

MFM Project

RAPID FEEDBACK EVALUATION KHARKOV STUDY TOUR

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Introduction

The MFM project routinely initiates activities - such as study tours and training - as part of the implementation process that warrant quick turnaround data collection and analysis to capture intermediate achievements. The MFM rapid feedback evaluation process is an integral part of the MFM project performance monitoring and evaluation system, designed to systematically collect and report these outcomes.

Below we report on a rapid evaluation of the Kharkov study tour, which took place September 10-25, 1994. The evaluation collected information approximately two months after the tour in order to allow the participants time to reflect on their experience in light of their management and work responsibilities. In this way their responses would be grounded in at-home reflection in light of daily job responsibilities. As the results point out, the data collection protocol successfully elicited the desired information.

Study Tour Participants Present at Evaluation:

Alexandra Fedorova, Head, Financial Planning, Territorial Water Agency
Natalia Sevostianova, Chief Accountant, Finance Department
Olga Vnuchko, Acting Head, Budget Department
Anatoly Rulkov, Deputy Head, Financial Planning, Water Purification Agency
Alexander Achkasov, Head, Enterprise Registration Department

Remaining Participants:

Tatiana Taukesheva, Head, Principle Administrative Department, Budget & Finance
Victor Anchukov, Chairman, Executive Department, Kominternovski Rayon
Alexander Taraday, Head, Regional Agency, Production of Heating Energy

Length of Session: 1.5 hours

Location: Kharkov City Hall

Methodology: The evaluation was conducted using an open discussion format. Participants were invited to respond candidly and individually to a group of questions formulated to 1) assess the impact of the study tour two months after the group's return to Kharkov, and 2) identify ways to improve future tours. The evaluation session was divided into three periods: warm-up questions, main questions, and closure. Questions in the warm-up period were general and prompted participants to review the main topics of discussion and the

application of the study tour observations to the current situation in Kharkov and Ukraine.

The main questions evaluated the impact of the observational tour and strategic planning workshop on the participants' work and lives, the work of their colleagues, and their use of the notebook materials, and collected data on how future study tours might be improved or modified. One question was used in the closure period to invite participants to reflect on how the study tour affected them personally. The data collection protocol used in the evaluation is included in Appendix A.

Evaluators: Brenda Linton
Tom Cook

Summary

In their evaluation of the Kharkov Study Tour, participant responses revealed four main categories of interest: 1) democratic mechanisms and processes, 2) municipal management, 3) development of technical expertise, and 4) cultural adaptation. Within the scope of these interests, participants compared what they observed in the US to the Ukrainian social and economic contexts and sought to find promising areas for applying municipal management concepts and techniques.

Because Ukraine is currently involved in a process of democratic transition, participants found the study tour topics of public participation in municipal decision-making and the financing of municipal infrastructure by private investors to be important and relevant to their situation. Participants also suggested that privatization of municipal functions, including the development of contractual agreements between local governments and private companies for the construction of municipal infrastructure, would also provide support to emerging businesses in Kharkov and might be a good topic for future tours. Access to timely and accurate information for use in decision-making was cited as basic to the implementation of democratic mechanisms and participants expressed the hope that legislative and legal reform in Ukraine will allow them to fully implement the type of data management and analysis they observed in the US.

Participants viewed sustainability and long-range planning as important municipal management concepts that will be difficult to implement in Kharkov in the near future due to the current budget deficit. However, the entire group expressed the belief that computerization is necessary for improving the efficiency of their work and is now being embraced by many other departmental staff, including tax officials as well as city executive committee and oblast-level officials. Participants described the introduction of computer technology in their various workplaces as an activity they have championed as a result of the study tour experience.

One of the ways that the study tour fell short of participant expectations was in the provision of opportunities for more detailed discussions of technical topics. Most participants felt that they did not have enough time to fully explore complex issues related to budgeting, water and sewer service, and new business development in the US. Some expressed frustration because the number of people and questions prevented them from going into detail on problems that were interesting to them but not to the majority of the group. There was a conflict of opinion in how to remedy this problem in future tours. Some participants offered an alternative design approach to allow people in the same field to engage in a shorter, more focused look at a specific issue. Another view was that it is impossible to find a ready-made recipe for success but learning about the broader experiences of other countries is a first step in developing solutions that are unique to and appropriate for Ukraine. Participants were able to use the written materials they received during the tour as references for reviewing or exploring a topic more fully after the meeting. In fact, many participants translated handouts from the meetings which they disseminated to colleagues upon their return to Kharkov and

used in presentations when reporting about their experience to departmental staff or training groups.

Regarding their adaptation to a new culture, participants experienced some difficulty with the overall quality of the translated material, especially involving technical language. Because they are used to preliminary discussion and allocation of roles before a group meeting, participants suggested that future tours set aside a time each day to review the following day's agenda to promote better preparation and understanding. In closing, several participants described the tour as a catalyst for changing how they approach their work or life in general. Participants also expressed the view that the outcome of their work depends on their personal behavior.

Responses to Specific Evaluation Questions

Warm-Up

Q: What did you see as the main topics covered during the study tour?

1. Democratic mechanisms in municipal financial management and in allocation of budget funds, i.e. participation of individual taxpayers, public and non-governmental organizations, religious communities, and newspapers.
2. Budgeting
 - Boston budget line items
 - Division between budgeting levels
 - Structure and division of revenues
 - Division of property
 - Level of computerization
 - Methods of creating and presenting budget documents
 - Budget priorities, e.g. largest expenditures
 - Sources of revenue
 - Balancing the budget
3. Water supply and sewer systems of a large US city (Boston) and the importance of these systems to the daily life of the city.
4. We tried to compare what we observed to our situation in Ukraine and to find a niche in our conditions/problems for the application of US mechanisms and procedures.

Q: What are the most pressing or immediate problems in the cities of Ukraine?

1. Financing of services from the current budget - In Boston, the water system is not financed by the city government but by issuing municipal bonds to private investors. We need changes in our national legislation to allow us to adopt these practices here.
2. Lack of access to information for decision-making - In order to determine budget priorities in Boston, outside experts and feasibility studies are used to verify that the right decisions are being made. This is especially important for us as we transfer to a democratic system and begin to work out a new structure of management and the relationship of the departments of the city government to each other. Currently data management in Ukraine is in the embryonic stage. We need to be able to summarize data in a concise and illustrative manner which can be achieved through total

computerization. Priority should be given to establishing a system so that at least managerial staff and decision-makers can make qualified decisions in a short period of time based on well-founded data. In this way, they can detect specific problems in expenditures and establish spending priorities.

3. Sustainability - In the resolution of problems, preference should be given to a sustainable solution, e.g. incurring a large one-time expense to save on operations costs in the future is a principal approach in the US. Because of our budget deficit, we currently have to follow a different approach in Kharkov.
4. Planning horizons - We have an interest in returning to developing 3-7 year plans. Currently, we do have long-range plans.
5. Lack of support for new businesses - Many new private companies emerging in Kharkov have trouble breaking into the field. The US model of contractual agreements between city governments and private contractors for the development of municipal infrastructure should be used here. It would be beneficial both for the city government and the contractors who need long-term, stable contracts.

Q: Did you see anything on the tour that struck you as unworkable or not a good idea for Ukraine?

1. Everything that we saw can be done. There are lots of things we would like to introduce but we cannot afford to do them now.
2. The majority of the participants work in mid-level executive positions. As my first time abroad, it was an opportunity for me to realize to what a civilized country might aspire and how my our work and life might look in the future. I learned about alternatives in execution of the budget, such as auditing services and the separation of the work I do into alternative agencies. This high level of implementation is unachievable for us. We can't process the scope of information using the procedures dictated by the Ministry of Finance. We are at a critical stage in changing to the use of current practices in execution of the budget. The tour was helpful for understanding these processes.
3. Looking at the materials we brought from Boston, I see that the system of reports and accounting here is absolutely different from the US. Our system is far from international standards and needs to be revised.
4. Regarding practically everything I saw in the US, at first glance I told myself it will not go over in Ukraine. But after some time, I thought it could be used here when we have stable taxation and legal systems and questions regarding the division of power between the legislative and the executive branches are resolved. First, we will have to survive this difficult time where there is a lack of money and a budget deficit. When we are able to achieve this, many of the things I saw in the US will be applicable and we will know how to do them without looking for a model.

Main Questions

Q: For each of you, is there something you learned from the study tour that you have put into practice in your work or you have plans to put into practice in the near future?

1. We have started to work on municipal debt financing. Of course, it's questionable whether or not it will be operable here but we borrowed the idea from you and we are working on it.

Follow-up Q: Is this something you were thinking about before the study tour?

No. It's a new idea for us and we believe it's a very productive idea. Of course, you cannot say that we never heard about such a thing as municipal debt but we really became convinced during the tour that it's a workable system and it is useful.

Follow-up Q: Are there some other concrete examples like that?

2. We at the Sewer Authority have started work on computerization. Our top officials and employees understand that computerization is a good thing, profitable, and pays for itself. Despite our financial difficulties, we have found the money to purchase hardware and extend their use in our work.
3. We are trying to introduce the organization of work we saw in the US., including computerization at the city executive committee level. This committee now has many staff who are changing their vision of the budgeting process which has a very positive impact on their work. We have been able to register businesses in a shorter time with less red tape. We can answer questions during business training having to do with US practices.
4. Oblast-level officials who also visited the US as part of an observation tour have been the main ones leading the experiment to revise the budgeting process. Tax officials also visited the US and are pressuring banks to introduce modern technology for accounting. As a result of these tours, Kharkov is the first city in Ukraine to begin these reforms.

Q: Are there ways in which the study tour did not meet your expectations?

1. There were no disappointments but another approach would be to send people working in the same field on a tour to learn about specific issues such as water supply. It would take about four days of detail on a subject for our experts to learn enough to introduce it into the workplace. In our tour, the framework of the meetings - the number of people and questions - prevented us from going into detail on problems that were interesting to some but not to others. Some participants discouraged others from asking more specific questions involving technical language.

2. There was not enough time to ask all the questions we had on issues such as the use of tariffs, capital investment, price formation, and the relationship of costs to sources of financing. There was practically nothing on the tour to provide a comparison of issues related to business enterprises in Ukraine and the US.
3. We are used to preliminary discussion and allocation of roles before a group meeting. In future tours, time should be set aside each evening for discussing the following day's agenda in order to bring about more rational discussion of and less departure from the main topic. Sometimes we were not prepared enough to understand the information and much time was spent in trifling issues.
4. We had difficulty with the overall quality of the translation and the technical terms in particular.

Q: What is your reaction to the materials you received in the notebooks? How useful were they during the tour?

1. They were very good. Before going to any meeting, you knew in advance what the topic was and, if you forgot something, you could look it up in the notebooks.
2. If we were able to get the materials two weeks in advance of the trip, we would have had some general idea about the program before arriving.

Q: When you returned to Kharkov, did you do any training of others or provide seminars or discussions for your colleagues to teach them what you learned?

1. The leaders of the tour, Mr. Anchukov, Mr. Taraday, and Ms. Taukesheva, appeared on television and all the tour participants held meetings in their respective departments or agencies to talk about the positive and negative aspects of the tour. Ms. Taukesheva convened a meeting of all municipal finance staff to discuss the trip.
2. The general director of the Territorial Water Agency assembled all the companies related to water supply in order for Ms. Fedorova to discuss her visit to the US and how the things that she learned could be implemented. The director was particularly interested in municipal debt financing which he discussed with Mayor Kushnaryov. Next week, Ms. Fedorova will present a one hour lecture to the Institute for Improving the Qualifications of Top Officials using charts and tables drawn from the Kharkov Study Tour notebook materials.

Follow up Q: Have the materials in the notebooks been translated and made available to people in other departments?

Yes. They have translated all the materials Ms. Fedorova brought from Boston.

Follow-up Q: Would these materials have come to Kharkov anyway or is this new literature?

Quite a lot of delegations come to our water supply company from Ukraine and Germany. We have quite a lot of translated literature, particularly from the water supply company of Hanover, Germany because we have certain problems in common.

Q: In the study tour, you identified various areas of strategic priority. What's been done with that information?

It's our everyday work. Many of the strategic areas we identified were reflected in President Kuchma's program for stabilization of the Ukrainian economy.

Q: Did the identification of them come about as a result of the tour or were you already aware of them?

We knew about them earlier but the trip gave us the opportunity to prove that our thoughts were correct and determine what adjustments need to be made in our transition to a market economy. The experience was very important to us, particularly the extensive participation of the general public in resolving many issues of local government.

Closure

Q: Was there anything about the tour that affected you personally?

1. I thought that the managerial area of government was the most powerful structure but this trip helped me to understand that the most important and powerful structures are financial - banks and finance companies - and the future belongs to them. The trip also helped me to appraise my role as a municipal official and to re-evaluate my status in life.
2. You can live and work in a different way. We should take steps in this direction to change our lives for the better. We will never find a ready-made recipe of how to do this in our country but, by learning about the experience of other countries in such situations, we may and must find the most rational way. Some of my approaches and attitudes to life have also changed as a result of the trip.
3. If each citizen of Ukraine could be taken on such a tour for a day or two, we would have many fewer problems here, especially regarding restructuring. The people would see that you can live in this society without relying on some "big brother" like the government if you do properly what you are requested to do and do not uncover the pavement several times just to lay pipes due to the inefficiency of our officials. You have to do your work in a solid way for many centuries, try to accumulate funds for high-priority issues, build up assets, and live in a good way.
4. Each of us should have an active viewpoint in life and the results of our work depend on each of us personally.

Appendix: Data Collection Protocol