-Owned Comprehensive Educational Establishments” (Registration # 2867); The event participants expressed the unanimous support to the draft law, because it envisions the allocation of targeted subventions from the National Budget to local budgets to provide high quality food for schoolchildren.
- draft law “On Restoration of the Network of Pre-School Educational Establishments” (registration # 1047); The event participants expressed their objection for the approval of the draft law, because of the complicated mechanisms for returning the premises of former pre-school educational establishments and the absence of financial resources in local budgets. The event participants suggested alternative ways to resolve the problem with the lack of premises to house pre-school educational establishments, in particular: setting up combined kindergarten-primary school type establishments, as well as transferring from the state ownership to the communal ownership of the premises, which are not used to their full capacity (for example, premises of vocational schools). In addition to this, in the opinion of the participants it is necessary for the legislation to regulate the issue of electronic waiting lines for pre-school educational establishments and to use the unified approach for putting together such waiting lines and providing slots in pre-school educational establishments.

In the course of the working session of the Professional Group, V. Karabutova, DIALOGUE Project expert, presented the findings of the public opinion survey in oblast significant cities on citizen satisfaction with the performance, quality of services and condition of local educational establishments, as well as their attitude to certain reforms in the public education sector.

Financial specialists Professional Group Session

On October 31 – November 01, 2013, the Project conducted a working session of the Union of City Finance Officers of Ukraine. 28 persons, such as a) heads of city finance departments from 12 oblasts of Ukraine; b) Mayors of Zhytomyr, Olevsk, and Radomyshl; c) Head of the Main Authority of the State Treasury Service in the Zhytomyr oblast; d) senior consultant of the National institute for Strategic Research at the Office of the President of Ukraine; e) Director General of the Institute for Budget and Socio and Economic Research and its deputy; and f) representatives of the Executive Office of the Zhytomyr AUC Regional Office and DIALOGUE Project participated in the event.

The main issues for the discussion included the following:

- Current status and prospects of budgets sufficiency of territorial communities in 2013-2014;
- Draft laws on the introduction of energy efficiency projects in public sector institutions (Registration # # 3013,3014 of July 23, 2013);
- Problem issues associated with the State Treasury administration of local budgets in 2013; and,
- The need to improve budget and tax legislation in the parts dealing with strengthening financial foundations of local self-governance.

The event participants:

- came up with their proposals to the Ministry of Finance of Ukraine concerning the introduction of amendments to the Law of Ukraine “On the National Budget of Ukraine for 2013” in the part dealing with local budgets and inter-budget relations based on the outcomes of three quarters of 2013;
- prepared proposals to improve budget sufficiency of local governments in 2014;

- approved the resolution on the need to elaborate draft laws on the introduction of energy efficiency projects in public sector institutions (Registration # # 3013,3014 of July 23, 2013) to better reflect local government interests. Vyacheslav Zubenko, Director General of the Institute for Budget and Socio and Economic Research, focused the attention of the participants on the fact that the Institute participated in the preparation of two draft laws and asked the participants to provide him comments and proposals from cities generalised by the DIALOGUE Project.

The event participants identified the mechanisms to improve the quality of Treasury servicing of local budgets (with the priority given to including in the agenda of the parliament the discussion of the draft laws introducing amendments to the Budget Code of Ukraine prepared by DIALOGUE Project or with the participation of its experts).

The event participants prepared a package of proposals introducing amendments to the budget and tax legislation.

Local governments Lawyers Professional Group

On December 16, 17, 2013, the Project conducted a working session of the AUC Local Government Lawyers Professional Group in the city of Mykolaiv. The event was conducted within the framework of the implementation of Development Initiative for Advocating Local Governance in Ukraine Project (DIALOGUE) jointly implemented by USAID and the Association of Ukrainian Cities. 23 representatives from city legal departments from such cities as Bashtanka, Boryspil, Vinnytsya, Voznesensk, Haivoron, Ivano-Frankivsk, Kremenchuk, Kryvyi Rih, Mykolaiv, Odesa, Rivne, Simferopol, Snihurivka, Sumy, Ternopil, Feodosiya, Kherson, Yuzhne, and Yuzhnoukrainsk. The participants represented 12 oblasts of Ukraine and the Autonomous Republic of Crimea. They discussed the following main topics:

- Draft Law of Ukraine on introducing amendments to the Law of Ukraine “On Access to Public Information”, as finalised by the AUC in the context of comments from the general public and National Deputies submitted to Draft Law # 3301 of September 20, 2013. The AUC prepared a draft law whose aim is to resolve a broad range of problems associated with the Law of Ukraine “On Access to Public Information”. The draft document was registered in the Verkhovna Rada of Ukraine under # 3301 of September 20, 2013. However, the controversial comments from journalists on the draft law made the National Deputies who initiated the draft Law recall the document. Based on the feedback received, the draft Law was elaborated. The draft Law envisions the following: 1) clarification of the terms of “confidential” and “information with limited access”; 2) clarification of the mechanism for making draft local government ordinance public; 3) improvements of the mechanisms for payments for information, in particular for repeated information queries coming from one and the same person during one week; and, 4) rendering special information provision mechanisms specified in other laws to the reasons why access to such information can be denied (state registries and archive institutions). Participants decided to support the draft Law mentioned above.
- Draft Law of Ukraine “On Service in Local Governments” prepared by the National Agency for Civil Service. The draft Law of Ukraine “On Service in Local Governments” reflects a considerable part of the proposals presented by the AUC. However, further implementation of the law indicates the presence of a number of significant drawbacks, which should be removed. These problems relate to the organisation of staff, the introduction of additional restrictions on entry into elective office, interference of the National Agency for Civil Service with the mechanism to determine the professional qualification requirements for officials, reasons for entering the local government service

and its suspension for elected officials (except for mayors), interference of the Cabinet of Ministers with issues of remuneration of officials. Participants decided to make a recommendation to the Association of Ukrainian Cities to prepare based on the expressed comments its proposals of the draft Law of Ukraine mentioned above.

- Draft Law of Ukraine on introducing amendments to Article 5 of the Law of Ukraine “On the Court Fee” (concerning the exemption of local government from the payment of the court fee) (# 2576a of July 11, 2013). Local governments unlike state executive authorities are supposed to pay the court fee. This leads to temporary absence of funds in local budgets. Absence, in some cases, of the financial capacity to exercise the corresponding expenditures, as well as delays in local government transactions by the State Treasury or failure of the State Treasury to administer such expenditures represents a serious problem for the implementation of the right of territorial communities for the court protection. Participants decided to make a recommendation for the Verkhovna Rada Committee on Tax and Customs Policy and Inter-Faction Local Government Support Group (local government caucus) to support the draft Law mentioned above.
- Draft Law of Ukraine on introducing amendments to certain Ukrainian legislation concerning the implementation of the principle of equality of all payers of cost share contributions for the development of infrastructure in the populated area (#2528a of July 04, 2013). The Law of Ukraine “On Urban Development Activities” envisions the obligation of the developer to make a cost share contribution for the development of the infrastructure of the populated area. However, the Law does not envision the accountability for the failure to make such contributions. This situation leads to time-consuming court litigations to resolve the issue. The draft Law envisions the administrative barrier to block unethical behaviour of the developer. Participants decided to make a recommendation to the Verkhovna Rada of Ukraine Committee on Construction, Urban Development, Housing, Utilities and Regional Policy to support the draft Law mentioned above.
- Draft Law of Ukraine on introducing amendments to the Laws of Ukraine “On Local Self-Governance in Ukraine”, “On Local State Administrations”, and “On the Postal Service” (concerning the mechanisms and conditions for assigning a postal address to immovable property items) (# 2444a of July 01, 2013). The purpose of the draft Law is to remove the gap in the legislation, however, its text has a number of drawbacks and a substantial elaboration of the draft law may be needed to correct them. In particular, the draft law only somewhat touches on the definition of the local government authority. The draft document, in reality, provides no legal regulation of the general approaches and mechanisms (definition of the Term “address”, list of items to assign the address to, timeframe and ways to do so, etc.). Participants decided to make a recommendation for the Verkhovna Rada of Ukraine Committee on State Building and Local Self-Governance, as well as the authors of this law to elaborate the draft Law mentioned above.

Setting up a network of lawyers to participate in legislation drafting

Currently, the network includes 394 local government lawyers from 25 oblasts.

As of now, 300 cities and 71 smaller municipalities delegated their representatives to work in the network. Currently, the network includes 394 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 regulatory and legal documents: draft Laws of Ukraine “On Administrative and Territorial Arrangement”, “On All-Hands Meetings (Conferences) of Members of the Territorial Community at the Place of Their Residence”, “On Cooperation of Territorial Communities”, and “On Introducing Amendments to Certain Ukrainian Legislation Concerning the Activities of the Ministry of Justice of Ukraine, State Service of Archives of Ukraine, State Registration Service of Ukraine, in the Context of the Approval of the Law of Ukraine “On Administrative Services”; draft Resolution of the Cabinet of Ministers of Ukraine on bringing the legislation in conformity with the Law of Ukraine “On Administrative Services”, “On the List of Initiative Services and Payment for Them (administrative fee)”, draft Resolutions of the Cabinet of Ministers of Ukraine “On Approving the Types and Standards of Property, as well as the Scope of services Provided to Those Who Suffered from Emergency Situations”, and “On Introducing Amendments to the Rules of Parking Transportation Vehicles”; Instruction of the Ministry of Regional Development, Construction, Housing and Utilities of Ukraine “On Approving the Rules for Collection of Drain Waters to the Centralised Sewerage System”, 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

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

Cooperation with central government authorities

Participation of the representative of Ukraine-wide local government associations in working sessions of the Cabinet of Ministers

During the reporting period, the Project performed monitoring of approximately 400 draft regulatory and legal documents included in the agenda of working sessions of the Cabinet of Ministers of Ukraine.

Project experts provided comments and proposals to the following draft regulatory and legal documents: draft Laws of Ukraine “On Introducing Amendments to Article 103-1 of the Budget Code of Ukraine”, “On the Right of Territorial Communities for Consolidation (merging)”, “On Cooperation of Territorial Communities”, “On the State Fee”, “On the List of Administrative Services and Payment for Them (Administrative Fee)”; draft Resolution of the Cabinet of Ministers of Ukraine “On Approving the Regulations for the Recalculation of the Payment for Building, Edifice and Adjacent Territory Maintenance Services in Cases of Their Interrupted Provision, Failure to Provide Them, or if They Are Underprovided”, and draft Program for the Modernisation of the Heating Systems of Ukraine. The expert opinion was provided to S. Tatusyak, Chairman of the Vinnytsya Oblast Council and representative of Ukraine-wide local government associations in the Cabinet of Ministers, to be further on submitted as the official position of the associations.

The Cabinet of Ministers of Ukraine took the following suggestions of the DIALOGUE Project into account:

- support for draft Laws of Ukraine “On the Right of Territorial Communities for Consolidation (merging) and “On the Cooperation of Territorial Communities”. Both documents were prepared with the participation of DIALOGUE Project experts (the draft documents were concurred with the AUC without reservations) – the draft laws were approved and submitted to the parliament for consideration;
- support for the Resolution of the Cabinet of Ministers of Ukraine “On Approving the Regulations for the Recalculation of the Payment for Building, Edifice and Adjacent Territory Maintenance Services in Cases of Their Interrupted Provision, Failure to Provide Them, of if They Are Underprovided” – the Resolution was approved.

The Cabinet of Ministers did not support the following proposals of the DIALOGUE Project:

- rejecting the draft Law of Ukraine “On Introducing Amendments to Article 103-1 of the Budget Code of Ukraine” developed by the National Agency of Highways, which proposes to distribute the subvention to local budgets for construction, reconstruction, repairs and maintenance of communally-owned streets and roads in populated areas only between the budget of the Autonomous Republic of Crimea, oblast budgets and the budgets of the cities of Kyiv and Sevastopol. The implementation of the provisions of the draft law will deprive local governments at the basic level of the instrument to provide the financial support for communally-owned road networks. The AUC did not receive the draft law for concurrence. The Association will take steps to have the parliament reject the draft document.
- rejecting the draft Resolution of the Cabinet of Ministers of Ukraine “On Introducing Amendments to Paragraph 3 of the Order for Placing Temporarily Unused Funds of Local Budgets on Deposit Accounts in Banks”. The document envisions the prolongation for 2014 of the effect of Sub-Paragraph 6 of Paragraph 3 of Resolution of the Cabinet of Ministers # 6 of January 12, 2011 outlining the conditions for placing temporarily unused funds of local budgets on deposit accounts only in those banks whose statutory capital constitutes/exceeds 10 billion UAH, with the State share constituting/exceeding 75%. The Cabinet of Ministers did not conduct consultations with regard to this draft Resolution with the AUC and the AUC did not receive the draft document for concurrence.

Consultations on local budgets and activities with the draft National Budget for 2014

One should mention the absence of budget consultations with local budgets and their associations as is required by Article 38 of the Budget Code of Ukraine, Articles 19-20 of the law of Ukraine “On Local Government Associations”, By-Rules of the Cabinet of Ministers of Ukraine, and instructions of the line Vice Prime Ministers of Ukraine.

On September 14, 2013, the draft Law of Ukraine “On the National Budget of Ukraine for 2014 (Registration # 3000) was submitted to the Verkhovna Rada of Ukraine and was immediately withdrawn by the Cabinet of Ministers of Ukraine for further elaboration.

Before December 19, 2013, the draft National Budget for 2014 was not accessible for the general public.

On the same day, the Parliament approved the resolution ‘On eh Peculiarities of the Mechanisms for the Discussion and Approval of the Law of Ukraine on the National Budget of Ukraine for 2014’, whereby: 1) it as possible to submit proposals to the draft Law on the National Budget for 2014 only through January 08, 2014; 2) the VRU Budget Committee had toe submit the draft

National Budget for 2014 by 10:00 of January 16, 2013; and, 3) on January 16, 2013, the Law on the National Budget for 2014 had to be approved.

A preliminary analysis of the draft National Budget for 2014 in the part dealing with local budgets and inter-budget relations suggests that it is not essentially different from the National Budget for 2011-2013 and contains the same negative tendencies (the progressive trends were mentioned in the Success Stories Section):

1. The budget sector institutions local governments are responsible for receive only 85% of the funds they actually need. The disastrous, as in previous years, were the levels of financial support for such sectors as “Public Administration” - 45.5% and “Physical Culture and Sports” - 52.2% of actual need;
2. The total amount of financial resources for each type of expenditure on the delegated authority was determined without proper regard to the social standards, updated financial standards of budget sufficiency (in fact, the corresponding instructions of the President presented in his Decrees # 187/2012 of March 12, 2012, # 128/2013 of March 12, 2013, and the requirements of Part 10 “Closing and Transitional Provisions” of the Budget Code of Ukraine were not taken into account);
3. Withdrawals from local budgets to the National Budget of Ukraine increased by 68.8 %. This happened in the environment where the vast majority of local governments at various levels in late 2013 did not implement the revenue part of their budgets, whereas the income indicators for 2014 remained over-estimated (for example, collections from the unified tax were planned to increase 1.5 times as compared with the projections for 2013);
4. the calculation of the revenue base for local budgets for 2014 did not include changes in the structure of taxpayers and in their financial and economic conditions. The calculation of the parameters for the calculation of inter-budget transfers did not include the amounts of actual expenditures for the delegated authority in 2013;
5. no writing off the local budget debts local government accumulated on mid-term loans they received with the funds of the single treasury account in previous years (4.7 billion UAH). Local governments were forced in 2009-2012 to receive such loans to correct mistakes in the calculations made by the Ministry of Finance of revenue base of local government budgets. Withdrawals of the debt funds on these loans in 2014 will represent a heavy burden on the already scarce local budgets;
6. no 100% financial support for the social benefits provided by the state was envisioned (the volume corresponding subvention for privileged transportation services was fixed at the level of 2 billion UAH, as was in 2013, although the minimum need for 2014 is 3 billion UAH);
7. no subvention from the National Budget at all was envisioned for local budgets to write off their debt associated with the difference in tariffs. According to the calculations of the Ministry of Regional Development, the size of this subvention for 2014 should constitute 17.5 billion UAH;
8. the shortfall of resources to provide the financial support for the housing and utilities sector constitutes more than 16 billion UAH; in particular, no financial support was envisioned for municipal lifts, reconstruction of dormitories, reconstruction and capital repairs of buildings where condominium associations are being established, replacement and capital repairs of heat distribution, water supply and sewerage networks, energy efficiency and energy saving steps, preparation of urban development document packages, cleaning of public electric transportation vehicles, urban improvements of territories of rayon centers and smaller cities, etc. and failure to provide the 100% financial support for the implementation of the Potable Water Program (0.2 billion UAH envisioned for 2014, with the actual need being 0.8 billion UAH); and,

9. failure to provide the financial support for the implementation of the National Targeted Program to Support the Social and Economic Development of Small Cities for 2011-2015 (Resolution of the CMU # 1090 of November 29, 2010) in the amount of 630 million UAH.

Currently, the Project is working with National Deputies who are members of the Inter-Faction Local Government Support Group in the Parliament (local government caucus) to use them for lobbying for local government interests during the approval of the draft law on the National Budget of Ukraine for 2014.

Municipal activities in cities on budget estimates [transitional budgets] (opportunities and risks of city operations in the absence of the approval budget)

As a result of the failure to approve the National Budget for 2014 within the timeframe specified by the Ukrainian legislation, local governments had to approve so-called temporary budget estimates. In accordance with the Budget Code of Ukraine, absence of the National Budget for 2014 would imply the following consequences for territorial communities:

- 1) the provisions of the law on the National Budget of Ukraine for 2013 will remain in force, in addition to the provisions, which define the general indicators of National Budget, budget allocations, key spending units of the National Budget, and the amount of transfers between the National Budget and local budgets;
- 2) financial support will continue only for the national program and budget appropriations provided for in the National Budget for 2013 and, at the same time, in the draft National Budget for 2014, with the limitations set forth below;
- 3) monthly budget allocations of the general fund of the National Budget of Ukraine in total may not exceed 1/12 of the amount of budget spendings specified by the Law on the National Budget for 2013;
- 4) monthly budget allocations from local budgets in total may not exceed 1/12 of the amount of budget allocations established by the decision on the local budget for 2013;
- 5) it is forbidden to make spendings of the capital nature or to make loans from the general fund of the National Budget (except for the expenditures associated with getting rid of emergency situations in the social and cultural sectors, housing sector, heating, electricity, gas, and water supply networks, sewerage networks, as well as the expenditures associated with the introduction of martial law or state of emergency, proclaiming some areas as zones of environmental emergency and the allocation of funds from the reserve fund of the National Budget);
- 6) It is forbidden to make capital spendings and issue loans from local budgets (except for the allocation of funds from the reserve fund), as well as to perform local borrowings and issue local guarantees, except for the payments to repay and administer the local debt;
- 7) The financial support for social standards and social guarantees will be performed at the level of December of 2013;
- 8) Channelling equalisation transfers from the National Budget to local budgets and funds to be channelled from local budgets to the National Budget will be performed in accordance with the amounts envisioned in the draft National Budget for 2014; and,
- 9) Special fund expenditures from the National Budget and local budgets will be performed within the limits of actual collections.

Thus, the reduction of the level of financial sufficiency of territorial communities represent a threat for the approval of the National Budget for 2014, whereas the sparing use of the financial resources may support the vote on the National Budget.

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

During the 4-th quarter of 2013, the Ministry concurred with three regulatory documents (two resolutions of the Cabinet of Ministers of Ukraine and one instruction of the Ministry of Regional Development, Construction, Housing and Utilities). The documents were also concurred with by the Association of Ukrainian Cities and reflect the interests of local governments. The documents include:

- Resolution of the Cabinet of Ministers of Ukraine # 886 of November 13, 2013 “On Approving the Methodology for the Calculation of the Technologically Required Minimum Consumption of the Natural Gas in the Municipal Heating Sector”. The Resolution was approved in compliance with amendments to the Law of Ukraine “On Heat Supply” allowing limitations for the supply of the natural gas to municipal heating companies to the technologically required minimum level during the heating season in case there are debts in gas payments. While making these changes, the AUC expressed its reservations that this could lead to a complete cessation of gas supply, and, consequently, to the destruction of the whole municipal heating system. The Resolution approved by the Cabinet of Ministers establishes the requirements for the calculation of the technologically required minimum level of natural gas consumption in quantities sufficient to maintain the standard temperature in public premises and apartments.

- Resolution of the Cabinet of Ministers of Ukraine # 870 as of October 30, 2013 “On Approving the Model Mechanisms for Issuance of Permits to Destroy Urban Maintenance Items or for Denial to Issue Them, Re-register Them, Make Copies of Them, or to Revoke Them”. The Resolution of the Cabinet of Ministers was approved in accordance with the amendments to the Law of Ukraine “On Urban Improvements in Populated Areas”, which expanded the powers of local government agencies in the sphere of issuing permits to destroy urban maintenance items. The AUC was lobbying for this issue throughout the discussion of these amendments.

- Instruction of the Ministry of Regional Development, Construction, Housing and Municipal Utilities of Ukraine “On approving the Model Agreement for Cost-Sharing the Maintenance of Urban Items” # 537 of December 11, 2013. The Instruction standardizes the contractual relationship in this sphere and will help the executive bodies of local councils in the preparation of such agreements, as well as will simplify the mechanism to draft such agreements and conclude them.

Parliamentary Inter-Faction Local Government Support Group (local government caucus)

On November 7, 2013 the Parliamentary Local Government Support Group held its meeting in the conference hall of the Verkhovna Rada of Ukraine. Ye. Kartashov, of Ukraine Ye. Kartashov, Permanent Representative of the AUC in the parliament, chaired the meeting. 20 National Deputies of Ukraine from various parliamentary factions, the leadership and members of the Presidium of the AUC, leaders of associations of rayon and oblast councils, town and village councils, and representatives of the "National project - a City of the Future", as well as DIALOGUE Project experts participated in the event.

The local government caucus discussed the agenda and approved the following decisions:

1. With regard to the discussion of the Concept of the Local Government Reform and Reform of the Territorial Arrangement of Government Institutions in Ukraine. The event participants unanimously supported the draft Concept, because it has already gone through the broad-based public discussion and was supported by Ukraine-wide local government associations, scientific and expert community, local government

- representatives, as well as representatives of local governments and state executive authorities.
2. Expediting the registration of the draft legislation submitted by the Association of Ukrainian Cities and National Deputies to the members of the local government caucus for consideration. The caucus members made a decision to include into the list of draft laws to be approved by the local government caucus members five draft laws prepared by the CMU (on citizen self-organisation bodies, and on consolidation (merging) of communities), as well as three draft documents prepared by the Ministry of Regional Development (all documents apply to the housing and municipal utilities sector and urban improvements in populated areas). Currently, the parliament registered 17 draft laws of the 24 prepared and submitted by the DIALOGUE Project including the draft documents prepared over the reporting period: 1) Draft Law # 3648 of November 20, 2013 “On Introducing Amendments to Certain Ukrainian Legislation Concerning the Implementation of the Local Government Control over the Use and Protection of Lands” (prepared and submitted for the registration in the 4-th quarter); 2) Draft Law # 3353 of October 03, 2013 ‘On Introducing Amendments to Article 286 of the Tax Code of Ukraine (concerning the payment of the land tax prior to the preparation of land plot property documents) (prepared by the DIALOGUE Project and submitted earlier under the title “On Introducing Amendments to the Tax Code of Ukraine (concerning streamlining the administration of land tax); and, 3) Draft Law # 3387 of October 09, 2013 “On Introducing Amendments to Article 79 of the Law of Ukraine “On Local Self-Governance in Ukraine” (concerning the pre-term termination of the authority of the village, town and city mayor).
 3. On the current status and prospects of resolving problems with the treasury administration of local government budgets. After hearing the information and analytical report presented by the AUC, information from mayors, the meeting participants decided to engage in the activities to include in the agenda and support the following draft legislation submitted by members of the local government caucus: 1) draft Law of Ukraine on introducing amendments to the Budget Code of Ukraine to improve the treasury administration of local budgets (# 2381 of February 25, 2013, National Deputy O. Levchenko); 2) draft Law on introducing amendments to the Budget Code of Ukraine concerning the guarantees of the rights of local governments for financial autonomy and prohibition of blocking their transactions (# 2448a of July 01, 2013, National Deputy V. Baloha); 3) draft Law of Ukraine on introducing amendments to certain Ukrainian legislation concerning the introduction of accountability of agencies engaged in the treasury administration of local government budget funds and their managers for the use of local budget funds without the consent of local governments (# 2479a of July 03, 2013, National Deputy O. Levchenko); and, 4) draft Law of Ukraine on Introducing amendments to the Budget Code of Ukraine concerning the introduction of accountability of agencies engaged in the treasury administration of local government budget funds and their managers for the use of local budget funds without the consent of local governments (# 2465a of July 02, 2013, National Deputy O. Levchenko). The Main Scientific and Expert Authority and the Committee for Fighting the Organised Crime and Corruption provided their opinions supporting these draft laws.
 4. Revisiting the local government budget and inter-budget transfer indicators in the part dealing with increasing the financial resources of local governments channelled for the implementation of the authority delegated by the state. This issue will be lobbied for during the submission by the Cabinet of Ministers its amendments to the Law of Ukraine “On the National Budget of Ukraine for 2013” based on the indicators for the last 9 month of 2013. Having heard the information and analytical materials presented by the AUC, the members of the local government caucus made a decision to promote amendments to the Law of Ukraine “On National Budget of Ukraine for 2013” in the part dealing with: 1) providing the 100% financial support to local budget for the expenditure

- associated with the implementation of the delegated authority, 2) increasing by 1 billion UAH the amount of subventions from the National Budget to local budgets to compensate for the privileged urban public transportation service rendered to certain categories of citizens; 3) financial support from the National Budget for the implementation of the National Targeted Small City Development Support Program (315 million UAH); 4) repayment of state debt to local governments accumulated on subventions from the National Budget and on expenditures associated with the implementation of national programs in past years; and, 5) repayment of debt of local budgets, which was accumulated by the end of 2013 and related to freezing local government financial transactions by the State Treasury Service of Ukraine.
5. Advocating local government interests during the discussion of the Law of Ukraine “On the National Budget of Ukraine for 2014” in VRU committees and in the parliament session hall. After hearing the information and analytical materials presented by the AUC, the local government caucus members decided to advocate for local government interests in the course of the discussions of the draft Law of Ukraine “On the National Budget of Ukraine for 2014” in the part dealing with: 1) 100% financial support to local governments for the implementation of the authority delegated by the state; 2) assigning at the level of 3 billion UAH the amounts of subventions to local government to compensate for the privileged urban public transportation services rendered to certain categories of citizens; 3) assigning at the level of almost 18 billion UAH the amount of subventions to local budgets for repayment of the debt associated with the difference in tariffs; 4) proper financial support for the housing and municipal utilities sector and implementation of national targeted programs; 5) repayment of state debt to local governments on subventions from the National Budget and on expenditures for the implementation of government programs of previous years; and, 6) step-by-step repayment of the local government debt accumulated on mid-term loans received in previous years (4.7 billion UAH), etc.
 6. On the results of the public opinion survey conducted in oblast significance cities, Kyiv and Sevastopol about the performance of government authorities, local elections, the level of satisfaction with the quality services and support of reforms in various sectors. The National Deputies highly praised the survey conducted by the AUC within the framework of the DIALOGUE Project Dialogue and informed that they will use it in their work. They also supported the idea to have the AUC continue surveying the public opinion and providing the findings of these surveys to National Deputies to use them in their law-making activities.

Participation in the work of parliamentary committees

During the reporting period, the Project continued its cooperation with ad-hoc committees of the Verkhovna Rada of Ukraine. Project experts took part in **18** meetings of 5 parliamentary committees including:

- Budget Committee – 8 meetings;
- Committee on State Building and Local Self-Governance – 5 meetings;
- Committee on Construction, Urban Development, Housing, Utilities and Regional Policy 2 meetings;
- Committee on Science and Education – 2 meetings; and,
- Committee on Social Policy – 1 meeting.

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

During the reporting period, the Committee conducted five meetings where AUC representatives took part in the discussion of 14 items of the agenda of significant importance for the protection

of rights and legitimate interests of local governments. In particular, these meetings included the discussion of the following important draft legislation:

- On the Draft Law “On Introducing Amendments to Certain Ukrainian Legislation (concerning the implementation of the local government and civil control over the use and protection of lands) (Registration # 3374, National Deputy O. Tsaryov).
- On the Draft Law “On Introducing Amendments the Law of Ukraine “On the Status of Members of Local Councils” and the Law of Ukraine “On Local Self-Governance in Ukraine” concerning the personal vote of the National Deputy at Plenary Council Sessions, Meetings of the Standing Committee, and other Council Bodies” (Registration # 2296, National Deputy O. Mahnitskyi).
- On the Draft Law “On Introducing Amendments to Certain Ukrainian Legislation Concerning the Entry into the Civil Service and Service in Local Governments” (Registration # 2343, National Deputies P. Poroshenko and H. Zabolotnyi).
- On the Draft Law “On Introducing Amendments to Article 30 of the Law of Ukraine “On Local Self-Governance in Ukraine” Concerning Records and Technical Inventory” (Registration # 2371, National Deputies S. Hordiyenko, S. Kilinkarov, S. Honcharov, Ye. Kartashov, M. Fedoruk).
- On the Draft Law “On Introducing Amendments to Certain Ukrainian Legislation Concerning the Introduction of the Criminal Accountability for Violations of the Voting Rules in the Verkhovna Rada of Ukraine, the Verkhovna Rada of the Autonomous Republic of Crimea, or Local Council (Registration # 2012-1, National Deputy V. Baloha).
- On the Draft Law “On Introducing Amendments to Article 5 of the Law of Ukraine “On the Status of Members of Local Councils” (concerning the pre-term termination of powers in connection with the entry into force of the court decision on prosecution for corruption) (Registration # 2209, National Deputy V. Deverlyanyi).
- On the Draft Law “On Introducing Amendments to Certain Ukrainian Legislation Concerning the On-The-Job Training of Local Government Officials and Local Council Members (Registration # 3322, Cabinet of Ministers of Ukraine, M. Azarov).
- On the Draft Law “On Introducing Amendments to Certain Ukrainian Legislation Concerning the Status of Deputies of the Verkhovna Rada of the Autonomous Republic of Crimea and Local Council Members (Registration # 2419, National Deputy V. Oliynyk).
- On the Draft Law “On Introducing Amendments to Chapter VI of the Budget Code of Ukraine (concerning the differentiation of revenue collections of local budgets) (Registration # 2611, National Deputies A. Ponomaryov, S. Hordiyenko).
- On the Draft Law “On Introducing Amendments to the Land Code of Ukraine Concerning the Administration of State-Owned Lands” (Registration # 3162, National Deputy V. Pylypenko).

All the proposals and recommendations presented by the AUC concerning these draft laws were supported.

In addition to this, the AUC sent to the Committee its expert opinion and proposals concerning 11 draft laws on local self-governance pending consideration in the Committee.

Verkhovna Rada of Ukraine Budget Committee

DIALOGUE Project experts participated in 8 working sessions of the VRU Budget Committee. The main issues for the discussion related to local government interests were the following:

- 1) Introducing amendments to the Law of Ukraine “On the National Budget of Ukraine for 2013” concerning the repayment of debt on payments for energy resources; introduction of promissory note payments for subventions related to the difference in tariffs;
- 2) Reallocation of budget allocations of the CMU and other central executive agencies for local budgets;
- 3) Amendments to the Tax Code of Ukraine in the part dealing with the introduction of the environmental tax for placing solid waste; the introduction of tax on manufacturers and importers of packaging material and packaged goods for processing solid waste; introduction of the residential property tax, etc.;
- 4) Amendments to the Budget Code of Ukraine in the part dealing with channelling the rent for water resources to local budgets; on-the-job training of local government officials; channelling part of funds from the use of the state share of produced products under production sharing agreements to local government budgets, etc.; and,
- 5) Draft Law of Ukraine "On the National Budget of Ukraine for 2014" and the procedure for resolution of parliament's consideration.

Achievements:

- 1) The Project managed to provide support in the Budget Committee for the Law of Ukraine “On the National Budget of Ukraine for 2013” in the part dealing with the repayment of the debt on energy resources (Registration # 3057). The document has a suggestion to increase the amount of the subvention to repay the difference in tariffs and identifies the general fund of the National Budget of Ukraine as a stable source of revenues to support this subvention;
- 2) The Project managed to support the redistribution of budget allocations from the CMU and other central executive agencies to local budgets in the amount of more than 4 billion UAH (additional subvention to repay the budget shortfall on the delegated authority and assigning funds for the implementation of Ukraine-wide competition of projects and programs for local government development);
- 3) The Budget Committee did not support the draft law introducing amendments to Article 91 of the Budget Code of Ukraine concerning the on-the-job training of local government officials (Registration # 3323), because it does not reflect the interests of local governments; and,
- 4) The Budget Committee supported the draft Law introducing amendments to the Budget Code of Ukraine concerning channelling the rent payments for water resources to local budgets (Registration # 2374a). The document envisions increasing of discretionary local government financial resources.

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

Project experts participated on two working sessions of the VRU Committee on Construction Urban Development, Housing, Municipal Utilities and Regional Policy. The Committee supported three draft laws as these laws reflect the interests of local governments:

- draft Law “On Introducing Amendments to Certain Ukrainian Legislation Concerning the improvements of Relations in the Sphere of Heat Supply, Provision of Heating Services and Centralised Hot Water Supply (# 3142 of August 29, 2013). The draft Law has a suggestion to streamline the mechanism for switching customers from the centralised heat supply system to the individual heating system, as well as to introduce the accountability of customers for unsanctioned disconnection from centralised heat supply network both in the apartment block and from the outdoor networks;
- Draft Law of Ukraine on Amendments to the Budget Code of Ukraine (concerning the preparation (updating) urban development documents at the regional and local levels)

(Registration # 2994 of May 15, 2013). The draft Law has a suggestion to introduce amendments to the Budget Code of Ukraine regarding the legislative regulation of the financial support from the National Budget for the development (updating) urban development documents at the regional and local levels;

- Draft Law “On Introducing Amending to the Law of Ukraine “On Regulation of Urban Development Activities” (Registration # 2108 of July 04, 2013). The draft law has a suggestion to extend the cost sharing payment of customer for the development of infrastructure in the populated area for the object being built beyond the boundaries of the populated area, as well as to channel the cost share payment not only for the creation and development of the engineering, transportation and social infrastructure of the corresponding populated area, but also for the development of city master plans, zoning plans, detailed plans of territories.

These draft laws are currently under discussion in the parliament and were not considered in the session hall.

The Committee made a decision to reject two draft laws not in line with the position of the Association of Ukrainian Cities:

- Draft Law “On the Market for Housing and Municipal Utilities (Registration # 2440 of March 01, 2013). The draft law is likely to centralize the housing and public utilities sector through vesting the authority to set tariffs for housing and municipal utility services exclusively to a central government authority and through introducing the concentration of funds including those received from consumers in a special Housing and Municipal Utilities Development Fund;
- Draft Law “On Conducting an Experiment in the Sphere of Heat Supply” (Registration # 3426 of October 15, 2013). The draft law has a suggestion to introduce a single supplier of heat energy within the framework of the economic experiment to organise heating services in Ukraine. The main purpose of such a supplier will be the redistribution of bill payments received from customers and compensation from the budget between the heat-generating companies and the "NaftoHaz Ukrainy" National Joint-Stock Company (NJSC). The draft law does not correspond with the interests of the Association of Ukrainian Cities and with the interests of the “UkrTeploKomunEnerho” [*Ukrainian municipal heating energy*] Inter-Agency Association.

According to the results of the roundtable discussion conducted by the parliamentary Committee for Construction, Urban Development, Housing, Municipal Utilities and Regional Policy to discuss the improvements of the system of urban development documents and regulations of land relations in populated areas, the event participants took into consideration the proposals from local governments and included in the final document of the roundtable the recommendations from the Cabinet of Ukraine to develop and submit to the parliament a draft law aimed at ensuring the local government control over the compliance with urban development requirements and limitations by developers. At present, the lack of any control on the part of local governments in the sphere of urban development has a negative effect on the overall development of populated areas.

Verkhovna Rada of Ukraine Committee on Science and Public Education

Upon request sent by from the Chairman of the Committee on Science and Public Education, the Project submitted its proposals to two draft laws submitted to the Association. In addition to this, the AUC Analytical Center reviewed and prepared its proposals to seven draft laws. The Committee on Science and Public Education considered these laws as a top priority.

The working session of the Committee on Science and Public Education made a decision to take into account the position of the Association with regard to the following draft laws:

- “On Introducing Amendments to Article 2 of the Law of Ukraine “On Public Procurement” (Registration # 2668) developed by national Deputy O. Sych who is a member of the Local Government Support Inter-Faction Group (local government caucus). The draft document has a suggestion to abolish the requirement to organise competitive procurement to purchase of foodstuffs and catering services for comprehensive schools and pre-school establishments;
- “On Introducing Amendments to Chapter 14 of the Budget Code of Ukraine (concerning the financing support for out-of-school education) (Registration # 2490), which envisions changing the mechanisms to provide the financial support to out-of-school educational establishments and introducing the corresponding amendments to the Budget Code of Ukraine; and,
- “On Introducing Amendments to the Law of Ukraine “On the Comprehensive Secondary Education” concerning the number of schoolchildren in classes and reorganization of comprehensive educational establishments (Registration # 0906), which excluded the mandatory requirement to organise local referendums to decide on the reorganisation or closing of comprehensive educational establishments.

In addition to this, DIALOGUE Project experts managed to persuade National Deputies who are members of the Committee on Science and Public Education to make a decision to send for further elaboration the draft laws, the adoption of which would have had a negative impact on local governments, in particular:

- Draft Law of Ukraine “On Introducing Amendments to Certain Ukrainian Legislation Concerning the Appointment of Headmasters of Communally-Owned Comprehensive Educational Establishments (Registration # 2528), which envisioned a complicated procedure for the appointment and dismissal of the headmasters of communally-owned educational establishments through the corresponding decision on the matter made exclusively by the local government authority upon the proposal of the corresponding oblast, city and rayon departments for public education;
- Draft Law of Ukraine “On Introducing Amendments to Certain Ukrainian Legislation (concerning the introduction of spiritual and moral values in the educational process) (Registration # 3026), the adoption of which may cause religious conflicts in territorial communities, the interference of religious communities in the educational process, as well as the violation of the rights of children and parents for the religious freedom;
- Draft Resolution of the Verkhovna Rada of Ukraine “On Returning to the State Property the Premises of Kindergarten” (Registration # 2351), the adoption of which may lead to inspections of the legality of ordinances of local governments adopted more than ten years ago during the de-nationalisation and privatization of property, as well as to additional unforeseen expenditures from local budgets for to cover the court fees and to the expenditures associated with bringing the premises that have not been used as educational establishments, the proper health and sanitary requirements for the organization of the educational process.

Verkhovna Rada of Ukraine Committee on Health Care

At the meeting of the Committee on Health Care, the Association managed to defend its position during the discussion of the draft Law “On Introducing Amendments to the Foundations of Ukrainian Legislation on Health Care (concerning the timeframe for contracts with managers of state-owned and communally-owned health care establishments)” (Registration # 2188). The Law approved on December 19, 2013 envisions the introduction of the variable timeframe for

the contract ranging from three to five years. In addition to this, the law envisions the task for the Cabinet of Ministers of Ukraine to approve a model form of the contract. The Association of Ukrainian Cities persistently emphasised the need to prepare such a document.

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

Working sessions of Local Government Regional Advisory Boards

The Project conducted **9** working session of the Local Government Regional Advisory Boards in **8** oblasts: Zakarpattya, Zaporizzhya, Luhansk, Lviv, Odesa, Poltava, Rivne, and Khmelnytskyi. The event participants discussed the issues, which were selected as the top priority ones for the Local Government Regional Advisory Boards during the meetings conducted by AUC Regional Offices in August-October of 2013.

<p>Working session of the Khmelnytskyi Local Government Regional Advisory Board</p> <p>October 04, 2013</p>	<p>The event participants discussed ways to promote foreign investments in the social and economic development of the oblast and key issues related to the cooperation between executive agencies of the central government and local councils.</p> <p>During the discussion of the first item of the agenda, it was noted that by the end of the first half of this year, the number of enterprises with foreign investment in the region increased from 231 to 283. Representatives 41 countries made investments in the economy of the Khmelnytskyi oblast. As of July 01, 2013, the total direct foreign investments in the economy of the Khmelnytskyi oblast constituted 219.8 million USD, which is 6% higher than at the beginning of the year, whereas the per capita amount constituted 167.3 USD. The growth rate of foreign investments gave the Khmelnytskyi oblast the 8th place in the country, however, according to the estimations, the oblast still needs 7.2 billion UAH in investments. Based on the discussion of this issue and aiming at improving the situation with the promotion of investments, the event participants decided to task local agencies of the state executive and local governments in the oblast to submit their proposals to the drafted Investment Passport of the Oblast, which includes current and comprehensive information for potential investors.</p> <p>Based on the discussions of the second item on the agenda, the event participants made a decision to task the executive authority of the Oblast Council to collect and process the proposals from the state executive agencies and local councils on ways to improve the cooperation between the local agencies of the state executive and local councils and submit these proposals for the discussion at the next meeting of the Regional Advisory Board.</p>
<p>Working session of the Rivne Local Government Regional Advisory Board city of Kostopil</p> <p>October 17, 2013</p>	<p>The event participants discussed the particularities of local government activities with regard to updating the land legislation and local government steps to comply with the requirements of current legislation to prevent and fight corruption.</p> <p>In the course of the discussions of the first item of the agenda, the event participants became familiarised with the selected provisions of the updated legislation with regard to the delineation of boundaries of state-owned and</p>

	<p>communally-owned lands, the main approaches and legislative changes related to fixing the boundaries of populated areas, and regulatory and pecuniary valuation of lands in populated areas. Following the discussions of this issue and taking into consideration the proposal expressed by the city mayors, the event participants made a decision to conduct a separate meeting to discuss new provisions in the land legislation together the heads of city and town departments for land resources and land surveyors who work in local governments.</p> <p>Following the discussion of the second item of the agenda, the event participants made a decision to organize a series of training workshops in the rayons in his oblast to discuss prevention and fighting corruption. The city and town head received the numbers of the special telephone line to get advice on these matters.</p>
<p>Working session of the Poltava Local Government Regional Advisory Board city of Poltava October 24, 2013</p>	<p>The event participants discussed the outcomes of the economic and social development of the oblast over the last nine months of 2013 and issues related to the repayment of wage arrears at enterprises, companies and organisations in the oblast.</p> <p>Based on the review of the first item on the agenda the event participants gave a number of assignments to heads of structural departments of the Oblast State Administration and heads of rayon state administration intensify the activities to promote the sustainable economic and social development of the oblast, to overview the reasons hindering economic development and identify ways to address them, as well as gave a separate task for the Department for Economic Development of the Oblast State Administration to prepare draft Programme for Economic and Social Development of the Poltava Oblast for 2014 and a draft program to promote investments, improve the international image and to promote international cooperation of the Poltava oblast in 2014-2016 and submit them for consideration of the Local Government Regional Advisory Board.</p> <p>In the course of the consideration of the second item of the agenda, the event participants noted that as of October 01, 2013, the wage in the oblast constituted 12.5 million UAH, and tasked the heads of rayon state administration and heads of technical departments of the Oblast State Administration about the personal accountability for ensuring the timely payments of wages at enterprises in the corresponding administrative and territorial units, as well as for monitoring the payment of wages in all companies located on the corresponding territories every ten days and timely responses to violations of the terms of salary payments.</p>
<p>Working session of the Rivne Local Government Regional Advisory Board city of Rivne October 29, 2013</p>	<p>In the course of the working session of the Local Government Regional Advisory Board with the participation of V. Rybak, Chairman of the Verkhovna Rada of Ukraine, the Chairman of the Regional Advisory Board informed about its main successes, namely: allocating funds for the works on pecuniary valuation of lands in 1,027 populated areas, as this constitutes 100% of their total area. Due to these steps, the average price for one square meter increased 2-2.5 times. Correspondingly, the budgets of local councils will get increased revenues from land fees.</p> <p>In addition to this, the Advisory Board helped to increase the</p>

	<p>participation of territorial communities in the competitions for territorial community development projects in the oblast by five times. In 2013, the oblast budgets allocated 980 thousand UAH from the implementation of such projects.</p> <p>The event participants also discussed the establishment of the Consultative and Technical Council to support the development of territorial communities and promotion of investments in rural areas. Assistance in writing project proposals is one of the tasks of this entity.</p> <p>In the course of the discussions, representatives of local governments handed to the Chairman of the Verkhovna Rada of Ukraine a number of petitions about the need to immediately resolve the issue of State Treasury blocking local government transactions and increasing the financial support to the housing and utilities sector, with the main focus given to the Potable Water and Housing Sector Reform programs.</p>
<p>Working session of the Zakarpattia Local Government Regional Advisory Board city of Uzhgorod November 15, 2013</p>	<p>The event participants discussed the need to involve citizens to resolve key issues related to operations of cities and towns. In the course of the discussions of this issue, O. Ledyda, Chairman of the Local Government Regional Advisory Board and Head of the Zakarpattia Oblast State Administration, mentioned that the close cooperation between the state executive authorities, local governments and citizens will effectively resolve the main pressing problem issues each region faces, town face.</p> <p>Following the meeting, the event participants discussed and signed the Memorandum for cooperation and partnership of civil councils established at the state executive agencies and local governments in the Zakarpattia oblast and initiated the establishment of the regional network of civil councils at government offices in the Zakarpattia oblast.</p>
<p>Working session of the Lviv Local Government Regional Advisory Board city of Lviv November 25, 2013</p>	<p>The event participants discussed the implementation of local budgets in 2013 and status of the administration of local budgets by State Treasury offices.</p> <p>In the course of the discussions of the first item on the agenda the event participants focused their attention on the decrease, as of November 01, 2013, of revenues to local budgets in the oblast down to 74% of the planned indicators, but thanks to subventions and subsidies from the National Budget of Ukraine in the amount of 163.7 million USD, local governments managed to avoid the situation with wage arrears and delayed social payments. Following the discussions, the event participants made a decision to look for and use alternative sources of revenues to local budgets in the oblast, and prepared the corresponding task for the Head of the Oblast State Administration. At the next meeting, they will present the experience of local councils on this issue.</p> <p>Based on the discussions of the second item of the agenda, the event participants made a decision to ask the Oblast State Administration to address the cabinet of Ministers of Ukraine with a request to facilitate the State Treasury administration of local budgets in a timely manner.</p>
<p>Working session of the Zaporizzhya Local Government Regional Advisory Board city of Zaporizzhya</p>	<p>The event participants discussed the issues related to the activities of the National Regional Development Foundation and the first outcomes of the implementation of concept of the local government reform and reform of the territorial</p>

<p>December 04, 2013</p>	<p>arrangement of government institutions in Ukraine.</p> <p>In the course of the discussion of the first item of the agenda, the event participants identified the following problem issues related to the cooperation with the Foundation: low level of awareness about the programs the Foundation offers, lack of transparency in the selection of competition winners to receive funds from the Foundation, insufficient professional level of local government officials to prepare investment promotion and social and economic development projects. Following the discussions of this issue, the event participants made a decision to recommend local governments and their associations to submit with one month their written proposals on how to improve the performance of the Foundation. The Foundation has to take these recommendations into consideration and will inform about its actions during the next working sessions of the Local Government Regional Advisory Board.</p> <p>In the course of the discussions of the second item of the agenda, V. Mezheiko, Chairman of the Local Government Regional Advisory Board and Chairman of the Zaporizzhya Oblast Council, familiarised the participants with the outcomes of activities to elaborate the Concept. The work was performed during the last six months. In general, about 650 events took place in the oblast aimed at the implementation of its first stage. As of December 01, 2013, the Zaporizzhya Oblast Council received 301 ordinances of city, rayon, village and town councils and 14 protocol decisions of plenary meetings of councils, meetings of council members, round table discussions, and steering committees. Following the discussions of this issue, the event participants made a decision outlining the main problem issues associated with the implementation of the Concept, namely: lack of system approach to the reform implementation, lack of clear correspondence of the implementation of the reform with the current Ukrainian legislation, and lack of the sufficient financial support for the implementation of the provisions of the Concept. This decision in the due manner was submitted to the Cabinet of Ministers of Ukraine and National Local Government Support Foundation.</p>
<p>Working session of the Odesa Local Government Regional Advisory Board city of Odesa December 17, 2013</p>	<p>The event participants discussed the possibilities of transferring the network of automobile highways to the books of local authorities.</p> <p>In the course of the discussions of this issue, the event participants outlined the main problems of its implementation, namely: 90% of automobile roads are in great need of repairs, in particular the high traffic national highways require five billion UAH for urgent repairs; unresolved issues related to the reform of the system of management of road networks; and, absence of the mechanism to transfer roads to the books of local state administrations.</p> <p>Based the discussions of this issue, the event participants prepared the corresponding task for representatives of rayon councils and local governments to submit their proposals to the Law of Ukraine “On Introducing Amendments to the Certain Ukrainian Legislation Concerning the Reform of the System of Management of the General Purpose Road</p>

	Networks” and a task for the Road Service in the Odesa oblast to provide in cooperation with the Standing Oblast Council Committee on Transportation and Road Networks comments to these proposals and submit the corresponding appeal to the Cabinet of Ministers of Ukraine and the Verkhovna Rada of Ukraine.
<p>Working session of the Luhansk Local Government Regional Advisory Board city of Luhansk December 25, 2013</p>	<p>The event participants discussed ways to promote investments for social and economic development of populated areas, mechanisms and tools for the sustainable development of communities.</p> <p>Following the discussions, the event participants made a decision to task the following government entities:</p> <ul style="list-style-type: none"> - local governments to bring the strategic plans for development of cities and towns in the oblast in conformity with the National Strategy for Regional Development till 2020; - local governments in the oblast to prepare and submit local development projects and programs to the selection committee of Regional Development Foundation for consideration and financial support; - state executive authorities and local governments of the oblast to submit to the Oblast State Administration the information about successful examples of attracting funds from alternative sources to implement projects and programs of local importance and to disseminate such experience to other communities in the oblast.

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

Forum of Donor Organisations working in the local government sector

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

On October 04, 2013, O. Slobozhan, DIALOGUE Project expert, participated in the working session of the National Consultative Council to discuss effective management of public finance. The event was conducted by the Institute of Budget and Socio-Economic Research (IBSER) with the support from the Municipal Finance Strengthening Initiative Project (MFSI-II) implemented with assistance from the U.S. Agency for International development (USAID).

A representative from IBSEER participated in the working sessions of city finance offices and made a request to send the proposals from cities to the draft law on the introduction of energy efficiency projects in the institutions in the public sector.

Project representatives conducted a number of meetings with representatives of the Peace Corps to discuss opportunities for involving a Peace Corps volunteer in the AUC.

In December of 2013, Project representatives had a working meeting with representatives of the Municipal Energy Reform Project to discuss the potential cooperation between the two projects in the advocacy sphere.

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 for the English version of the DIALOGUE 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 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 DIALOGUE 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:

October - 955
November - 838
December - 811

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

The information about the Project publications is presented in Table 1.

Table 1. DIALOGUE Project publications

Publication	Targeted audience	Description
The "Sectoral Monitoring" quarterly electronic publication	Central government authorities, expert community	#14 Presents the publications on: <ul style="list-style-type: none"> - draft National Budget for 2014 - regulation of issues related to the administrative arrangement - new ideas in the sphere of legal support for the local democracy - new approaches of the line ministry to manage the residential housing stock - particularities of managing land plots under property items jointly owned by territorial communities - prospects for resolving problem issues in the public education sphere - progressive trends in the provision of social services to homeless persons
The "AUC Herald" printed monthly publication	AUC member communities, AUC partner organisations	# 101, October. The DIALOGUE Project Chapter features the materials about the following: <ul style="list-style-type: none"> - Law on social protection of homeless persons reflects the position of the Association of Ukrainian Cities - Local governments will receive 2 billion UAH of an additional subsidy to support the implementation of the delegated authority # 102, November. The DIALOGUE Project Chapter features the materials about the following: Presidium of the AUC Board participated in the working session of the Inter-Faction Local Government Support Group of National Deputies (local government caucus) <ul style="list-style-type: none"> # 103, December. The DIALOGUE Project Chapter features the materials about the following: preliminary overview of the National Budget of Ukraine for 2014 in the part dealing with indicators of local budgets and inter-budget relations (Draft Law # 3000 elaborated and submitted by the Cabinet of Ministers of Ukraine on December 18, 2013).
The "DIALOGUE Newsletter" electronic monthly publication	International organisations and international technical assistance projects	The English-language publication presents Project activities over a month and provides monthly highlights in detail: <ul style="list-style-type: none"> # 37, highlight of the month – AUC position was reflected in the resolution of the Cabinet of Ministers # 38, highlight of the month – working session of the Inter-Faction Local Government Support Group (local government caucus) # 39, highlight of the month – AUC Analytical Center: draft National Budget for 2014 is essentially no different from budgets for previous years
The "Legal Counselling" electronic quarterly publication	Local government lawyers	Issue # 14 included the following: <ol style="list-style-type: none"> 1) generalised explanations concerning access to public information; 2) generalised responses (explanations) to certain issues submitted to the mobile telephone line (7).

		The publication was sent out to AUC Regional Offices and local government lawyers.
The “Legislation News” electronic publication	Local government lawyers	<p><u>#34, October</u> features the information about 26 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.</p> <p><u>#35, November</u> features the information about 23 legal and regulatory documents related to local government interests either approved or taken effect and three draft laws under consideration by the Verkhovna Rada of Ukraine or its committees, or by central agencies of the state executive.</p> <p><u>#36, December</u> features the information about 21 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.</p>
The “Press News” electronic weekly publication	Media	A selection of weekly news, publications, and announcements of major activities of the Association of Ukrainian Cities, news and events in cities, and key local government topics. Thirteen issues were prepared and published. The Press News is distributed to more than 235 media representatives, journalists and press offices of city councils. The mailing list is being constantly updated.
Short local government updates	USAID	The Project prepares and sends the publication to USAID on a weekly basis. The information is presented in two sections: DIALOGUE Project News and Local Government News. Thirteen were prepared and sent.

Radio coverage

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

October 28 – an interview with V. Parkhomenko, of the AUC Analytical Center, in the Circle of Questions Programme broadcast by the Era FM Radio Station. European prospects for the development of European cities were the topic of the conversation;

October 31 – comments by telephone of I. Kulichenko, Mayor of Dnipropetrovsk and O. Slobozhan, DIALOGUE Project expert on the «Свобода» [*freedom*] Radio Station about why the State Treasury freezes funds of territorial communities. The journalist makes references to expert reports prepared by the AUC;

November 09 – an interview with O. Slobozhan, DIALOGUE Project expert, on the Era FM Radio Station about the signing of the EU Association Agreement and implementation of European standards in local government activities;

November 22 – a commentary in the «Місто над Бугом» [*city on the Buh river*] Program about the working session of the City Council Secretaries Professional Group;

November 26 – an interview with O. Slobozhan, DIALOGUE Project expert, in the In the Air Program of the Era FM Radio Station about local governments and European prospects; and, December 24 – a commentary of O. Slobozhan, DIALOGUE Project expert, by telephone on the Era FM Radio Station about wage arrears for employees of communally-owned companies.

TV coverage

DIALOGUE Project activities were covered by fifteen TV programs aired on the following channels:

October 01 – participation of O. Slobozhan, DIALOGUE Project expert, in the live «Час. Підсумки дня» [*Time. Summary of the day*] program on the Channel 5 TV Channel to discuss the draft National Budget for 2014;

October 12 – a commentary of O. Slobozhan, DIALOGUE Project expert, in the news section of the «Новини 24» [*news 24*] TV Channel;

October 13 – a commentary of Ya. Raboshuk, DIALOGUE Project expert, in the «Події. Підсумки тижня» [*Events. Summary of the week*] Program on the «Україна» TV Channel about problem issues of the heating season;

October 15 – participation of O. Slobozhan, DIALOGUE Project expert, in the live «Час. Підсумки дня» [*Time. Summary of the week*] program on the Channel 5 TV Channel about the current situation with the treasury administration of budgets and problem issues of local budgets;

October 17 – participation of O. Slobozhan, DIALOGUE Project expert, in the «Акцент» [*accent*] Program on the «Перший діловий» [*first business*] TV Channel to discuss the current status of treasury administration of local budgets;

October 17 – a TV story in the news section about the working session of the AUC Public Education Professional Group on the «Вежа» [*tower*] TVC (Ivano-Frankivsk) featuring the commentary of V. Karabutova, DIALOGUE Project expert;

October 30 – a commentary of O. Slobozhan, DIALOGUE Project expert, on the «Соціальна країна» [*social country*] Internet based TV channel about the insufficient financial resources of local budgets;

October 31 – a commentary in the news section about the working session of the Association of Ukrainian City Finance Officers on the Zhytomyr TV station;

November 04 – a commentary in the «Події тижня» [*events of the week*] Program on the «Україна» TV Channel about problem issues with the treasury administration of local budgets with a commentary of O. Slobozhan, DIALOGUE Project expert;

November 14 – a commentary about the regional expert workshop in the Zakarpattia AUC Regional Office on the «Тиса-1» TV Channel;

November 15 – Internet coverage of the press conference with the participation of O. Slobozhan to discuss the possibilities of employees in the public sector to receive their salaries before the New Year;

November 15 – coverage by the «Гамма» TV Channel of the press conference conducted by the «Голос.уа» News Agency with the participation of O. Slobozhan, DIALOGUE Project expert;

November 18 – a commentary in the «Професійний погляд» [*professional view*] program with Ya. Raboshuk, DIALOGUE Project expert, about problem issues in the housing and municipal utilities sector on the «УТР» TV Channel;

November 22 – a commentary in the news section about the working session of the Union of Local Council Secretaries on the «Bira» TV Channel (Vinnytsya);

November 27 – participation of O. Slobozhan, DIALOGUE Project expert in the «Бізнес-новини» [*business news*] program on the First Business Channel about local governments and prospects for Euro-integration;

December 29 – a commentary in the «Час. Підсумки тижня» [*Time. Summary of the week*] program on the Channel 5 TV Channel about problem issues with the treasury administration of local budgets and payments of salaries with O. Slobozhan, DIALOGUE Project expert.

«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 in 2013 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 specific 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.

Over the reporting period, the Project prepared and aired 8 programs:

Alushta (Autonomous Republic of Crimea), October 02

The story of the program was dedicated to the resort city of Alushta and activities of the City Councils to promote the city as a tourist center and to increase the quality of tourist services. To achieve this goal, the city prepared the Economic Development Strategic Plan for the Greater Alushta for the period till 2020 including more than fifty specific projects. S. Kolot, Mayor of Alushta, spoke in detail about the city activities to improve the tourist image of the city, its social and economic development, implementation of insulation programs in the public sector, as well as about the areas of cooperation with the Council of Ministers of the ARC. The city mayor emphasised the fruitful cooperation of the city with the AUC in the sphere of lobbying local government interests at the national levels and disseminating best practices in municipal management.

Synelnykove (Dnipropetrovsk oblast), October 09

The main focus of the program was the cooperation of the city government with the city community in resolving local issues. The city was quite successful using the cost-sharing mechanism to provide the financial support for urban beautification projects, repairs of street lighting networks, replacing lamps, etc. Local businesses also support local government initiatives aimed at improving the city public transportation system. In his interview, D.

Zrazhevskiy, Mayor of Synelnykove, spoke about the plans for city development, social partnerships and implementation of programs to support socially vulnerable categories of citizens. He also shared the outcomes of the joint projects the city implemented together with the oblast authorities and expressed his high appreciation of the role of AUC in lobbying local government interests and promoting communication between cities.

Illichivsk (Odesa oblast), October 16

The story the program started with clearly demonstrated the fact that the city government is paying the permanent attention to the beautification of streets and houses, providing full support to the community in the implementation of steps to improve urban areas. The coastal zone of the Black Sea is kept in accordance with international standards of cleanliness of beaches. The leadership of the city also cares about creating the conditions for improving the health of children and young people: the local government opened the Extreme Park in the city park, and every school has been equipped with a new sports stadium. The city also has started a program to provide junior high school students with fruit breakfasts. In his interview, V. Khmelnyuk, Mayor of Illichivsk, gave answers to the question about how the city manages to maintain the leading position in the social and economic development. He also spoke about the implementation of large-scale urban development projects, stable and constructive relations with the oblast authorities, as well as stressed the role of AUC in resolving key local government problems and establishing international cooperation.

Vilnyansk (Zaporizhzhya oblast), October 23

The story of the program was dedicated to the elimination problems of residential area flooding in the city. The city government has developed a project to build the collector and drainage system, whereas the financial support for its implementation is expected to come from the Oblast Council. The resolution of the flooding problem allowed the city to perform capital repairs in communally-owned pre-school educational establishments. In his interview, N. Musiyenko, Mayor of Vilnyansk, spoke about the peculiarities of the city, implementation of programs for social and economic development, participation of the city in the DIALOGUE Project, interaction of the city government with the oblast authorities, and highly praised the role of the AUC in establishing dialogue with government agencies and lobbying the interests of territorial communities.

Bucha (Kyiv oblast), October 30

The main topic of the story was how the local government cares about landscaping and cleanliness of the city. In partnership with a local private company, the city has been implementing a program for the separate collection of solid waste for about 20 years. Also, the city has set up four parks and a dozen of public gardens. The Central City Park is a pearl of the community. Residential areas are actively being built in Bucha. In his interview, A. Fedoruk, Mayor of Bucha, described the tasks the City Council is facing today, partnership relations with local businesses, successes in reforming the housing and municipal utilities sector, strengthening the financial conditions social facilities, improving the living conditions of residents of the city, as well as the support to the city from oblast authorities. The City Mayor positively assessed the activity of AUC in promoting the interests of local governments and in disseminating dissemination of innovative practices in municipal management.

Working session of the Rivne Oblast Local Government Regional Advisory Board, November 06

The story of the program was dedicated to the working session of the Rivne Oblast Local Government Regional Advisory Board, which was held with the participation of V. Rybak, Chairman of the Verkhovna Rada of Ukraine. The event participants discussed the current status of the problems of local communities face in the region in 2013. The city and town heads who were present at the meeting noted in their statements the excessive centralization of the budget

system, stressed the poor administration of local budgets by the State Treasury, and the lack of funds for programs in the housing and municipal utilities sector. M. Karapetyan, Mayor of Radyvyliv, and L. Dmytruk, Mayor of Korets, were the speakers at the event. They all spoke about the problem issues their territorial communities face, in particular, about the insufficient financial resources of local budgets for the implementation of the authority delegated to local governments by the state, the need to look for additional sources of funds, and about the cooperation with the oblast authorities.

Working session of the Association of Ukrainian City Finance Officers (city of Zhytomyr), December 04

The story of the program was dedicated to the working session of the Association of Ukrainian City Finance Offices where the participants discussed problem issues of local budgets and proposed ways to resolve them, current conditions and prospects for the financial support to territorial communities in 2014, and issues with the Treasury administration of local budgets. S. Haraschuk, Director of the Department of Finance and Budget Policy of the Zhytomyr City Council, and O. Slobozhan, DIALOGUE Project expert, were the key speakers of the program. In their interview, they provided a detailed overview of the implementation of local budgets in 2013 and of AUC proposals to improve the budget sufficiency of communities in the next year, and to improve the quality of the treasury administration. O. Slobozhan made a specific emphasis on the cooperation with the Inter-Faction Local Government Support Group (local government caucus).

Working session of the AUC Housing and Municipal Utilities Professional Group (city of Kyiv), December 11

The topic of the program was dedicated to the working session of the AUC Housing and Municipal Utilities Professional Group where heads of the corresponding city departments expressed their opinion with regard to a number of draft laws on solid waste management. The event participants also came up with their proposals to the draft legislation on managing apartment blocks prepared by the Ministry of Regional Development. D. Sirman, Director of the Department for Housing and Municipal Utilities of the Chernivtsi City Council, and O. Katrychenko, Director of the Department for Housing Policy and Urban Improvements of the Kryvyi Rih City Council, were invited to serve as the key speakers at the event. In their presentations they spoke about how their cities resolve key problems in the housing and municipal utilities sector, as well as the cooperation with the AUC to develop a unified local government policy.

Activity 2.3.4. Fostering media relations

Setting up a team of AUC speakers

The composition of the team of AUC speakers has not changed.

Table 2. 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
Current status and issues of local self-governance in Ukraine. AUC dialogue with central government agencies	
Yu. H. Vilkul	AUC President, Kryvyi Rih City Mayor
Myroslav V. Pittsyk	AUC Executive Vice President, DIALOGUE Project Senior Expert on Inter-Governmental Relations

Legal support to local government activities, AUC initiatives	
Myroslav V. Pittsyk	AUC Executive Vice President, DIALOGUE Senior Expert on Inter-Governmental Relations
Victor V. Kravchenko	Legal Assistance Center Director, AUC
Victoria V. Sydorenko	DIALOGUE Project Senior Legal Expert
Volodymyr H. Parkhomenko	DIALOGUE Project Analytical Center Director
Local elections	
Victor V. Kravchenko	AUC Legal Assistance Center Director
Local budget and finance	
Tetyana D. Taukesheva	President of City Finance Officer Association (CFOA), Deputy Kharkiv City Mayor, Director of the City Department for Budget and Finance
Natalya Dzhuhan	Director of the Department for Financial Policy of the Cherkasy City Council
Oleksandr V. Slobodzhaniuk	DIALOGUE Project Legislation Monitoring Expert
Housing and Utilities, city economy and infrastructure	
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
Big and medium-sized city issues	
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. Kozryyev	AUC Vice President on Small Cities, Ukrainka City Mayor
Volodymyr P. Udovychenko	AUC Board Member, Slavutyeh City Mayor
Innovation development, introduction of effective management technologies	
Volodymyr B. Groisman	AUC Vice President on Housing and utilities, Vinnytsya City Mayor
Anatoliy S. Fedorchuk	AUC Vice President on Medium-Sized Cities, Boryspil City Mayor, Kyiv oblast
Land relations	
Yaroslav O. Raboshuk	DIALOGUE Project Analyst

Implementation of mechanisms for regular communication between local governments and media

Media event

Media events play an important role in the cooperation with media. These are events held once a year to inform the journalist community about the outcomes of AUC activities, status of local self-governance, and AUC position on most important issues.

The media event was scheduled for December 04, the day of the AUC Conference. Due to the rescheduling of the AUC Conference, the media event was also rescheduled for the beginning of 2014.

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 Khmelnytskyi Oblast Regional press Club

<p>Topic: “On the current status of promoting investments in the development of the social sector in the oblast”.</p> <p>Date: October 04, 2013</p>	<p>The journalists who were present at the event were interested in the information about the current status of investment promotion in the social sector, role of investment programs in strengthening social guarantees for oblast residents, and in the cooperation of businesses with government authorities at the local level.</p> <p>V. Yadukha noted that the development of the investment potential of the oblast and promotion of the environment for its effective use represent the strategic objectives of the oblast government authorities. The oblast authorities conduct systematic activities aimed at creating a positive investment image of the Khmelnytskyi region as a region with a favourable business environment, where the government pursues a clear transparent and open investment policy, and supports investors in the implementation of their projects. He noted that the oblast authorities developed the investment passport of the Khmelnytskyi oblast and prepared its electronic version. The passport contains the detailed information useful for potential investors. However, as V. Yadukha said, according to the information from rayon state administrations and city council executive committees, the need for investments in the region constitutes about 7.2 billion USD.</p> <p>M. Derykot mentioned that attracting foreign investment is one of the main components of the Strategy for Regional Development of the Khmelnytskyi Oblast for 2011-2020.</p>
<p>Participants: M. Derykot, Chairman of the Local Government Local Government Regional Advisory Board in the Khmelnytskyi oblast and Chairman of the Oblast Council, V. Yadukha, Head of the Oblast State Administration, and S. Kucheruk, DIALOGUE Project coordinator of the Khmelnytskyi AUC Regional Office.</p> <p>Media representatives: The Khmelnytskyi "Поділля-центр" [<i>Podillya center</i>] Oblast TVRC, Khmelnytskyi Oblast Radio Station; the "Подільські вісті" [<i>Podillya news</i>], «Голос України» [<i>voice of Ukraine</i>], «Всім» [<i>for all</i>], and «Пульс» [<i>pulse</i>] newspapers.</p>	

Working session of the Rivne Oblast Regional Press Club

<p>Topic: “On the current status of the implementation of local budgets and ways to involve off-budget funds from the development of the territorial communities in the oblast”.</p> <p>Date: October 17, 2013</p>	<p>L. Bilyak informed the media about the current status of the implementation of local budgets in 2013 and made a presentation about the projected budget figures for 2014 for each rayon. She provided a detailed overview of the peculiarities of the budgets of the cities of Rivne, Ostroh, Kuznetsovsk and Dubno, which were formed using the performance program budgeting method. She also mentioned that the rayon significance cities and towns will start using ties method in 2014.</p> <p>M. Dobrovolskyi mentioned about the lack of funds in budgets of city, town and village councils to support the implementation of the delegated authority.</p> <p>S. Yevtushok noted that it is unacceptable to use the funds of local budgets to cover social obligations of the state. He said that Basket Two funds should belong to the community and should be used to repair roads, lifts, roofs, etc. However, the budget figures show that local government leaders will again have to transfer money from the Basket Two to cover their expenses on salaries for teachers and implementation of social commitments of the state.</p> <p>M. Kryvko added that the Oblast Council is constantly working to find and attract additional sources of funds for initiatives of local councils. He provided examples of councils successfully implementing grant projects, thereby resolving some problems of their communities.</p>
<p>Participants: S. Yevtushok, Mayor of Sarny, M. Dobrovolskyi, Secretary of the Ostroh City Council, M. Kryvko, Deputy Chairman of the Oblast Council, and L. Bilyak, Deputy Head of the Main Financial Department of the Oblast State Administration</p> <p>Media representatives: The «Рівне вечірне» [<i>evening Rivne</i>] newspaper; the «Рівне1» TV Channel; and the, «Новини Рівного» [<i>Rivne news</i>] weekly publications.</p>	

Working session of the Poltava Oblast Regional Press Club

<p>Topic: “Summing up economic</p>	<p>The speakers answered questions from journalists about the</p>
---	---

<p>and social Development of the oblast over 9 months of 2013. Current status of budget sufficiency of territorial communities in 2014”.</p> <p>Date: October 24, 2013</p>	<p>outcomes of the economic and social development of the region in the first nine months of 2013, about the implementation of the oblast budget and the formation of local budgets in 2014, as well as about the status of wage arrears.</p> <p>I. Momot said that there are considerable arrears of wages to employees of state-owned enterprises. Of the total amount of wage arrears of 12.5 million UAH, the wage arrears for employees of state-owned enterprises constitute 68.7%.</p>
<p>Participants: S. Suprun, Mayor of Komsomolsk and Head of the Poltava AUC Regional Office, I. Momot, Chairman of the Poltava Oblast Local Government Regional Advisory Board and Chairman of the Poltava Oblast Council, and O. Udovichenko, Head of the Oblast State Administration</p> <p>Media representatives: The «Лтава» TVRC, «Місто» [city] TV Channel; the «Зоря Полтавщини» [Poltava region star], «Село полтавське» [Poltava region village], «Вечірня Полтава» [evening Poltava], «Полтавський вісник» [Poltava herald], and «Коло» [circle] newspapers; and the «Полтавщина» [Poltava region] and «Новини Полтавщини» [Poltava news] Internet publications</p>	<p>O. Udovichenko pointed the attention of the journalists to the fact that based on the discussions of the Local Government Regional Advisory Board, rayon state administration and executive committees of oblast significance cities received the instructions to intensify their activities aimed at achieving the sustainable economic and social development of the oblast. He also informed that the oblast authorities are preparing a draft Programme for Economic and Social Development of the Poltava Oblast for 2014, and the draft Program to Support Investments and Strengthening the International Image of the Poltava Oblast for 2014-2016.</p> <p>S. Suprun provided answers to the questions about the implementation of the city budget of Komsomolsk. In particular, he said that the revenue part of the budget was implemented at 105.4%, with the expenditures being 72.8%.</p>

Working session of the Lviv Oblast Regional Press Club

<p>Topic: “On the current status of the implementation of local budgets to support the European vector of Ukraine“.</p> <p>Date: November 25, 2013</p>	<p>In the course of the press club meeting, the participants discussed the problems that cities are most concerned with, including the implementation of budgets in 2013, local budgeting for 2014, the status of the treasury administration of local budgets by the State Treasury Service of Ukraine.</p>
<p>Participants: A. Sadovyi, Head of the Lviv AUC Regional Office and Mayor of Lviv, city mayors, P. Kolodyi, Chairman of the Local Government Regional Advisory Board in the Lviv oblast and Chairman of the Oblast Council</p> <p>Media representatives: The «Львів» TVRC; the "Галінфо" Internet publication; the "ЗІК" and «Львівські новини» news agencies; the "Експрес", "Вголос" [aloud] and «Іпресс» newspapers; and the "Львів - ТБ" [Lviv TV] TV Channel</p>	<p>P. Kolodiy mentioned that freezing of local government accounts and delayed administration of payments and expenditures of local budgets adversely affected the implementation of budget expenditures in the oblast.</p> <p>Also, majors of cities from the Lviv AUC Regional Office told the journalists about the approval of the joint statement to support the European integration of Ukraine.</p> <p>A. Sadovyi mentioned that all cities in the Lviv oblast are unanimous in supporting the signing of the Association Agreement with the European Union by Ukraine. It is the will of the people and this will should be respected. This is the manifestation of citizenship of each person, - said the Mayor of Lviv.</p>

Working session of the Zaporizhzhya Oblast Regional Press Club

<p>Topic: “On the outcomes of the elaboration of the Concept of the Local Government Reform and Reform of the Territorial</p>	<p>V. Mezheyko briefed the media on the results of the activities to elaborate the draft Concept of Local Government Reform over the last six months. All in all, the Zaporizhzhya Oblast Council received more than 300 decisions of city, rayon, village and town council</p>
--	---

<p>Arrangements of Government Institutions in Ukraine”.</p> <p>Date: December 04, 2013</p>	<p>with suggestions to the draft Concept.</p> <p>O. Sin noted that most of the proposals received during the public discussion related to budget issues, because today many local governments have a lot of responsibilities and little financial resources to support them. He said that aiming at resolving this problem, the Zaporizzhya AUC RO came up with a suggestion to introduce in the including a provision prohibiting the use of exclusive local government funds for the implementation of the delegated authority. In such a case, these funds will be used only for the implementation of city programs. Thus, the city will be able to use the funds it earned for city purposes.</p> <p>P. Honcharuk noted that the success of reforms depends on how clearly the powers and functions of local councils and executive committees are defined.</p>
<p>Participants: O. Sin, Chairman of the Zaporizzhya AUC RO and Mayor of Zaporizzhya, V. Mezheiko, Chairman of the Local government regional Advisory Board in the Zaporizzhya oblast and Chairman of the Zaporizzhya Oblast Council, and P. Honcharuk, Deputy Head of the Oblast State Administration</p> <p>Media representatives: The «Запорізька правда» [<i>Zaporizzhya truth</i>], «Запорізька Січ» newspapers; the «ТВ-5» Zaporizzhya National TVRC, the Zaporizzhya Oblast TVRC, the «Алекс» TVRC, and the «5 канал» [<i>channel 5</i>] TVRC.</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 172 consultations to local government officials. Since the inception of the Project, 185 consultations to local government were provided. Since its inception, the Project provided 2,277 consultations to local governments.

City Legal Assistance Center consultants provided 172 legal consultations through the mobile telephone line, mail, and AUC and DIALOGUE web-sites in the following areas:

- local budgets and inter-budget relations – 4;
- land relations – 30;
- housing, municipal utilities and communal property – 61;
- organisational and legal foundations of local self-governance – 72;
- social protection – 4; and,
- public education – 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 October – December of 2013, the Project conducted 23 expert workshops with participation of 402 local government officials.

Date and venue	Topic	Description of the event
Dnipropetrovsk AUC RO city of Kryvyi Rih October 16, 2013 Participants: 20 participants – heads of press services of city councils	Use of modern media resources and social networks to promote the information about activities of local governments	The expert workshop moderator focused the attention of the participants on the importance and relevance of using Internet resources and social networks in promoting the information about the activities of local governments. To train the students, the moderator used the modern media equipment and familiarised them with the official web site of the Dnipropetrovsk City Council, blogs of the city mayor and other mayors from Ukraine in social networks; and described the plans and visions for the future work.
Khmelnyskyi AUC RO city of Khmelnytskyi October 22, 2013 Participants: 20 participants – city and town mayors and their deputies	Ways to resolve problem issues with the State Treasury administration of local budgets	The expert workshop participants focused their attention on problem issues related to the treasury administration of local budgets by the State Treasury including: low professional level of local government officials and employees; insufficient material and technical foundations; unstable Ukrainian legislation; absence of the clear delineation of responsibilities and authority between local governments and State Treasury agencies in the context of administration of local budgets, etc. The event participants came up with their suggestions on how to resolve the problem issues mentioned above: involvement of temporarily unused local budget funds and funds remaining with spending units, prevention of cash gaps in the course

		of the implementation of local budgets; including departments of management of budget resources in the organisational structure of main oblast departments of the State Treasury of Ukraine; improving the regulatory and legal procedures of local government budget transactions at all levels, development of a unified software product to set up a unified information base, etc.
Zaporizzhya AUC RO city of Enerhodar October 22, 2013 Participants: 20 participants – deputy city mayors and heads of financial departments	Ways and methods for the effective development and maintenance of city infrastructure and improvements of the provision of social services	The expert workshop participants reviewed and discussed the issues related to the improvements in the provision of social services, as well as forms and methods of effective development and maintenance of the urban infrastructure. The event participants visited the Zaporizzhya Nuclear Power Plant, housing, municipal utilities, social and cultural facilities, became familiar with the experience of the Enerhodar city council and its executive bodies in creating comfortable living conditions of its community members.
Kirovohrad AUC RO city of Kirovohrad October 25, 2013 Participants: 20 participants – city mayors and employees in the housing and municipal utilities sector	On the current conditions of maintenance of residential housing stock in the Kirovohrad oblast	The expert workshop participants discussed the current status of maintenance of the residential housing stock in the Kirovograd oblast, management apartment blocks and establishment of condominium associations, and issues related to transferring the residential housing stock and dormitories to private ownership. They prepared for distribution to local governments a series of documents to facilitate the establishment of condominium associations in new buildings and transferring their main assets; recommendations on how to set up consultation centers in local governments and local state administrations to provide the methodological support and to stimulate the process of establishment of condominium associations; and to conduct training for heads of condominium associations with funds from city and rayon budgets or with the funds of condominium associations.
Lviv AUC RO city of Lviv October 29, 2013 Participants: 20 participants – city/town mayors, their deputies, secretaries of local councils	New provisions in the legislation regulating the prevention of corruption. Improvements in the mechanism to ensure compliance with the anti-corruption legislation	The expert workshop participants learned the theoretical material about the main innovations supplementing the anti-corruption legislative framework, and learned hands-on skills in managing the conflict of interests and coordination of activities to prevent corruption. In addition to this, the participants discussed problem issues arising during special inspections of persons who apply for positions in the state executive authorities or local governments. The hands-on training topics also included prevention of corruption in local governments.
Ivano-Frankivsk AUC RO city of Ivano-Frankivsk November 06, 2013 Participants: 20 participants –heads of city finance departments	Key issues of budgeting and projected indicators for social and economic development of cities in 2014	The expert workshop moderator familiarised the participants with the prospects of budgeting for 2014. The event participants discussed problem issues related to local budgeting and implementation for the current year and shared their experience in resolving issues with the budget implementation at the local level. Budget sufficiency was the focus of the heated discussions during the event, namely: budget sufficiency of protected budget line items in the last quarter of 2013 and freezing of local government transactions by the State Treasury. The event participants supported the text of the appeal of the Ivano-Frankivsk AUC RO wit regard to the freezing of funds of territorial communities by State Treasury agencies.

<p>Vinnitsya AUC RO city of Vinnitsya November 07, 2013</p> <p>Participants: 20 participants – Heeds of city legal departments</p>	<p>Hands-on experience of city council activities</p>	<p>The expert workshop moderator familiarised the event participants with the hands-on experience of Legal Department of the Vinnitsya City. The participants discussed the following issues: failure of tar legislation to prohibit the use of land plots prior to the preparation of the relevant document; the procedure for vacating residents from the dormitories, which are part of the municipal property of the territorial community; mechanisms for transferring the state-owned immovable property to the category of communally-owned or privately-owned property; permission for placing mobile amusement facilities (allocation of land plots for such purposes); putting together a waiting line for housing (privileged, first priority and social housing categories), etc. The event participants shared their practical experiences and discussed the effectiveness of the current legislation, drawing attention to the need to improve certain laws.</p>
<p>Zakarpattya AUC RO city of Uzhgorod November 13, 2013</p> <p>Participants: 20 participants – city/town mayors and their deputies</p>	<p>Local economic development of cities as a source to increase budget revenues and a platform for the community development strategy</p>	<p>The expert workshop moderator familiarised the participants with the features to create the preconditions for sustainable local economic development of cities. The moderator paid a special attention to the role of local government in the formation of network production associations and on the comprehensive analysis of the resource potential of local economic development. The participants also noted that the creation in the city council of a professional team that is responsible for the process of planning, implementation of the plan and monitoring its implementation is an important element in the preparation of strategic planning in the city.</p>
<p>Chernihiv AUC RO city of Chernihiv November 14, 2013</p> <p>Participants: 20 participants – town mayors and their deputies</p>	<p>Preparation of innovative projects and programs to support the development of local governance aimed at resolving key problem issues of territorial communities</p>	<p>The expert workshop moderator focused the attention on the need and legal framework of involving additional financial resources to resolve local problem issues. The event participants became interested in requirements for the scope of work and preparation of the project, submission procedures, project registration and review, selection criteria, structure of the main part of the project, Project partners and implementers, as well as in terms and conditions of the financial support for the project implementation. The participants shared their experiences of writing project proposals. The event promoted the professional development of the employees of local councils, and will enable them to use the knowledge gained to involve additional funds to address key issues of territorial communities.</p>
<p>Kherson AUC RO city of Kherson November 20, 2013</p> <p>Participants: 20 participants – deputy city mayors and heads of departments of finance</p>	<p>Budget legislation of Ukraine. Peculiarities of local budgeting in 2014</p>	<p>The expert workshop moderator conducted a mini-lecture, practical discussions on issues related to problems local governments face in the sphere of local finance. The questions and answers sessions focused the attention of the event participants at the main objectives of fiscal policy for 2014. The participants emphasised the fact that by the time the draft National Budget for 2014 was discussed, the main macroeconomic indicators for 2014-2016 were not approved, whereas the main directions of the budgetary policy were not approved by the parliament. In the course of the discussions, the event participants came up with their proposals to the Budget Code of Ukraine, the Law of Ukraine “On the National Budget of Ukraine for 2014” and</p>

		to other regulatory documents.
<p>Kharkiv AUC RO city of Chuhuiv November 21, 2013</p> <p>Participants: 20 participants – city mayors</p>	<p>Cooperation of citizen self-organisation bodies with local governments</p>	<p>The expert workshop participants reviewed the legal and regulatory framework to provide the organisational support for citizen self-organisation bodies and local governments. In the course of the discussions, they came up with their proposals to the new version of the Law of Ukraine “On Condominium Associations”. The event participants visited and met with the work Chuhuiv Center for Administrative Services.</p>
<p>Crimean AUC RO city of Simferopol November 21, 2013</p> <p>Participants: 22 participants – public procurement specialists, accountants</p>	<p>Experience in public procurement</p>	<p>The expert workshop focused the attention at the standards of openness and transparency in government procurement for local governments. The event participants discussed the following procurement mechanisms, such as: request for quotes; prequalification; procurement from one source; open tenders; and two-stage bidding. The moderator workshops answered numerous questions from the audience and gave explanations about the certificate of the enterprise under the bankruptcy proceedings; procurement under blanket purchase; providing methodological assistance; definition of the procurement item; and disclosure of the procurement information. The event participants received practical legal skills in the area of public procurement.</p>
<p>Volyn AUC RO city of Lutsk 22 November 2013</p> <p>Participants: 20 participants – land relations specialists</p>	<p>Problem issues of implementation of local government authority in the sphere of land relations</p>	<p>The expert workshop moderator familiarized the participants with the regulatory and legal documents and Laws of Ukraine adopted in 2013, in particular the Law of Ukraine “On the Delineation of State-Owned and Communally-Owned Lands”, “On the State Land Cadastre”, and “On Improvements of the Mechanism for the State Registration of Rights to State-Owned and Communally-Owned Land Plots”. Since local government officials in their daily activities face issues with the implementation of laws mentioned above, the moderator built the training event on four main components:</p> <ol style="list-style-type: none"> 1. Key points regarding the automatic separation of state-owned and communally-owned lands; 2. State Land Cadastre, basic concepts, formation of land as an object of property; 3. peculiarities of the registration of land titles that emerged as of June 16, 2013; and 4. simplification and improvement of land relations, which took effect on July 27, 2013. <p>The event participants received numerous recommendations about the regulation of urban development activities at the local government level and the practical application of the Law of Ukraine “On the Land Cadastre”.</p>
<p>Sumy AUC RO city of Sumy November 28, 2013</p> <p>Participants: 20 participants – deputy city mayors</p>	<p>Financial support for infrastructure development projects for territorial communities</p>	<p>The expert workshop participants discussed a number of issues related to the preparation of infrastructure projects with the support of international financial institutions. The participants became with the conditions and environment for local budgeting, use of development budget funds and mechanisms for local borrowings in the Sumy City Council. The event participants also were interested in the issues related to promotion of investments in cities; mechanisms for providing co-financing for projects; advantages of public-private partnerships; preparation for tender procurements and auctions, etc.</p>
<p>Chernivtsi AUC RO city of Chernivtsi</p>	<p>Legal and practical aspects of local</p>	<p>The expert workshop moderator together with the participants discussed the issues related to budgeting, such</p>

November 29, 2013 Participants: 20 participants – city and town mayors	budgeting and budget implementation in 2014	as: key notions, strategy, directions and goals, as well as budget implementation. The discussion was also focused on the local government participation in budgeting and inter-budget relations. The event participants expressed their concern about the failure of the Cabinet of Ministers of Ukraine to make public the draft National Budget for 2014 and to disclose macro-indicators for budgeting, therefore while preparing their own budget, they took as benchmark indicators the indicators of the budget of the Chernivtsi City Council. With this environment in mind, the event participants used an integrated approach to discuss a wide range of issues related to the theoretical, practical and legal aspects of budgeting in general.
Donetsk AUC RO December 02, 2013 city of Donetsk Participants: 20 participants – city mayors and their deputies	Ukrainian and international experience promoting investments in industrial cities	The expert workshop moderator familiarised the participants with the experience in attracting investments to industrial cities and introduced the participants to the free economic zones in Ukraine, Belarus, Russia and China. The event participants discussed the Ukrainian and international experience in this sphere: theoretical aspects of attracting direct investments, preparation of the marketing plan based on the investment promotion strategy, targeted search for investors, on-stop-shop for investments, post-investment support to investors, and involvement of local media. The participants were also interested in the preparation of the investment passport of the city and its strategy and studied the experience in this sphere from the city of Ulan-Ude (Russia).
Mykolaiv AUC RO December 11, 2013 city of Mykolaiv Participants: 18 participants – secretaries of local councils, specialists from economic departments	Opportunities for promoting additional resources fro the development of local communities (budget and non-budget resources)	The expert workshop moderator familiarised the participants with the regulatory and legal framework for foreign investment promotion: national level and local documents and ordinances regulating the particularities of the foreign investment climate on the territory of Ukraine, as well as with organisational framework of relationships related to the preparation and implementation of investment projects. The event participants expressed a great interest in the preparation and formatting applications for the Ukraine-wide projects and programs to support local government development. They also received a manual with technical recommendations for the preparation of local government development projects and programs.
Poltava AUC RO December 11, 2013 city of Khorol Participants: 35 participants – city, town mayors/deputies	Legal support for local government activities	The expert workshop moderator made a suggestion to discuss the issues representing the top priority for the participants, namely: the right to use the land plot after the change of its designation and owner; registration of the right to lease communally-owned land plots under commercial buildings (stores, etc.); mechanisms for placing temporary buildings (kiosks) and allocating land plots for such purposes; local government actions to be taken on unsanctioned street trade, including the off-lorry trade, etc. The event participants were also involved in the discussion of the Laws of Ukraine “On the Conflict of Interests” and “On Access to Public Information”. They received answers to their numerous questions regarding local government activities in such sectors as: local finance; housing and municipal utilities sphere; urban development, social services, etc.
Ternopil AUC RO	Cooperation of local	The expert workshop moderator described about the special

<p>December 12, city of Ternopil</p> <p>Participants: 20 participants – city and town mayors, legal advisors of local councils</p>	<p>governments with justice offices. Primary registration of marital status</p>	<p>role justice offices play in cooperation with local governments with regard to the registration of marital status. The event participants discussed the peculiarities of the registration of the marital status, in particular, birth and death certificates; mechanisms for burying lonely people, birth certificates for children born abroad, mechanisms for de-arresting property, as well as delays on law enforcement actions. The event participants were provided the contacts for “hot lines” to access the offices responsible for resolving conflict issues in the future.</p>
<p>Luhansk AUC RO December 12 December 2013 city of Luhansk</p> <p>Participants: 22 participants – heads of city/town departments for health care, and housing and municipal utilities</p>	<p>Experience in implementing energy efficiency projects in the public sector facilities</p>	<p>The expert workshop moderator focused the attention of the participants on the implementation of energy efficiency projects in the public education sector. She spoke about the cooperation of the Luhansk City Council with international financial institutions, foundations and grant organisations, in particular: with UNDP, NEFCO Corporation, Foundation for Targeted Environmental (Green) Investments. The event participants received the information about the implementation of energy saving projects within the framework of the Kyoto Protocol: application phase, cooperation with the grantee, concluding facility access agreements, etc. The participants discussed specific examples and experience in implementing the UNDP energy efficiency and solar energy project implemented in two kindergartens in the city of Luhansk, namely: installation of the solar power station and vacuum collectors to provide the autonomous supply of electricity for lighting and hot water supply to the kindergartens.</p>
<p>Kyiv AUC RO December 18, 2013 city of Kyiv</p> <p>Participants: 25 participants – deputy city mayors</p>	<p>Public employment. Social Protection</p>	<p>The expert workshop moderator focused the attention of the participants on the provisions of the new Law of Ukraine “On Public Employment” providing a number of incentives for new jobs, as well as offering employment opportunities for vulnerable categories of citizens, youth and persons over 45 years old. The event participants discussed problem issues related to unemployment in cities, companies in the oblast focusing their attention on the role of Employment Agencies and providing some constructive criticism regarding the performance of some of them. They also shared their experience and practical experience in resolving problems with unemployment.</p>
<p>Cherkasy AUC RO December 18, 2013 city of Cherkasy</p> <p>20 participants – deputy city mayors, heads of financial departments</p>	<p>Effective budgeting and distribution of local budget resources</p>	<p>The expert workshop moderator discussed with the participants the mechanisms for collecting local budget revenues; particularities of budgeting and approving the budget; problem issues and ways to resolve them using the city of Cherkasy as an example. In the course of the discussions, the event participants prepared their proposals on amendments to the current legislation and mechanisms to implement it in reality. The findings were submitted to AUC experts for further activities. The event participants received answers from the moderator to all their questions related to local budgets.</p>
<p>Odesa AUC RO December 24, 2013 city of Odesa</p> <p>Participants: 20 employees of city</p>	<p>Hands-on experience of legal services in providing the legal support for activities of city councils</p>	<p>The expert workshop moderator familiarised the participants with the main aspects of activities of legal services of local councils; improved their knowledge about the legal support for local council activities and executive committee, as well as cooperation with law enforcement agencies. The event participants discussed issues related to</p>

participants – employees of legal departments and legal offices of local councils		the application of the current legislation, paid their attention to the drawbacks of certain laws; and exchanged their hands-on experience of the legal department of the Odesa City Council and legal office of the Yuzhne City Council.
---	--	---

Activity 2.4.2. Legal protection services

In the reporting period, the attorney services were provided to 6 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 Mayor (Luhansk oblast), Svitlorichensk Town Mayor (Luhansk oblast), Bilohirsk Town Mayor (Luhansk oblast) (4);
- legal assistance to local governments and their officials (Almazna City Council (Luhansk oblast), Khrustalne City Council (Luhansk oblast) (2).

Monitoring of cases of harassment of local governments and their officials

In the reporting period, the Project identified 40 such cases with regard to:

- city mayors – 16;
- village and town mayors – 8;
- local council members - 5; and,
- other local government officials – 11.

The hottest conflicts are:

- resignation of A. Kostusyev, Odesa City Mayor.

Local Government Lawyer School

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

2.5. Component 5: Special Emphasis on Crimea

On November 28-29, 2013, the Project conducted one study tour for local government officials from the Autonomous Republic of Crimea to other Ukrainian cities. Five persons took part in the tour. All of them pointed out the great value of such training and the opportunity to learn the hands-on experience of their colleagues and learn how to avoid mistakes while copying it in their cities.

Topic: studying the successful experience of the city council in providing the organisational support for industrial tourism activities.	Topic of the study tour: Studying the successful experience of the city council in providing the organisational support for industrial tourism activities. The topic of the training was selected based on the findings of the survey of Crimean city councils conducted by eh Crimean AUC RO.
Date: November 28-29, 2013	According to the opinion of the members of the Crimean
City: city of Kryvyi Rih	

<p>Participants: heads of departments for spa and tourism from the cities of Yevpatoria, Inkerman, Krasnoperekopsk, Simferopol and Feodosiya</p>	<p>delegation, the experience of the Kryvyi Rih City Council in providing the organisational support for industrial tourism activities is very useful and should be implemented in industrial cities, because it will provide opportunities to have more tourists not only during the high season, but also to ensure their stay on the territory of spa cities during the whole year. This will also allow to have new jobs.</p> <p>During the study tour, the participants familiarised with the terms of reference of the corresponding structural departments of the city council, samples of agreements with industrial companies and travel agencies to organise excursions to companies, as well as, safety requirements during such excursions, what is essential. The event participants also learned about how to conduct excursions to working enterprises, how to select the sites and routes for both pedestrian and “mixed” (pedestrian and transportation vehicle) excursions, and how to prepare advertisement and information materials.</p>
--	---

Chapter 3. IMPLEMENTATION PROBLEMS AND WAYS TO RESOLVE THEM

In view of the failure of the Verkhovna Rada of Ukraine to approve the Law of Ukraine “On the National Budget of Ukraine for 2014”, the Project postponed a number of working sessions of local government regional advisory boards to prepare oblast budgets and workshops dedicated to the preparation of local budgets for 2014.

A series of protests taking place in Ukrainian cities caused by the suspension of the signing of Ukraine of the EU Association Agreement and the EuroMaidan in Kyiv had no effect on the implementation of Project tasks.

Chapter 4. SUCCESS STORIES

DIALOGUE EXPERTS HAVE CONVINCED THE AUTHORITIES TO REDUCE THE SHORTFALL OF LOCAL BUDGETS

In their appeals to the top country leadership, in their analytical and information materials for the media the DIALOGUE Project repeatedly touched upon the problem of the shortage of financial resources of local budgets to carry out delegated authority in 2013. In the course of the negotiations with Cabinet of Ministers officials and National Deputies DIALOGUE Project experts tried to convince them that without the allocation of financial resources from the National Budget, local governments will not be able to provide an adequate quality of life for the corresponding territorial communities. The Cabinet of Ministers and the Parliament acknowledged the proposals of the DIALOGUE Projects and in the course of October and November allocated three additional transfers to local budgets to finance delegated authority totalling nearly 4 billion UAH. By doing so, the Project managed to partially decrease the shortfall of local budgets and improve the quality of budget sufficiency of territorial communities.

DIALOGUE MANAGED TO HAVE GUARANTEES TO MUNICIPAL UTILITY COMPANIES IN THE PART OF BILLS SETTLEMENTS SECURED BY THE PARLIAMENT

The draft Law prepared by the Cabinet of Ministers (# 3358 of October 10, 2013) envisaged the repayment plan for the state budget indebtedness in subvention on the difference in tariffs by issuing financial treasury bills to the corresponding municipal utility companies. DIALOGUE Project experts were actively opposed to this bill in the proposed wording, because the state did not guarantee that the energy companies will accept utility company treasury bills as payment for the consumed energy sources. Thanks to their efforts, the draft law was amended with Amendment #8, whereby energy companies were required to accept the bills without fail as payment for the energy sources consumed by municipal utility companies. The draft Law with the above amendment signed by the President of Ukraine was returned on November 11, 2013.

DIALOGUE IS ACTIVELY INVOLVED IN ENHANCING TERRITORIAL COMMUNITY RESOURCES BASE

With the efforts of DIALOGUE Project experts it became possible to introduce into the Budget Code of Ukraine (Law # 665-VII of November 11, 2013) the regulations on channelling part of the proceeds from use (realization) of the state share of the produce under the cost-sharing agreements to local government budgets. Thus, the mechanism to secure the interests of local communities rich in natural resources to be passed for usage under the cost-sharing agreements was legally affirmed. The above will lead to increased in local budget own revenues.

THE PROJECT MANAGED TO PARTIALLY IMPROVE THE STATE BUDGET FOR 2014 INDICATORS

Despite closeness of the budget process in 2013 (lack of budget consultations) DIALOGUE Project experts managed to partially improve (as compared with those proposed by the Ministry of Finance) indicators of the 2014 National Budget on budget support of local communities in terms of: 1) setting the National Regional Development Foundation at 3.5 billion UAH, which is in line with the requirements of Article 24-1 of the Budget Code; 2) partial reduction of withdrawal volumes - the Ministry of Finance suggested the withdrawal volumes at the level of 4 billion UAH, whereas in the draft submitted to the Parliament this volume was fixed at the level of 2.7 billion UAH; 3) partial increase in local budget expenditures to perform delegated state authority in some areas, in particular almost 100% of the actual requirement on "Culture and Art"; 4) an increase in equalization subsidies of 7.4 billion UAH to the total amount of 63.1 billion UAH in 2014 as compared to 55.7 billion UAH in 2013; 5) maintaining the additional financial security equalization subsidy to local budgets at the level of 2013; (1 billion UAH); 6) changes in the planned by the Ministry of Finance revenues and expenditures indicators of local

budgets: a) partially reduced income indicators, which makes budget execution more realistic and b) partially increased the volume of Basket One expenditures and partially reduced volumes of Basket Two revenues (the volume of revenues is envisaged 3.3% less than planned for 2013), which allows for a more objective use of financial equalization instruments; 7) further maintaining subventions allocation mechanism from the National Budget to local budgets for the construction, reconstruction, repair and maintenance of streets and communally-owned roads in populated areas for all local budgets that have direct inter-budget relations with the National Budget; the Ministry of Infrastructure in the draft Law approved by the Cabinet of Ministers suggested distributing this subvention starting with 2014 only among oblast budgets; 8) securing 45.7 million UAH to support the winners of the Ukraine-wide competition for the winners of local government development projects and programs (in 2013, the National Budget did not allocate any funds for the purpose); and, 9) securing subventions for the reform of the health care system in the amount of 1.1 billion UAH, and for social assistance to orphaned children in the amount of 0.6 billion UAH.

DIALOGUE PROJECT SECURE FUNDING FOR THE WINNER PROGRAMS OF THE ALL-UKRAINE COMPETITION OF LOCAL SELF-GOVERNANCE PROJECTS AND PROGRAMS

The Law of Ukraine “On the National Budget of Ukraine for 2013” did not provide funding to award a prize to the winners of the Ukraine-wide competition of local government development programs in 2012. DIALOGUE Project experts secured allocation of almost 45 million UAH for the purpose in 2013 with assistance of the Vice-Prime Minister of Ukraine. Thus, it was possible to provide the financial support to 244 projects aimed at improving quality of life in populated areas of Ukraine.

VINNYTSYA OBLAST. DIALOGUE HELPS RESOLVE THE ISSUES IN THE SOCIAL SPHERE

In pursuance of the protocol decision of the Local Government Regional Advisory Board of September 23, 2013, 1.2 million UAH were allocated from the oblast budget and to fully repay the wage arrears from the city of Zhmerynka budget. Complete overhaul of Zhmerynka kindergarten for 90 slots was started with the oblast budget funds.

VINNYTSYA OBLAST. DIALOGUE HELPS EXPAND THE SCHOOL BUS PROGRAM

In pursuance of the protocol decision of the Local Government Regional Advisory Board of September 23, 2013 regarding the need to expand the School Bus Program, the necessary funding was allocated from the oblast budget to purchase 4 new buses to provide transportation services to the pupils in the cities of Zhmerynka, Kalynivka, Lityn and Khmilnyk.

VOLYN OBLAST. DIALOGUE PROMOTES ENERGY EFFICIENCY

In pursuance of the decision of the Local Government Regional Advisory Board of April 25, 2013 regarding the need to take energy efficiency measures in budgetary institutions, a thorough overhaul is underway in the Rozhysche youth sport school. In particular, the school heating system was fully upgraded. The construction work is carried out with the financial support from the State Regional Development Foundation and oblast budget funds in the amount of 1.8 million UAH. The object is planned to be commissioned in early March 2014. In addition to this, in the city of Lutsk a new solid fuel boiler was installed to provide heating to 4 comprehensive educational establishments. According to the expert calculations, this will allow to save on heating around 10% a month, with the total savings being 500,000 UAH a year.

VOLYN OBLAST. DIALOGUE ASSIST IN MODERNISATION OF HOSPITAL EMERGENCY ESTABLISHMENTS

In pursuance of the decision of the Local Government Regional Advisory Board of April 25, 2013 “On progress in the modernization of the oblast cities dilapidated facilities, a renovated city hospital therapy department was opened in the city of Berestechko. The repairs were funded through the National Budget and local budgets. More than UAH 300,000 was spent for these

purposes. With these funds the capital repairs of the intensive care and children departments of the Horokhiv City hospital was accomplished. The construction works were performed with the funds from the oblast and rayon budgets of the total amount of 1,035,000 UAH.

DNIPROPETROVSK OBLAST. DIALOGUE HELPS RESOLVE MUNICIPAL HEATING ISSUES

In pursuance of the decision of the Local Government Regional Advisory Board of April 18, 2013 “On the Development of the Housing and Municipal Utility Services of Territorial Communities” in co-financing from the National Budget, oblast and local budgets a new boiler was built and heating supply issues were resolved for 140 residential houses, 4 schools and 2 kindergartens in the city of Marhanets. Also, in city Dniprodzerzhynsk a boiler was reconstructed to provided heating to 250 residential houses on the left bank housing stock with 85 thousand people, or 30% of the total population. Also, the financial support in the total amount of 13.4 million UAH was allocated from the National Budget and a new modular boiler plant was built in the city of Vilnohirsk to provide heating to 4 secondary schools and 5 dormitories; a boiler plant was reconstructed in the city of Pavlohrad to provide heating to 34 residential buildings.

ZHYTOMYR OBLAST. DUE TO DIALOGUE, THE CITY EXPANDED ITS MUNICIPAL MACHINERY FLEET.

In pursuance of the protocol decision of the Local Government Regional Advisory Board of September 23, 2013 concerning the co-financing terms with funds from the oblast and city budgets in the total amount of 9.5 million UAH, 3 special “Hlobus” [*globe*] for street cleaning including snow cleaning, which were additionally equipped with salt, sand dispensing system were purchased for the city of Zhytomyr.

ZAKARPATTYA OBLAST. CITIES RECONSTRUCT ITS SEWERAGE NETWORKS

In pursuance of the protocol decision of the Chairman of the Local Government Regional Advisory Board of August 08, 2013 and due to the emergency condition of the sewerage system in city of Irshava, 2 million UAH were allocated from the oblast budget for the reconstruction of the city sewer networks. The city received the first tranche in the amount of 300,000 UAH as of now from the oblast budget and started the repair works and replacement of the networks.

IVANO-FRANKIVSK OBLAST. DIALOGUE HELPS CITIES TO RECEIVE TOWN PLANNING MAPS

In pursuance of the protocol decision of the Local Government Regional Advisory Council Chairman of June 26, 2011 regarding the need to draft planning layouts of the oblast populated areas in 2013, the total of 63,000 UAH was allocated from the oblast budget for this purpose. As of December 01, 2013, draft planning layouts have been prepared for the Bohorodchany, Verkhovyna and Nadvirna rayons. As of today, these layouts have been prepared to be publicly discussed and introduced for approval by the oblast council at its session.

KIROVOGRAD OBLAST. DIALOGUE HELPS COMMUNITIES RECEIVE FUNDS FOR ROAD REPAIRS

In pursuance of the decision of the Local Government Regional Advisory Board of August 15, 2013 “On the Improvement of Social Standards of Territorial Communities”, in October of 2013 additional 2,592.2 thousand UAH were allocated from the oblast budget for major road repairs in Ulyanivka rayon of total length 98 km, and 5,874.43 thousand UAH were allocated for road maintenance in Oleksandriya rayon. The total length of roads planned to be repaired will be of more than 190 km.

LUHANSK OBLAST. OBLAST CITIES WILL GET A PROPER WATER SUPPLY

In pursuance of the decision of the Local Government Regional Advisory Board of July 17, 2013 concerning the need to reconstruct the housing and municipal utility services, water supply

systems in the cities of Antratsyt and Krasnyi Luch were optimized with the funds from the National Budget oblast budgets in 2013. This improvement allowed to increase the share of population covered by a 24-hour water supply from 40% to 65%. Also, to ensure the uninterrupted water supply to the city of Antratsyt a mine water demineralization facility construction was started. The «Донецьксталь» [*Donetsk steel*] was involved in these activities as the investor and they plan to invest 300 million UAH over 3 years. The implementation of this project will allow to supply the city and surrounding villages with 20,000 cubic meters of potable water and improve the water supply of 80,000 people.

LVIV OBLAST. CITIES IN LVIV OBLAST WILL RECEIVE FUNDS FOR ROAD REPAIRS.

In pursuance of the decision of the Local Government Regional Advisory Board of July 25, 2013 where the issue of the oblast public roads was addressed, 12.6 million UAH were allocated from the oblast budget reserve fund for the renovation of the roads in Buzk, Stryi and Skole rayons of which UAH 7.2 million for community roads and UAH 5.4 million on public roads.

ODESSA OBLAST. LAW ENFORCEMENT AGENCIES RECEIVED VEHICLES

In pursuance of the decision of the Local Government Regional Advisory Board of March 27, 2012 “On the Ways to Implement the Regional Integrated Safe Odessa Region Program for 2012-2015”, law enforcement bodies in the city of Odessa received 72 vehicles equipped with navigation systems, radio communication and video recording devices to be operated round the clock patrolling the city. Also, in November of 2013, the oblast authorities opened two “sheriff houses” in the villages of Zorya in Sarata rayon and Pischana in Balta rayon. Local policy inspectors received laptops and company cars.

POLTAVA OBLAST. DUE TO DIALOGUE CITIES WILL RECEIVE FUNDS FROM THE OBLAST LOCAL DEVELOPMENT PROGRAMS COMPETITION

In pursuance of the decision of the Local Government Regional Advisory Board of March 20, 2012, over 2012 - 2013 a series of training sessions was conducted for local government official in drafting projects and programs for local government development. As a result, in 2013, 73 projects were sent in by city and village councils, which is by 59 projects more than in 2010-2011. According to the decision of the selection committee, all 73 projects were nominated as winners. The total cost of the project funding amounted to 8.2 million UAH including 3.9 million UAH provided from the oblast budget funds, and 4.3 million UAH from local budgets.

RIVNE REGION. DIALOGUE RESOLVED THE PROBLEM OF REGISTERING REAL ESTATE PROPERTY RIGHTS CONTRACTS

At the meeting of the Local Government Regional Advisory Council of May 29, 2013, the event participants addressed the issue of blocking the property rights of natural and legal persons in the matters of privatization and leasing of land parcels on the basis of city council decisions by the Registration Service due to differences in current legal interpretation. In pursuance of the decision of the Local Government Regional Advisory Board, some guidelines and procedures to normalize the situation have been developed and sent to all city and town councils in the oblast allowing the cities to work in the legal field without delay. Using the above mentioned recommendations all decisions accumulated over six months have been registered during one month without their re-consideration at city council sessions.

TERNOPIL OBLAST. CITIES WILL HAVE A LANDFILL FOR SOLID WASTES PROCESSING.

In pursuance of the protocol decision of the Local Government Regional Advisory Board of March 26, 2012, the process of building a landfill for sorting and recycling municipal solid wastes near the city of Ternopil was initiated. As of December 2013, a 12 hectare land parcel was allocated for placing the landfill and a waste-sorting line installation was begun. It is expected that the landfill will recycle up to 400 thousand tons of waste a year. The estimated

amount of direct foreign investment into construction of the landfill and a waste sorting line amounts to 30-35 million UAH.

KHARKIV OBLAST. COMMUNITIES RECEIVE FUNDS FOR MINI-PROJECTS AND PROGRAMS IN LOCAL DEVELOPMENT

In pursuance of the decision of the Local Government Regional Advisory Board of June 25, 2012 "On the Implementation of Projects and Programs Financed from the Oblast Budget", the budget of the oblast competition of local development projects and programs "Together into the Future" in 2013 was doubled to 2.4 million UAH. Within a year, 78 mini-projects and programs submitted by local governments were funded from the oblast budget.

KHERSON OBLAST. CITIES GET MONEY TO SETTLE URGENT ISSUES IN THE SOCIAL SPHERE

In pursuance of the decision of the Local Government Regional Advisory Board of August 29, 2013 "On Steps to Improve the Financial Situation of Territorial Communities" and in response to the pertinent address of the Chairman of the Oblast Council, a subvention in the amount of 9 million UAH was received from the National Budget of Ukraine and the work on windows replacement in all comprehensive educational establishment of the oblast was carried out. Additionally, 338,744 UAH were allocated from the oblast budget to the cities of Kakhovka and Beryslav. 80,000 UAH of these funds were used to repair roofs of pre-school educational establishment in the city of Kakhovka, 258,744 UAH to overhaul the heating system and interior premises of the secondary school in the city of Beryslav.

KHMELNITSKY OBLAST. DIALOGUE HELPS REPAIR A CHILD ORPHANAGE

In pursuance of the decision of the Regional Advisory Board of 20 July 2012 "On basic social issues in the oblast and their solutions" UAH 9 million were directed from the oblast budget to complete overhaul of Antoninska boarding school for orphans in Krasylivskyi rayon. New furniture for also purchased for the boarding school inmates as well as new material and technical equipment, computer equipment inclusive.

DEPUTY HEAD OF STANYCHNO-LUGANSKE TOWN COMMUNITY DEFENDED THEIR RIGHT TO WORK AS SPORTS COACH AND THEIR POSITION THROUGH ASSISTANCE OF THE AUC

As for local self-government officials a string of restrictions have been established on combining their duties with other activities. The prosecutor office attempted to prove in court that the work of the town deputy mayor outside of working hours as a sports coach violated the anti-corruption legislation. If proven guilty, the accused should have paid substantial fines and been dismissed from work. The defense was successful in court and proved that work in that position belongs to exceptions stipulated by legislation and that is their coaching in sport activities. The court dismissed prosecution accusations.

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 of the annual review “Status of Local Self-Governance in 2013”;
- Preparation and dissemination of the Legislation News electronic publication;
- Preparation and dissemination of the Sectoral Monitoring
- Preparation of the annual reviews of the status of local self-governance

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