

COUNCIL OF EUROPE



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PEER REVIEW REPORT ¹
**“REFORMING THE TRAINING SYSTEM
FOR LOCAL AUTHORITIES IN UKRAINE”**

*by the Council of Europe in co-operation with
the National Agency of Ukraine on Civil Service*

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Introduction

The Council of Europe Decentralisation and Territorial Consolidation in Ukraine programme in cooperation with the National Agency of Ukraine on Civil Service, launched a national consultation platform on reforming the training system for local authorities (April 4, 2017) and a peer review on reforming the training system for local authorities in Ukraine (on May 22-23, 2017).

The national consultation platform and peer review pursued several objectives:

- to examine the current situation and highlight major shortcomings in the competence development of local servants, by discussing the problems and challenges in the educational and training system with all Ukrainian and international stakeholders;
- to recommend changes in the professional development of local servants in Ukraine, in the process that would make use of key elements of the existing training system and account for reforms in public administration;
- to assist in the decentralisation and territorial administration reforms by sharing relevant experiences from other Council of Europe member states.

The peer review team held a series of interviews in Kyiv, with Ukrainian experts and representatives of the Verkhovna Rada of Ukraine (MPs), representatives of central and local authorities and its associations as well as representatives of foreign assistance programmes. This report is based on the exchanges that occurred during the interviews, documents handed over to peer review team members, their summary reports and their comments on the draft version of the report.

Details of the peer review, including its programme and list of participants, are attached as Appendix I to this report.

1. Public administration training system in Ukraine

On 1 April 2014, the Cabinet of Ministers of Ukraine launched the process of decentralisation of power in Ukraine by adopting *Concept of the Reform of Local Self-Government and Territorial Organisation of Power in Ukraine* (Concept 2014). According to the document, the key goal of the reform process is to attain an “efficient local self-government and territorial organisation of power for creation and maintenance of an adequate life environment for citizens, provision of high-quality and accessible public services, establishment of institutes of direct popular rule, satisfaction of interests of citizens in all sectors of life on the concerned territory, coordination of interests of the state and territorial communities”. Transfer of powers from the central executive authorities and their territorial units to regional and local levels was one of the elements of the reform.

Over the three years since its launch, a set of the items on the Concept 2014 agenda have been executed, the major achievement being the initiation of elective mergers of territorial communities. Since the beginning of the reform (in the years 2014-2016), 366 new amalgamated communities were established, in the place of former 1744 communities (17% of the total number). It is estimated that around 300 amalgamated communities could be created in 2017.

For various reasons, some solutions included in the Concept 2014 document have not been introduced so far. These include amendments to the Constitution of Ukraine, concerning the creation of executive bodies of regional and district councils, adoption of legal acts regulating the mechanisms of direct democracy, legislative regulation of a new administrative-territorial system and providing a complete legislative framework for the operations of local self-government authorities and executive authorities on the new territorial basis, specifying their powers and available resources.

It should be noted, that the document in question did not outline special provisions on the conditions of service in local authorities and training system for local government employees.

One specific consequence of the public government decentralisation process initiated in 2014 has been a growing need for developing professional competences and building the administrative potential of the newly-formed self-government bodies – necessary for the effective execution of their new, expanded tasks. As it has been repeatedly indicated during the peer review meetings, current advisory and training systems within the self-governmental administration segment are incapable of meeting the needs and expectations of local servants.

1.1. Legislative framework on the training of local servants

Regulations pertaining to local servants in Ukraine are currently in a transition phase, when new systemic solutions are being sought.

Although in 2017 the Verkhovna Rada (Parliament) of Ukraine passed a new law *On Service in Local Self-Government Authorities* (Act No. 1849-VIII, of 9 Feb. 2017) (Law 2017), the act has yet to come to force, since President of Ukraine returned it to the Parliament with comments for revision. It is quite likely though, that upon some modifications, Law-2017 shall be passed in 2017. By then, the regulations of *Act On Service in Local Self-Government Authorities of 2001* (Law 2001) shall remain in force.

Current regulations (Law 2001) distinguish seven categories of local servant positions², including elected local self-government officials (their positions fall within categories 1-4) and hired/appointed local self-government officials (categories 3-7). It should be noted that, the 2017 act makes a clear distinction between elected representatives and appointed civil servants (while maintaining a category of elected officials working full time for local authorities). Elected local self-government officials³ shall no longer fall under the category of local servants, therefore some provisions of the new law shall not apply to them. In the context of developing the competences of local servants, the distinction between politicians operating in the units of local self-government and professionals employed by these units (while maintaining a category of elected officials working full-time for local authorities) is definitely a positive development, as training needs are obviously different for elected and appointed officials and they should be dealt with separately.

The status of public servants is regulated by the *Act On Civil Service*, adopted in December 2015, in force since 1 Jan 2016 (Act on Civil Service of Ukraine, No. 889-VIII). In the light of the peer review and recommendations listed in this report, the distinction between local servants and civil servants is a

² According to the State Statistic Service as of 31 December 2015, there were 83465 local servants in Ukraine

³ persons who are: (1) elected at local elections; (2) elected by a council from among its members/councilors; (3) approved by the council upon the submission of its chairman

crucial one, due to its bearing on the postulated professional training and development paths for the two groups. The distinction is to a degree reflected in the resolution passed by the Government of Ukraine on 24 June 2016 (Resolution No. 474-p), adopting *The Plan of Measures at Implementation of the Strategy of Reformation of Public Administration of Ukraine for 2016-2020*. The Plan specifies (objective 18) a set of measures to reform the system of professional education of civil servants, including the analysis of training needs, elaboration of methodology, uniform standards of professional development and envisaging, drafting and approving regulations for the system of training, retraining, specialisation and professional development of civil servants. Meanwhile, there is no similar detailed plan of action for reforming the system of professional education of local servants.

Both regulatory documents, Law 2001 and the currently revised Law 2017, oblige local servants to continuously raise their professional competence/qualifications and improve the organisation of service. However, while adopting the approach to competence development of civil and local servants, the two documents in question differ considerably.

Law 2001 stresses (Article 19) that the education and professional development of local servants are organised in accordance with the procedure provided by the law. As detailed in the Cabinet of Ministers of Ukraine Resolution No. 564 of 7 July 2010, educational structure and content of the professional training programmes of local servants is provided by the National Academy of Public Administration (NAPA), as the higher education establishment with special conditions for learning, specified by the Cabinet of Ministers of Ukraine. Decisions on the changes in the content of education, specialisation and professional development of civil servants and local servants are made by Ukraine's National Agency on Civil Service (NACS), following NAPA submissions. NACS arranges and coordinates education of students getting higher education of a master in speciality "Public Governance and Administration", area of expertise "Public Governance and Administration", and professional development of civil servants and local servants, in particular, in issues related with prevention of corruption, under a state order, exercises control of the quality of professional education within the limits of powers provided by the law.

At this point, it should be noted that in Ukraine it is academic education that is the main reference framework for defining competence development systems for public administration personnel. A number of the peer review discussions led to a conclusion that the challenges to developing the competences of local servants are predominantly caused by the failure of the higher education curricula to cater to the changing needs of the administration system and by the out-dated system of support provided to local government units by regional institutions. The former is due to the fact that, while capable of meeting the demand for general and theoretical education, Ukraine's academic sector has very limited capacity for skills transfer and practical training. Other education providers (such as regional training centres) frequently struggle with resource shortages, lack of experienced coaches and experts, as well as procedures for diagnosing training needs. Consequently, what is available by way of training schemes for administrative staff is determined by the potential of training providers (often very limited) rather than by the present needs of the sector. Training is not demand driven but imposed hierarchically. Training needs and programmes appear to be determined by the central government and implemented by various educational institutions. Consequently, the available training opportunities do not correspond to the training needs.

This academic, theory-heavy approach to the training of local servants has important implications. Theoretical knowledge acquired in the course of academic studies often fails to be useful in everyday administrative practice. As a result, newly recruited personnel need to be trained on the job, which is regarded as an out-dated, time consuming and expensive method.

A question arises whether in a decentralised system of government, the ultimate goal of Ukraine's reform, a centralised system of educating local servants is the right way to go about increasing the institutional potential of local administration.

The solutions postulated in Law 2017 are a step towards system decentralisation, since the document no longer stipulates the requirement to arrange education and professional development for local servants as provided by the law, but states instead that every local council adopts its own regulations of the education (professional education and professional development) of local servants. While the new regulations leave some of the competence for determining the principles of training local servants with the central government, they do transfer a fair degree of the decision power to the local level. At this point, it should be remarked that the decentralisation of the responsibility for local servants' competence development is crucial to the success of local government reforms in Ukraine. This subject shall be discussed in more detail further in the report.

1.2. Stakeholders in the training system of the local servants

As mentioned earlier, professional training of local servants in Ukraine is provided predominantly by the academic system and within the formal framework of master and recently also bachelor programmes. While 105 higher education institutions are licensed by the Ministry to offer public governance and administration courses, the education they offer is hardly sufficient practical preparation for a career in administration. Analysis of the existing educational programmes attests to a considerable gap between what is required of civil and local servants by way of professional competence, and the content of most programmes. There are no universally adopted standards in terms of educational targets and competence requirements, or up-to-date curricula and academic teachers rarely have had practical experience operating in a decentralised administration system. They often lack knowledge about the latest methods of management in territorial government units, driving local and regional growth, challenges involved in the cooperation of autonomous local government entities, etc. In this light, academic education, due to its very nature and because of the limitations listed above, can be at best viewed as introduction to the training for a career in administration – in particular, in view of the challenges faced by the local governments experiencing in recent years the dramatic changes brought about by government decentralisation.

It should also be noted that the licensing process is of a strictly formal type, focusing on specific requirements towards the teaching staff and technical capacity of the school to deliver specific curricula. The process is usually not accompanied by in-depth analyses of the training needs of local administration or verification of the potential and experience of academic teachers. Hence, more often than not adapting formal academic structures to the changes in the operations of public administration and introducing new content remain insurmountable obstacles.

The above provokes a question about the future role of NACS in the system of educating public servants. With the decentralisation of public authority, NACS shall no doubt face the need to redefine their scope of operations. While its importance to shaping the system of educating civil servants is not questioned, legitimising its role in the training of local servants remains to be systemically regulated.

National Academy of Public Administration under the President of Ukraine (NAPA) is an educational establishment that plays a special role in the system of formal academic education. A school with widely recognized reputation and academic track record, for years it was the main centre of training public administration personnel in Ukraine. A NAPA degree brought the graduate prestige and status in the community. The ongoing administrative changes and the government's decisions pertaining to the training of civil and local servants has somewhat reduced the standing of NAPA and the school has been working on developing a new strategy. Two factors have had crucial impact on the current situation of NAPA – one, of systemic nature, related to the decentralisation of the public government (leading to significant differences between the goals of the training of civil and local servants), the other, more formal factor, results from the reduced outlays on the training of public servants from the central budget (currently, the stipend they receive as students equals a half of the minimum salary and returning to work in public administration is only possible through a formal competition – the two factors largely responsible for low motivation to enter additional training programmes).

There are other education providers, not qualified as higher education establishments, that also operate in the sector of public administration training. This is a direct result of the fact that, since 2015, provision of postgraduate education, effectively also professional development of local servants, has not required a specific license. Legal regulations in Ukraine do not specify what entities qualify as postgraduate educational establishments. The Government of Ukraine established centres of education and professional development of state administration employees, local self-government authorities, state enterprises, institutions and organisations (Education Centres). Education Centres can be co-established by regional as well as Kiev and Sevastopol city councils. Twenty such establishments currently operate across Ukraine, supervised by NACS and with educational, academic and information support provided by NAPA. However, their operations are not coordinated and the schools suffer from personnel shortages.

The role of local government associations in increasing the competences of local servants is limited as they struggle with organisational challenges, and their limited resources are tied in projects coordinated by international donors. Among the key factors compromising the ability of local government associations to supply local administration units with expert support are insufficient number of experienced experts and trainers as well as limited cooperation between local government associations.

International organisations delivering projects for decentralisation processes in Ukraine may potentially play an important role in driving competence increase among Ukrainian local servants. Two of the largest such projects are U-LEAD (financed from EU sources) and DOBRE (financed by USAID) have not yet embarked on any educational activities. DOBRE is currently conducting a participatory project in 50 newly-formed amalgamated communities on local development strategies (coordinated by the Polish Foundation in Support of Local Democracy). Higher education establishments and NAPA

have been approached with an offer of expert support concerning practical aspects of local governance. Another noteworthy undertaking is Local Government Development Centre, a foundation financed U-LEAD, with its 24 regional branches, that have the potential to play a significant role in providing support to the newly-formed amalgamated communities. Methodology and training materials are developed, trainers and consultants are trained to work with local governments under a Swedish-Ukrainian project and the Council of Europe has been delivering a training programme for self-government leaders (Leadership Academy).

Lack of cooperation between international organisations operating in Ukraine is undoubtedly a problem. Although some information exchange takes place through Donors Board, according to the peer review insights, it is not enough. The current state of affairs is a far cry from effective coordination, resource-sharing or synergy and accumulation of results between projects. A notable exception is a recent collaboration between the Council of Europe and DOBRE on the provision of training for local leaders.

NGO sector is a relatively active provider of support to local government unit. While predominantly operating under foreign funded projects, some Ukrainian NGOs also independently initiate collaboration with local administration units. Under the Ukrainian law, they can offer paid training or advisory services to local self-government bodies, although with some limitations. Firstly, the service provided should be compliant with the statutory profile of the organisation, as stated in its charter. Otherwise, remunerations paid to the experts, trainers, coaches, as well as other payments made for the services provide by the NGO could be qualified as misuse of public funds (As in Item 133.4.2 of Tax Code). Secondly, there is a limit on how much a local self-government unit could be charged for the service. Under another section of Tax Code (Item 140.5.4), a local government unit can be subject to penal proceedings for paying a total charge amount equal or higher than 25 times minimum monthly salary paid within one year.

It should be noted that NGOs listed in the register of non-profit organisations are exempted from income tax and organisations that conduct paid operations are obliged to keep their income under a certain threshold. If their total income produced over 12 consecutive months remains below one million UAH the organisation is not required to pay tax on its income.

In the context of the current regulations, private providers of advisory and training services do not represent an important stakeholder group in the system of training local servants in Ukraine. Insights from peer reviews suggest thatt, although some private training suppliers operate in Ukraine (although working mainly on behalf of various international organisations (donors), there exists no competitive market for advanced training.

1.3. Challenges to the transformation process

Firstly, it should be stressed again that the prevalent model in Ukraine is that of a division between teaching theory, delivered mainly by higher education establishments and practical training relevant to managing self-government bodies. The former – theoretical instruction – is the dominant leg, while the latter (the practical leg) has been significantly underdeveloped. As a result, local servants receive essentially no support to overcome the challenges to effective delivery of public services on the local

level. Moreover, as stated by numerous participants of the peer review, academic education fails to offer sufficient preparation to performing the duties of local servants. Also, there are no systematized training programmes or schemes that would provide them with knowledge and skills necessary to start working in local government. No induction training is provided - newly recruited staff is trained on the job, which is an outdated, time consuming and expensive approach.

In Italy it was estimated that training on the job of a newly recruited official costs at least 2-year salary (considering the salary of the recruited person while learning and the salary of the colleagues forced to spend their time teaching him/her). Therefore, it is inefficient and contrary to modernisation (newly recruited staff learn how things have been done up to now and not how to implement tasks in an innovative way). In the seventies and eighties many western European countries adopted special schemes of induction training (France, Italy, most Spanish *comunidad*, but also Slovakia via *Academia Istrapolitana*), while Germany created a set of Technical ad Hoc Universities to educate/train future public servants with the dual system *formation en alternance* (education in the classroom is intertwined with training via carefully planned and managed internships).

Secondly, the currently situation in Ukraine is quite unusual. Decentralisation processes have recently gained momentum and a number of new amalgamated local governments have been formed and received extended competences and budgets for the delivery of new tasks. More reforms are being planned. Meanwhile, it is difficult to escape the impression that the competence-building aspect of decentralisation processes has not been properly attended to. The system is being changed, but the changes are not accompanied by the potential of the local government personnel being adapted accordingly. There are plenty of stakeholders and diverging interests embedded in the reform process with no clear-cut answer on how to create a competitive system of training and professional development at the local level. Therefore, although commitment to decentralisation is visible, the current structure and mechanisms (e.g.: the dominance of NAPA and state decision making, lack of qualified training providers at the regional/sub-regional levels etc.) are not in line with the general principles and objectives of the reforms.

The outcome of the situation is that, at least in some of the newly-formed units a peculiar situation can be observed, with resources passed to the local governments not effectively used for the lack of sufficient knowledge on how to apply them. Some peer review sources described cases where increased financial transfers are kept in the self-government unit's bank account instead being spent to finance development or improving the quality of public services, precisely due to the lack of skills necessary for their proper application, or for fear of potential errors therein.

The situation is further complicated by organisational and procedural barriers. There are no solutions to motivate local servants to join training programmes, educational needs of local administration officers are not diagnosed on any level, qualified trainers and local government experts are scarce, as are up-to-date training materials and programmes. Meanwhile, current regulations make financing education from local budgets problematic at the least.

In the current situation, participation in training schemes provided by establishments other than the institutions certified by the Ministry of Education and Science of Ukraine (as described earlier, provided in cooperation with NACS) is dismissed as non-compliant with professional development requirements

for local servants. This means that joining training schemes other than the officially certified programmes (in practice, other than offered by higher education establishments) does not further the individual's career in administration. In the light of the circumstances discussed above: failure of the higher education sector to offer teaching programmes adapted to the needs of changing self-government sector, it could be surmised that Ukraine's system of educating local government personnel is highly inefficient.

Failure to diagnose local servants' training needs is another problem. Under the current regulations, determining the educational needs of local servants remains in the competence of the leaders of local government units and should be based on regular reviews of their operational effectiveness (including, in theory, internal employee appraisal). However, in the context of current changes in the administration system, this mechanism is hardly practical for effective development and planning of the professional development of local servants. This is due to the fact that there are no reasons to assume that the managers of local government units are particularly competent, deliberate and experienced administrators, fully aware of the challenges faced by decentralised public government. At this point, Polish experience from the early phase of systemic transformation can be particularly relevant. Jerzy Regulski, one of the creators of Poland's rebuilt self-government system, described it as follows:

*'[At the start of the local government reform] we had a lot of assistance from various sources (...). A very nice man came and helped us actively throughout the year. However, after one year, another man was sent to us and he thought he knew everything but we knew nothing. Instead of discussing things with us and agreeing on an assistance plan, he decided to run a needs assessment. He started travelling around Poland, asking voits and councillors what they didn't know and would like to learn. But, at that time, the people at our local government had not yet reached a level where they knew what they didn't know. That made no sense. If you want to answer that kind of question, you need to be able to determine the scope of knowledge to be acquired, assess what you already know and only then determine what should be learnt.'*⁴

The conclusion that presents itself is that systemic reforms call for a systemic approach to building the competences of local servants who will implement the reforms at ground level. In particular, this means the need for a top-down definition of the scope of competences necessary for effective implementation of changes in the administrative system and effective bottom-up stimulation for local development. This conclusion should by no means be interpreted solely as advocating a centralised approach to defining training needs. Following the rules specified in European Charter of Local Self-government:

Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority (Article 4.2)

Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy. (Article 4.3)

Local governments should have the discretion to determine their needs and satisfy them accordingly. In this light, the above conclusion should be understood as stating that it is necessary to create a broad

⁴ Jerzy Regulski 'Życie splecione z historią' [Life Intertwined with History]; Wrocław: Zakład Narodowy im. Ossolińskich, 2014; p. 496.

open range of options for building and increasing the professional potential of local government units. On the one hand, following the best European practices, a national training programme should be built, aimed at increasing the competences of local servants to exercise self-government tasks.⁵ On the other, local government units should have the autonomy to determine challenges specific to them and best ways to approach them – also through strengthening the competences of local servants. Thus, the approach recommended for the self-government sector in Ukraine is one that combines prescriptive definition of training needs at the central level, particularly for newly-formed amalgamated communities, with the local government units' autonomy to respond to needs as they arise at the local level. This approach requires also a stronger nationwide coordinating structure as well developing and implementing solutions to liberalise the training market.

2. Vision of development of the training system of local servants in Ukraine

2.1. Reshaping the roles of the bodies playing a role in the training of local servants

During all peer review discussions, stakeholders were fairly unanimous about the need for reform, with particular focus on the solutions dedicated to increasing the competences of local servants. It was stressed that the new solutions must account for the different status, tasks and functions of civil and local servants. It was repeatedly stated that, while general education can be administered to the two groups together (for example, within the framework of academic public administration programmes), training to perform group-specific public tasks should be provided to each group separately.

Every effort should be made to engage existing resources by adapting them to the needs of the new system, notably institutions of high standing in relevant communities, with infrastructure and human potential for the purpose, particularly NAPA. The school should play a major role in the training environment. Its ambition to create an ENA-inspired section for the very high central government civil service positions (in particular for the future prefects) is accepted by the peers. In such a narrow market (100-150 trainees per year) competition is not indispensable if enough attention is paid to the quality of the training. NAPA could also be responsible for educating regional administration officers and the employees of various agencies of the decentralised public sector.

An important role in the future training system could be played by NACS, operating as a coordinating and monitoring centre. The agency should continue to play an active role in shaping the state policy on the professionalisation of civil service: identify strategic directions for administration professionals' competence development, determine education standards, assess training needs, develop instruments to support and organise education processes. Its scope of competence could also include certification of the training programmes provided by independent non-public establishments (including non-governmental and business organisations, and international bodies). However, it should be emphasised that NACS should not have controlling or regulatory power in this field. One particular task the agency could execute in cooperation with other stakeholders, particularly local government associations, could

⁵ A good example is the educational component of Rural Development Programme – implemented in Poland in 2000-2004, 70,000 person-days of training in total. The project was addressed to the employees of *gmina* offices and covered: strategic management, human resources management, project management, financial management, public service management and sectorial management (education, environment protection, active employment and technical infrastructure).

be to coordinate the development of National Training Strategy for local self-governments and to supervise its implementation.

It is strongly recommended that for local government, the decision about who should be trained, on what and by whom should be made by heads of institutions (depending on the size of the municipality, respectively mayors, heads of administration or directors of human resources). This is also very much in line with Art. 6 of the European Charter on Local Self-Government. However, regardless of international obligations, a system can only be effective if staff is managed (also with respect to training needs) by those who know them, who have authority over them and accountability over the results of their work.

Local government associations should assume a far more active role in identifying barriers to professional development in local administration, determining training priorities and coordinating support to the self-government sector. To achieve this, it is necessary to strengthen their potential by launching a standing consultation forum, made up of the representatives of central administration and national associations, to exchange information on the problems of the local government sector (the unions should act as a strategic partner in planning and monitoring reforms implemented by the government) and to sanction the local government associations' role in the strategic planning of directions for developing support to local governments (local government associations should be the key partner of NACS). Strengthening the competences of association leaders is another task that might be successfully performed under one of international support projects.

It is strongly recommended that a co-ordination body (a sort of national training council for local civil servants) be established, under the leadership of the NACS. Such body could include Cabinet of Ministers Secretariat, Ministry of regional development, Ministry of Education, Verkhovna Rada Parliamentary Committee, Presidential Administration, NAPA, representatives of international community and associations of local authorities.

2.2. Stimulating the training demand and analysing the training needs of local servants

A protocol for the **introduction of new employees** to work in local administration units should be an important element of the future local servants' competence building system. Rather than on-the-job training, the new protocol should be one of the items developed through academic institutions collaborating with local institutions or local government associations. It is recommended to consider making a systematic 2-3-days practical induction course for new employees. Such a scheme could initially be offered only to the servants employed in the newly-formed amalgamated communities. In the future, during the transition period, induction training of at least 4 weeks should be made mandatory.

In Germany the general way to enter the upper grade of the civil service ("clerk in charge", most relevant group especially for the local level) is to first apply for the civil service, then undergo a selection procedure and then attend a special university for administrative sciences (or specialized training facility). In Ukraine, these institutions could be operated under the responsibility of the region or bigger amalgamated communities for example. The great advantage here would be that practical elements could be integrated in the whole training process right from the beginning. Therefore, professors and lecturers should have

practical experience before entering the university and keep their practical knowledge up to date by regularly completing internships in relevant areas of the public administration.

Another important problem and no doubt a major challenge will be to **motivate the administration staff** (especially local servants) to work toward increasing their professional qualifications. The demand for training should be stimulated. Training should be made appealing to local servants. They should perceive clearly that training is an indispensable tool to improve performance and that it leads to their career development. Training should be taken into account when evaluating the performance of individual servants and should be seen as an advantage in hiring or promotion when the choice is to be made between several equally qualified candidates. Some (limited) correlation between training and annual bonuses could also be considered.

However, the solution proposed above should be combined with the practice of **local analyses of the employees' training needs** (with the use of self-assessment tools standardized across the sector). This will allow for distinguishing between the actual needs of the local government unit and individual expectations or development aims of its employees⁶. Systematic identification of training needs of each local servant should be done regularly as part of a system of managing individual performance via, at the very least, objective setting, evaluation and feedback mechanisms.

2.3. Creating a modern and competitive training market

Growth of the market of training services for self-governmental bodies is of paramount importance. As stated in the first part of this report, the curricula available currently on the market are oversaturated with theory and not relevant to the changing needs of the administration sector. Local providers of training and consulting services could indeed respond to the expectations of local self-governments faster and be more flexible at that. Therefore, a strong market approach should be adopted to ensure training availability, efficacy and quality. A **competitive training environment can create the necessary incentives** to ensure that each provider has an interest in the continuous improvement of their training offer, in making it more modern, more efficient, more practical, better adapted to needs.

Since a mandatory accreditation of training schemes is also a strong barrier for market entry and in the light of the fact that currently there are neither clear accreditation standards nor criteria, accreditation of non-public training providers should not be obligatory at the outset.

To improve market transparency and avoid possible corruption problems, compulsory registration of such entities should be introduced. Any training providers should disclose full information about itself, including potential conflicts of interest, into a registry that could easily be consulted by any authority which intends to order training services. Such registry should also contain information on the ownership structure, the professional experience of the trainers employed, the trainings already carried out for other authorities, references, etc.

Before the market shows its competitive pressure effects, particular attention should be given by established training providers to make their offer more practical; this also concerns traditional education, which is normally not the subject of this review. The international community can offer substantial support in this respect.

⁶ More information in CoE toolkit: „TRAINING NEEDS ANALYSIS and NATIONAL TRAINING STRATEGIES”

Existing centres of education and professional development could serve to stimulate the growth of the training market and provide support to training providers. With proper funding, technical and expert support, they could assume the role of regional support centres for local governments. Their tasks might include execution of centrally- or internationally-funded development projects targeted at local governments, assistance in information exchange between the entities delivering tasks for local government units, training teaching staff, developing training materials, stimulating networking among local governments or analysing educational needs of local servants.

2.4. Funding the training system of local servants

Another vital issue is the need to develop effective mechanisms for financing the education of local servants. All interviewed peers agreed as to the need for a systemic solution in this regard. One such mechanism could be a dedicated training fund within the budget of a local government unit (the practice adopted in France and Latvia) calculated as **a percentage share of the payroll**. The SG unit's managers would decide on the allocation of the training funds to finance the purchase of training or advisory services from providers of their choice. Funding from the local budget would make its cost clear and would stimulate local decision-makers to commit to making optimal use thereof, i.e. to select the best value for money.

Solutions for the application of public funds for financing training of administrative staff by non-public service providers should be approached with special care. Firstly, as mentioned earlier, it is an area with higher risk of corruption and as such it requires special mechanisms to ensure the transparency of expenditures from local budgets. Secondly, with apparent low awareness of training needs and the absence of extensive experience in systematic strengthening of human capital in self-governmental administration, we should not expect local governments to readily invest some of their limited resources to projects other basic infrastructure. This mechanism was very distinct in Poland in the initial phase of systemic transformation in the 1990s. To counteract this tendency, a temporary solution should be developed, to provide strong incentive to investing in employee training. One such solution is earmarking **a portion of a local budget** to employee competence building, with the funds locked only for this purpose and not transferable to any other purpose. This solution would give a boost to the growth of training market and would certainly require detailed regulations on how the training fund would be spent. Nevertheless, it could significantly contribute to strengthening the human resource potential of self-government units.

2.5. Benefiting from the international community support

As mentioned earlier, a number of projects by foreign organisations have been delivered in Ukraine, major undertakings such as U-LEAD and DOBRE, as well as initiatives of a less extensive scope. Simultaneous delivery of multiple project no doubt results in overlapping, ineffective use of resources, etc. Moreover, the outcomes of those projects shall not necessarily lead to permanent and positive change in the self-governmental sector.

At this point it should be underlined that, in the light of the conclusions from the analyses OECD⁷, the regional institutions, close to the self-government bodies, have the highest potential to effectively

⁷ National Schools of Government: BUILDING CIVIL SERVICE CAPACITY, OECD, GOV/PGC(2016)37

analyse the training needs. Key support areas should be determined on the basis of diverse information sources, including:

- regular discussions with HR services across the public administration;
- regular discussions with senior management;
- assessments of government programs and priorities;
- regular engagement with other stakeholders;
- performance evaluations;
- LSG employee surveys.

The international community can offer substantial support in strengthening the capacities of regional centres. Their employees should be trained how to manage complex training programs, how to analyse training needs and ensure compliance of identified needs with training content, how to choose trainers and topics, etc. The international community can be called upon to upgrade the capacity of national associations of local authorities to offer training to elected representatives of their members.

Also the newly established network of U-LEAD funded centres of local government represent an interesting temporary solution; it is recommended that, while offering some urgent and indispensable training, they should invest into building the capacity of more long-term structure such as the above-mentioned centres.

2.6. Providing support to newly amalgamated communities

While this report proposes a transition phase in reforming local administration system, some issues need quick if not immediate steps. This mostly due to the advancement of the decentralisation reform as well as the presence of international organisations delivering projects for the support of local self-government in Ukraine. The new amalgamated communities need urgent support, within the next couple of months. Failure to provide this support might significantly thwart the positive effects of the reform and cause general public disappointment in the changes.

Steps should be taken to **provide training programmes for the representatives of amalgamated communities**. The programme should cover competences of the new units, rules of financing tasks and regulations pertaining to the use of financial resources. The curriculum should also cover strategic planning, human resource management, project management and local economic development. Such training programmes could be organised with international organisations, in particular Global Communities (coordinator of DOBRE project) and GIZ / SIDA – responsible for the execution of U-LEAD.

An important and sought for form of support to the newly-formed communities could be **propagation of good practices and exchange of experiences**. This could be achieved by the establishment of a **consolidated resource centre**, where representatives of local self-governments could acquire information on how to execute the new tasks, receive expert support in solving problems as they arise. Mechanisms for coordinating information flow between government units should be developed. Local servants should also be offered opportunities to go on study visits in countries with established decentralised local government systems.

A set of standardized job descriptions for all categories of positions of officials could also be a useful tool for the leaders of amalgamated communities. Knowledge about which qualifications these categories should have, should help to plan what kind of trainings are needed.

2.7. Preparing a National Training Strategy for Local Servants

Reform of the local servants training system shall require a degree of preparation. Throughout the transition phase a number of measures should be taken to prepare to building the National Training Strategy for Local Servants, as a cored document outlining directions for change. The most important preparations are:

In-depth and systematic analyses of the training needs of local governments, with particular focus on the challenges faced by the newly-formed amalgamated communities. It is recommended for the analysis to refer to standards and experiences developed by the Council of Europe in several European states. Here it is also suggested to make use of the method of *management of competencies based on processes* which arise from deficiencies related to constraints or imperfections in human activity, primarily deficiencies in knowledge or skills. In this sense, they should be distinguished from other factors which exert influence on the functioning of organisations.

National **register of local civil servants** - such register should be relatively detailed and have various level of access rights. It would be helpful to manage human resources, but also to see any structural differences between required competences and existing skills for various job profiles in various types of local authorities. Such registry would also track evolutions in training and could provide very useful information for any Training Needs Assessment. Council of Europe has helped Albania to prepare such online registry.

Comprehensive **registry of training programmes** – such register should include training provided by the international community and any free-of-charge training (it is to be noted that such training, while having no impact on local budgets, do have a cost in terms of staff time invested). Such registry should be effective to avoid duplications.

In order for the institutional reform to be effective and efficient, one needs to conduct prior **in-depth analysis of contextual background of local administration**. Such analysis should focus on identifying systemic barriers to professional development and assessing competencies of local government personnel and the resultant training needs.

Therefore, in an analysis of training needs, the issue that comes to the fore is not necessarily the subject-matter of training (i.e. its content, target recipients, manner of organisation) but, rather, the reasonability of training under the existing circumstances. The analysis should offer an answer to the question on whether it is indeed the educational effort that will help the administrative unit (or the sector as a whole) to attain the desirable state of affairs. The diagnosis of training needs helps to identify the discrepancies between the knowledge held by potential training/education participants and the knowledge which is desirable for some specific reasons.

3. Conclusions

Ukraine has a strong body of legislation, institutions and practice. Despite of some critical remarks presented in this report its recommendations focused on making new arrangements which would create a constructive environment of high demand and high quality training offer.

Solutions proposed in this report should be developed and implemented gradually. The action plan for reforming LSG training system - which could become a part of National Training Strategy - should set specific tasks, responsibilities and time frame to accommodate a 2-3 year transition period. Developing the national training system (NTS) will also help in identifying priorities for reforming the support system, through providing a more thorough picture and allowing for a more systemic and methodical approach.

Therefore, it is proposed that the training institutions that have started to reform can continue to do so, while taking into account the larger vision to be formulated for the entire training system. The international assistance can continue to offer projects and trainings where gaps exist; a better coordination between various international actors is however desirable. Trainers can continue to be trained on modern techniques and new and effective training modules and curricula should continue to be developed.

In the transition period, stakeholders should discuss and determine the division of tasks and competences, develop sustainable mechanisms for working together and strengthen the structures necessary for effective functioning of the support system for territorial government units.



PEER REVIEW REFORMING THE TRAINING SYSTEM FOR LOCAL AUTHORITIES IN UKRAINE

22 – 23 May 2017, Kyiv, Ukraine

Venue: Hotel Premier Palace, grand hall “Sofiivskiy” (floor 2)

*Organised by the Council of Europe⁸ in co-operation with
the National Agency of Ukraine on Civil Service*

Working languages: English and Ukrainian

PROGRAMME

**Monday 22 May 2017
9.00 – 18.15**

Moderator: Daniel POPESCU,
Special Adviser to the Government of Ukraine on decentralisation, Council of Europe

- 9.00 – 09.30 Briefing of the team by CoE staff on the methodology and the aims of the review
- 9.30 – 10.30 Briefing of the team by local experts on the national context in the field
- 10.30 – 11.30 Agenda-setting meeting with representatives of the National Agency of Ukraine on Civil Service
- 11.30 – 11.45 *Coffee break*
- 11.45 – 13.00 Meeting with the national expert community
- 13.00 – 14.30 *Lunch*
- 14.30 – 16.00 Meeting with representatives of the Secretariat of the Cabinet of Ministers and Ministry of Regional Development, Construction and Municipal Economy of Ukraine

⁸ Programme “Decentralisation and territorial consolidation in Ukraine” in co-operation with the European Committee on Democracy and Governance (CDDG).

- 16.00 – 16.15 *Coffee break*
- 16.15 – 17.45 Meeting with representatives of the National Academy of Public Administration under the President of Ukraine
- 17.45 – 18.15 Debriefing (in camera)
- 19.30 *Dinner*

Tuesday 23 May 2017
9.30 – 18.00

Moderator: Daniel POPESCU,
Special Adviser to the Government of Ukraine on decentralisation, Council of Europe

- 9.30 – 11.00 Meeting with representatives of associations of local authorities
- 11.00 – 11.15 *Coffee break*
- 11.15 – 12.30 Meeting with representatives of the international community (projects)
- 12.30 – 14.00 *Lunch*
- 14.30 – 15.30 Meeting with representatives of the Verkhovna Rada of Ukraine (MPs)
- 15.30 – 16.30 Debriefing
- 16.30 – 16.45 *Coffee break*
- 16.45 – 18.00 Feed-back to the National Agency of Ukraine on Civil Service and draft recommendations of the peers (in camera)
- 19.00 *Dinner*