

# Dissemination of Regional Offices for the Association of Ukrainian Cities, Ukraine

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## Final Report

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## Final Report

Project Dates: February 2000 – December 2003

### Background and Summary

#### Purpose of the Project

The Dissemination of Regional Offices for the Association of Ukrainian Cities (referred to subsequently in this report as the Regional Offices project) worked to build the capacity of the AUC to serve its member cities and towns in their efforts to transition to effective units of local self-government. The project supported an initiative essential to servicing the AUC's members: the creation of regional offices that would extend to all corners of the country and for the first time reach out to medium and smaller towns. The project targeted 1) communication for disseminating best practices of municipal management, 2) training and technical assistance networks and methods, and 3) advocacy for legal and regulatory reform in the interests of local self-government. Particular attention and resources were devoted to increasing the revenue base of units of local self-government. With additional funding for Budget Reform activities in years two and three, the project pursued the goal of passage of the Budget Code through effective advocacy in legislative drafting and raising awareness of general public to support the adoption of this legislation so important to local self-government. The Regional Offices project fits within the USAID's strategic objective aimed at creating favorable conditions for establishment and development of effective, efficient, responsive, and transparent local government in Ukraine.

#### Cooperating Partners

The Regional Offices project cooperated with two key partners: the Association of Ukrainian Cities and the Ministry of Finance (for the Budget Reform activities).

#### Project Beneficiaries

- AUC executive office (in advocacy, training, technical assistance/consulting, and information and communication technology [ICT] components)
- 25 AUC regional offices (in advocacy, training, technical assistance/consulting, ICT components)
- 130 smaller towns and settlement councils (in advocacy, training, technical assistance/consulting, ICT components)
- 65 towns and settlements participating in the Budget Reform activity (in advocacy, training, technical assistance/consulting, ICT components)

- other cities, towns, settlements (in advocacy, training, technical assistance/consulting)
- *Verkhovna Rada*, Committee for State Building and Local Self-Government (in advocacy, training, technical assistance/consulting)
- *Verkhovna Rada*, Budget Committee (in advocacy, training, technical assistance/consulting)
- Ministry of Finance (in advocacy, training, technical assistance/consulting, ICT components)
- Ministry of Economy (in advocacy, training, technical assistance/consulting)
- State Tourist Administration (in advocacy, training, technical assistance/consulting)
- Oblast, city, and rayon finance departments (in advocacy, training, technical assistance/consulting)
- Accountants of settlements and settlement councils (in advocacy, training, technical assistance/consulting)
- Directorate of State Procurements, Oblast State Administrations (in advocacy, training, technical assistance/consulting)
- Municipal Departments of State Procurements (in advocacy, training, technical assistance/consulting)
- *Zolote Pereveslo* Association for Development of Tourism and Handicrafts (in advocacy, training, technical assistance/consulting, ICT components)
- *Tavria* Tourism Development Association (in advocacy, training, technical assistance/consulting, ICT components)
- Association of Regional Development Agencies of Ukraine (in advocacy, training, technical assistance/consulting)
- Other local NGOs collaborating with local governments (in advocacy, training, technical assistance/consulting)
- Association of Ukrainian Finance Officers (in advocacy, training, technical assistance/consulting)
- Local business (in advocacy, training, technical assistance/consulting)

### **Oblasts Involved**

The Regional Offices project succeeded in establishing offices in all 24 oblasts and the Autonomous Republic of Crimea, covering the entire territory of Ukraine. In each region, project staff and consultants equipped the offices with a computer network and a fax machine,

providing the regional staff with training in their use and maintenance. To ensure that this equipment was used effectively, the project provided grants to support training provided by regional experts through the AUC network and payments for a dedicated line Internet connection to link users to the *AUC Dialog*, a country-wide, web-based information sharing system. Refer to Annex A of this report for a list of AUC Regional Offices, contact people, and addresses.

## Resources

### Equipment

- Equipment for the AUC Executive Office (5 workstations and 1 server) = 13,890 USD
- Equipment for 25 AUC Regional Offices (computers, faxes, modems, telephone sets) = 177,000 USD
- Equipment for 130 smaller towns (computers and printers) = 172,000 USD
- Fax machines for 83 towns = 13,280 USD
- Internet connection for AUC Regional Offices (22 dedicated lines and 2 dial ups) and Internet connection for 109 smaller towns = 27,100 USD
- Web and Oracle database programming of *AUC Dialog* nationwide web site = 51,520 USD
- Equipment for the Ministry of Finance under the Budget Reform Project (10 workstations, 2 laptops, 1 server) = 29,600 USD

### Labor

- Chief of Party (US national) Full-time from project start-up in February 2000 through March 2003, when he became part-time, per the planned budget and work plan for the closing phase of the project.
- 11 to 16 local consultants and administrative staff. Initially, the modestly budgeted project started with 4-6 mostly part-time consultants and 4 administrative staff. In the autumn of 2000, project activity increased with the USAID's modification of the Cooperative Agreement to include Budget Reform activities and the equipping of 130 smaller towns with ICT equipment. During this period, up to 16 local consultants and administrative staff worked for the project. In the phasing down mode from April through December 2003, the number of staff and consultants was reduced to a core of 11 local consultants and administrative staff.
- Short-term advisors (4 regular staff of RTI International, based in North Carolina and Washington, DC).
- Technical Leader and Financial & Administrative Support Specialist based at RTI International headquarters in North Carolina.

### **Training Events**

- Training-of-Trainers (TOT) – 5 Training of Trainers workshops for 89 AUC Regional Office staff from all 25 AUC Regional Offices).
- Advisory Committees – RTI conducted 34 workshops in every region of the country. Total number of participants – 574.
- Public Hearings – RTI conducted 34 workshops in every region of the country. Total number of participants – 689.
- Strategic Planning for Economic Development – RTI conducted 15 workshops in every region of the country. Total number of participants – 321.
- FAM – RTI conducted 55 workshops on Budget Financial Analysis Model in every region of the country. Total number of participants – 2064.
- Public Procurement – RTI conducted 38 workshops in every region of the country. Total number of participants – 1426.
- ICT - RTI conducted 35 workshops on Using Computer and AUC Dialog System delivered. 150 employees from 130 cities and 75 staff members of 25 AUC Regional Offices received this training.
- Basic Computer Skills Workshops – RTI conducted 7 workshops for AUC Regional Office Specialists. Total number of participants – 160.

### **Advocacy and Lobbying Events**

- Roundtables – RTI conducted 11 roundtables on local budgeting, 3 roundtables on public procurement, and 6 roundtables on Local Government Draft Law. Total number of participants – 571.
- Working sessions – RTI held 8 meetings on the national policy for support of tourism; on new tools for local economic development (*Verkhovna Rada* Committee on State Building and Local Government); and on involving local business for strategic development of cities.
- RTI held / co-organized 6 conference related to the project's scope. The most important of these have been the annual meetings of mayors of Ukraine's small and medium-sized cities.
- Local Government Advocacy – RTI provided advocacy support to AUC member cities and institutions (the *Verkhovna Rada*, the Ministry of Economy, and the Ministry of Finance) in legislative drafting and those where activities were carried out for lobbying interests of local government and AUC.
- Project consultants helped in drafting 30 legislative bills; 10 legislative acts have been approved.

## **Publications**

- Handbooks and Guides – the project developed and published training support documents for local government employees on the following topics:
  - 1) Public Procurement
  - 2) Advisory Committees
  - 3) Public Hearings
  - 4) Financial Analysis Model (FAM)
  - 5) Strategic Planning
- Book - *Development Strategies for Ukrainian Cities*.

## **Consulting**

- Individualized consulting for towns and tourism associations – project experts provided hands-on consulting to over 100 cities and to *Tavria* and *Zolote Pereveslo* tourist associations.
- Fundraising – project experts provided support in preparing the materials for winning grants to 30 cities and to *Tavria* and *Zolote Pereveslo* tourist associations.
- Telephone consulting – project experts provided innumerable telephone consultations to mayors, finance staff, and other local government employees on budgeting, public hearings, public procurement, and advisory committees.

## **Information and Communication Technology**

- Equipment – tender, delivery, and installation of computers and printers to 130 cities.
- Equipment – tender, delivery, and installation of 3 workstations, 1 server, fax machine, 1 copy machine, 2 telephone sets, 1 modem for each of the 25 AUC Regional Offices.
- LAN - installation of a local-area network in each of the 25 Regional Offices.
- Web site – design and installation of a nationwide association network *AUC Dialog* for 437 member cities of AUC. Includes templates and hosting for each AUC member city's own web page.
- Internet – Funding and assistance to 109 cities and 25 AUC Regional Offices for their connection to the Internet. The Regional Offices project paid for 6 months of Internet service via dedicated or dial up line.
- Fax – Provision of facsimile machines for 83 towns that participated in the Budget Reform activities and *AUC Dialog*.

## Linkage to Other Programs and Partners

### International

- Academy for Educational Development
- US – Ukraine Foundation (Community Partnership Project)
- Barents Group
- Development Associates
- Development Alternatives Incorporated
- Ch2MHILL
- PADCO, Inc.
- Eurasia Foundation
- Poland-America-Ukraine-Cooperation Initiative
- Canadian International Development Assistance
- Renaissance Foundation
- Department for International Development of the British Embassy
- National Democratic Institute
- Parliamentary Development Project for Ukraine
- Ukraine Market Reform Education Program
- United Nations Development Programme

### Ukrainian

- RQL, Ukraine (tender winner for ICT equipment in 25 AUC Regional Offices and the Central Office of AUC; programming *AUC Dialog*, web-based information sharing system)
- Kvazar Micro (tender winner of equipment to 130 smaller towns)
- Miromax (tender winner of equipment to the Office of Budget Management in the Ministry of Finance)
- Ukrtelecom (Internet connection to smaller towns)
- Ukrainian Independent Information Agency (*UNIAN*)

- Ukrainian Association for Local and Regional Authorities (*Spilka Lideriv*)
- Foundation for Local Self-Government of Ukraine (at the President's Administration)
- *TOLOKA* Project Communities
- Congress of Local and Regional Authorities of Ukraine
- Association of Village, Settlement and Municipal Councils of Ukraine
- Committee of Voters of Ukraine
- Fiscal Analysis Group



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### Results

#### Narrative of Results

Since the first days of the project, the project team overcame many obstacles to win the enthusiastic support of reform-oriented local government officials across Ukraine. Over the course of the project, the AUC grew from an organization known as a facilitator for oblast-center cities to access Ministries and the *Verkhovna Rada* to one known as a legitimate representative of cities and towns across the entire country. The project made it possible for the AUC to attract many municipalities to join from regions throughout the country.

In close cooperation with the AUC executive office, municipalities in 25 regions have acted together to establish regional offices. Currently, all the regional offices maintain permanent staff. Project resources made it possible to provide these new offices with the necessary computer hardware and train staff in member services. The newly established regional offices' main objective has been to actively assist member cities and towns, especially smaller jurisdictions, leading to AUC's membership increase from 220 to 437 cities since March 2000. The AUC regional offices have evolved to the point that they coordinate training and consulting services, serve as communication hubs, and coordinate advocacy and lobbying for local self-governance.

With the inclusion of key local officials and finance staff into the training, workshops, conferences, advocacy, and analytical studies, the AUC has become an active and successful advocate of local self-governance. Thousands of local officials and administrators, activists, and council members from more than 400 cities have participated in RTI-developed training and technical assistance on Advisory Committees, Public Hearings, Strategic Planning for Economic Development, Budget Preparation and Presentation, and Public Procurement. The project methodologies, training, and technical assistance has become institutionalized in the day-to-day work of local governments across the country. As an example, the practical assistance in using the Financial Analysis Model (FAM) has helped small and medium-sized towns adopt realistic and balanced budgets. FAM training also helped even the field in the battle for budget transfers from oblast and rayon administrations. The town of Izyaslav, for example, obtained an additional Hr.101,328 in transfer funds directly attributable to RTI consultations. The Rayon Council acted to allocate 36.7% of the personal income tax for this town's budget after project technical assistance, whereas its share had been at 7% in previous years. While often not as dramatic a

percentage change as in the case of Izyaslav, other towns also improved their share of transfer funds: Khotyn gained Hr. 271,000; Vashkivtsi, Hr. 231,000.

RTI's success with the AUC Regional Offices activities served as a base for additional funding for the Budget Reform activity managed in collaboration with the Ministry of Finance, the AUC, the Association of Finance Officers, and Barents Group. The Budget Reform activity demonstrated that the AUC is capable of coordinating major information analysis and training across the regions with member towns. In monitoring local budgets implemented according to provisions of new Budget Code, the AUC gathered financial data from 131 municipalities. Since then as many as 140 towns have shared comments on other pieces of legislation with one another and with AUC headquarters in Kyiv using project-supported communication system improvements. The success of the Budget Reform activity demonstrates the AUC's ability to pull together cities and towns to push for changes in legislation aimed at increasing the authority and resource base of municipalities.

Over the course of the Regional Offices project, RTI has worked continuously with the AUC's executive office and the regional offices to improve their information systems. A new database server and Oracle software were installed with project funds at the AUC office in Kyiv in order to better track and monitor a wide range of issues pertaining to municipal finance and management. The project purchased and distributed 83 fax machines to smaller towns through 12 regional offices to assist in monitoring the implementation of the formula-based transfer system at the local level. With these fax machines the towns were able to send budget information and provide input to the text of the Budget Code draft. The towns again responded with input regarding the Budget Resolution for the Year 2002.

The new Budget Code was signed by the President thanks to efforts from the international donor community and the AUC's ability to mobilize a critical mass of support from the towns and cities. Following passage of the Budget Code, RTI successfully facilitated the dialog between the Ministry of Finance and local and regional finance officers in numerous workshops and seminars essential to implementing the formula-based methodology for transfers of state budget funds to local budgets. More than 1,000 accountants and finance personnel from all tiers of government attended Budget Reform workshops.

The AUC has moved forward with its advocacy strategy by institutionalizing a policy team. Chosen from active members in the regions under the leadership of the Deputy Executive Director of the AUC, this team has developed an advocacy plan outlining the AUC's position on specific issues relevant to the development of local government in Ukraine. The AUC executive office provides a supporting role, facilitating the presentation of the team's draft and final products to the AUC Board of Directors. The Regional Offices assist in distributing drafts and soliciting feedback from member cities. The AUC has institutionalized a participatory process for the development of advocacy positions and created a model for effective dialogue with the Verkhovna Rada committees for the budget and local self-government.

In the area of information and communication technology (ICT), RTI managed project resources to transform the AUC's capacity to a new level of effectiveness and competence. The project trained the AUC management team and specialists from all 25 Regional Offices. The old data management system was redesigned and transformed with an open and friendly corporate web-based system offering services to all cities across Ukraine. RTI provided the conceptual model for *AUC Dialog* ([www.auc.org.ua](http://www.auc.org.ua)) and demonstrated to AUC leadership the benefits of the shift to more user control and access to information about innovative practices, policy and advocacy issues, and local government news.

Continuing the objective of improving AUC's communication capacity, the Regional Offices project helped the AUC and member cities win a number of small grants in various spheres. Throughout the latter half of the project RTI helped to maintain a channel of information on grants and actively supplied Regional Offices and municipalities with grant applications from USAID, TACIS and other donors. RTI also assisted other USAID implementing partners to send the most active local officials on study tours to USA, Canada, and European countries, to further open communication channels with colleagues abroad and establish local governance networks.

In 2004 the AUC is capable of disseminating information and coordinating strategy essential for the building local self-governance in Ukraine. *AUC Dialog* provides local leaders and AUC officials with an accessible information network. The team of regional office directors meets on a monthly basis, ensuring that the AUC better addresses everything from advocacy for local self-governance principles to training and technical assistance provision to member cities. The project has simultaneously increased the involvement of other players in local governance dialog. Due to public hearings and advisory boards, in many towns and cities activists, NGOs, business associations, academics, youth groups, and the media now play a greater role in the solution-seeking and decision-making processes. In the longer term, Ukraine still has a long way to go to achieve the goal of effective, responsive, and accountable local government and to balance the expenditure assignments and revenue authority as laid out in the European Charter on Local-Self Government. With the momentum imparted by the Regional Offices project, however, the AUC has become the country's main force in moving Ukraine forward toward these goals.

## **Success Stories**

### ***Advisory Committees and Public Hearings:***

*Involving the community into making important decisions for the city is indeed a new form of work for us. Before the election, I did not even think too much of how I would be collaborating with the residents. When I was elected mayor, however, I have begun to more attentively study the laws related to local government. In this I have had a significant assistance from specialists of RTI and the Khmelnytskyi Regional Office of the Association of Ukrainian Cities. Last summer, I attended training seminars delivered by RTI for local government officials.*

*During the last two years, we have not passed a single important issue, single important decision without consulting the public opinion. And you know, it is after such meetings with fellow countrymen, that the city government is feeling stronger. We become more transparent and accessible for citizens and they understand us even in complicated situations. A good example of this are the public hearings we held last year. I asked the community: "Do we need a kindergarten school?" The citizens said "yes" and supported me. As the result of this decision, we have managed to get rid of certain problems. Parents have reaffirmed the correctness of our joint decision and are sincerely grateful to the city government.*

*Generally speaking, public hearings, on the one hand, supply the idea, and on the other hand, they provide certainty in decision making. It is thanks to public hearings that tensions are relieved in the city in case of any conflict situations. Therefore, it is necessary to conduct public hearings, as they produce a lot of good. I am deeply grateful to RTI for their consistent support. They did not conduct public hearings for us. They simply suggested the idea, pointed to its main direction, and taught us their methodology. This February, we conducted public hearings to discuss city's utilities problems. The hearings resulted in establishing the main priorities in operation of communal enterprises. After this, it was much easier to conduct scheduled meetings in Izyaslav subdistricts.*

**Mayor Ihor Dzhendzhera**  
**Izyaslav**

#### **Municipal Budget Training (FAM):**

*I would like to mention the practical assistance, which has resulted in city's adopting a balanced budget. The presence of RTI experts during budget formation made it possible to find reserves and additional sources of revenues for the city budget. This year's session of the Rayon Council set a clear share of 36.7 percent in the personal income tax for the city, as compared with about 7 percent during all the previous years. Such a fruitful collaboration brings great benefits for the Izyaslav community.*

**Mayor Ihor Dzhendzhera**  
**Izyaslav**

*I am happy that Khotyn takes part in the project. RTI and Association of Ukrainian Cities are doing an extremely important and useful job. We often lack communication with specialists and experts in the area of local government. Their advice, consultations, and professional assistance could make a great difference. Here is one of the examples. After working with RTI specialists on the methodology of the budgeting Financial Analysis Model, we have developed our own real-life model for the city 2001 budget. This has resulted in that during a joint meeting with the raion State administration we managed to "snatch"*

300,000 hryvnias from the Raion Finance Department. It was an important victory for us.

**Mayor Mykola Palamar**  
**Khotyn**

*The Mayor of Hola Prystan, Anatoliy Negra, who is also deputy chairman of the Kherson AUC Regional Office, has noted that thanks to cooperation with RTI and participation in the workshop, the City Council staff are considerably upgrading their professional skills. During this cooperation, a lot of good ideas and suggestions were implemented in the city. The Hola Prystan City Council with citizens have conducted several important community actions. Among other things, they have conducted the third citywide budget hearings. Now, such hearings are being conducted in the city several times a year and have transformed from something exotic into an essential part of their everyday life. There is a working group in the city, which is preparing documents for developing city's strategic plan. This plan is to be considered at a public hearing soon.*

*Head of the Organizational Department at the Kherson Oblast Council, Oleksandr Shelestko has noted that workshops and training are essential in the current conditions, due to a 56 percent turnaround of mayors and their teams in the oblast after the 2002 election. The majority of them are lacking the planning and management skills and took part in the election driven mainly by mercenary considerations. Therefore, the need in training is felt acutely. The Kherson Oblast Council highly appreciates the contribution made by the AUC Regional Office. In 2003, the Kherson Oblast Council with Kherson AUC Regional Office conducted ten workshops and roundtables.*

*During practical sessions, the participants were given a package of new model materials, which had been prepared by Advisory Committees in a number of Ukrainian cities, which use innovative approaches, as well as best practices of City Councils from various parts of Ukraine.*

**From July 2003 Regional Offices Project Monthly Report**

### **Public Tender:**

*The results of applying the RTI methodology are quite successful and inspire optimism. In particular in Chernivtsi, our recommendations were implemented, when the city leaders came to understand that the best way in disputes with Prosecutor's Office and other regulatory agencies would be to approve the methodology by a session of the City Council and appoint Council members to sit on the Tender Committee. In Mykolayiv, they had used our technique even before a scheduled workshop was conducted, as information on the RTI methodology was an open one. Berdyansk has been using the RTI methodologies for quite some time and with great success. So, Hr. 9 million were spent through tender procedures with the budget of Hr. 24 million in 2001. Savings amounted to Hr.*

700,000. Taking into account, that wages and salaries and payroll taxes take a lion's share in the city budget, this result is quite impressive. With adoption of the Budget Code, the city of Berdyansk now has a budget of Hr. 40 million, of which the city plans to spend Hr. 15.6 million through tender procedures. Our recommendations have also helped to improve the quality of tender documentation, in particular, in that all documentation is now submitted by departments and directorates for consideration of a single City Tender Committee.

**Yuriy Hanushchak**

**AUC Budget Advisor & RTI Consultant**

### **Strategic Planning:**

*A project named "Dissemination of Regional Offices for the Association of Ukrainian Cities" under the Municipal Development Program is implemented in Ukraine by an American research institute, RTI, jointly with AUC with funding support from the U.S. Agency for International Development.*

*Following the activities implemented by the RTI project in a number of small West Ukrainian cities (Berezhany, Zbarazh, Zolochiv, Halych, Pochayiv, Kremenets, and others), the mayors who participated in training under the project have initiated creation of public Advisory Committees with participation of city deputies, local business, and the public.*

*These initiative groups, with support from RTI consultants, have reviewed the status and prospects for development of their cities using the SWOT analysis technique (Strengths, Weaknesses, Opportunities, and Threats) and presented the issues of strategic development of their cities for consideration of their citizens by conducting public hearings. In this example, all the above cities are small historical towns.*

*Deciding on a development strategy common for the territorial community has turned out to be a catalyst in grass-roots initiatives, which resulted in creating such entities as Development Centers in these cities. These Centers have assumed the function of coordinating and implementing specific projects in these cities and providing information support to development of tourism. It is thanks to the initiative of territorial communities and local governments that such cities as Berezhany, Zbarazh, Kremenets and others have secured the status of national historical and cultural reserves.*

*The development of local initiatives has raised the problem of limited resources each historical city has at its disposal and, hence, the idea emerged of consolidating the efforts of these small historical Ukrainian cities to advance their interests in development of tourist as their strategic choice.*

*After a series of discussions in 2001, mayors of seven cities founded a Union of Small Cities of West Ukraine for Development of Tourism and Crafts. The Union has taken the responsibility for coordinating joint actions of its members aimed at development of tourism, lobbying and advocacy of its members' interests at the regional and national levels. Now, the Union membership has increased to 18 members and their number is constantly growing.*

*Consolidation of cities within the Union has made it possible to rapidly share their successful experience of addressing specific issues and initiatives to support tourism, work out a common approach to creating tourist products, jointly launch new tourist itineraries, introduce common corporate hospitality standards, and, most importantly, pool their resources, where isolated efforts of an individual city are insufficient to address its development issues.*

*A separate area of activities is represented by direct collaboration with the State Tourist Administration, with which the Union has started working on a Program for Development of Tourism and Crafts in Small Cities of West Ukraine, which will become a regional elaboration of the State Tourism Development Program until year 2010.*

*By the way, this experience of mobilizing territorial communities is not unique. Following a series of training seminars RTI delivered for mayors and activists of small cities in southern Ukraine, the Tavria Association for Development of Resort Cities of the Ukrainian Black Sea Coast emerged with the objectives similar to those of the Association of Small Historical Cities of West Ukraine.*

*Transformation of small tourist towns into modern tourist centers is a complex task. It can only be solved through joint efforts of all interested parties. Only when this endeavor becomes a common goal for the territorial community and the State, rapid positive changes would be possible.*

*To launch this process an external professional assistance is absolutely vital. A good example of international assistance provided by USAID/RTI as noted above demonstrates the effect of the initial successful impact on mobilizing local resources. In this case, training of local officials and activists capable to generate their own ideas and implement actions has become the key for successful transformations.*

***Yevhen Samartsev, Deputy Chairman, State Tourist Administration of Ukraine  
Stepan Hursky, Executive Director, Union of Small Western Region Cities for Development of Tourism and Crafts***

*RTI conducted workshop on "Strategic Economic Development of Cities" with participation of the State Administration of Tourism and Association of Ukrainian Cities in Henichesk, Kherson region on July 23-24, 2002.*

Mayors of the following towns in Kherson and Mykolayiv oblasts attended the workshop: Henichesk, Tsyurupynsk, Nova Kakhovka, Hola Prystan, Skadovsk, Lazurny, and Berezhneuvate. Workshop has resulted in signing a memorandum on founding the "Tavria League for Development of Resorts and Tourism in Small Towns of Southern Ukraine." The Memorandum proceeded from realization of the commonality of interests of southern territorial communities. The participants understood that success in developing the regional infrastructure and attracting investors in the recreational sector will depend to a significant degree on formation of a single concept for development of small towns in this resort area.

It should be noted that during the last two years of implementing the RTI project, this is the second such association being established with support of AUC Regional Offices, creating regional association of cities based on certain common interests.

The experience of establishing and operation of such centers in the Western Ukraine has proved the effectiveness of RTI methodologies and tools, which can also be used in activities of the "Tavria League for Development of Resorts and Tourism in Small Towns of Southern Ukraine."

Participation of the Deputy Director of the State Administration of Tourism, Evheny Samartsev has shown that the state government is committed to cooperate with RTI on supporting "Tavria League for Development of Resorts and Tourism in Small Towns of Southern Ukraine" and "Association of Small Historical Towns and Crafts of Western Ukraine" in their activities. The State Administration on Tourism is a Cabinet of Ministers agency directly responsible for development of tourism in Ukraine. Over the last months, the Administration became RTI's strategic partner in implementing similar activities. In Fall, RTI and Mr. Samartsev plan to visit the "Association of Small Historical Towns and Crafts of Western Ukraine."

**From July 2002 Regional Offices Project Monthly Report**

#### **Advocacy and Lobbying:**

In October, the Association of Ukrainian Cities and RTI expert Yury Hanushchak prepared proposals with regard to formation of local budgets. In support of this advocacy, the AUC Board of Directors and Congress of Regional and Local Authorities organized a meeting with the Prime Minister Yanukovich and Deputy Prime Minister Azarov under the auspices of Verkhovna Rada Speaker Mr. Lytvyn. The VR deputies included members of the Budget Committee (Poroshenko) and Local Government Committee (Matviyenko). Unfortunately, Deputy Prime Minister Azarov has again ignored the demands of local governments.

For its part, the Ministry of Finance organized a hearing for reports of heads of oblasts and Finance Directorates. All participants agreed to sign the protocol of problematic issues. The Ministry of Finance tried to exclude these issues from the

*protocol, however, the oblast Finance Directorates insisted on including them. Some of the common issues raised by the oblasts included:*

- overestimated revenue base*
- underfunded expenditure base*
- incorrect calculations of revenues for specific administrative-territorial units.*

*Work at the Budget Committee was complicated by that the budget calculations had been made negligently, with gross mistakes. Also, the central government attempted to underestimate State budget revenues for over Hr. 3 billion with simultaneous overstating the revenue base for local budgets. In fact, two tasks had to be implemented: lobby the draft law on regulation of interbudgetary relations at the level of rayon-significance cities, villages, and settlements and indicators of local budgets in the 2004 budget.*

*As the Budget Committee was busy working on the 2004 budget process, it was very difficult to put legislative draft No.4006 by Mr. Zhovtyak and Mr. Matviyenko on the agenda. However, the Committee has provided its conclusion regarding the legislative drafts.*

***From October 2003 Regional Offices Project Monthly Report***

#### ***AUC Dialog:***

*In October 2003, AUC Dialog became Ukraine's most influential municipal website. AUC's statement to the criminal proceedings by the Ukrainian Prosecutor General's Office against Mayor of Alushta, Oleksandr Nechayev; Mayor of Alupka, Valeriy Andyk; Mayor of Partenit settlement, Kostyantyn Popandopul., and Mayor of Simeyiz, Mykola Makarenko became the most visited topic on the site. The leading Ukrainian online and traditional media as well as the Russian media, including the Russian Izvestiya newspaper have used AUC Dialog's stories as a source of their municipal news coverage. According to the HotLog Directory rating, there were 4,293 visits from unique hosts in October 2003, or 138.48 visits on average per day.*

***From October2003 Regional Offices Project Monthly Report***

## Performance Indicators

The table on the following two pages shows the performance indicators, target and actual, for the Regional Office project by year and with the combined total for the life of the project. The indicators measure results in achieving the USAID/Kyiv mission's Strategic Objective 2.3, More effective, responsive, and accountable local government. The Regional Office project achieved or surpassed the targets set by USAID, with exception of the first year target for public procurement procedures.

The RTI team developed a transparent and stringent methodology for public procurement and coupled it directly to the municipal budget process. This required that target cities coordinate a full year of anticipated public procurement with the planning of their annual budgets. Thus the public procurement training required cities to incorporate strategic planning of planned works and operations into their municipal budget preparations.

The most successful indicator, in terms of number of cities adopting new practices, was for I.R. 2.3.3 "Better informed citizens participate more fully in local decision-making." At the end of the project, a majority of Ukrainian cities have incorporated advisory councils consisting of a broad range of community stakeholders into local government decision-making. The same positive trend holds for I.R. 2.3.3.1 "Citizens access to decision-making fora ensured," where public hearings, which started at a more moderate pace, have gained significant momentum during the last two years.

With the successful lobbying and implementation of the Budget Code, the use of RTI's Financial Analysis Model (FAM) has become the standard budget tool for most municipalities in Ukraine. During the last month of project operation the RTI budget analysts convinced the Ministry of Finance to adopt their formula-based transfer methodology for small cities and villages. RTI modified the FAM budget tool and distributed it with a special template developed for small cities and villages. Based on a telephone survey of nearly half of the oblast finance departments of the country, the feedback was very positive about the RTI-proposed methodology.

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		CALENDAR YEAR						Total For RTI Project
				2001		2002		2003		
		YEAR	Value	USAID Target	RTI Actual	USAID Target	RTI Actual	USAID Target	RTI Actual	

### Strategic Objective 2.3: More effective, responsive and accountable local government

Cities that incorporate citizen input into decision-making on strategic planning <b>Source:</b> Activity reports, site visits, etc.	<b>Definition:</b> cities that incorporate (and can provide examples of) citizen input from citizen task forces, advisory committees and public hearings into decision-making on significant topics. <b>Unit:</b> number of instances in targeted cities; cumulative number of targeted cities	2000	0	13	15	4	9	7	11	35
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#### I.R. 2.3.1.2: Fiscal and budgetary management improved

Cities that use financial analysis models. <b>Source:</b> Activity reports, site visits, etc.	<b>Definition:</b> cities using USAID-recognized financial analysis models. <b>Unit:</b> percentage of targeted cities in: Large cities (over 100,000) Medium cities (over 30,000 and up to 100,000) Small cities (under 30,000)	2000	0	40	42	15	16	10	26	84
									10+16	

#### I.R. 2.3.1.3: Municipal procurement is done through competitive bidding

Use of fair and transparent process by municipalities for procurement. <b>Source:</b> Activity reports, site visits, etc.	<b>Definition:</b> cities that use fair and transparent processes (i.e., criteria are clear and available to the public and may include approaches such as competitive bidding) for procurements. <b>Unit:</b> number of targeted cities	2000	0	40	27	10	13	5	5	45
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#### I.R. 2.3.2: Local government autonomy enhanced

Measure of progress in various stages leading to and including passage and implementation of local government autonomy legislation. <b>Source:</b> Activity reports and Rada website	<b>Definition:</b> progress in various stages leading to and including passage and implementation of local government autonomy legislation in accordance with the scorecard. <b>Unit:</b> aggregate score on the USAID scorecard	2000	N/A	22 points	26 points	25 points	29 points	29 points	45 points	Substantial progress in advocacy
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#### I.R. 2.3.3: Better informed citizens participate more fully in local decision-making

Cities that use task forces, advisory boards, etc. in local decision-making. <b>Source:</b> Activity reports, site visits, etc.	<b>Definition:</b> municipalities that have established task forces, advisory boards, working groups, etc., which include citizen representation, that meet on a regular basis to ensure expert, professional or stakeholder views in the local decision-making process. <b>Unit:</b> number of targeted cities, with data disaggregated by gender in each task force, advisory board, etc.	2000	0	80	106	25	87	35	51	244
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PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		CALENDAR YEAR					
				2001		2002		2003	
		YEAR	Value	USAID Target	RTI Actual	USAID Target	RTI Actual	USAID Target	RTI Actual

#### I.R. 2.3.3.1: Citizens access to decision-making fora ensured

Public hearings and town hall meetings on various issues held on a consistent basis. <b>Source:</b> Activity reports, site visits, etc.	<b>Definition:</b> municipalities hold public hearings (in addition to the legally required annual hearing) and/or community meetings on a regular basis. <b>Unit:</b> number of targeted municipalities	2000	0	50	54	20	67	25	58	179

#### I.R.2.3.3.2. Transparency of government operations increased

Municipalities that systematically provide major documents and information on their operations and decisions to the public and media, particularly prior to their adoption. <b>Source:</b> Activity reports, site visits, etc.	<b>Definition:</b> cities with programs for citizen education and information, and/or publication of relevant materials on city plans, budgets, municipal programs, operations and responsibilities. <b>Unit:</b> number of targeted cities	2000	0	65	68	15	17	5	5	90

#### I.R.2.3.4. Professional and technical support for local government improved

Improvements in local government support organizations (LGSO) according to the LGSO effectiveness index. <b>Source:</b> Panel assessment	<b>Definition:</b> LGSOs – NGOs, think tanks etc. that are advocates for and/or assist local governments throughout Ukraine. Improvements on LGSO's index delineating effectiveness of internal management and impact of local government support organizations. <b>Unit:</b> Number of USAID- assisted LGSOs that show improvements according to the LGSO effectiveness index	2000	29	35	38	42	42	44	46	Progressing towards sustainability

## Final Report

Project Dates: February 2000 – December 2003

### Lessons Learned and Recommendations

This section begins by highlighting two principal lessons learned about the AUC and the effort it leads to support local self-governance. In both cases we offer recommendations about how USAID can act to build on the momentum created by the Regional Offices project. This is followed by a summary of the AUC's own recommendations, gleaned from the project's closing conference, about the steps that its leadership believes are needed in the coming months. Refer to the material in Annex D, *Conference Report: 18-19 December 2003*, for further details about the AUC's own analysis of its current situation and its proposals for future actions.

#### AUC Capacity and Strength

Issue: The AUC is financially still a weak organization.

Weak financing is tied to the low percentage of own-source revenues generated by the member cities. In order to run the Regional Offices so that they can provide greater support to members, the AUC must generate more funds.

Recommendation: Small grant program to support the Regional Offices.

As has been proposed by a USAID-funded assessment of the training provided through the Regional Offices, a small grant program providing a minimum of \$10,000 per office annually would go a long way to support the offices. Such grants would enable the Regional Offices to provide more training and follow-up assistance on a local basis. A well-managed grant program would help teach the AUC the importance of transparent fiscal management in an increasingly complex organization.

Challenges: A grant program may become a form of subsidy.

It is important to structure and manage a grant program so that it is a short-term source of aid for the Regional Offices lasting up to three years, with a gradual decrease in grant funding. This will help the AUC manage and survive the rapid growth that has occurred during the current project.

#### Mayor's Independence from Local State Representatives

Issue: Independent and skilled mayors become targets of rayon and oblast state administration officials.

Periodically during the Regional Offices project the AUC has had to use its scarce resources to provide legal aid for mayors who have become the target of rayon and oblast state administration officials. In many cases, these cases are linked to instances where mayors have advocated the need to deepen the decentralization process and strengthen local government. The AUC is not capable of providing sufficient legal assistance to all the mayors who need help, nor is the AUC able to effectively lobby their cases at the central level.

A key structural condition that make mayors so vulnerable to pressure from state representatives is the current system of "delegated responsibilities," as well the remnants of past Soviet administrative practices where municipalities are viewed as subordinate to locally and regionally based central government bureaucrats. This system will become a primary tool over the next twelve months by which the central authorities will try to change the political landscape in preparation for the upcoming presidential election, and likely the upcoming municipal and national elections in 2006 as well.

**Recommended Action:** Provide assistance to develop the AUC's capability to lobby for changes and procedural rules for how delegated responsibilities are to be implemented.

USAID can assist local government in Ukraine by being engaged programmatically on this issue. AUC does not have the skilled personnel nor the financial resources to raise this issue effectively at the central and oblast level. By developing a campaign that highlights the problems of how delegated responsibilities are implemented, USAID will greatly assist local self-governance. This issue will have to be addressed on a broad scale at the national, oblast, rayon and municipal level. The design of this activity should be similar to the media and lobbying campaign that was implemented by RTI prior to the final vote on the Budget Code.

**Challenges:** Similar to the budget process prior to the Budget Code, it will address a key tool used by central authorities to control local governments in Ukraine. It has the opportunity to further decentralization by addressing the authority relations between different levels of sub-national structures.

This is a task which the AUC is not capable of doing without outside support. Yet it is a matter which greatly will affect the AUC's future.

### **Training Recommendations**

Review of Regional Offices activities in the area of training support points to the need of the following steps to be taken to improve the training assistance to AUC member-cities:

1. The AUC Executive Office should establish a Coordinating Center for Training Events, with an "Order Desk" for seminars, consisting of a database of topical issues to be addressed by such seminars. To provide for successful operation, the Coordinating Center should promote interaction between donors and customers. The AUC Regional Office directors should complete preparatory work for establishing the Coordinating Center by March 1, 2004.
2. The AUC should publish and disseminate the best training programs and materials.

3. The AUC should build on the experience of the Lviv, Khmelnytskyi, Dnipropetrovsk, Kyiv, Zakarpattia, Chernivtsi, and Poltava Regional Offices in independent delivery of training and seminars.
4. Special attention should be given to joint training programs for representatives of local government and business to promote economic and social development of communities.
5. The AUC should work to establish municipal development funds to be financed from corporate and donor sources.
6. Delivery of seminars, workshops, and training for local government staff should be promoted as the most important ongoing activities for AUC Regional Offices.
7. By April 1, 2004, work should be completed in the formation and staffing of AUC panels of experts and trainers for providing training and consulting assistance to AUC members.
8. The AUC Board should summarize the experience of Regional Offices and systematize their further development based on common interests and cooperation (similar to *Zolote Pereveslo* and *Tavria* associations).

### **Technical Assistance Recommendations**

Review of Regional Offices' activities in the area of consulting services points to the need of the following steps to be taken to improve the consulting assistance to AUC member-cities:

1. The AUC Board of Directors should give attention to providing municipalities with quality consulting services, a task that will require considerable attention on the part of the Board.
2. The AUC Board should address a letter to USAID giving a high appraisal to the Regional Offices project and request support in initiating a new project, which should strengthen consulting assistance to municipalities.
3. At the outset of 2004, the Regional Offices should monitor and prepare a report on consulting service needs.
4. The AUC should prepare an action plan aimed at searching for additional financial and human resources. In order to step up the efforts aimed at mobilizing additional financial resources, a separate fundraising group should be set up at the AUC.
5. The AUC should study the possibility of amending its bylaws to establish special-purpose Consulting Funds at Regional Offices, which could be used for paying for consulting services provided to municipalities that contribute to this Fund.
6. The experience of the Khmelnytskyi Regional Office in providing legal advice to AUC members through a Law Clinic should be shared for implementation by other Regional Offices.
7. The AUC should set up a section of heads of legal departments and legal directorates of city councils under the AUC.
8. The AUC should develop a database of official responses and clarifications given by central government agencies in response to local government inquiries and questions, as well as a database of related precedents of lawsuits and court rulings and make these materials available on *AUC Dialog*.
9. Specialists of the Municipal Administration Academy should be involved more actively in providing consulting services. Municipalities that have no Academy branches yet, should assist in their establishment.

10. The AUC should work on the issue of regulating the intellectual property rights in disseminating information through the AUC Regional Office network.
11. Given a series of additional training, *AUC Dialog* should become the basis for a future distance learning and consulting system.

### **Advocacy and Lobbying Recommendations**

The lessons learned in the field of advocacy and lobbying center around four key areas:

1. Qualified experts: There is a very limited number of experts in Ukraine that combine the necessary qualifications to actively and effectively lobby the central government in a open and transparent manner on behalf of local government interests. This situation is compounded by the fact that AUC does not have sufficient funds to attract the necessary staff required to assist its members in all areas of association advocacy. Therefore the AUC should focus on the two most mentioned needs by its members: budget specialist and legal counsel.
2. Detailed knowledge of the situation at the local level: The experience of the project shows that without detailed knowledge of the situation at the local level the advocacy expert will not gain the necessary respect from local officials nor sufficient understanding of the problems municipalities face today in light of improper implementation of existing legislation. Specialists who know the current legislation and how to advise local authorities through workshops and seminars conducted in the regions also function as advocates for municipal positions vis-à-vis the regional representatives of the central government.
3. Ability to cooperate across interest groups: Advocacy for local government must be coordinated among the established associations. The project found that cooperation between the AUC and the Congress of Local and Regional Authorities is of great value. This cooperation broadens the pressure on the government as well as forcing representatives of different sub-national levels to review and refine their positions. This coordination also facilitates access to legislative working groups.
4. Access to key committees in the Verkhovna Rada and to the relevant departments in the line Ministries: The project found that cooperative work with representatives in Ministry departments dealing with specific aspects of legislation related to local government is very important. Without this cooperation, the AUC is unable to develop positions that take into account the needs of central ministries. This was the case especially with the Ministry of Finance in the development of the Budget Code. Close cooperation and sharing of data facilitated the process where the two parties actively forged common positions at the working level. These positions were then brought up to the ministerial level in coordination with parallel work being done in the Verkhovna Rada with the relevant committee working group.

### **Information and Communication Technology Recommendations**

The project has enabled the AUC to reach more members more effectively than ever before thanks to the Regional Offices' connection to the Internet and the development of the *AUC-Dialog* website. The website can claim the following successes:

1. an effective tool for lobbying interests of local government;
2. a source of information for Ukrainian cities about best practices in activities of local governments in solving pressing problems;
3. an electronic publication of local governments and the AUC;
4. a fully-fledged member of the Worldwide Web, which is evidenced by a growing interest in the site and active increase in the number visitors both from Ukraine and many other countries worldwide; and
5. a tool for providing consultations and a source of information helping other donors and partners

Review of the AUC's activities in the area of ICT points to the need for the following steps to be taken in the nearest future to improve the utilization of the *AUC-Dialog* web site among member-cities, as well as prepare for technical improvements to the *AUC-Dialog* services:

1. conduct a series of training and methodological activities for mayors, staff of AUC Regional Offices, and website administrators of AUC member-cities;
2. modify the structure of the existing information system (which is only natural in the process of development of any information system);
3. educate local government leaders with regard to extensive incorporation of the modern ICT achievements in everyday activities;
4. continue ongoing review and monitoring of the system's operation;
5. create, based on the information system, an effective mechanism of distance learning.
6. continue implementation of ICT and further development of AUC Dialog system.



## Annexes

**ANNEX A: AUC Regional Offices Contact List**

**ANNEX B: Project Staff and Consultants**

**ANNEX C: List of Trainers by Region**

**ANNEX D: Conference Report: 18-19 December 2003**



**ANNEX A: AUC Regional Offices Contact List**

#	Name of AUC Regional Office	Head of AUC Regional Office	Executive Director	Address, Phone, fax	E-mail address
<b>CLUSTER I</b>					
1.	<b><u>Zakarpattya</u></b>	Victor Pohorjelov	Oleh Luksha	2, Khmelnytskoho Sq., 88000, Uzhgorod, UKRAINE <i>Phone / Fax : (38 03122) 32083</i>	<a href="mailto:zakarpattya@ukr.net">zakarpattya@ukr.net</a>
2.	<b><u>L'viv</u></b>	Lyubomyr Bunyak	Yuriy Baran	5 General Chuprynka St., 79000, L'viv, UKRAINE <i>Phone: (38 0322) 353452</i>	<a href="mailto:ybaran@city-adm.lviv.ua">ybaran@city-adm.lviv.ua</a>
3.	<b><u>Ivano-Frankivsk</u></b>	Zinoviy Shkutyak	Oleh Vojtychuk	89 Nezalezhnosti St., 76000, Ivano-Frankivsk, UKRAINE <i>Phone / Fax: (38 0342) 553154, 222082</i>	<a href="mailto:ifvamu@ua.fm">ifvamu@ua.fm</a>
4.	<b><u>Ternopil</u></b>	Bohdan Levkiv	Ihor Hirchak	7 Lystopadova St., 46000, Ternopil, UKRAINE <i>Phone / Fax : (38 0352) 253550</i>	<a href="mailto:admin@rv-amu.gov.te.ua">admin@rv-amu.gov.te.ua</a>
5.	<b><u>Khmelnytskyi</u></b>	Olexandr Mazurchak	Petro Kalynyuk	18 Haharina St., Khmelnytskyi 29000 UKRAINE <i>Phone / Fax: (38 0382) 765403</i>	<a href="mailto:khregoamu@svitonline.com">khregoamu@svitonline.com</a>
6.	<b><u>Chernivtsi</u></b>	Mykola Fedoruk	Pavlo Goryuk	2 Eminesku St., 58000, Chernivtsi UKRAINE <i>Phone: (38 0372) 515631/32 Fax: 515630</i>	<a href="mailto:uacityes@rada.cv.ua">uacityes@rada.cv.ua</a>

## CLUSTER II

7.	<b><u>Dnipropetrovsk</u></b>	Ivan Kulichemko	Volodymyr Berezynskiy	75 K.Marx St. Dnipropetrovsk 49000 UKRAINE Phone: (38 056) 7441575 Fax: (38 056) 7441445	<a href="mailto:auc@ua.fm">auc@ua.fm</a> <a href="mailto:kudima@hotmail.com">kudima@hotmail.com</a>
8.	<b><u>Zaporizzhya</u></b>	Evgen Kartashov	Ivan Shcherbakha	3 Zelinskoho St., 69105, Zaporizzhya, UKRAINE Phone: (38 0612) 345562 Fax : (38 061) 2247010	<a href="mailto:agu@commit.zp.ua">agu@commit.zp.ua</a>
9.	<b><u>Kharkiv</u></b>	Volodymyr Shumilkin	Victor Miroshnyk	7 Konstytutsia Sq., 61000, Kharkiv, UKRAINE Phone / Fax: (38 057) 7125260 Phone: (38 0572) 231130	City Hall e-mail: <a href="mailto:auc@citynet.kharkov.ua">auc@citynet.kharkov.ua</a> <a href="mailto:strela@citynet.kharkov.ua">strela@citynet.kharkov.ua</a>
10.	<b><u>Kirovohrad</u></b>	Mykola Chyhrin	Valentyna Ilyushkina	41 K.Marx St., 25000, Kirovohrad, UKRAINE Phone: (38 0522) 229841	City Hall e-mail: <a href="mailto:mayor@kw.ukrtel.net">mayor@kw.ukrtel.net</a> <a href="mailto:elizavet@kw.ukrtel.net">elizavet@kw.ukrtel.net</a>
11.	<b><u>Poltava (Khorol)</u></b>	Anatoly Popov	Oleksandr Beznosyk	59 K.Marx St., 37800, Khorol, UKRAINE Phone / Fax:: (38 05362) 22184, 22191	<a href="mailto:prvamu@poltava.ukrtel.net">prvamu@poltava.ukrtel.net</a>
12.	<b><u>Sumy</u></b>	Volodymyr Omelchenro	Volodymyr Ahanyans	26 Dzerhynskoho st, 40022, Sumy, UKRAINE Phone: (38 0542) 221674 Fax: (38 0542) 220965	<a href="mailto:sumyauc@sm.ukrtel.net">sumyauc@sm.ukrtel.net</a>

## CLUSTER III

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14.	<u>Kyiv</u>	Volodymyr Udovychenko	Garry Martin	Suite 1003, 1 L.Ukrainka Sq., 01196 Kyiv, UKRAINE Phone / Fax: (38 044) 2968509, (38 044) 2944003	<a href="mailto:amukiev@rql.net.ua">amukiev@rql.net.ua</a>
15.	<u>Kherson</u>	Volodymyr Saldo	Larysa Ponomarenko	3 Frunze St., 73000 Kherson UKRAINE Phone: (38 0552) 222720 Fax : (38 0552) 223205	<a href="mailto:dialog@public.kherson.ua">dialog@public.kherson.ua</a>
16.	<u>Rivne</u>	Victor Chaika	Tetyana Hreshchuk	2 Poshtova St., 33000 Rivne, UKRAINE Phone:(38 0362) 268848 Fax : (38 0362) 26292	<a href="mailto:rvun1@mail.rv.ukrtel.net">rvun1@mail.rv.ukrtel.net</a> <a href="mailto:rvun2@mail.rv.ukrtel.net">rvun2@mail.rv.ukrtel.net</a> <a href="mailto:rvun3@mail.rv.ukrtel.net">rvun3@mail.rv.ukrtel.net</a>
17.	<u>Chernihiv</u>	Oleksandr Sokolov	Volodymyr Pavlenko<>	7 Mahistratska St., 16000 Chernihiv, UKRAINE Phone: (38 0462) 164594 Fax : (38 0462) 164523	<a href="mailto:dedamu@cg.ukrtel.net">dedamu@cg.ukrtel.net</a>
18.	<u>Vinnytsya</u>	Olexandr Dombrovsky	Ihor Roshchakhovsky	59 Soborna st., room 428 21100 Vinnytsya Phone: (38 0432) 524675 Fax : (38 0432) 524637	<a href="mailto:rvvamu@ukrpost.net">rvvamu@ukrpost.net</a>

## CLUSTER IV

19.	<u>Volyn</u>	Anton Kryvytsky	Svyatoslav Kravchuk	2 Kovelska str. 43016 Lutsk, Ukraine Phone: (38 03322) 27127	<a href="mailto:lutskamu@fk.lutsk.ua">lutskamu@fk.lutsk.ua</a>
20.	<u>Lugansk</u>	Mykola Kyrychenko	Vyacheslav Kozak	vul. 50 rokiv Stvorenya SRSR, 22b Phone: (38 0642) 420550, 420690 Phone / Fax: 420660	<a href="mailto:lgauc@amu.dsip.net">lgauc@amu.dsip.net</a>
21.	<u>Mykolaiv</u>	Volodymyr Chaika	Yakiv Konotopenko	48 Potemkinska 54001 Mykolaiv Phone: (38 0512) 354239 Fax: (38 0512) 350378	<a href="mailto:amu@ng.aip.mk.ua">amu@ng.aip.mk.ua</a>
22.	<u>Cherkasy</u>	Anatoly Voloshyn	Ivan Lebid	36 Baidy Vyshnevetskoho St., 18000 Cherkasy, Ukraine Phone: (38 0472) 479055, Fax: (38 0472) 452597	<a href="mailto:auc@pub.nensi.net">auc@pub.nensi.net</a>
23.	<u>Donetsk</u>	Olexandr Lukyanchenko	Yury Bobrov	98 Artema str., suite #317, 83050 Donetsk, Ukraine Phone / Fax: (38 062) 3375456	<a href="mailto:donauc@dongisp.dn.ua">donauc@dongisp.dn.ua</a>
24.	<u>Odesa</u>	Ruslan Bodelan	Vyacheslav Demchenko	5 Prumorsky . 65026 Odesa, Ukraine Phone / Fax: (38 048(2)) 226010, 259963	<a href="mailto:aucodessa@odessa.net">aucodessa@odessa.net</a>
25.	<u>Crimea</u>	Valery Ermak	Mykola Horbunov	8 Pushkina str., suite #12, 2nd floor 95000 Simferopol, Ukraine Phone: (38 0652) 276408, 275563 Fax: (38 0652) 291324	-

## **ANNEX B: Project Staff and Consultants**

(February 1, 2000 – December 31, 2003)

### **Chief of Party:**

- Robert Bodo

### **Consultants:**

- Ihor Parasyuk
- Volodymyr Romaniv
- Mykhailo Humentyk
- Oleh Boyko-Boychuk
- Veronika Garber
- Yury Hanushchak
- Anatoly Anisimov

### **Administrative Staff:**

- Olga Poryadynska
- Halya Shchepanska
- Yury Semenov
- Evelina Novik
- Olexandr Kangin

### **Consultants on Budget Reform Project (in 2001):**

- Ruslan Nyzhnyk
- Serhey Melnyk

### **Administrative Staff on Budget Reform Project (in 2001):**

- Halya Obukhovska

### **Consultants on AUC Dialog:**

- Oleksandr Ponomarenko
- Leonid Dubrovin
- Iryna Gorodnya

### **Consultants on Advocacy (in 2002):**

- Stepan Kleban
- Vasyl Kuybida

### **Journalists:**

- Iryna Nagrebetska
- Zoreslava Podolska

### **RTI Technical Manager:**

- Daniel Goetz

### **RTI Short-term Advisors:**

- Bohdan Radejko
- Hazel Rayon
- Rebecca Gadell



**ANNEX C: List of Trainers by Region**

#	Name	AUC Regional Office
Trainers - 56		
1.	Novytska, Natalia	Vinnytsia
2.	Osaulenko, Bohdan	Cherkasy
3.	Bulatetskyi, Maksym	Cherkasy
4.	Horiuk, Pavlo	Chernivtsi
5.	Pyshchotka, Natalia	Chernihiv
6.	Vladimirova, Oksana	Crimea
7.	Semenova, Yevhenia	Dnipropetrovsk
8.	Lisnycha, Larysa	Dnipropetrovsk
9.	Pleskachevska, Natalia	Dnipropetrovsk
10.	Bobrov, Yury	Donetsk
11.	Sherbak, Olha	Donetsk
12.	Borysov, Dmytro	Donetsk
13.	Tarasova, Nadia	Kharkiv
14.	Drobytska, Tetyana	Kharkiv
15.	Pylypenko, Svitlana	Kharkiv
16.	Ponomarenko, Larysa	Kherson
17.	Tatarchuk, Anatoly	Kherson
18.	Lolibabchuk, Mykhailo	Kherson
19.	Kharkava, Olena	Khmelnitskyi
20.	Bilenka, Lidia	Khmelnitskyi
21.	Beznosyk, Halyna	Khorol
22.	Illyushkina, Valentyna	Kirovohrad
23.	Yukhymenko, Oksana	Kirovohrad
24.	Stukan, Lyudmyla	Kyiv
25.	Busheva, Alla	Kyiv

26.	Syunyayeva, Olena	Kyiv
27.	Premohenova, Julia	Kyiv, AUC
28.	Hanushchak, Nadia	Kyiv, AUC
29.	Kozlyuk, Olena	Luhansk
30.	Kubar, Oleksy	Luhansk
31.	Nakhod, Mykhailo	Lutsk
32.	Nazaruk, Lyudmyla	Lviv
33.	Baran, Yury	Lviv
34.	Brovinska, Nina	Mykolaiv
35.	Dorphan, Oleksandr	Mykolaiv
36.	Kravchuk, Olha	Mykolaiv
37.	Stets, Iryna	Mykolaiv
38.	Baliuk, Vira	Poltava
39.	Katyshev, Victor	Rivne
40.	Shestakova, Julia	Simferopol
41.	Lavryk, Volodymyr	Sumy
42.	Holubchenko, Vitaly	Sumy
43.	Pasichnyk, Olha	Temopil
44.	Pastukh, Yury	Temopil
45.	Sobran, Mykola	Uzhhorod
46.	Humen, Yury	Temopil
47.	Basystyuk, Yaryna	Temopil
48.	Deyak, Ihor	Uzhhorod
49.	Solontay, Oleksandr	Uzhhorod
50.	Rybina, Tetyana	Zaporizhzhya
51.	Shapovalov, Serhy	Zaporizhzhya
52.	Goldobin, Anatoly	Zaporizhzhya
53.	Kalinin, Vadim	Zhytomyr

54.	Zotov, Andriy	Zhytomyr
55.	Ivashchuk, Anastasia	Zhytomyr
56.	Hryshko, Mykola	Zhytomyr
Advanced Trainers - 12		
1.	Russu, Vadym	Chernivtsi
2.	Tatarchuk, Tetyana	Chernivtsi
3.	Podolska, Zoreslava	Ivano-Frankivsk
4.	Andriishyna, Valentyna	Khmelnyskyi
5.	Kalynyuk, Petro	Khmelnyskyi
6.	Kerekelytsya, Valentyna	Khorol
7.	Naumuk, Svitlana	Lutsk
8.	Depko, Lesya	Lviv
9.	Hreschuk, Tetiana	Rivne
10.	Yaroshchuk, Maria	Rivne
11.	Yarova, Alla	Sumy
12.	Semenova, Olena	Ternopil



## Conference Report

### *Institutional Support for Local Government: Experience of Creating AUC Regional Offices and Their Prospects*

City of Kyiv  
December 18-19, 2003

These materials have been developed based on summarizing the findings of four working groups active during the conference in the following areas:

- Local government lobbying and advocacy
- Training
- Consulting services
- Information and communication technology

The participants in the final conference have analyzed the existing situation in these areas (Section 1) and presented their proposals with regard to further improving work in the relevant areas (Section 2).

The materials have been submitted to the AUC Head Office and its Regional Offices.

#### **Section 1. Description of the Present Situation**

##### **1.1. Local Government Lobbying and Advocacy Group**

1. During implementation of the Dissemination of AUC Regional Office Project, increased influence by AUC on legislative decisions in the following areas has been observed:

- annual budgeting process
- changes in budget laws
- creation of budget regulation at the level of raion to raion-significance city, village, and settlement
- legislation on tenders
- land issues
- municipal property
- strategic development of territories
- development of tourism

2. Lobbying was implemented in the following formats:

- conducting seminars with participation of decision-makers (members of parliament, central government officials, officials from oblast and raion State administrations)
- roundtables
- conducting conferences with participation of influential persons
- work of expert panels

- litigation advice
  - writing legislative drafts and bylaws
  - work with members of parliament
  - consulting services to specialists of central government ministries and agencies
  - publications in the mass media
3. Factors influencing the efficiency of lobbying:
- personal contacts
  - influence of political parties
  - influence of business structures
4. Decision-making procedures for lobbying:
- problem statement
  - researching the legislative base
  - developing alternative solutions
  - discussing alternative solutions with specialists at the central and local levels
  - identifying allies and opponents of the solution
  - writing a legislative draft
  - conducting a series of workshops to discuss alternative solutions
  - presenting the solution at a meeting of a body representing the interests of local government (AUC Board, Congress of Local and Regional Authorities (CULRA))
  - presenting the position of the Associations before the Verkhovna Rada and central government
  - working with relevant committees and line ministries
  - working with parliamentary factions
  - filing the relevant draft law or regulation
  - providing support for passage of the legislative draft at the Verkhovna Rada or Cabinet of Ministers;
  - monitoring of implementation
  - explanatory work as regards the implementation procedure or application of the proposed regulation.
5. Effective lobbying indicators.
- The analysis of activities has demonstrated that the best results are achieved through consolidation of efforts by different levels of central government and local governments, establishing of normal working relations with different levels.
- The best results have been achieved in the area of budget legislation.
6. Problems.
- lack of qualified specialists in specific fields
  - poor coordination between donors and other local government support organizations

## 1.2. Training Group

Having considered and discussed the issue AUC **training activities**, we conclude as follows:

1. The issue of training support for AUC member-cities, despite the positive dynamics of the last three years, still remains one of the priority and topical issues that require an ongoing attention.
2. According to the program of the Dissemination of Regional Offices for the Association of Ukrainian Cities project, the total of 207 seminars have been delivered, including the following seminars by topic:

• Establishing and Organizing Work of Advisory Committees	- 32
• Methodology of Conducting Public Hearings	- 32
• FAM and Public Procurements	- 88
• Strategic Planning	- 15
• Training in Using the ICT Tools	- 35
• TOT	- 5

There were a total of 5,234 participants in the seminars representing all AUC Regional Offices. Participation of both AUC members and representatives of other localities has contributed significantly to their joining the Association. It should be noted that AUC membership has grown by 188 member-cities over the three years of project implementation.

3. The qualitative analysis of the delivered seminars has demonstrated that for the AUC Regional Office members of the first two clusters, the issues of local budgeting, public procurement, and strategic planning were more important during the last year of the project, where for the remaining communities (especially new AUC members) the issues of public participation methodology and information technology are still a priority.
4. Inviting representatives of various Regional Offices to work at seminars has helped the participants to get to know each other better, which has resulted in initiating collaboration among Regional Offices in the areas of common interest both during the training process and in development of joint projects (e.g., Lviv, Chernivtsi, Ternopil, Ivano-Frankivsk, and Khmelnytskyi AUC Regional Offices - *Zolote Pereveslo*; Lviv, Kyiv, and Poltava AUC Regional Offices - *Clean Ukraine - Clean Earth*, and others.).
5. The Lviv, Khmelnytskyi, Dnipropetrovsk, Kyiv, Zakarpattya, Chernivtsi, and Poltava Regional Offices have developed successful experience in independent delivery of training and seminars.
6. There is a need today of providing the training support to cities in the area of legal advocacy of local government, minimizing administrative pressures on leaders of territorial communities, drafting of charters of territorial communities, preparation of local regulations, land surveying, strategic planning, development of tourism, and international cooperation.
7. The analysis of participation of AUC member-cities in training seminars conducted by various institutions and organizations (PADCO, Partnership of Communities, RTI, DAL, and others) allows making a conclusion about a high technical level of RTI consultants. Collaboration with other above-mentioned institutions seems useful, however, mainly with regard to narrowly specialized areas, being complementary, and intended primarily for lower-level municipal staff. In addition, there is a spirit of good cooperation, where other contractors are working in the localities prepared for collaboration through their participation in the Regional Offices project. Local government, entrepreneurs, and the community, given their experience of serving on Advisory Committees and conducting Public Hearings, provide an acceptable result in other projects.
8. Closure of the Regional Offices project in 2003 could have a negative impact on qualitative and quantitative results of AUC Regional Offices' performance in the area of their training and methodological support provided to cities.

9. The AUC institute of experts and trainers/consultants, being developed at the regional level with participation of AUC Regional Offices, which was established in 1996, has demonstrated its effectiveness, however, it needs serious organizational renewal at present.

### 1.3. Consulting Services Group

After hearing and discussing the issues of **consulting support** to operation of AUC member-cities, we conclude as follows:

1. The issue of providing consulting support to AUC member-cities, despite the positive dynamics observed in the last three years, remains one of the priority issues requiring constant attention.
2. Introduction in the year 2003 of the positions of deputy executive directors (in some Regional Offices) charged with organizing the process of consulting support to cities was a step in the right direction. The efficiency of their work, however, was not universally high due to organizational and financial reasons.
3. In the course of implementing the Regional Offices project, RTI consultants have provided consulting assistance to over 150 AUC members, including onsite assistance provided to nearly 100 cities.
4. The issues on which RTI provided consulting services included:
  - budgeting process and explaining the provisions and peculiarities of Budget Code application;
  - conducting of public procurements;
  - preparation of plans for strategic development of localities;
  - establishment of Advisory Committees, conducting of Public Hearings, and using other methods and techniques of public participation; and
  - development of city charters, etc.

It should be noted that such assistance was especially vital for the cities with new management teams, which came to power following the 2002 election.

5. The recent political developments in the country warrant for the need of providing to the cities the consulting and legal support in the area of legal protection of local government interests, in particular in court proceedings, and, especially, to minimize administrative pressures exerted on chairpersons of territorial communities.
6. Approve practices of the Khmelnytskyi Regional Office with regard to provision of legal consultations to AUC members by a "Legal Clinic".
7. AUC's limited human and financial resources are the main obstacles preventing from providing the consulting services essential for the cities at the adequate level.
8. Completion of the Regional Offices project in 2003 could have a negative impact on the quality and effectiveness of consulting support to the cities.
9. It should be noted that the AUC institute of experts established in 1996 has proved its efficiency, however, it currently is in need of certain institutional and personnel renewal.

## 1.4. Information and Communication Technology Group

After hearings and discussing the issue of ICT application in activities of the Association of Ukrainian Cities (AUC) and local governments, we conclude as follows:

### 1. General Issues:

Website [www.auc.org.ua](http://www.auc.org.ua) is Ukraine's first local government corporate information network. About 60 AUC member-cities have their own websites offering diverse information for citizens to assure that local government actions and programs are concrete and effective. However, for the majority of AUC members, their technological and information capabilities do not as yet allow to develop their own websites.

The efforts aimed at developing the AUC Dialog system started in February 2002. On May 24, 2002, the Association of Ukrainian Cities presented an upgraded AUC website called *AUC Dialog*. As the website presentation coincided with celebrating the AUC's 10<sup>th</sup> Anniversary, this event has acquired special significance in informing the wider community about emergence of the new website to serve as a tool for development of local government in Ukraine. The official launch of the AUC Dialog information system took place at the Executive Office of the Association of Ukrainian Cities on June 27, 2002. As of December 19, 2003, the site has had over 45,000 visitors.

Several versions of the website developed in the course of the project have been prepared with due account for special requirements of customer's activities. In developing the website concept, a study was made of the information provided by AUC about its activities and local government in Ukraine and beyond, and research was made of similar resources on the Web.

Taking into account local governments' insufficient provision with computer hardware and lack of systematic training of their staff, USAID has also provided for delivering a series of computer training for local government staff from small and medium-sized Ukrainian cities.

Starting on May 28, 2002, RTI consultants delivered more than 30 "hands-on" workshops at AUC Regional Offices for representatives of over 200 Ukrainian cities. The curriculum was adapted to the current Ukrainian situation and included presentations on the topics, such as "What is a Personal Computer?", "Safety Precautions in Using PCs", "Software", "Use of Internet and Email", as well as presentation and dissemination of basic documents on the launch of the upgraded website of the Association of Ukrainian Cities – AUC Dialog; discussions of the possible uses of the website resources for local situations; practical coaching on components of the AUC Dialog information system; and development of recommendations for supporting the website at the local level.

Implementation of Information and Communication Technology (ICT) and strengthening of the existing capacity of AUC EO and creation of the AUC Dialog information system have contributed significantly to increase in the AUC membership over the last three years and facilitated better coordination of AUC activities both in the vertical, and horizontal planes.

**2. Opportunities created** as a result of ICT implementation and operation of AUC Dialog system during the year:

- A real mechanism created for highlighting activities of local governments on the Internet, which is a significant step towards assuring transparency of local government operations;
- A mechanism created for rapid preparation and sharing of information with AUC EO and between cities in real time;
- A mechanism created for rapid interaction and communication between local government and citizens, mass media, and business circles;
- A mechanism created for highlighting the necessary socioeconomic and financial information for investor search and establishing rapid contacts with potential investors with the aim of raising the efficiency of solving the economic development problems.

**3. It can be concluded that the *AUC Dialog* system has become:**

- an effective tool for lobbying interests of local government;
- a source of information for Ukrainian cities about best practices in activities of local governments in solving pressing problems;
- an electronic publication of local governments and AUC;
- a fully-fledged member of the World-Wide Web, which is evidenced by a growing interest in the site and active increase in the number visitors both from Ukraine and many other countries worldwide; and
- a tool for providing consultations and a source of information helping other donors and partners.

**4. At the same time, the existing problems should be stated clearly:**

- a significant portion of AUC member-cities are using their potential, available resources, and mechanisms of the developed AUC Dialog system insufficiently or not at all;
- staff rotation (city website administrators);
- insufficient understanding by local government leaders of the importance of using ICT and opportunities of AUC Dialog system in their work;
- city councils' lacking the documents, which would regulate work within the AUC Dialog system;
- insufficient number of AUC Executive Office staff involved in system administration;
- technical problem of connecting to the Internet in small towns;
- aging of hardware and the need of its keeping in good repair.

**5. General Conclusions:**

5.1. The review of the existing site structure and objective needs in new types and formats of information, the need of developing new databases and their posting in the system, point to the **need** for:

- conducting a series of training and methodological activities for mayors, staff of AUC Regional Offices, and website administrators of AUC member-cities;
- modifying the structure of the existing information system (which is only natural in the process of development of any information system);
- ongoing work with local government leaders with regard to extensive incorporation of the modern ICT achievements in everyday activities;
- ongoing reviewing and monitoring the system operation in general;

- creating, based on the information system, of an effective mechanism of distance learning,
- continued implementation of ICT and further development of AUC Dialog system.

5.2. Implementation of ICT and creation of the *AUC Dialog* information system have raised the AUC operations to a qualitatively new level.

## Section 2. Proposals

### 2.1. Local Government Lobbying and Advocacy Group

#### Recommendations and suggestions:

1. Set up a panel of experts under AUC in specific areas:
  - legislative drafting panel
  - center for analysis of regulatory base, both the existing one and the one that is being prepared;
2. Formalizing the procedures of lobbying and conducting consultations between AUC, CULRA, and other local government associations with central government structures for making decisions, which effect local government through adoption of a special law on the procedure for such consultations.
3. Engaging AUC experts in activities of the Verkhovna Rada committees through adoption of a Verkhovna Rada Resolution on the procedure for conducting consultations with AUC/CULRA in preparing legislative acts related to local government.
4. Ensuring strict implementation of AUC recommendations and policies and AUC's monitoring of compliance.
5. Stepping up interaction with deputies of the Verkhovna Rada using the following formats:
  - Personal meetings
  - Study tours abroad
  - Work in parliament factions and committees
  - Work with Verkhovna Rada Secretariat, committees and factions
  - Creating a non-faction caucus at the Verkhovna Rada, AUC is working with
6. The following specialists would be desirable at the regional level:
  - full-time lawyers
  - budgeting specialists
  - communications, PR, mass media, and government liaison specialist.
7. Stepping up activities of Regional Offices and sections.
  - improving communication between the AUC Executive Office and the Regional Offices with regard to transforming the latter into a communications center for small cities;
  - work of mayors with deputies of the Verkhovna Rada according to AUC-determined lobbying areas;
  - improving work of AUC professional sections;
  - better inform Regional Offices and mayors about voting of Verkhovna Rada deputies on the issues effecting local government;
  - develop the criteria for assessing performance of Regional Offices in the area of local government advocacy and lobbying.
8. Tasks for Regional Offices:
  - present proposals in order to set up lobbying structure at the central and local levels. This is necessary in order to prepare proposals for a new project, with possible donor funding;
  - prepare budgets for financing the specialist support groups;
  - conduct training on how to write grant applications.
9. Proposals for a new project:
  - Strengthening the material and information base for Regional Offices.
  - Series of seminars on business ethics and communication.
  - Training on the issues of preparing grant applications;
  - Training on the issues of lobbying methodology;
  - Training should primarily to targeted on newly elected mayors and deputies;

- Assure transparency of project implementation and informing Regional Offices about activities of other Regional Offices;
- Select target audiences when conducting seminars and conferences on concrete issues.

## **2.2. Training Group**

**Review of Regional Offices' activities in the area of training support points to the need of the following steps to be taken in the nearest future to improve the training and methodological assistance to AUC member-cities:**

1. Recommend that the AUC Executive Office establish a Coordinating Center for conducting training events.
2. Suggest the idea of publishing and disseminating the best training programs and material through AUC.
3. The Coordinating Center for training events should set up an "Order Desk" for seminars, being a database of topical issues to be addressed by such seminars.
4. To provide for successful operation of the Coordinating Center for training events assure interaction between proposals by donors, requests by customers, and structuring of training by topics by regions based on customer interests.
5. Recommend for implementation the experience of the Lviv, Khmelnytskyi, Dnipropetrovsk, Kyiv, Zakarpattia, Chernivtsi, and Poltava Regional Offices in independent delivery of training and seminars.
6. Special focus should be made on joint training programs for representatives of local government and business to promote economic and social development of territorial communities.
7. Establish civil municipal city development funds to be financed from corporate and donor sources.
8. Continue delivery of seminars, workshops, and training for local government staff as one of the most important ongoing activities for AUC Regional Offices.
9. By March 1, 2004, AUC Regional Office directors are to complete preparatory work for establishing the Coordinating Center.
10. By 1 April, work should be completed in the formation and staffing of AUC panels of experts and trainers for providing training and consulting assistance to AUC members.
11. The AUC Board is to summarize the experience of Regional Offices and systematize their further consolidation based on common interests and area of cooperation (similarly to *Zolote Pereveslo* and *Tavria* associations).

## **2.3. Consulting Services Group**

Recommendations and suggestions:

1. The issue of providing the territorial communities with quality consulting services will be one of the most important ones in the next few years and would require considerable attention on the part of the AUC Board.
2. Address a letter on behalf of the Board to USAID giving a high appraisal to the project and requesting support in initiating a new project, which should provide for a possibility of strengthening the consulting component.
3. Recommend that at the outset of 2004, Regional Offices should conduct monitoring and prepare the analyses of city needs in consulting services.
4. Prepare an AUC action plan aimed at searching for additional financial and human resources. In order to step up the efforts aimed at mobilizing additional financial resources, deem it advisable to set up a separate fundraising group at AUC.

5. Study a possibility of amending the AUC regulations to provide for establishing special-purpose Consulting Funds at Regional Offices, which could be used for paying for consulting services provided to the cities, which have contributed to this Fund.
6. Recommend the experience of the Khmelnytskyi Regional Office in providing legal advice to AUC members by a "Law Clinic" to be implemented by other Regional Offices.
7. Consider it advisable to set up a section of heads of legal departments and directorate at city councils under AUC.
8. Develop a database of official responses and clarifications given by central government agencies in response to local government inquiries and questions, as well as a database of precedents of law suites and court rulings thereon. Make these materials available on AUC Dialog.
9. Recommend that specialists of the Municipal Administration Academy should be involved more actively. Recommend that the cities, which have no Academy branches yet, assist in their establishment.
10. Work on the issue of regulating the intellectual property rights in disseminating information through the AUC Regional Office network.
11. We conclude that given a series of additional training, AUC Dialog could become the basis for a future distance learning and consulting system.

#### **2.4. Information and Communication Technology Group**

##### Recommendations and suggestions:

1. Address a letter on behalf of the AUC Board to USAID giving highest marks to the project results and emphasizing the usefulness and urgent need of continued cooperation with USAID and its contractors under new projects.
2. At the outset of 2004, carry out a comprehensive analysis of ICT usage at the Association of Ukrainian cities and performance of the AUC Dialog system.
3. Identify the main ways of modifying the AUC Dialog system.
4. Prepare an AUC Action Plan for conducting training and consulting activities for users of the AUC Dialog system and effective utilization of the existing mechanisms.
5. Recommend that AUC Regional Office directors include in their budgets the costs for upgrading hardware, maintenance, and Internet connection.