Local Self-Governance: Time for Changes
Lviv City Council and City Institute express gratitude to the partners of the Forum, whose assistance and support allowed holding this large-scale and effective event, involving the representatives of the central authority and local self-government from the whole Ukraine, national and international experts, public organizations, and foreign diplomats to the extremely important discussion.

The partners of the Forum are: Ukraine Municipal Local Economic Development Project, the Council of Europe Program “Strengthening the Capacity of Local Authorities in Ukraine”, German Society for International Cooperation (GIZ), "Municipal Governance and Sustainable Development Programme" introduced by UNDP in Ukraine, Lviv Regional Branch of the Association of Ukrainian Cities.

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On the aims and results of the forum

Strong local self-government is a pledge of effective economic, social and humanitarian policy of the state, one of the fundamental engines of democracy that allows responding effectively to the challenges of the modern world. This is the reason why maximal decentralization of power is one of the main principles of legislation in the developed world and European states. These norms are represented in the European Charter of Local Self-Government, but until now these principles function only on paper in Ukraine, which is one of the signers of this document. Holding the All-Ukrainian Self-Governance Forum aimed to change such tendencies and maximize the influence on the effective distribution of authorities and responsibilities between central and local authorities.

In recent years, despite the public statements of the government, the possibilities limitation of local government to perform their duties effectively grew rapidly. For more than 20 years, almost all levers of influence on licensing activity, taxation, creating conditions for investors, provision of health care and the rule of law, land issues and town-planning have been lost. Inability to use personal funds committed by the state budget became the main problem of the Ukrainian cities today. The absence of real financial possibilities to provide the work of all communal and other services necessary for work of the cities puts under a threat the existence of territorial communities that are under the direct responsibility of local self-government bodies.

To find the way out of this situation, the city of Lviv has initiated the All-Ukrainian Self-Governance Forum for the second time. The city mayors, the representatives of the Association of Ukrainian Cities, the All-Ukrainian Association of Village and Settlement Councils, the representatives of central authorities, human rights organizations, the Council of Europe, international organizations and legations were invited to participate in the Forum. Their aim was the following:

- to debar further centralization of power;
- to produce shared vision and to co-ordinate actions of the local self-government bodies of Ukraine;
- to carry a resolution summarizing shared vision of the local self-government bodies of Ukraine, and direct it to the President of Ukraine, the Cabinet of Ministers of Ukraine, the Verkhovna Rada of Ukraine, Ukrainian and international community.

The necessity of changes was obvious, and their introduction was expected long ago, but only the change of power gave a hope for decentralization and development of local self-government in Ukraine. The new Ukrainian
Government proclaimed a course on decentralization of power and entrusting communities with broad authorities. Already after the Forum, the order of Cabinet of Ministers of Ukraine of 01.04.2014 no. 333-p "On approval of the Concept of local self-governance and territorial power reforming in Ukraine" gave a start to the reformation.

In particular, the aim of the Concept is to determine the directions, mechanisms and terms of forming the effective local self-government and territorial organization of power for creation and support of valuable vital environment for the citizens, to provide high-quality and accessible public services, to establish the institutes of direct democracy, to satisfy the citizens’ interests in all spheres of vital activities on the corresponding territory, and to coordinate interests of the state and the territorial communities.

The issues are expected to be solved by:
- determining the reasonable territorial basis for activity of the local self-government bodies and executive bodies that are able to provide availability and proper quality of public services that are provided by such bodies, and also the resource base necessary for this purpose;
- creation of the proper material, financial and organizational conditions for providing the implementation of own and delegated authorities by the local self-government bodies;
- differentiation of authorities in the system of local self-government bodies and executive bodies on the different levels of administrative-territorial structure on the principle of subsidiarity;
- differentiation of authorities between the executive bodies and local self-government bodies on the principles of decentralization of power;
- introduction of the state control mechanism in accordance with the correspondence of the local self-government bodies’ decisions to the Constitution and to the laws of Ukraine, and quality control of providing public services to the population;
- maximum involvement of population to the administrative decision making, assistance to the development of direct democracy forms;
- improving the mechanism of co-ordination of local executive bodies’ activity.

Today it is possible to confirm that the Local Self-Governance Forum became one of the catalysts of the beginning of power reformation in Ukraine. Moreover, the concept of reform became a logical completion of the protracted discussions and the first but extraordinarily important step towards the democratization of power in Ukraine.
Those countries are successful, where there are successful and active communities. And when we talk about development of local self-government in Ukraine, it means that we should give maximum authorities to these communities to settle problems and administer funds or property locally to.

Unfortunately, our country came to the understanding that local self-government is the engine of development a bit late. And only now we see some steps towards the existence of local self-government in Ukraine in reality, but not on paper.

500 cities of Ukraine are 500 turbojet engines that can place our country into the new orbit of development. But it is necessary to give them such an opportunity, to untie their hands.

For already several years, we have been successfully holding the Local Self-Governance Forum in Lviv. We are glad that everyone has the understanding, it is needed only to implement all these developments into the Ukrainian society. I believe it will be done.

Andriy Sadovyy, Lviv City Mayor
For the second year in a row, it is becoming a good tradition in the city of Lviv, a cultural treasury of UNESCO, a community that held a prominent international event in the modern history of Ukraine – Euro-2012, to discuss at the highest level the problems of development of local self-government in Ukraine and to determine priorities for the future.

This year the Local Self-Governance Forum of Ukraine has gathered in Lviv the leaders of central government and local self-government bodies, specialists, experts and representatives of diplomatic body from many member-states of the Council of Europe.

In these very hard and decisive for Ukraine times, when the entire country by the cost of enormous efforts, by the cost of lives of its best sons and daughters makes a path to the real independence and democracy, the participants of the event stressed on invariability of Ukraine’s European choice and importance of local self-government as one of the head stones of the modern democratic state.

A common thread running through that topic is that the pledge of the effective development of Ukraine should be the full implementation of the best world developments on local and regional democracy into the Ukrainian legislation and practice. They are concentrated foremost in the European Charter of Local Self-Government and the Principles of Good Governance that are the basis of the administrative systems of the most successful countries of the world.

The second, but not less important priority is the development of effective mechanisms of the citizens’ participation in their communities’ governance and taking power decisions in Ukraine. A matter of involving citizens, cooperation with them and activity for their sake, today are in the spotlight of the all countries of the world. “The key force in the democratic state that gives freedom and takes it away is a human,” – marked the participants of the Forum.
What must be done first of all in this direction? It is necessary to monitor the conformity of legislation that is under development to the European Charter of Local Self-Government. It is important to ratify the Additional Protocol to the Charter on the right to participate in the affairs of the local authority, to strengthen openness and transparency of power institutes through the ratification of the Convention of the Council of Europe on Access to the Official Documents, to provide creation of the all-round assistance climate for the citizens’ participation in the life of their communities with the help of the Recommendation (2001) 19 of the Committee of Ministers of the Council of Europe “On the participation of citizens in local public life”.

And here the most useful can be the “collective mind” of 47 world countries - the Council of Europe, respectable intergovernmental organization, which aim of creation was, by the way, the prevention of all forms and displays of conflicts on a continent through the observance of principles of democracy and the rule of law, search, support and distribution of the best instruments of solving the challenges of contemporaneity. Today the Council of Europe works in Ukraine within the framework of the Action Plan “A Partnership for Reform”, among the priorities of which there is the development of local democracy. For many years the work in local self-government sector in Ukraine has been supported by the governments of the Council of Europe members-states: Swiss Confederation, Denmark and Sweden.

Thus, as was talked at the Forum: “The historical period we live in is the most difficult, but on the other hand, it opens a way to the renaissance of Ukrainian power. Our task is to include the whole country to the process of renewal. And then there is a perspective for Lviv to become a new Davos of local self-government”.

Reform of local self-government and decentralization of power should strengthen Ukrainian state, give strength and inspiration to its communities, and stimulate citizens of the villages, cities and regions for development. And the Council of Europe is ready to be alongside with Ukraine in all these processes and to help Ukrainians every time to strengthen the single, unified and independent Ukraine.

Alfonso Zardi, Head of Democratic Institutions and Governance Department of the Secretariat General of the Council of Europe
I panel discussion
Local self-governance reform

Andriy Sadovyy, Lviv City Mayor
Yuriy VILKUL, Kryvyi Rih City Mayor, President of the Association of Ukrainian Cities
Jan TOMBINSKI, Ambassador, Head of the Delegation of the European Union to Ukraine
Ginka CHAVDAROVA, Executive Director of the National Association of Municipalities in the Republic of Bulgaria, Expert of the Council of Europe Programme “Strengthening the capacity of local authorities in Ukraine”
Anatoliy TKACHUK, Director on Research and Development of the Civil Society Institute, Expert of the Council of Europe

A discussion that started the forum outlined the position of all the parties interested in the reform of the Ukrainian legislation and formed the principle of discussion of the two-days event — structural discussion on the real problems of Ukraine in the sphere of local self-governance, search of the possibilities of their solving by joint efforts and presentation of the positive European and world practices that can become a basis in time of power reforming in Ukraine that has already started.

"Last year we talked that the authorities of local self-government were in the stage of stable reduction. Despite all the declarations on decentralization, the authorities and financial resources were reducing, and political influence on local self-government from the center increased. The outcomes are already known. Extremely strong and centralized power has fallen into pieces in 2 days. Therefore we must create stable power that will lean on a plenty of stones in foundation that are the local self-governments. The reform of local self-government must become one of the main systematic reforms, as it will form the basic principles of the state governance, and it is impossible to undertake next steps without it. According to the degree of detalization and time-bounds, the document is very rigid, because the authority is obliged to adopt all needed legislative acts to reform legislation in 2014," — Anatoliy Tkachuk, Director on Research and Development of the Civil Society Institute.

Overall, it is about 23 defining bills. They are defining, as the drafts of laws "on amendments" to the current acts are not taken into account in this list. Already two Drafts of Law of Ukraine are prepared for today: "On cooperation of territorial communities" and "On the rights of territorial communities for
The main idea is to give an opportunity to introduce some local changes already this year, without waiting for adoption of all necessary laws and amendments to the Constitution of Ukraine.

Testifying the willingness of the central bodies of power to conduct reforms, and also the first steps in this direction became the basis for forming the further Forum discussion. Therefore, the experience of Bulgaria, the country that conducted similar reforms not so a long ago, after the decades of centralization of power, becomes very topical for Ukraine today. Especially, considering that the problems they had to overcome on the way of reforms implementation were similar to Ukrainian realities.

"There is a joke among the mayors of the Bulgarian cities: what is it that everybody talks about but nobody saw it? It’s decentralization. Any central power does not like decentralization. Any opposition supports it and promises to implement it. But the will to implement changes must be local; only local initiative is able to provide success of strong local self-government. The representatives of local authorities must be the center of solidarity. Strong associations that are able to defend shared ideas can help herein," — Ginka Chavdarova, Executive Director of the National Association of Municipalities in the Republic of Bulgaria.

Exactly the rigid defending of their own interests, reasoned pressure on the authorities and presence of people in governing of the states that understand importance of strong local communities, are defining in implementation of reforms. In addition, the role of mass media that forms the public opinion is extremely important. Realization of working conditions of municipalities by the journalists is a pre-condition of public support and absence of groundless criticism from the side of media.

"Now it is necessary for Ukraine to find its road, where the people should become the center of politics. I am convinced that you have a power to do what has not been done for the last 20 years, because now Ukraine pays a high price for inactivity in the past. Ukraine now can be changed by the process of democratization, but not by a law or one decision. Why is self-governance so important? It is one of the measures of democracy. It is a possibility to give people a right to take care about themselves, and now there is no other way than to give such possibility to them. Self-government is the territorial communities, the school of political leaders. It is a strengthening of identification with a country. This is one of ways of war against corruption," — Jan Tombinski, Ambassador, Head of the Delegation of the European Union to Ukraine.

Local self-government is, first of all, the responsibility for people.

"A large contemporary problem is that in the state governance there is a small number of people that were trained in local self-government. People who worked in parties or in state authorities do not fully realize what the local self-government is. It is possible to bring one very important example: people in the cities would not notice if one day the ministry or the regional council did
not work. If the city did not function during one day, it would be a catastrophe. Therefore, local self-government is the locomotive that can place Ukraine into the new orbit of development,” — Andriy Sadovyy, Lviv City Mayor.

From the address of Roger Myerson, a winner of the Nobel Prize in Economics in 2007 to the participants of the Local Self-Governance Forum

Any decentralization reform should make it clear that local councils can act only within the scope allowed and under the national law. For example, the decentralization reform could have included provision that, if council or its governor would found of acted inconsistently with the laws of Ukraine, then the Verkhovna Rada could vote to terminate the local council’s authority, call special local election and direct the President to appoint an acting governor, until the new council can take appropriate responsibility for local self-government.

This essential supply of trusted democratic leadership can develop best in responsible institutions of local government, where successful local leaders can prove their qualifications to become strong competitive candidates for higher office. In many countries trusted candidates for national leadership are regularly found among governors and mayors who are proving their abilities by delivering better public services in local government.

Decentralization could also help to reduce critical tensions between the regions of Ukraine and strengthen local commitment to Ukraine’s political system in all parts of the country. The devolution of some real authority to locally elected officials can guarantee the policies of local government will be responsive to preferences of local residents and will not just depend on which group can get a national majority in a presidential election.

Furthermore, decentralization can help to guarantee that popularly supported local leaders in every part of the country will know they have some real stake in the political system of Ukraine, regardless of which group wins power at the national level. When the Constitution of Ukraine gives local leaders more authority – these local leaders gain a greater incentive to support this Constitution when it needs defending.

It is good that competing proposals of decentralization reform for Ukraine are being advanced by many expert groups and political parties. In order to make the right choices people in Ukraine need this clearest possible understanding of what a well-designed decentralization reform could mean for their nation.

Roger Myerson, winner of the Nobel Prize in Economics in 2007
During the first panel discussion, one idea was constantly repeated — a local community should be in the center of work of local self-government bodies. Its presence must be everywhere — during the decision making, work control of the officials and municipal services, making suggestions regarding the development of society. All work on providing services should be focused on the citizens.

Participation of community in the work of local authorities in Ukraine is on the initial stage, therefore the experience of effective activity of public organizations and the role of civil society in the developed European countries became the important aspect of the All-Ukrainian Local Self-Governance Forum.

"Abraham Lincoln said that democracy is the "government of the people, made by the people, for the people". And it describes best the intentions of that we want to do. It is the essence of democracy. "Government of the
people" — the honest and free elections. "By the people" — the proof that local authority exists for the citizens, cares about their needs and expectations to create stable society, where people want to live and work. "For the people" — the authority of a city must be open to the queries and cooperation with the citizens, involving them to the decision making. Permanent feed-back is necessary.” — Alfonso Zardi, Head of Democratic Institutions and Governance Department, Council of Europe Secretariat General.

The Council of Europe has several instruments for effective implementation of the mentioned principles. The main document determining the generally accepted norms of management that is used by most European countries at the local and regional level is the European Charter on Local Self-Government.

The second document is the Additional Protocol to the European Charter of the local self-government on the right to participate in the affairs of the local authority. Ukraine signed it, but has not ratified it yet. And the third is the Convention on Access to Official Documents that gives a possibility to the citizens of the European states that ratified it to get access to the official documents of municipality. Three main words describing these documents are: participation, transparency and accountability.

"When we ask mayors of the Ukrainian cities about their needs, in reply we hear about financial and human resources, grants from donors, loans and investments. The improvement of life quality of Ukrainians needs considerable investments, but we believe that this story does not end with it. We believe in mobilization of citizens, a community that is an extraordinary source of energy and ideas. We try to develop local communities with our projects and often hear about their passiveness and inability to take a fate in their hands. I think that it is not so, simply this process needs a spark," – Guido Beltrani, Director of the Swiss Cooperation Office in Ukraine.

One of the weakest points of local self-government is a job of city public servant, which is not prestige and very often connected to the political needs of the current city chairman. If a city mayor abandons his post, his team does the same. Self-government bodies of Ukraine today lack heritage and
experience, for this reason it is necessary to involve citizens widely to the processes of making decisions, creating territorial communities.

A guest from Romania built his speech on Romanian experience during the EU integration, therefore he tried to describe in details the way that expects Ukraine in the future.

"The fact is that in a perspective Ukraine will become a candidate for the EU members. The direction is clear. It is not clear when it will happen, but we know that the way there will be hard. First of all, there is no single approach towards the decentralization of power in Europe — there is a big amount of examples of government reorganization in the state. The procedure of broadening rights for local self-government is out of mandate of the European Commission, but decentralization must take place in obedience to the generally accepted criteria," — Soril Ionita, Director of the Expert Forum (Romania).

Criteria of local self-government reform in the EU:
- Clear division of public and private — e.g. division of local self-government and other forms of public/voluntarily participation; avoidance of creation of local/regional semiautonomous non-governmental organizations;
- Complete transparency of budgets; a complete division of budgets at the levels with the clear zones of autonomy and contractual norms of distribution;
- Avoidance of local development of strategies, which are not simple, certain and 100% integrated into a budget;
- Clear determination of monitoring central government bodies, desirable limitation of control according to legitimacy of local decisions.

The representative of Poland also spoke about experience of reforming.

"When you will be preparing to the reforms, creating your own model of self-government, it is necessary to take into account one extremely important thing — creating space for the citizens. Why is that so important? Countries with strong participating democracy and active civil society are far stronger than those, where the citizens are deprived of considerable rights for participation in public

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Figure 2. Index of favorable environment for civil society
life and making powerful decisions. It was a key factor during the reform in Poland. Our reform started with the elimination of five basic enemies of civil society," – Adam Aduszkiewicz, President of the Board of the Foundation in Support of Local Democracy (the Republic of Poland).

Enemies of civil society:
1. Political monopoly: free and honest election provided equal rights for all citizens.
2. Monopoly of state power: a right of local authorities for implementation of public authority from their own name, but not delegated by the state, was renewed.
3. Monopoly of state ownership: renewed status of municipalities as legal entities to which considerable part of public ownership was passed.
4. Financial democracy: the budgets of municipalities are dissociated from the state budget.
5. Monopoly of administration: renewed administrative authorities of self-governmental municipalities.

It is worth noticing the 3 basic criteria of the civil society development:
• Involving (for example participation in the election, number of non-governmental organizations).
• Trust (level of trust for democratic procedures and satisfaction with work of local administration).
• Influence on public affairs.

"If to talk about the level of cooperation of community with governmental bodies in Ukraine, it would be at a very low level. On the one hand, 93% of organizations contact with governmental bodies, 48%, almost the half, contact regularly enough, but only 1% of organizations contact with governmental bodies by their own initiative. It means that local self-governmental bodies do not see public organizations as the partners and does not cooperate with them," Viktor Taran, Director of the Center for Political Studies and Analytics.

"The instrument of self-appraisal of power for upgrading quality of cooperating with public society has one simple principle: say what are you going to do to meet the requirements, do what you say, and provide transparency. The ultimate goal of this principle is the assistance to the effective local government," – Violeta Moskalu, Professor of State Governance of Lorraine University (France).
In her address, Iryna Kulynych, who started the panel discussion, focused on specific problems that exist in Ukrainian cities on the example of the problems of Lviv, and suggested the ways of their solutions. The speech was about the unregulated legislation, existence of unnecessary, from the point of view of local self-government bodies, norms in the process of implementation of financial operations in the city. It was mentioned about the problems with management of industrial parks, blighted areas, realization of the public purchasing, implementation of energy-effective politics and payment for the local self-government employees.

The whole block of the speech was dedicated to the implementation of the all-Ukrainian projects, and cooperation of city with the donor organizations within the international projects.

“The problematic topic for many local self-government bodies is the realization of international technical support through the State Treasury. We managed to get the partial financing for one of the projects, but through blocking of payments from the side of the treasury, several projects are under threat of cancellation. These are small amounts to be financed - several thousand of hryvnias, otherway the projects will be disrupted totally,” — Iryna Kulynych, Director of the Economic Policy Department of Lviv City Council.

The important problem of local self-government is an election of the local self-government bodies, and also a possibility to remove the municipal chairman with 2/3 of voices of deputies of local councils.
"Appointment of an early election of local self-government bodies refers to the authority of Parliament, the Verkhovna Rada of Ukraine. Recent year showed that with the absence of political will elections are not appointed, and we cannot influence on this. Within the period from 2010 to 2013, the authorities of 70 local self-government chairmen were terminated. And 41 city communities live out of the constitutional right to choose the city mayor," — Iryna Vereshchuk, Rava-Ruska City Mayor.

Ted Treller, a representative of the project "Local economic development of Ukrainian cities" spoke about long-term perspective of the city development.

"There are significant problems with the accordance between the expected from local economic development and the gained results. There is fundamental difference between the work and the final award, as local economic growth is an issue of long-term perspective. Interested in its implementation the municipalities are motivated by creation of new working places, increase of tax revenues, general growth of economy, diversification of economy, and improvement of life quality of the city residents," — Ted Treller, Partner at Lochaven Management Consultants Ltd., Local Economic Development Adviser to the MLED Project, Canada.

Involving experts and community, holding trainings and creating professional development association allowed small Canadian town become a leader of energy and innovations sector with an average family income of $190 000 and 3.5% unemployment rate.

Then the representative of the new Ukrainian government Pavlo Sheremeta took the floor. He made his speech more interactive, giving the possibility to the audience to ask questions regarding activity of the new Government and its initiatives in the nearest future.

"This Forum has a tradition of writing resolutions very specific in their purpose. The document of this event will definitely be analysed in the ministry. But, first of all, it is important to understand one important thing - we are in the situation, when there is really no money in the budget. We should build our discussion on the specific proposals of what will help us to get out of the crisis today. There are enough municipalities in Ukraine able to make breakthrough in difficult conditions on a background of the other, although all cities are in equal national conditions, though there is a considerable differentiation between their success," — Pavlo Sheremeta, Minister of Economy and Trade of Ukraine.
IV panel discussion
Implementation of the urban development policy by the local self-government bodies

For a long time local self-government bodies have been practically deprived of the possibility to influence on appearance of buildings within the limits of settlements, as in fact all permissions and necessary documentation become firmly established in the capital, without the knowledge of territorial unit authority, within the limits of which the building is planned. The panel discussion was dedicated to finding ways out of the current situation.

"The Law of Ukraine "On adjusting of town-planning activity" was written in 2010 — after presidential elections, under a slogan "to deprive the constructor of possibility to put pressure on the official". As a result, the local self-government bodies are deprived of any influence on the construction permission process, putting into operation, approval of projects and many other matters. The main thing is that it creates considerable social tension, as with all complaints about the builder people come to a city council. In addition, such constructions often take place in the hidden form, as they are not in compliance with the General Plan or other normative documents being the base of the permissive documentation issued," — Andriy Pavliv, Director of Urban Development Department of Lviv City Council.

"Since 2010, the state gradually destroyed local self-government, but, despite a range of adopted legislative acts, local authority has always found non-standard ways of solving various problem situations, which helped to support normal situation in city-planning. It is necessary also to look at the problem from the point of view of the officials’ responsibility for the decision made and of the persons or constructors for architectural solutions they suggest, as it is totally impossible..."
Day 1. Implementation of the urban development policy by the local self-government bodies to solve mistakes in the city-planning,” — Helena Payonkevych, Head of the Legal Department of Lviv City Council.

Prohibition of unauthorized construction was one of the proposals of the panel discussion, as for today there is no mechanism to provide responsibility for such action, as well as the procedure of deconstruction of unauthorized construction.

"The problem of unauthorized construction is all-Ukrainian. It is impossible to build a house owing only the right for the land, without breaking the law, and it contributes the appearance of corruption component. That is why, from the legal point of view, the first step to solve the problem should be regulation and simplification of obtaining permits, in order to minimize corruption component,” — Hanna Onyshchenko, Deputy Minister of Justice of Ukraine.

The nuances of work with Ukrainian legislation in the sphere of urban development were discussed by the representative of German Society for International Cooperation.

"One of the problems we faced in Lviv, while renewing the city, is a non-correspondence of legislation to the specific cases. The other challenge is that all norms of legislation should be perceived very directly, there is no space for interpretation of legislative basis,” — Iris Gleichmann, Head of the project “Municipal Development and Rehabilitation of the Old City of Lviv”, GIZ.

Once again the proposition to involve community and business to the process of decision making was discussed.

"In Germany the relations between municipality, business and public society are more balanced — this is my personal opinion. All interested parties influence on the city development together. While in Ukraine the position of municipality and politics of urban development is weak due to ignoring of the public opinion. It requires clear mechanism of cooperation, which will allow solving the majority of problems on the local level,” — Stefan Gabi, German Expert.

Main problems of the local self-government bodies’ (LSB) urban planning policy implementation:

- The form of involvement, calculations of amount and use of the share interest costs in the development of the settlement infrastructure by the construction customers, and the terms of obligatory payment of the given contribution to the LSB budget are not legislatively settled.
- LSB are discharged from accepting finished urban planning objects into service that causes chaotic and unapproved building in the settlements with the corresponding rise of the social tension. It also creates problems with connecting of the constructed objects to the urban engineering infrastructure.
- The issue of unauthorized construction undertaken by the natural and legal persons remains one of the main problems in Ukraine. Current legislation does not suggest the procedure of legalization and demolition of the unauthorized construction.
- LSB face the citizens’ claims for the construction projects in settlements
under their control with permits provided by the State Inspection of Architecture and Construction. The permanent complaining of the city community results in addresses to the supervisory bodies and complaints about inactivity of local self-government bodies. The complains relate to the acquaintance of inhabitants with the investors' plans for the certain construction objects, reservation of the inhabitants' right to the inviolability of their private homes, and worsening of accommodation conditions. All of them generate social tension and mistrust both to the local self-government bodies and the state authorities.

- The general plans of settlements need the permanent updating by development of lower level urban planning documentation (detailed territory plans and zoning plans), that underlies in the basis of general plans amendments.
- Selling of the military units’ property and the property of the state and private enterprises that went bankrupt causes problems with the complex mastering of such territories within the limits of LSD policy as well as providing them with engineering and social infrastructure.
- The Law of Ukraine “On regulation of urban planning activities” and the orders of the Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine as of 05.07.2011 no. 103 “On approval of the Provision of construction certificate” and 07.07.2011 no.109 “On the procedure of provision with urban planning conditions and limitation for construction of land plot, structure and procedure” provide the term of 10 days to receive construction certificate, while the term for receiving urban planning conditions and limitations of land plot construction is 7 working days.
- Preparation of the indicated documents in the terms given by the legislative acts is impossible, as currently the following is absent: electronic base of documents circulation, electronic signature and electronic base of property rights.
- As for today there is a practice of judicial registration of the ownership rights for the temporary buildings for the course of business activity (small architectural forms). The indicated fact is assisted by the conclusion of a land lease agreement on temporary building placement and arranging of the indicated object on foundation.
- Current legislation of Ukraine in the sphere of temporary buildings placement, in particular the Law of Ukraine “On regulation of urban planning activities” and the order of the Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine as of 20.10.2011 no.244 that approves the procedure of temporary buildings placement do not regulate the issue regarding the prohibition of the registration of the ownership rights for temporary buildings.
- The issue of the quantity and possibility of temporary buildings placement on the settlements territory is not normatively and legislatively regulated.
- In addition, the legislative acts of Ukraine suggest approval of historical and urban building grounding in the central body of the culture heritage protection in Kyiv. The approvals are made without considering peculiarities of district buildings characteristic for the Lviv city as a historically shaped city.
V panel discussion
E-Governance and informational technologies development

- Andriy MOSKALENKO, Director of the City Mayor’s Administration Department of Lviv City Council
- Taras KYTSMEY, Softserve Founder
- Oleksiy SKRYPNYK, CEO of ELEKS Software Ltd.
- Viktor SHCHADEI, acting Uzhhorod City Mayor
- Toomas SEPP, Head of City Office, Tallinn

Local self-government in European and world countries has been improving constantly and becoming more comfortable for the citizens. Development of information technologies strongly influenced on the system of providing services by local self-government bodies. E-governance today is a necessity dictated by the requirements of modern world, and it is not yet introduced in Ukraine. This panel discussion was held in order to discuss Ukraine’s perspectives of developing interactive system of providing services.

"From the beginning of 1990s, e-governance has begun to develop actively in the world. One of the first countries was Singapore, and already in 1997 this process has started in the USA. Great Britain remains the leader in Europe.

Figure 3. The concept of e-government development in Estonia
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Figure 4. Global trends of e-government development in accordance with the United Nations Research

What does the e-governance give us? The speed of decision making grows 5-8 times. The unification of licensing procedures in the USA, for example, allowed to unite 200,000 services in one system,” — Andriy Moskalenko, Director of the City Mayor’s Administration Department of Lviv City Council.

“Do not hope to save money, while introducing information technologies in governance. In Estonia this process was expensive, but it opened many new possibilities. We regulated all procedures, speed of our work and decision making grew approximately 5 times. The work became more efficient and transparent,” — Toomas Sepp, City Council Secretary of Tallinn.

“We have spoken about corruption for 20 years, and the same amount of time about the necessity of e-governance. We should stop talking and start doing something. In fact, in order to start working with e-governance it is necessary to adopt only 4-5 laws, as it was done in Estonia,” — Oleksiy Srypnyk, CEO of ELEKS Software Ltd.

“The main concept of e-governance success, so that nobody refuses from such system - is to make it advantageous for all the participants,” — Taras Kytsmey, Softserve Founder.
VI panel discussion
Financial capacities of the local self-government

- Yuriy HANUSHCHAK, Expert of Swiss-Ukrainian project "Decentralization Support in Ukraine" DESPRO
- Oleksandr SLOBODZIAN, Expert of the AUC Analytical Center
- Oleh ISHCHUK, Director of the Financial Policy Department of Lviv City Council
- Denys GAIOVY, Principal Banker of the Department of Municipal and Ecological Infrastructure, European Bank for Reconstruction and Development

Proper financial support is the fundamental point of effective functioning of local self-government in any country. In recent years, the absence of stable receipt of funds from the central budget and blocking of funds for the delegated authorities by the State Treasury caused crisis situation in financing by all accounts.

Centralization of funds governance became probably the biggest problem of Ukrainian self-government in more than 20-years-old newest Ukrainian history.

![Financial support of the local self-government](image)

Figure 5. Financial support of the local self-government
“Without a financial support local self-government is the empty words. Financial support consists of three main pillars: legislatively fixed sufficient income basis, real provision of income by the delegated authorities for expenditures, and capabilities to manage local budgets. During the last year’s forum we focused our attention on the third constituent, but none of suggestions of our forum was taken into account by central government bodies this year,” — Oleh Ishchuk, Director of the Financial Policy Department of Lviv City Council.

“The negative trend is that local self-government bodies are not supplied financially to execute their authorities by nearly 20%. The state delegates authority functions, but does not support them with financial possibilities. The second problem is the consequence of the first one, from year to year to provide the proper quality of life and services within the limits of their jurisdiction local self-government bodies..."
have to spend their own funds, which are not sufficient, on financing the delegated authorities,” — Oleksandr Slobozhan, Expert of the AUC Analytical Center.

"All financial problems that appear in Ukrainian cities influence on paying capacity rate, which is a significant problem for our cooperation. That is why we support those propositions that are expressed at the Forum, as it will facilitate access of Ukrainian cities to investment programs and credit costs,” — Denys Gaiovy, Principal Banker of the Department of Municipal and Ecological Infrastructure, European Bank for Reconstruction and Development.
Approximately 20 years ago, the city authority understood that the government does not hire people as they did it before, and after the graduation nobody guarantees a work place. We decided that the time has come to diversify the economy.

We organized meetings with the whole city community to find out our common strengths and weaknesses. It appeared that many people think the same way and know these strengths and weaknesses. After defining our advantages 20 years ago, we decided to become a “smart city”. We are developing ourselves, because it is necessary. Community involvement may do incredible things, in Ukraine as well.

Brad WOODSIDE, President of the Federation of Canadian Municipalities, Fredericton City Mayor (Canada)
Theme 1 – Ukrainian experience in implementing local economic development. Interagency cooperation in the local and regional development process

- Anatoliy TKACHUK, Director on Research and Development of the Civil Society Institute, Expert of the Council of Europe – “The main directions of reforming regional and local development system in Ukraine”
- Vasyl KASHEVSKYI, MLED Project Consultant on Strategic Planning
  “Concerning interests of local communities in terms of elaboration of the Development Strategies for Lviv Oblast”
- Representatives of the cities – Experience of the projects realization in local economic development within the City Development Strategies implementation:
  - Vasyl TURKO, Deputy City Mayor of Chervonohrad
  - Anzhela BLYZNYUK, Deputy of Nikopol City Council
  - Volodymyr TUZ, Mayor of Novyi Rozdil
  - Volodymyr LEVKO, Mayor of Zhydachiv
  - Natalya CHERNYSHOVA, Head of the International Relations Office of Dnipropetrovsk City Council
  - Andriy NAGORNyi, Director of Krivyi Rih City Institute
  - Oleksandr KOBZAREV, Director of the City Institute
  - Oleg VOITOVYCH, Local Economic Development Specialist, MLED Project, Ukraine – “Training strategy for local economic development specialists”
  - Andriy LIPENTSEV, Ph.D. in Economics, LRIPA Assistant Professor – “Cooperation of stakeholders for local economy development training”
  - Viktoria HRYB, Head of Department of Social Development of DTEK – “Stimulating local economic growth through mechanisms of corporate social partnership (DTEK experience)”
  - Dominik PAPENHEIM, Sector Manager Regional and Local Development, Delegation of the European Commission to Ukraine
  - Colin MADDOCK, Team Leader, the EU Project “Support to Ukraine’s Regional Development Policy” – “EU initiatives for support of regional development policy in Ukraine”

Local economic development is the strategic planning. Today it is important to estimate the competitive advantages, clearly understand the possibilities and use available resources in order to stimulate economic feasibility of territories.
"Ukrainian economy is mainly export-oriented, and it makes us additional problems, as there is a part of regions in Ukraine, that practically are not integrated into Ukrainian domestic market. Their economy greatly depends on export and import, and it essentially influences on the situation both in regional economy, and social sphere, as external market fluctuation are drastically reflected on the situation in this regions. Today we should work to change the current situation, as it influences also on the national unity," — Anatoliy Tkachuk, Director on Research and Development of the Civil Society Institute.

The theme of the necessity of strategic planning for Ukrainian cities was continued by Vasyl Kashevskyi, representative of MLED Project. The speech was about consideration of interests of territorial communities in the process of strategy development by the example of Lviv oblast.

"Do citizens ready to change themselves know in which direction to move? Is there the publicly approved direction of society development? In the process of strategic plan development, the problem is that not everybody understands the essence of its implementation. Shared interests of all regions are in the focus, so in choosing priorities it is needed to be leaded by regional interests. And already during the development of implementation plan, it is necessary to start with projects initiated by certain communities, elect projects on the basis of initiatives that come from below," — Vasyl Kashevskyi, consultant of MLED Project.

The ideas should correspond to one of the 5 aims of regional development:

- To reduce inter-regional disbalance;
- To stimulate city development (poles of economic development);
- To support functional interaction between small town networks;
- To provide regional accessibility;
- To provide inter-regional cooperation.

The project “Local economic development of Ukrainian cities” within the framework of the Forum presented the results of cooperation of 2 oblasts of Ukraine: Lviv and Dnipropetrovsk. The project is aimed at creation of favourable climate for economic development in Ukraine and strengthening democracy, improving conditions and possibilities of the economy growth due to the effective governance that corresponds to the interests of citizens and business-community, with the active support from the central government bodies.

"We understand that each city is unique and has its own way to success. It means that we all are separate and independent - our power is in unity, but the secret of success is already in ourselves, and creative potential of communities and those chosen by the community to govern the city. We want to share little stories about success of the towns of Lviv and Dnipropetrovsk oblast," — Oleksandr Kurchenko, Director of project “Local economic development of Ukrainian cities”.

"With the recommendations of MLED project we began to work on the strategic plan of Chervonohrad, as we realized the necessity of changes and importance of their introduction. As the result of long work with public organizations and
deputies, the City’s Economic Development Strategic Plan for 2012-2017 was accepted. The support of light industry became our priority. Also, owing to our projects, we opened the common center for administrative services — this is the first step, that will allow us to simplify the life of the citizens and entrepreneurs,” — Vasyl Turko, Deputy City Mayor of Chervonohrad.

“One of the operation aims in the strategic city plan was the opening of an institution of local economic growth as a focus center of community development, preparation and implementation of programs and projects of regional development. These aims were implemented owing to the MLED project. The agency assists local self-government bodies in planning, holds meetings and round tables, directly communicates with the citizens and informs authority about their initiative,” — Anzhela Blyzniuk, Deputy of Nikopol City Council.

With the help of the project there was developed 2 strategies: one for Novyi Rozdil, another for the cluster where all our neighbour-cities entered, which we considered being our rivals, but they became our partners — Mykolaiv and Zhydachiv. The common strategy for the territory of Rozdillia was created. In order to develop strategic vision we maximally involved community to implement it successfully. The discussion gave us the strategic aims: creation of industrial park, promotion of investment attractiveness of the city, creation of favourable investment climate,” — Volodymyr Tuz, Mayor of Novyi Rozdil.

Within the framework of the project, 2 demonstration projects were developed: “Zhydachiv as Cultural-Historical Product at the Market of Tourist” and “Arranged Elements of Welfare — City’s prestige” and also mutual projects with the partner-cities. Undoubtedly, we are not situated in regions where there are fixed tourist routes, but owing to this project we created the natural landscape reserve, settled the issue of environmental protection and waste treatment that has changed the face of the city. Therefore, no matter what problems or issues we solve — all depends on people engaged,” — Volodymyr Levko, Mayor of Zhydachiv.

“We addressed with a request to the project to plunge into our strategy and develop market-investment sub-strategy. This is the first pilot project that is very successful, which is understandable from the reaction of external environment and discussions. Now we want to confirm this strategy on the session of the City Council. The second part of the pilot project we want to direct on implementation of marketing investment strategy,” — Natalia Chernyshova, Head of the International Relations Office of Dnipropetrovsk City Council.

Within the MLED project we got a possibility to implement the pilot projects “Marketing strategy of Kryvyi Rih and instruments of its realization”. It is a logical continuation of a strategic plan of development with many ambitious aims. Without a correct positioning of the city and effective communication with potential investors we cannot achieve success, that is why for today the series of researches are conducted regarding the state of the city image and its investment attractiveness, a logotype and a slogan were designed,” —
Andriy Nagornyi, Director of Kryvyi Rih City Development Institute.

"We decided for ourselves that we will cast Lviv as a city with powerful intellectual potential. For that purpose it is necessary to develop innovations and ecosystem. We have universities, business, authority and talented entrepreneurs, but we had no physical space to gather them all — a business-incubator. For this reason within the limits of MLED project in Lviv, the first Ukrainian municipal business-incubator was opened for IT-startups. Involvement of many partners allowed getting a place, money and experience." — Oleksandr Kobzarev, Director of the City Institute (Lviv).

To introduce the practice of local economic development everywhere in Ukraine, it is necessary to approach this issue systematically by introducing staff trainings.

"While working with the cities, we felt certain inconsistency of knowledge of the authority representatives regarding the instruments, possibilities and methods of local economic development. The knowledge was often fragmentary, and if to try teaching people, then in Ukraine, actually, there is practically no system of the economic development personnel training, and the amount of specialists that can give such knowledge is limited on all levels of governance - from village council to regional level. In this regard, we decided to prepare and implement strategy of city economy development training within the project as a stimuli to the creation of the personnel training system on the national level," — Oleh Voitovych, Local Economic Development Specialist, MLED Project.

The practice of local economic development implementation in Ukraine remains prerogative of the projects and big companies.

"Today DTEK has a powerful campaign of social partnership with 30 territories where the company is present. The adopted declaration of social partnership is an agreement which allowed cities to develop partnership strategies, social and economic development, but it is necessary not only to develop strategies, but to implement them, so we are trying to give possibilities for this," — Victoria Hryb, Head of the Social Development Department of the DTEK company.

On the way of reformation and changes introduction, the EU is ready to support Ukraine.

"We are interested in strong Ukraine, its regions and municipalities. We deem it is important to implement 3 important reforms on this way: administrative-territorial, which is directed on the smallest part of the administrative pyramid, reform of local self-government according to the European Charter and reform of regional development policy aimed at policy alignment and revitalization of interregional cooperation," — Dominik Papenheim, Sector Manager Regional and Local Development, Delegation of the European Commission to Ukraine.
Day 2. Theme 2 — Practices of solving development problems with the participation of citizens

Specific examples of cooperation between a community, business and local authority are the engine able to start local changes, make them systematic and strengthen the role of society in the process of decision making and solving urgent issues. One more theme of the Local Self-Governance Forum was dedicated to the specific practices of the local communities’ involvement.

"Everybody stresses on the necessity of community involvement, while talking about local self-government and local development. It is different from the rhetoric during the previous discussions on local self-government. The Ukrainian communities have a voice, and they want to participate in deciding their own fate and fate of the country. It is necessary to let the voice of community lead to effective and constructive decisions," — Oksana Remiga, Senior Programme Manager of UNDP Ukraine’s Local Development.

What makes the involvement of communities successful?
• Involvement of the representatives of different groups of interest.
• Inclusion to a wider context (e.g. political movement).
• Presence of strong system of political values.

During the involvement of the community to the process of decision making it is necessary to understand and to try levelling factors that can negatively influence on the community involvement.

Ordinary citizens are not always familiar with different forms and mechanisms of public participation.

Better organized groups of citizens can dominate in the process of policy
making. As a result, the opinions of the most vulnerable groups of population will be excluded from the political debates.

Insufficient or distorted information can negatively influence on the public choice among various options of policy.

The European experience shows that strong associations and their variety allow local self-government bodies jointly defend their own interests, exchange experience and introduce the best practices of regional governance. The work regarding the development of branch association is actively conducted in Ukraine.

"The aim of the Resource Center for Sustainable Local Development is to help citizens to find like-minded people and skilled advisors, namely - to get exhaustive and modern information quickly and from one source, and to serve as a universal instrument for the necessities of the community. We aim to save time and efforts of communities by our platform for presentation of information and experience exchange between the practices in the field of steady local development," – Sergiy Tsybytovskyy, Head of the Legal Policy Department, Ukrainian Association of District and Regional Councils.

Tasks of the Resource Center for Sustainable Local Development:

- Satisfaction of high demand for information about steady local development and, in particular, about experience in application of “the development oriented to the community” approach.
- To fix and spread “the best practices” of development with the participation of communities.

As continuation of the e-governance theme that was discussed on the forum at the first day, the work of the association concentrated on the development of this segment of governance was presented.

"Association of e-governance cities was created to unite our resources and knowledge for the development of specific direction of the local self-government bodies activities. Interactive portals today may become the place for communication, interaction and experience exchange. Our portal is dedicated to the sphere of e-governance implementation, as it is the instrument of local self-government bodies to improve their work for the citizens and entrepreneurs," – Valentyna Darnopykh, Executive Director of Association of «E-Governance Cities of Ukraine».

Tasks of the Association:

- Increasing efficiency of territorial community resources governance.
- Improvement of services quality for the citizens, enterprises and organizations.
- Stimulating economic and social development of the region.

What gives the Association:

- Treasury of the best practices.
- Methodology of e-governance implementation.
- Additional financial constituent for e-governance projects and programs implementation.
Theme 3 – Transparency of the local governments functioning

- Anna VOLOSHYNA, Senior Analyst, Transparency International Ukraine – “Regional authority and fighting corruption. What can be done?”
- Ruud MEIJ, Senior Advisor, Philosopher at the Nijmegen University and Amsterdam, Founder of Governance & Integrity Netherlands – “Making morally right governmental decisions”

The closing, but extremely important topic for local self-government and generally for the governmental structures is the transparency of the local self-government functioning. The discussion was about technical part of control of the authority activity by the public, and about morality of official’s actions.

“There are several important criteria to make cooperation between the territorial community and business possible. The authority should prove that it embodies standards of integrity itself: publicly declare property, incomes and expenses of the officials, introduce integral politics of interests conflict prevention, give a right to the departments of internal control at government bodies to work normally and watch the observance of ethic standards of civil servants. Having political will and courage is the utmost important in introducing this in municipalities,” – Anna Voloshyna, Senior Analyst at Transparency International Ukraine.

The Chernivtsi and Lviv cities were given as an example of cooperation for providing transparency of municipalities. In particular, Chernivtsi Oblast State Administration is publishing information about the violators of anticorruption legislation. And since 2013, on the official web-site of Lviv City Council it is possible to find officials’ income declarations. Moreover, the standard of openness of the public purchasing is being introduced.
"All laws, structures and regulatory norms are very important, so you should do further purposeful steps on their strengthening. Moreover, all municipalities and their personnel should work within the legislation with maximum transparency for the effective fight against corruption and increase of integrity of local self-government bodies, as every citizen deserves the uncorrupted government," – Ruud Meij, Senior Advisor, Philosopher at the Nijmegen University and Amsterdam, Founder of Governance & Integrity Netherlands.

The fight against corruption has several methods. One of them is the constant monitoring. The other suggested by the Dutch expert is communication with the officials, focusing on the necessity of the morality of all decisions made within the municipality. A similar project is implemented in Lviv City Council and its aim is to increase trust of the citizens to the city authority by changing judgements of the city servants.
Resolution of the All-Ukrainian Forum of Local Self-Government

We, participants of the All-Ukrainian Forum of Local Self-Government that took place on March 27-28 2014, in the City of Lviv,

Witnessing its adherence to building Ukraine on the principles of rule of law, human rights and pluralist democracy as a sovereign, independent, democratic, social state, the territory of which within the existing bodies is integral and inviolable;

Reiterating the importance of the role of local self-government bodies as one of the main pillars of democracy and believing that presence of capable local self-government bodies ensures prosperity, economic development and efficient functioning of the state;

Stressing the importance of representatives of the authorities, business, civil society and international organisations of the whole world joining efforts today as never before for preservation of peace and stability on the continent and in Ukraine, the communities of which confirmed their European choice at this critical moment for the country;

Supporting Declaration of the Congress of Local and Regional Authorities of the Council of Europe of 25 March 2014, and sharing its concern about the developments in Ukraine, a threat to the territorial integrity of our state, and support for the Ukrainian authorities in all initiatives of strengthening democracy and ensuring an open dialogue;

Realising that such dialogue and initiatives should result in immediate implementation of the constitutional reform, reform of local self-government and the administrative-territorial system intended to ensure correspondence of the national legal framework to provisions of the European Charter of Local Self-Government and principles of good governance;

Note the following:

In line with the European Charter of Local Self-Government ratified by Ukraine, the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population are among the democratic principles shared by all member states of the Council of Europe, and this right may be exercised the most directly exactly at the local level. Principles of local self-government contained in the European Charter also apply to all categories of local self-government bodies, including at the district and regional level;

According to Article 140 of the Constitution of Ukraine, local self-government is exercised by a territorial community by the procedure established by law, both directly and through bodies of local self-government: village, settlement, city councils, and their executive bodies. Local self-government bodies representing
common interests of territorial communities are district and regional councils;

However, Ukraine has long been witnessing negative trends in the field of guarantee of the right of territorial communities to local self-government;

In particular, the following may be stated:

- exercise of the principles of legal, organisational, material and financial autonomy of local self-government bodies and judicial protection of rights of local self-government is not fully guaranteed;
- observance of the principle of subsidiarity is violated, whereby on one hand, the decision-making process should be brought closer to citizens, on the other – the decision-making body should possess proper resources to ensure the scope and quality of social services provided to the population in line with state standards;
- the principle of universality of local self-government is not observed;
- a dangerous process of limitation of powers of local self-government bodies is observed, while according to the world practice, administrative powers of local self-government bodies are to ensure creation of conditions for 90-95% of all problems of citizens to be solved at the territorial community level;
- there is no proper separation of powers both among local self-government bodies of different levels and between local self-government bodies and local executive bodies;
- proper funding of powers delegated by the state is not provided, there is no legislative mechanism of delegation of such powers and no possibility of refusal of local self-government bodies from their discharge in case of absence of state funding;
- local self-government bodies are deprived of a possibility to manage territorial community funds kept in the state treasury;
- powers of local self-government bodies in the field of regulation of urban planning activity and architectural-building control, registration of ownership rights to immovable property, regulation of issues of the use of land are significantly limited, which seriously complicates regular urban planning and social development of communities;
- a serious problem for towns and regions remains with conservation of the national cultural heritage, especially valuable cultural, historic and architectural sites making the identity of the territory that face the threat of a loss due to absence of state funding and appropriate powers of local self-government bodies, and there is a real threat of their complete loss;
- there are vast unused possibilities for reducing consumption of energy resources and associated expenditures of the budget, households and other business entities on procurement of those energy resources.

Taking into account the above, and with the purpose of creation of proper conditions for functioning of local self-government bodies and activity of territorial communities in Ukraine, which will become a precondition for active economic, social and cultural development of our state,

WE APPEAL TO THE PRESIDENT OF UKRAINE, CHAIRMAN OF THE VERKHOVNA RADA (THE PARLIAMENT) OF UKRAINE, PRIME MINISTER OF UKRAINE, REPRESENTATIVES OF THE UKRAINIAN AND INTERNATIONAL COMMUNITY
WITH THE FOLLOWING PROPOSALS:

1. In course of further reformation and development of local self-government, to encourage utmost observance of the principles provided by the European Charter of Local Self-Government incorporated in the national legislation of Ukraine, other international agreements and recommendations of the Council of Europe in the field of local and regional democracy.

With this purpose, we propose:

a. The Verkhovna Rada (the Parliament) of Ukraine, the Cabinet of Ministers of Ukraine, central and local executive bodies, local self-government bodies and their associations to provide for mandatory verification of all legislative and regulatory-legal acts for compliance with international treaties effective in Ukraine in course of law-making activity;

b. The Ministry of Education and Science of Ukraine and the National Agency of Ukraine for Civil Service to provide for inclusion of programmes and courses of study of international treaties of Ukraine and guidelines of the Council of Europe and the European Union in the field of local and regional democracy in curricula of the concerned higher educational establishments;

c. To include in the priorities of national policy of Ukraine all-round support and promotion, including with involvement of the international community, of awareness-building and educational campaigns in Ukraine aimed at spread and explanation of established world principles and tools of local and regional democracy.

2. During modernisation of the administrative-territorial system of Ukraine and adaptation of the Ukrainian legislation to international standards, to pay particular attention to creation of efficient mechanisms of participation of citizens in administrative decision-making at all levels, beginning from the community level, as an important compensatory mechanism that at the same time significantly enhances the legitimacy of the decision-making process.

With this purpose, we propose:

a. The Verkhovna Rada (the Parliament) of Ukraine, the Cabinet of Ministers of Ukraine, concerned central executive bodies in cooperation with local self-government bodies and their associations to provide for soonest ratification of the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority; to consider the issue of ratification of the Council of Europe Convention on Access to Official Documents that recognises the general right of citizens to access to official documents of the authorities and specifies the minimum required set of standards in this field for a democratic and pluralist society;

b. To include in the priorities of national policy of Ukraine the development
Resolution of the Forum

at the central, regional and local level of a policy of promotion and encouragement of participation of citizens, including youths, in the affairs of their communities in line with Recommendation (2001)19 of the Committee of Ministers of the Council of Europe “On Participation of Citizens in Local Public Life”. Concerned authorities and local self-government bodies of Ukraine to assist with implementation of provisions of Recommendation (2001)19 and within the framework of that policy to take measures for improvement of the legal framework for participation of citizens enabling local self-government bodies to use a wide range of mechanisms of participation of citizens, to encourage their implementation, and to take any other measures to promote participation of citizens.

3. In 2014-2015, to implement in Ukraine a set of activities aimed at implementation of the local self-government reform of the scope and scale the best meeting the existing capacities and needs of Ukrainian society.

For that purpose, we propose:

a. The Verkhovna Rada (the Parliament) of Ukraine, the Cabinet of Ministers of Ukraine in cooperation with concerned central executive bodies, local self-government bodies and their associations:

1) To bring the Constitution of Ukraine in the part related to local self-government and territorial organisation of power in compliance with provisions of the European Charter of Local Self-Government and other international treaties in the field of local and regional democracy ratified by Ukraine, in particular, to create the constitutional basis for establishment of executive bodies of regional and district councils, distribution of powers between them and concerned local administrations;

2) To develop and approve in the shortest possible terms the Concept of reform of local self-government and territorial organisation of power, to draft detailed action plan for reformation of local self-government and development of local democracy as well as particular strategies aimed on development and reinforcement of rural territories;

3) To introduce amendments and additions to the effective legislation of Ukraine dealing with issues of local and regional democracy, and if necessary, to provide for development of new legislative acts and bylaws with account of provisions of Items 1.a, 2.a and 2.b of this Resolution.

b. The Ministry of Foreign Affairs of Ukraine in line with the priorities set by the Government of Ukraine to strongly promote incorporation of the priority “Development of Local Democracy” in international cooperation projects and programmes implemented with Ukrainian participation, and to provide for broad information of the international community about that priority of Ukraine.

c. The Cabinet of Ministers of Ukraine jointly with the Ministry of Economic Development and Trade of Ukraine to consider and solve the issue of
significant simplification of procedures of registration of projects and programmes of international technical assistance, and to employ possible mechanisms of promotion and encouragement of their activity in Ukraine, in particular, through summarisation and release of information about them on a single newly-created Internet resource and regular arrangement of video conferences on the possibilities of their use.

4. **In the short run, to urgently begin solution of the problem issues of local self-government.**

With this purpose, we propose:

a. In order to avoid in the future such negative facts as treasury bodies freezing payments from local budgets under unprotected items of expenses, which puts local self-government bodies into extremely difficult situations with settlements with providers of goods, works and services for municipal economy, to support draft law #2283 dd. 12.02.2013 that provide:

1) To give local self-government bodies the right to be serviced at banking institutions with a state share in the authorised capital for incomes and expenditures not taken into account at determination of the volume of interbudgetary transfers, and for the budget of development;

2) To set strict terms of implementation of payment orders of local budgets — not more than 1 operating day for protected items of expenses and not more than 2 operating days for unprotected items of expenses;

3) In order to avoid deficit of in the treasury bodies, to divide the single treasury account into three accounts: a) for state budget funds; b) for funds of regional and district budgets; c) for funds of local self-government bodies taken into account at determination of the volume of interbudgetary transfers.

b. To ensure efficient regional and local development, we propose the following measures:

1) At introduction of amendments to the Law of Ukraine “On State Budget 2014”, to bring it in compliance with the requirements of the Budget Code concerning the amount and procedure of distribution of funds of the State Fund for Regional Development. To immediately begin the process of formation of projects to be funded from the State Fund for Regional Development in 2015;

2) At adoption of the Law of Ukraine “On Principles of the State Regional Policy in Ukraine”, to envisage the procedure of coordination of sectoral and regional interests at the national level and coordination of interests of local self-government bodies of territorial communities at the regional level through creation of coordinating councils for regional development;

3) To provide for obligatory account of interests of territorial communities at development and implementation of regional development strategies, to record this issue in the Plan of Implementation of the State Strategy of Regional Development;
4) To introduce a state system of personnel training and retraining for promotion of regional and local economic development;

5) To provide that loans taken for funding at the expense of international financial organisations are to be agreed by the Ministry of Finance within a month.

c. For fuller provision of local budget with funds, to take the following measures:

1) To provide in the state budget growth of funding in line with social standards for allocation of expenditures on discharge of delegated powers. Such social standards shall be developed for the sectors of education, public health, culture and arts, social protection and security, physical culture and sports in cooperation with local self-government bodies and immediately approved by relevant regulatory-legal acts, their implementation – supported and speeded up through:
   - review and optimisation of financial norms in the sectors of education, public health, culture and arts, social protection and social security, physical culture and sports;
   - approval, in kind and in the monetary form, of the list of social standards and norms of provision of services by institutions of the budget sector, staffing norms and model personnel establishments and norms of provision of the population with institutions of the socio-cultural sectors;
   - calculation of expenses taken into account at determination of the volume of interbudgetary transfers on the basis of state social standards and norms correlating with branch standards of provision of public services and optimised financial norms of budget provision;

2) To envisage, starting from 2014, passing to the second basket of local budgets of a part of the tax on company profit (except state- and municipally-owned) in the amount of 25 %, from 2015 – in the amount of 50%;

3) To provide for allocation of an additional subvention from the State Budget of Ukraine to the amount of shortage of the planned volume of the basket of revenues of local budgets specified in the Law of Ukraine on State Budget of Ukraine in the relevant accounting period;

4) To set deductions of the environmental tax to local self-government budgets at a level of 70% (as in 2011-2012).

d. For expansion of powers of local self-government bodies in the field of regulation of urban planning activity and architectural-building control, registration of ownership rights to immovable property, regulation of issues of the use of land, protection of public order and guarantee of road traffic safety, to take the following measures:

1) Given that issues of urban planning activity on the territory of the concerned administrative-territorial unit represent issues of local importance and present an integral part of political development at the level of territorial communities, and local self-government bodies are actually deprived of powers on the field
of urban-planning activity, to create the units of architectural-building control inspection and to administratively subordinate them to the concerned local self-government authorities;

2) In order to enable implementation of Article 40 of the Law of Ukraine “On Regulation of Urban Planning Activity” concerning control of payment of funds as share interest in the development of infrastructure of a populated locality before the commissioning of a construction facility, to give back to local self-government bodies powers of registration of ownership rights to newly-created immovable property;

3) Given that in accordance with Article 142 of the Constitution of Ukraine, the material and financial basis for local self-government includes land, to introduce amendments to the Tax and Budget Codes, making land payments qualify as local taxes (to support draft law #2477a as of July 03, 2013), automatic adjustment of the amount of rent for the land under land lease agreements in case of change of standard pecuniary valuation of lands of a populated locality and introduction of payment for the land on a par with rent for actual land users who have no properly executed rights to land (to support draft law #3353 of 03.10.2013). To reinstate management of land in rural areas beyond borders of populated localities upon coordination with concerned territorial communities;

4) To provide for adaptation of the State Construction Norms of Ukraine to provisions and standards in the sector commonly accepted in Europe, such as FIDIC (International Federation of Consulting Engineers) norms, in particular:
   - to replace ABK system (an automatic budgeting programme) with a simple estimate from the Designer, resting on market prices and giving ideas rather than limitations of the Contract value;
   - to reduce the BoQ cost estimate to the basic payment and not to include technical specifications. Reduction should be made to the main titles of works, simplifying calculation procedures. It is unreasonable to use two lines for both works and materials. All types of works envisaged by the Design but not separated in the Cost Estimate should be performed anyway;
   - to remove from technical documentation references to brands or commitments to order from a concrete supplier, except cases where the designer can prove indispensability and/or absence of equivalent goods necessary for achievement of the required result;
   - to replace contract forms with more reliable, e.g., Red or Yellow contract forms used in FIDIC, dependent on the needs;
   - to use procedures of procurement of goods and services, given EBRD experience in Ukraine.

5. With the purpose of proper guarantee of civil rights and freedoms, enhancement of life safety of territorial community residents, to give local self-government bodies the right to independently create municipal militia of civil security and road militia, in particular, to provide that:
   - Officers of municipal militia of civil security and road militia have the duties and enjoy the rights provided by the Law of Ukraine “On Militia”,
other legislative acts concerning the discharge of functions of protection and provision of public order and provision of road traffic safety;

- The staff of municipal militia shall be made up of officers serving in units of municipal militia of civil security and road militia who were conferred special militia ranks in accordance with the effective legislation.

e. For conservation of cultural heritage and architectural monuments of the Ukrainian people that have a global significance, to take the following measures:

1) To supplement Article 38 of the Law of Ukraine “On Protection of Cultural Heritage” with parts three and four of the following content:

“The Cabinet of Ministers of Ukraine annually provides funds in the State Budget of Ukraine in the amount of not less than 0.1 per cent of the general and special funds of the State Budget to fund measures in the field of protection of cultural heritage. Funding of architectural, historic and cultural sites entered in the UNESCO World Heritage List shall be performed at the expense of the general and special funds of the State Budget of Ukraine with introduction of a separate line to the Law of Ukraine on State Budget”.

2) To expand powers of local of self-government bodies in the field of protection of cultural heritage, giving them functions of protection of all monuments, not only of local importance, and to refer as self-governing the powers of conclusion of agreements of protection for architectural monuments.

f. For greater representation and defence of common interests of local self-government bodies in Ukraine and abroad:

1) To provide for development and approval of the new wording of the Law of Ukraine “On Associations of Local Self-Government Bodies” with account of the best world experience of promotion of representation and protection of interests of local self-government bodies;

2) To bring provisions of the legislation and the practice of activity of the Ukrainian delegation to the Congress of Local and Regional Authorities of the Council of Europe in compliance with the statutory requirements of the Council of Europe and the national priorities of Ukraine;

3. To provide the proper level of legal protection, responsibility and accountability of local self-government bodies, deputies and officials through implementation of the relevant principles of good governance and the European Charter of Local Self-Government in the national legislation.

g. For creation of a favourable investment climate and attraction of investments, and with the purpose of expansion of powers of local self-government bodies in the field of attraction of investments and implementation of the best practices:

1) To reform the State Agency for Investments and Management of National
Projects of Ukraine concerning creation of mechanism for review, assessment and approval of investment projects for implementation of which, state support is provided:

1.1) Through amendments to the relevant legislation of Ukraine, to give local self-government bodies a possibility to create own mechanisms/bodies for review, assessment and approval of investment projects for implementation of which, state support is provided;

1.2) To create a system of coordination between local self-government bodies and the State Agency for prompt coordination and approval of granting tax exemptions and preferences for approved investment projects;

2) To delegate powers concerning the procedure of preparation and implementation of projects in priority domains of socio-economic and cultural development (national projects) to local self-government bodies;

3) To review and solve, in the middle run, issues of regulation of activity of the All-Ukrainian Contest of Local Self-Government Development Projects and Programmes.

h. In order to decrease budget deficit and reduce dependence on imports of energy resources, to set up positions of energy managers or sections of energy management in local self-government bodies whose expenditures on procurement of energy resources exceeds UAH 1 million, and to deploy systems of monitoring of rate-setting and control of current consumption of those resources in building of the budget sector and residential buildingsi.

WE ALSO CALL UPON LOCAL SELF-GOVERNMENT BODIES, THEIR ASSOCIATIONS, NON-GOVERNMENTAL AND INTERNATIONAL ORGANISATIONS IN UKRAINE AND ABROAD TO STEP UP THEIR ACTIVITY AT IMPLEMENTATION AND PROTECTION OF PRINCIPLES OF LOCAL AND REGIONAL DEMOCRACY AT LOCAL, REGIONAL, NATIONAL AND INTERNATIONAL LEVELS.

Participants of the All-Ukrainian Forum of Local Self-Government in the City of Lviv, 27-28 March 2014
Organizers of Forum of Local Self-Government