



Network of Institutes and Schools of Public Administration in Central and Eastern Europe (NISPAcee)

National Academy of Public Administration under the President of Ukraine

Project "Capacity Building of NAPA for Open Local Governance"

REPORT

on Public Administration Reform in Ukraine

This report has been prepared by the Regional Administration, Local Self-Government and Urban Management Department of the National Academy of Public Administration under the President of Ukraine. The findings, conclusions and interpretations expressed in this document are those of the department alone and should in no way be taken to reflect the policies or opinions of the NISPAcee and SlovakAid.

Preface

This report on “Public Administration Reform in Ukraine” is part of the Project «Capacity Building of NAPA for Open Local Governance», carried out by an international team under the leadership of NISPAcee.

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Executive Summary

Ukraine struggles for democratic reforms since the country's independence in 1991. Although formally the country has the legislation in place to implement most aspects of democratization, implementation of this legislation has long been very uneven due to corruption and informal power structures in the country. Rights to local self-governance encompassing significant elements of state decentralization have long been guaranteed in the country, beginning with the 1996 Constitution and the 1997 "Law on Local Self-Governance in Ukraine".

The country's administrative structure has its roots in the local state administration of the Soviet Union. The division of tasks between the central and sub-central levels, and the territorial structure itself, has been and is currently being debated. This division based on the current Constitution of Ukraine and same laws.

Besides the Constitution of Ukraine, the legal framework governing the different aspects of local governance is virtually infinite. The following laws are particularly important:

- the Law of 21 May 1997 on Local Self-Governance in Ukraine, which entered into force on 12 June 1997.
- the Law of 9 April 1999 on Local Public/state Administration. This law determines the activities of executive state authorities at regional and local level as well as the relations between the state administration and local authorities. It also stipulates that the State may carry out the tasks assigned to local authorities were these are delegated to the state administration.
- the Law of 21 June 2001 on the Budget Code of Ukraine, amended in 2011. This law lays down the basic rules governing the drawing up of the state budget, including the methods to be used to designate grants for local budgets and also the provisions governing inter-budgetary transfer methods and procedures and the conditions governing local-level debt.
- the European Charter of Local Self-Government, incorporated in Ukrainian domestic law by the law of 15 July 1997, giving it the status of a Ukrainian law.

Ukraine included The 12 principles of "The Strategy for Innovation and Good Governance at Local Level" in domestic practice on local level.

However, most of the promises have not been fully exercised, and the central government has generally sought to control local affairs of the state to differing degrees dependent upon the administration in power.

Ukraine is a unitary state with a central government and a complex and asymmetric structure that includes three levels of sub-national government. The first of these levels is the regional (oblast) level, with 24 oblasts, the (contested) Autonomous Republic of Crimea, and 2 cities with special status – Kyiv and Sevastopol (the latter also contested). At the oblast level, two branches of power co-exist: the central government is represented by regional state administrations, and local self-government by regional councils. Regional councils are headed by chairpersons and do not have their own executive bodies. Their executive functions are performed by regional state administrations, whose chairpersons are appointed by the central government. The capital Kyiv also belongs to

the first tier of sub-national government, but has an elected mayor and an executive body nominated by the country's president.

The second level consists of 490 districts (rayon). The structure of authority and power distribution at this level mirrors arrangements at the regional level: there are district state administrations as agents of the central government and district councils, which, according to the Act on Local Self-Government in Ukraine, «represent the common interests of villages, towns and cities». Chairpersons of regional and district councils are elected by and among members of these councils, which, in turn, are elected by residents of the respective oblast or rayon.

The third (local) level consists of cities, towns and villages. They can merge with each other and form special units of local self-government. Depending on what administrative status a city, town, or village has, the center of such a unit is called miska rada, selyshna rada, or silska rada, respectively. Moreover, such units sometimes include local councils (one or several) of settlements that form this unit by themselves. For example, certain miska rada can include one or more miska radas that represent another city, which is a separate part of this unit, selyshna radas, and/or silska radas.

The main bodies of local self-government in every city are the city council, city mayor, and an executive committee. The city mayor and members of the city council are elected on the basis of universal, equal, and direct suffrage by secret ballot every five years. Some big cities can be divided into several boroughs (rayon v misti) with their own bodies of local self-government – borough councils and/or executive (administrative) bodies of the all-city council.

Thus, the administrative status of Ukrainian cities in Ukraine varies significantly. Formally, there are no sub-ordinal relations between bodies of local self-government at different levels. However, in practice, a high-level council may try to dictate to a lower-level council what to do. In turn, local state administrations create a strict hierarchy and implement the policy of the central government at all sub-national levels.

At the regional and district levels there is a dual model of authority, apparent in tensions between the locally elected authorities and local state administrations appointed by the central government. On the other hand, the absence of executive bodies in regional and district councils sometimes leads to loss of responsibility or responsiveness of authorities as regards to carrying out their functions. This is due in part to a situation in which chairpersons and other high-ranking public officials of state administrations very often combine their position as agents of the central government with their position as members of local councils – virtually accountable only to themselves.

Since Ukraine's independence, ordinary citizens had little say on public affairs at the local level. In November 2014, before the start of major decentralization initiatives, only 9 percent of Ukrainians were satisfied with their ability to influence local government decisions in their residential districts, while 74 percent expressed their dissatisfaction. More than half of the citizens disapproved activities of local state administrations, local councils, and heads of local settlements. Public discontent with local authorities stemmed from their inability to provide high-quality and affordable services, such as utilities, transportation, road infrastructure, healthcare, and education. Management of public property and land was also highly ineffective, resulting in poorly controlled urban planning

and legally dubious land appropriations. Finally, citizens felt they lacked effective instruments to hold local authorities accountable.

The need for reform is recognized by all the major political parties and international donors and advisers, and ranks high on the political agenda of the current leadership. Civil society has been energized as a result of the Maidan uprising, and the people expect and demand change that can affect their lives positively.

A decentralization reform is necessary to make the system more stable by providing people with more impact on policymaking, and increasing accountability of the government. A decentralization reform would reduce paternalistic expectations and provide people with more opportunities to take responsibility for public policy design in their region. In addition, it would improve the quality of national politics by introducing more competition and allowing successful regional politics to spread to the national level.

On 1 April 2014, the Ukrainian Cabinet of Ministers approved the “Concept of Reforming Local Self-Governance Territorial Organization of Power in Ukraine”. According to the Concept, not only local (city, town, and village) councils, but also regional and district councils will have their own executive bodies. The document stipulates that authority in the system of local self-government bodies at various administrative-territorial levels should be distributed according to principles of subsidiarity and decentralization.

Further, local bodies of self-government are to be responsible to voters and the state. It provides for necessary resources (material, financial, and organizational) to local self-government bodies, improvement of the administrative and social services to be delivered to the population by the authorities, and the implementation of efficient mechanisms of public participation in decision-making processes.

In the first stage of the realization of the Concept, it was planned:

- (1) to create the legal framework of administrative and territorial division;
- (2) to ensure the constitutional basis for establishing executive bodies of oblast and rayon councils;
- (3) to define the competences of local self-government bodies and local state administrations;
- (4) to introduce a mechanism of direct popular rule;
- (5) to improve legal regulation of procedures of general meetings of citizens and provide additional guarantees for the operation of bodies of self-organization;
- (6) to create favorable legal conditions for broad public involvement in decision-making by bodies of local self-government

In Strategy Ukraine 2020 identified «The policy goal of decentralization is to move away from the centralized model of governance in the country, ensuring the capacity of local governance and an effective system of territorial organization of power in Ukraine, the full implementation of the provisions of the European Charter of Local Self-Government, the principles of subsidiarity, universality and financial sustainability of local self-government».

The year 2015 brought important developments for long-awaited reforms to local governance, though they were subject to strong external pressure. In effect,

comprehensive reform became a hostage to the war in the east, as the decentralization process and related constitutional changes required by the February Minsk agreement included “special status” for the occupied territories.

On August 31, a package of constitutional changes related to decentralization passed its first reading in the Verkhovna Rada. The package would give local councils the right to establish executive offices, removing an important barrier to decentralization. Other provisions included the granting of equal rights to all local communities and a provision for the president, acting through local representatives known as prefects, to dissolve local councils or overrule their decisions. Under the amendments, the power of local authorities in the occupied territories is supposed to be regulated by a separate law. Although the Council of Europe’s Venice Commission approved the constitutional package, the parliament did not hold a final vote on it by the end of 2015, and its ultimate fate was unclear.

Local self-government and territorial organization of power:

- (1) Legal basis for the voluntary merger of territorial communities established:
 - Concept of the Reform of Local Self-Government and Territorial Organization of Power in Ukraine and the Action Plan for its implementation approved.
 - Law On Voluntary Merger of Territorial Communities adopted, setting out a legal framework for building up the financial and economic capacity of communities.
 - Methodology for the Formation of Capable Territorial Communities developed and approved by the Government (Resolution of the Cabinet of Ministers of Ukraine # 214 of April 8, 2015).

Long-term plans for the Formation of Community Territories developed by oblast state administrations with support of the Regional Reform Offices and Association of Ukrainian Cities as well as active community involvement. Out of the twenty-four oblasts, twenty-three oblasts had their long-term plans approved by respective oblast Councils and endorsed by the Cabinet of Ministers of Ukraine as at year-end 2015.

During 2015 a merger process has been initiated in more than 6,300 territorial communities (more than half of the total number). 794 village, town and city councils voluntarily merged to form 159 capable communities. Following the Resolution of the Central Election Commission, these 159 merged territorial communities (21 city, 45 town and 93 village communities) saw the first elections of village, town and city council deputies as well as mayors and heads of village and town councils.

The formation of such a number of merged communities was made possible through the coordinated efforts of the Cabinet of Ministers, Parliament and the President of Ukraine in amending the law with respect to the first local elections (passage of the Law of Ukraine # 676 dated as of September 4, 2015).

- (2) There was a legal framework established for the cooperation of territorial communities with a view to supporting local governments in solving local problems on a contractual basis:

- Law of Ukraine On Cooperation of Territorial Communities adopted;
- Methodological recommendations for the application thereof developed;
- Ministry of Regional Development passed the Resolution on Approval of Model Agreements for Cooperation of Territorial Communities. These model agreements provide for the implementation of joint projects, joint financing (maintenance) of utilities, formation of joint municipal companies, and setting up of joint management bodies;
- Procedure for the Formation and Operation of the Register of Cooperation of Territorial Communities approved.

31 agreements were entered into by 167 territorial communities as at year-end 2015.

- (3) Real fiscal and financial decentralization was undertaken by adopting amendments to the Budget Code and Tax Code of Ukraine, vesting local governments with additional budgeting authority and identifying stable sources of revenue for exercising thereof.
- On 26th of November 2015 The Law of Ukraine #837-VIII «On Amendments to the Budget Code of Ukraine concerning the special aspects of budget formation and implementation of merged territorial communities, setting forth special aspects of formulation and implementation of budgets of merged territorial communities formed under the Law of Ukraine On Voluntary Merger of Territorial Communities and Long-Term Perspective Plan for the Formation of Community Territories During the Transition Period;
 - Law of Ukraine On Amendments to the Budget Code of Ukraine Concerning Financial Support to the Provision of Administrative Services by Local Governments adopted.

The volume of local governments' own resources grew by almost half in 2015. This means that local governments obtained sizeable additional resources for regional development compared to 2014.

In 2015, the revenue of local governments triggered by financial decentralization grew by 42,5% to UAH 80 billion, against UAH 56,2 billion in 2014. These are funds local governments and territorial communities may utilize independently. Mindful that the system provides for local budget autonomy and decentralization, these changes will deliver synergies leading to a two- to three-fold increase in local budget revenues. This will furnish local governments with resources to tackle community development issues.

Draft Law of Ukraine On Amendments to the Law of Ukraine On Voluntary Merger of Territorial Communities Concerning the Adjusted Calculation of the Amount of Financial Support to Budgets of Merged Territorial Communities 3009 proposes to allocate an overall amount of financial support among budgets of merged territorial communities pro rata to their areas and population with both factors being equally weighted.

State Budget of Ukraine for 2016 envisages:

- 1,9 billion UAH for socio-economic development, particularly through regional development strategy

- 1 billion UAH subvention to support merged territorial communities.
- 3 billion UAH - for funding the State Fund for Regional Development.

Reform of local self-government and territorial organization of power must go hand in hand with successful reforms in all spheres of public life. Constitutional amendments, above all those pertinent to the decentralization of power (i.e. distribution of the functions of central executive authorities among local governments), are a precondition for further comprehensive and systematic reform efforts.

The following draft laws are to be adopted (within three months of the effective date of the Law of Ukraine On Amending the Constitution of Ukraine Regarding Decentralization of Power):

- On Local Self-Government in Ukraine (as amended);
- On Prefects;
- On Fundamentals and Procedure for Solving Issues Pertinent to Administrative and Territorial Structure of Ukraine.

What needs to be done to catch up on or accelerate reform:

- 1) Support constitutional amendments by implementing a package of measures to raise awareness of and provide expert backing to modification of the Constitution of Ukraine regarding decentralization at central, regional and local levels.
- 2) Develop legislation required to implement the decentralization amendments to the Ukrainian Constitution: Law of Ukraine On Local Self-Government in Ukraine (as amended), Law of Ukraine On Prefects and Law of Ukraine On Fundamentals and Procedure for Solving Issues Pertinent to Administrative and Territorial Structure of Ukraine.
- 3) Draft laws that do not require modification of the Constitution, in particular:
 - those related to land matters, urban development planning, improvement of intergovernmental fiscal relations, local taxes and levies, administrative services, social standards;
 - proposals for the improvement of legislation governing related sectors and industries regarding decentralization of powers of the executive branch.
- 4) Facilitate the merger into capable territorial communities and provide government support to such communities through:
 - drafting, correcting and approving long-term plans for the formation of capable communities within oblasts;
 - fostering the establishment of administrative service centers within merged territorial communities.

Continue delivering communication and promotional support for reforms.

There are significant information gaps about the reforms, including specific knowledge of how decentralization will impact communities and awareness of how citizens can engage in the decentralization reform process, among others.

The current period of reforms in Ukraine is the right time to take stock of the interaction between civil society and the authorities and to look for consensus among all stakeholders

on the strategic directions for building a public sphere and fostering democratic culture through promoting civil participation in decision making.

Adopting the constitutional amendments would be the most favorable outcome for continued decentralization, as this would enable substantial devolution of authority at the sub-national level. Replacing the constitutional changes with piece-meal legislation would bring limited success in establishing oversight over sub-national governments, while at the same time risking backfire through further centralization and potential abuse of power by national authorities.

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Citizen Engagement

There are five factors impeding citizen involvement in local politics in Ukraine:

- (1) The disinclination of power authorities and representatives of power to open their activity to the public;
- (2) the absence of legislative obligation and responsibility (not only opportunity) for local government bodies to involve the public in decision-making processes;
- (3) the concern among public servants that citizens, by their participation, will delay the process of decision-making;
- (4) lack of the knowledge and skills necessary for active participation in Ukrainian civil society; and

(5) lack of information about governmental activity.

The Ukrainian Constitution guarantees the right of territorial communities to deal with local issues directly or through bodies of local self-governance. The Law on local self-governance (1997) and the current constitution, however, embody various possibilities for people to participate in decision-making processes – through access to information, individual and collective proposals, public hearings, local initiatives, general meetings of citizens, bodies of self-organization, and others.

Normative-legal acts creating preconditions for formation of local democracy include, in particular, European Charter of Local Self-Government ratified by Ukrainian Parliament and the law “On Local Self-Government in Ukraine”. These documents determine the priority of effective self-government: main principles and factors of its development. In particular, the Law of Ukraine determines the following factors of local self-government: the power of people; legality; glasnost; collegiality, combination of local and state interests; electibility, legal, organizational, material and financial independence within authorities determined by this and other laws; accountability and responsibility of bodies and state employees to territorial communities; state support and guarantees of local self-government; judicial defense of the rights of local self-government.

The formation of local democracy has been greatly enhanced by the Decree of Cabinet of Ministers of Ukraine № 996 from 3.11.2010 “On ensuring the participation of community/public in formation and realization of state policy”. This decree, despite concerning state power, also presupposes forming the practices of public consultations and involving citizens on the level of local self-government bodies. It is democratically directed and oriented onto the values of citizens’ participation in politics. It also presupposes the mechanism of public consultations and communal councils at state power bodies.

Normative-legal factors also include statutes of cities which are adopted by local councils. The main advantage of statutes is specification of the practice of local democracy, and its implementation in/by certain territorial community.

Creating public consulting committees is a new form of co-operation of local self-government with public in Ukraine. It is only being implemented in our state, but its efficiency has already proved very high. On the local level public consulting committees raise both qualitative and quantitative dimensions of public participation in local government, building in this way the bridge of trust between power and citizens and developing civil society. They create certain and visible methods of realization of obligations of authorities to public to be transparent and democratic; serve as a mechanism of involving technical skills and public opinion for solving the problems of local government; create a forum for citizens, where they can inform each other and, thus, strengthen the dialogue necessary for resolving conflicts; enhance communication between different branches of local government; serve the source of new thoughts, ideas and alternatives for elected and appointed employees; are capable of lowering the tension and de-politize the process of government. Public consulting committees first of all favour the interconnection and mutual influence of the council and public, help them find common ways of solving problems and develop common policy of local development.

Public opinion poll also plays a significant role. It may be of several kinds: interview in person, interview by telephone; poll by post. Other types are interviewing experts or key informants, interviewing consumers of service; interviewing wide population.

Other important forms of interaction of the council with public are public and public-professional expertise of projects and programs, and other local programs of social and economic development. On the local level public and public-professional expertise are of great significance for the development of social and economic development programs on the territory. Public expertise is exercised as a rule by the representatives of public movements and unions.

Public hearings are mostly official sittings of the local body where some problems are discussed like holding certain events; they are the concern of the whole community and their solution is mandatory. Public hearings are the key instrument for discussing the solutions made by local government. Officials should attend to suggestions from the public. Furthermore, their comments and speeches should be thoroughly analyzed before a solution is made. All of the above embodies important principles for creating the atmosphere of legitimacy and success of public hearings.

Another important element of local democracy in Ukraine consists in the activity of primary links of self-government – quarter, street and block committees, which have been termed as *population or public self-organization bodies* in local self-government discourse. These bodies constitute a public representative form of local self-government. They are formed by the population of a small area like a city microdistrict or a residential complex to take responsibility for independent solving the questions of local importance taking into account the interests of local population and based on laws and normative acts. Simultaneously self-organization bodies constitute an independent part of local democracy with their own tasks, goals, functions and powers.

The main tasks of such formations include the organization of free time of citizens; redecoration, landscaping and maintaining yards, streets, and squares; controlling the activities of enterprises and organizations providing communal services; participation in hearing the complaints and suggestions of citizens; expressing public opinion during the decision making processes on the local level. As an example this may take the form of a petition to appropriate bodies asking for help for disabled or impoverished citizens or other individuals needing social help.

Meetings of citizens - they enable territorial communities to discuss questions of local importance and approve decisions of authorities. They also are an important means of civil participation in realizing various self-government functions. Moreover, they serve as a method of raising the level of responsibility in realizing local self-government, expressing initiative, and raising political culture. Simultaneously, they may be the way for the community to control the activity of local self-government officials and bodies.

General meetings may be held on the level of specific microcommunities – of buildings, streets, quarters, and microdistricts within a village, a town or a city. They are of a higher rank than building, street, quarter etc committees, controlling and hold them accountable.

Today the local government bodies of Ukraine are at the initial stage of implementing e-governance and e-documentation elements. The office automation works carried out by

separate local authorities lack coordination and funding. The automation issues are generally paid insufficient attention by the senior officials.

The local self-government bodies need to exercise initiative in the implementation of e-governance elements. This primarily concerns the implementation of systems for electronic document circulation for office automation, preparation and approval of draft resolutions, creation of administrative service centres, etc.

Institutes of immediate democracy provide wide participation of population in local democracy, favour widening of public initiative and the increase of social activeness of territorial communities.

Despite the existence of various forms of citizens' influence on the authorities, a large segment of the population has remained detached from the processes of development, adoption, and implementation of governmental decisions. Moreover, many governmental institutions fail to use the existing potential for involving the citizenry in solving local problems. As a result, and as demonstrated by the country's recent history, low levels of openness, transparency, and responsiveness in government, lack of public access to administrative processes, the absence of effective dialogue between the authorities and the people, combined with a centralized system of power, can lead to conflicts and cause serious problems.

Strategic Priorities for promoting civil participation in decision-making in Ukraine.

The objective of these Priorities is to institutionalise effective civil participation in decision-making processes and to make it sustainable. Actions deriving from these Strategic priorities are to meet the needs and objectives of public administration reform in Ukraine and thus become an integral part of it. It goes without saying that this work would be based on principles such as transparency, accountability, participation, inclusion, non-discrimination and equality, and contributes to the fight against corruption.

Key priorities

I. Enabling legal environment for the effective participation of civil society. Drafting and adoption of legislation on public consultations and assistance in its implementation:

- to ensure transparency of decision-making;
- to ensure public participation in the early stages of the political and law-making processes;
- to establish procedures for consultation, dialogue and cooperation.

II. Institutionalizing consultation, dialogue and cooperation between civil society and authorities. Developing effective mechanisms of citizen-state interaction through:

- monitoring and evaluation of existing practices of «Public Councils» and other consultative advisory bodies regarding their effectiveness;
- improve consultative-advisory bodies as interface between authorities and civil society as means of effective participation in decision-making;
- introduce European best practices on civil participation with organs of public authorities.

*III. Building a culture of participation: awareness-raising and capacity-building.
Information campaign on civil participation in decision-making, focusing on:*

- fundamental value of civil participation in decision-making in a democracy;
- European standards for civil participation in decision-making;
- promoting wider civic engagement of individuals and NGOs;
- sharing of Ukrainian good practices of effective citizen participation,
- supporting media in taking up success stories, particularly in the regions. Capacity building of civil society organizations in, inter alia
- tools of participation in decision making;
- monitoring of decision-making processes;
- advocacy, dialogue and establishing long-term partnerships;
- working with media. Capacity building of the public administration in, inter alia
- values, principles and benefits of civil participation;
- mechanisms of participation of NGOs and individuals;
- communication skills, tools and practices.

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Transparency, Openness, Intelligibility

Open local governance means all citizens have a right to access information and to participate in government, policies are in place to promote and realize transparency, accountability and participation, and that the right tools exist to carry out these policies. Most importantly open governance should improve citizens' lives.

Ukrainian legislation related to transparency, citizen participation in governance, accountability, and necessary instruments for implementation of transparency, accountability and participation policies fully or partially correspond with indicators of open governance by 79% (*Transparency International (TI) Ukraine information*).

Table 1

Level of Ukrainian Legislation Correspondence with Open Governance Indicators
(% of total number of indicators per a standard)

	<i>Provided</i>	<i>Partially provided</i>	<i>Not provided</i>	<i>Amount of indicators</i>
Transparency	32 (68%)	11 (23%)	4 (9%)	47
Participation	13 (45%)	6 (21%)	10 (34%)	29
Accountability	12 (33%)	16 (43%)	9 (24%)	37
Instruments	4 (29%)	6 (42%)	4 (29%)	14
TOTAL	61 (48%)	39 (31%)	27 (21%)	127

According to Freedom House, which examined the level of democracy in Ukraine is gradually improving. For example, National Democratic Governance rating improved from 6,00 to 5,75 due to the stabilization of the national political situation and the survival of basic democratic institutions following the constitutional and security crises of the previous year. Local Democratic Governance rating improved from 5,50 to 5,25 due to the first visible progress in setting up new local communities under recently adopted legislation. As a result, Ukraine's Democracy Score improved from 4,75 to 4,68 (The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year).

Table 2

Nations in Transit Ratings and Averaged Scores, Ukraine

Index \ Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
National Democratic Governance	4,75	4,75	5,00	5,00	5,50	5,75	5,75	6,00	6,00	5,75
Electoral Process	3,00	3,00	3,50	3,50	3,50	3,75	4,00	4,00	3,50	3,50
Civil Society	2,75	2,75	2,75	2,75	2,75	2,75	2,75	2,50	2,25	2,25
Independent Media	3,75	3,50	3,50	3,50	3,75	4,00	4,00	4,25	4,00	4,00
Local Democratic Governance	5,25	5,25	5,25	5,25	5,50	5,50	5,50	5,50	5,50	5,25
Judicial Framework and Independence	4,50	4,75	5,00	5,00	5,50	6,00	6,00	6,00	6,00	6,00
Corruption	5,75	5,75	5,75	5,75	5,75	6,00	6,00	6,25	6,00	6,00

Index \ Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Democracy Score	4,25	4,25	4,39	4,39	4,61	4,82	4,86	4,93	4,75	4,68

Source: World Bank World Development Indicators

The 2015 year brought long-awaited and significant reforms in local governance. About 7 percent of local communities were consolidated into larger, more manageable units in the first half of the year on a voluntary basis. Deeper constitutional reform on decentralization remained unpopular, however, because it was entangled with the question of implementing the Minsk accord, and with other provisions.

The October elections were conducted according to the amended law On Local Elections. The law creates a hybrid of majoritarian and proportional electoral systems. The Law of Ukraine “On Local Elections”, which was approved on July 14, 2015, envisions elections of members of councils at all levels, except for village and town councils, to be conducted according to the proportional system, whereby candidates are assigned to electoral districts, which limits the possibility to trade seats in the sure part of party elections lists. The document also envisions elections of city mayors in all cities according to the system of the absolute majority. This approach is expected to have a progressive influence on the quality of elected mayors and relationships between mayors and council members in the corresponding councils.

Civil society remains the strongest element in Ukraine’s democratic transition. Since the revolution, civil society has continued to play a crucial role as a driver of reforms aimed at building functional democracy and the rule of law. Nongovernmental organizations (NGOs) use a variety of practical frameworks for participation, including civic councils advising the government, expert groups, policy consultations, and direct advocacy campaigns.

The legal framework for civil society is mostly open and supportive. Nonprofit status is easily obtainable for NGOs. The government does not erect barriers to legitimate NGO activities, although there continues to be a pattern of creating imitations of genuine civil society participation, especially at the local level.

During 2015, civil society advocated effectively for policy changes to counter corruption and ensure transparency and accountability. In particular, new legislation requiring open ownership registers, introducing control over political financing, creating anticorruption institutions, and regulating public broadcasters were adopted with civil society participation.

Ukraine has a pluralistic media environment, and in 2015 there were positive legislative changes that should bolster it, including requirements to disclose the real owners of media outlets and to publish official registers of property—both essential steps for exposing the media assets of the country’s politically powerful business magnates, or “oligarchs.” A new public broadcaster has been created, and privatization of local outlets will help remove local officials control over media.

The law On Access to Public Information (adopted in 2011) establishes a simple procedure of public information access on information requests. The law lays out an opportunity to access public information in general (in this case the definition of this information is pretty broad), as well as separate documents, including legal acts, their drafts, and protocols of open meetings of information owners. Information requestors are not obliged to explain the necessity to receive information, and information requests can be submitted both in oral and written form, as well as electronically via the State System of Electronic Appeals (in case the requestor has a digital signature). The law abundantly lists grounds for refusal to provide information, and limitations in information access are defined on the basis of a harm test. The access to information needs to be provided if social interest in its obtaining has rather advantageous than harmful effect in everything what concerns information publication. At the same time, one should acknowledge that legislation covering public information access has a number of drawbacks. For instance, we claim that the list of entities which are obliged to provide public information access both on the national and local levels hasn't been clarified well enough. The criterion that used to define if any agency is covered by the public information access requirements has been made up by the essence (matter) of its authorities, financing methods, or the information they can grant access to.

In 2015, Ukraine adopted new anticorruption legislation, created new institutions to implement anticorruption policies, and took steps toward transparency in political party financing and public procurement. At the same time, there has been limited progress to date on removing factors that contribute to corruption, such as over regulation of the economy and the power of oligarchs.

Since 2013 NGO “Civil Network OPORA” beginning publication presents results of a national measuring campaign within the Publicity Index of local self-government (<http://publicityindex.org/>).

Publicity index is a practical tool to allow obtain an all-rounded estimate and compare the transparency levels, openness and accountability of municipal institutions in their engagement with citizens. In general, the measurement of publicity index aims to help understand how public the decisions making process and municipal policy implementation are. Another objective is to realize the contribution of major local self-government entities into this process. The study resulted in the publicity rating of municipalities and also of their subjects such as City Mayors, executive bodies, and local council deputies.

The research uses the term “*publicity*” to stand for a complex notion including three interrelated principles of good governance – transparency, openness and accountability. *Transparency* implies the process when the municipalities themselves initiate to publicize important and actual information about their staff and structure, plenary powers and functions, finances, current activities and plans, political initiatives and decisions voted, services rendered to the citizens, as well as other information that is of public interest. Government’s *openness* is seen as a process of offering free access to information at municipalities’ disposal and promoting active citizen participation in direct communication and regular dialogues on policies development at the local level. The notion of *accountability* of authorities covers a process of systematic informing the public about the results and efficiency of municipal institutions performance, the use of public resources and budgetary funds.

Upon the whole, in 2015, the local self-government bodies and officials became less open in distributing information on their activities, as well as in their daily interaction with citizens.

City Mayor, unlike deputies, more publicity. Deputies of city councils mostly do not report to their voters about the implementation of their powers, the results of their activity in the council, execution of voters' mandates, spending of deputy funds. There is no free access to written reports on the work of deputy commissions of the council and the work of the deputies themselves. The regulatory documents do not stipulate any unified format for deputies' reports at open meetings with the voters, the councils ignore decision making on setting deadlines for deputies' reports.

A crucial disadvantage in the performance of municipalities is the low accountability level of City Mayors, executive bodies, and the deputies. Even though the law provisions the commitment of officials and deputies to report, local regulatory acts do not stipulate any specific reporting procedures. In particular, local councils do not set any unified formal requirements to the texts of reports, they do not determine any specific formats for reports by City Mayors, executive bodies, and the deputies during open meetings with the citizens (voters). Reports by City Mayors do not contain full information on the implementation of focused programmes, as well as state regulatory policy. Executive bodies of city councils (departments and boards) do not have any open reporting at all/

As for the major trends, the situation is virtually unchanged from the low public participation in decision-making at the local level, including through mechanisms of public hearings, local initiatives, general public meetings.

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Identification of Local Leaders / Local Leadership

Local leaders in Ukraine are represented by mayors of cities, towns and villages and by members of *oblast* (region), *rayon* (district), city, town and village councils who were

elected on nationwide elections on October 25, 2015. Seven percent of local communities held elections on the new territorial and administrative basis created by the local governance reform initiated earlier in the year. Elections were not held in the non-controlled by Ukraine territories of the Donbas. This made it impossible to vote for more than 5 million voters living in these territories.

In general, on these local elections 10 721 council members and 1 0210 village, town and city mayors were elected (see Table 3).

Table 3

**Number of local councils and village, town and city mayors
elected on October 25, 2015**

Number of local councils, whose members were elected in the local elections on October 25, 2015	10 721
including newly formed (amalgamated)	159
Number of village, town and city mayors who were elected in the local elections on October 25, 2015	10 210
including:	
city (cities of regional importance and Kyiv) heads	146
city (cities of district importance) heads	233
village heads	9 219
town heads	612

On October 25, 2015, voters came to nearly 30 000 polling stations across the country to choose 172 219 representatives at the local elections in Ukraine (see Table 4).

Table 4

**Number of local council members, elected in the local elections
by the proportional system**

Number of local council members elected in the local elections on October 25, 2015	162 009
including:	
regional councils	1 700
district councils	15 135
city (cities of regional importance and Kyiv city) councils	5 320
city (cities of district importance) councils	6 000
district councils in cities	1 032

More than 350 000 candidates ran for 168 450 positions of city, village and town mayors and deputies of village, town, city, borough, district and regional councils. According to the information from the Central Election Commission of Ukraine (CEC), women accounted for 35 percent of all registered candidates in elections under the proportional

system, and 13 percent among those who competed for the post of village, town and city mayors.

The system of local self-government elections in Ukraine is the most difficult in its history. There is no analogue in any country in Europe. The legislative framework for local elections in Ukraine consists of The Constitution of Ukraine, Laws of Ukraine on local elections, on the State register of voters, on the treatment of citizens, on freedom of movement and choice of residence, on personal data protection, on access to public information, on the order of coverage of state authorities and local self-government in Ukraine by media, on television and broadcasting; Codes of Ukraine on Administrative Violations, on Criminal, on Administrative Procedure of Ukraine, on labor; Decrees of Cabinet of Ministers of Ukraine, the decisions of Central Election Commission; regulations and other documents of the National Bank, Ministry of Finance and other central government on issues relating to the elections.

In general, there is a division of Ukrainian electoral legislation into several principal laws: on election of the people's deputies of Ukraine, on election of the President of Ukraine and local election, which were taken at different times and governing the same voting procedure in different ways. This results in inhomogeneity of the election law and creates problems both for election commissions' activities, and for candidates, political parties and other participants in the electoral law. Ultimately this affects the open, free and fair nature of the elections.

It is also noteworthy that in all the history of independent Ukraine, no election takes place according to the law of the previous elections. Before every election in Ukraine, national parliament either makes amendments to the existing election law or makes a new election law. The election law is the most reformable law in Ukraine, along with the tax laws. The last edition of the Law on Local Election was adopted less than four months before the election in an accelerated manner and without effective and comprehensive public debate.

The Law on Local Elections introduced three electoral systems for local elections that were used on the local elections in 2015:

1. System of simple majority for the election of village and town councils and heads of villages, towns and cities with the number of voters less than 90 000;
2. System of two rounds of elections for mayors in cities with the number of voters at least 90 000 people, and
3. The proportional system of elections to councils in the regions, districts and cities of all sizes.

It established a high threshold for parties to win council seats under the proportional system (5%), and candidates in single-mandate constituencies can only enter the council if their parties pass the threshold within the municipality or region. As a result, some candidates who won their constituency races did not become deputies.

The law also limited right to participate in the election of independent candidates and provided the ability to recall elected village, town and city mayors and local councils by filing a petition by voters, and the newly established requirement of at least 30%

representation of persons of each sex in the lists of parties, but, unfortunately, does not provide any sanctions for political parties that do not adhere to this requirement.

The territorial and precinct election commissions were formed on the basis of submissions from political parties and candidates registered for the elections. The current formula for the formation of territorial and precinct election commissions raises parties that have factions in the Verkhovna Rada of Ukraine (Parliament of Ukraine), in a more advantageous position.

In addition, the internally displaced persons (IDPs) been allowed to elect were only those who officially registered at a new address – a very small percentage of the displaced population. The system of counting votes was also rather complicated, resulting in some irregularities on the Election Day.

In accordance with the law, lists of candidates for members of city, district and region councils are to be put together only by local organisations of political parties and are to be approved by central bodies of the corresponding parties. Only the top candidate has a fixed place in the list, with surnames of other candidates placed in the alphabetical way. Each candidate is to be assigned to the electoral district where he or she conducts the election campaign for himself or herself, as well as for the party.

The election ballot along with the name of each party offers the surname of its candidate who conducts the election campaign in the corresponding electoral district. Having received the ballot, the voter puts a mark near the name of the party and a mark near the surname of the candidate.

As far as the candidates for the position of the village and town are concerned, the legislation provides for their nomination by both local organisations of political parties and through self-nomination. In cities with more than 90 thousand votes city mayors are to be elected according to the system of absolute majority (in two rounds). City mayors of other cities, as well as village and town mayors and village starostas are to be elected according to the system of relative majority.

This approach can hardly be called the proportional system whose introduction was envisioned by the Coalition Agreement; however this system also limits opportunities to trade sure parts of party lists, because the ultimate place of the candidate in the list is to be determined only by voters based on the outcomes of voting in districts.

The right of self-nomination was envisioned only for candidates for village and town council members and for the positions of village, town and city mayors, as well as village starostas. Candidates for members of other councils are to be nominated only by parties.

Legislation drafters failed to take into account the important position of the Association of Ukrainian Cities and many representatives of communities have been insisting on: the legislation does not provide for possibility to nominate party lists and lists of independent (non-affiliated) candidates for council members.

As a response to the electoral party monopoly, there was a widely-spread nomination of candidates through new or rarely known and mostly local parties. Their election lists became, to great extent, the lists of candidates of various clans of local elites. Some parts

of such parties are even based on names of their founders. These lists are very similar to the lists of independent candidates whose participation in elections has been strongly advocated for by the Association of Ukrainian Cities.

In general, according to the data from the CEC, 142 organisations with the status of political parties registered for participation in the local government elections.

The elections showed that the Poroshenko Bloc was still the strongest political force, winning in 14 out of 25 regions where elections were held, with a total of 8 417 local and regional council members. Batkivshchyna placed second overall, with 7 653 deputies. The Nash Kray party, a “loyal opposition” and de facto Poroshenko ally based primarily in the east and south, won 4 397 seats, while the Opposition Bloc, a successor to Yanukovych’s Party of Regions, won 3 843 seats. Populist and radical parties did not perform well in most regions.

Incumbent mayors representing different political forces were reelected in the biggest cities: Kyiv, Kharkiv, Odesa, and Lviv. Vitaliy Klychko of Poroshenko’s party was reelected in Kyiv. In the second-largest city of Kharkiv, Hennadiy Kernes, a former close ally of Yanukovych, was reelected with 63 percent of the vote in the first round. The leader of Samopomich, Andriy Sadovyy, won his third term in office in western Ukraine’s largest city, Lviv. The most remarkable mayoral competition took place in the city of Dnipropetrovsk, where Yuriy Vilkul of the Opposition Bloc was defeated by Borys Filatov of UKROP, the party closely connected to oligarch Ihor Kolomoyskyy, whom Poroshenko had removed as governor of Dnipropetrovsk oblast in March.

The local elections were competitive and well organized, without systemic misuse of administrative resources, although there were reports of municipal resources being used for a variety of campaigns around the country. There also appeared to be widespread indirect vote-buying through the provision of food packages to needy voters. So long as the gifts do not exceed a set maximum value, this is not banned under Ukrainian law. Several candidates alleged major irregularities in mayoral elections, particularly in Odesa, Zaporizhzhya, and Kryvyy Rih. The campaign was expensive and visible, with ubiquitous advertisements on billboards and television. So-called jeansa, paid political advertising masquerading as journalism, was rampant in the lead-up to the local elections. The OSCE’s final monitoring report noted that “virtually all campaign coverage in the media was paid for”.

Serious difficulties emerged in the cities of Mariyupil and Krasnoarmiysk, both close to the cease-fire line in Donetsk, where elections were canceled due to urgent concerns over potential fraud. Voting in the two cities was rescheduled for November 29 and held without major incidents. In a number of other municipalities along the cease-fire line in the Donbas, elections were not held for security reasons.

In Crimea on September 13, the Russian-backed de facto authorities held illegitimate elections to local and regional governance bodies. The exercise was not recognized by Ukraine or the international community.

The main challenges to local leadership lie in the provision of effective mutual relations of mayors and local authorities (especially if they present different political parties), as well as in the area of providing effective accountability mechanisms of mayors and local

deputies to the voters. An optimal model of control and supervision at local government level is also of great importance.

There are several modes of control and supervision at local government level now. Administrative control within the system of local self-government consists of the following: village, town and city councils control the activities of mayors and executive bodies of local self-government, and they can cancel acts of the executive committees; the mayor can stop acts of the executive committee and bring the matter to the relevant council; the territorial community has the right to terminate the powers of local councils and mayors through a local referendum. Administrative supervision and control of state administrations over local self-government consists of the following: executive bodies of village, town and city councils are under the control of local state administrations within the sphere of delegated power; however, acts of local self-government can be cancelled only by the courts. Administrative supervision and control of regional and district councils over local state administrations consists of the following: heads of local state administrations report to appropriate councils about the realisation of delegated power; regional and district councils can make a decision of no confidence in the head of the local state administration which has to be considered by the President of Ukraine, and if such a decision is passed by a majority of two-thirds of the council then the President has a duty to dismiss the head of administration. Judicial control over local authorities consists of the following: all acts and decisions of local authorities can be reviewed by the courts.

The local self-government structure at the municipal level in Ukraine is based on the model of a strong mayor. Mayors are simultaneously the highest officials of the territorial community, the heads of the local council and the heads of the system of executive bodies (administration). In this way, the mayor combines the representative power, decision-making and executive power at the local level.

The Law on Local Self-Government stipulates that mayors and councillors can be dismissed by local referendum, but this right is not currently executable, due to gaps in the main law on referenda – citizens have the formal right to dismiss a directly elected mayor by means of a local referendum, but the main law on referenda does not include paragraphs about local referenda, so a local referendum cannot be currently realised.

The position of mayor is a full-time job and mayors receive a salary, but the criteria and processes to establish their final salaries are opaque. The national legislation does not provide any instructions on reimbursement for council members, but local councils can reimburse on the basis of resources of the local budget (in reality this does not work and even committee heads are not reimbursed); in addition, employers must provide them with the necessary conditions to enable them to serve as local elected representatives.

The system of relations between the council and its executive bodies provides the council with control over the activities of executive bodies and mayors, but in the situation where the mayor and the majority of the council are representatives of one political party, such control is absent in practice. In other cases, when the mayor and the majority of the council are representatives of different political parties, it is a prerequisite for conflict between them.

Formally, the mayor is accountable to the territorial community and responsible to the relevant local council, which can make a decision of no confidence in the mayor. The

local council is also entitled to abolish acts of the executive bodies where they contradict the constitution, the laws of Ukraine, other legislative acts, or a decision of the council. There are cases, in particular, where a council has repeatedly refused to approve the proposed structure of the executive bodies.

Excessive numbers of delegated powers of the government, within the structure of the executive competence of local authorities, allow the central government to control local administrations and intervene in the activities of executive bodies of local councils (a result of excessive reporting and duplication of functions). Likewise, unclear legislation creates difficulties with the distribution of powers and tasks between the local council, mayor, administrative bodies of local self-government and local state administration.

There is also a problem of an over-strong political dependence of local councils on the leaders of political parties (for example, at least partly because of the current electoral system, deputies are guided not by personal convictions but by the attitudes of political parties on voting). The attitudes to such influence are to some extent determined by the electoral system (majority or proportional) on which a councillor was elected (the situation may change following changes in the electoral law). Majoritarian deputies noted the negative impact of political parties in cases when proportional deputies vote against their beliefs and local interests, but in favour of the positions of political parties, which may not take into account the interests of local communities. In addition, the practice from 2010 to 2014 indicated that local councils with a majority of members of pro-government parties have received substantially higher funding than those councils which had a majority of members from opposition parties.

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Efficiency in Local Service Delivery

Efficiency in local service delivery is closely connected with the overall efficiency of a local self-government body and relates to issues of performance management. Performance management is more common in the private sector than in government. The proper use of performance information is essential for business success. But there is no ‘bottom line’ in local government; the goal of municipalities focuses on the public interest. This is much more difficult to measure than profit.

However, the proper use of performance management in a municipality can make a real difference in driving up standards of performance. But it has to be introduced sensitively. The system must be clear and straight-forward; it must focus on priorities; it must be distinguish between the information needs of the different levels of the municipality: community, corporate, service, individual. It should at least cover efficiency, effectiveness and impact. Satisfaction surveys of staff, service users, businesses, NGOs and citizens should be part of it.

The system has to be owned by the staff themselves, so that they want to use the information derived from the performance management system to drive up their own standards of performance. But elected representatives take ultimate responsibility for the municipality’s performance. Both staff and elected representatives need therefore to be engaged in it.

But the use of a performance management approach carries risks. It can be used to control rather than to inform; it can soak up resources unnecessarily; it can add to bureaucracy; it can de-motivate staff if not used properly.

This is why a systematic approach to organising performance management approach and consequently efficient local service delivery is of crucial importance. Unfortunately, current situation in local government with the problem is not characterised by the system approach. Each municipality decides the question by virtue of its understanding and comprehension, while recommended approaches and methods are absent. In the best case, the issue is solved through the implementation of a quality management system (usually ISO-certification), but it is a voluntary act and concerns a single municipality, not a local government system as a whole.

Another problem is the irregularity of the organization of administrative services delivery, of regulation of administrative services fees, their size and forms of payment. The Law of Ukraine on the list of administrative services and the fee (administration fee) for their provision hasn't still been adopted.

The main problems faced by citizens in the process of obtaining administrative services are unreasonable fees for certain administrative services primarily through a "splitting up" a service into several "paid services" and the opacity of the payment system of such services and the introduction of fees for shortening processing term.

On the other hand when local governments organize providing administrative services through administrative services centres there is a problem of lack of resources to provide administrative services (including such basic needs as paper, toner cartridges, the cost of postage, etc.) because the vast majority of local self-government' administrative services is legally identified as free of charge for applicants. At the same time state level fees are payed through featureless transactions that make it impossible to isolate and send the funds received from the provision of services for logistical support of administrative services centres.

This situation with collecting and using administrative services funds results in a loss of state and local funds that are collected by various illegal entities that de-facto provide administrative services (including intermediary law firms and some state-owned enterprises). On the other hand, many administrative services are of such meagre sizes (e.g., registry office services registration fee and residence fee are 0,85 hryvnias each, i.e. approx. \$0.03 at the current exchange rate), that they do not justify even their administration costs.

The Law of Ukraine "On Administrative Services" provides that the provision of administrative services is made for a fee (administration fee) in the cases provided by law; administrative services in social security of citizens is carried out free of charge, the fee for administrative services (administrative fee) and procedure for its collection are determined by law according to their social and economic importance. This law also stipulates the need for preparation and adoption of the law of Ukraine on the list of administrative services and a fee (administration fee) for their provision.

The administrative services fee (administration fee) is payable to the appropriate state or local budget. Administrative services fee (administrative fee) is paid by an applicant once

for the entire set of actions and decisions of the administrative services provider, necessary for administrative services (including the cost of forms, examinations carried out by the administrative services provider, extracts from registers, etc.). Collecting any additional charges for administrative services not covered by the law or demanding payment of any additional costs are prohibited. The administrative services provider cannot provide any other paid services than those in the list of administrative services fees (administration fee), provided by the law.

However, there are problems with the implementation of the law, and its unclear provisions. According to the law there is no single criterion for payment or non-payment for all administrative services. By the law only administrative services of social nature are free of charge, which looks quite reasonable. At the same time a question is open why are the other administrative services also free or paid, in which way the amount of payment (administrative fee) is determined.

Rejection of the law leads to chaotic actions of the authorities as well.

In Ukraine payments for administrative services are mostly fixed at subordinate regulatory acts. Many "paid services", including actually duplicate or extra payments for administrative services, are determined by a separate group of acts of the Cabinet of Ministers of Ukraine on approval of the so-called "list of paid services" (see, for example, a resolution of the Cabinet of Ministers of Ukraine of 26.10.2011 № 1098 "Some Issues of provision paid services by departments of the Ministry of Interior and the State Migration Service"). Currently, the number of such "lists of paid services" is about 40, and they have approved more than 600 "paid services".

Moreover, the actual additional payments for actions, which are imposed on the provision of administrative services, are enshrined in acts of central executive bodies and even other public enterprises (e.g. service of the State Enterprise "Document" under the State Migration Service is defined by the order of that enterprise №54/1 dated 18.07.2012).

Due to randomness legislation on the payment of administrative services, in some cases payment for administrative services is determined by the laws or regulations of the similar level (e.g. Decree of the Cabinet of Ministers of Ukraine "On State Duty" defines the fees for issuance of passport documents and some other administrative services, the Law "On State registration of legal entities and individuals-entrepreneurs" determines the fees for the registration of business entities, etc.). Number of such laws are more than a hundred, and they have different names for payments that are in the nature of administrative services fees ("state duty", "registration fee", "license fee", "pay", etc.), as well as different definitions for the amounts of the fees themselves (in quantity of non-taxable minimums; minimum wages; in absolute terms, including in foreign currencies; in percentage terms, etc.).

Thus, because of disorder legislation - fixing standards for payment of services in the legal acts of different levels: laws, acts of the Cabinet of Ministers of Ukraine, orders of central authorities and even some public enterprises – funds from consumers may be collected without proper grounds and in unreasonable amounts.

It should be noted that the Law of Ukraine "On Administrative Services" doesn't provide the introduction of new or additional charges for administrative services. The category of

"administrative fee" is introduced only for the unification of legal terminology and to replace all the structures that were used in the legislation before the adoption of this law. It refers to the following terms: "state duty", "registration fee", "charge", "pay", and so on. To streamline legislation it is necessary to revise all special (profile) laws. It is advisable to distinguish between the state administrative fee and the municipal administrative fee, depending on the administrative service provider and the procedure of establishing specific sizes of fees.

The subject responsible for the provision of certain public administrative services should be a specially authorized central executive body responsible for public policy to provide administrative services of a certain type and / or responsible for providing administrative services of this type by other subjects in the order of delegating. That is individual ministries should form proposals for the sizes of administrative fee for administrative services in the relevant area of public policy.

Size of an administrative fee for municipal administrative services is to be defined by specific local authorities, within the limits defined by the Parliament of Ukraine.

In exceptional cases, the provision of administrative services related to economic or other activity that requires a special agreement with the public interest an administrative fee may be set as to get additional public revenues.

So the administrative services fee itself should be determined by the Law of Ukraine "On the list of administrative services and fees for their provision". If the law does not provide that the administrative service is paid, it should be entirely free of charge to an applicant and money for its provision cannot nor apply, nor collect.

There is a popular view that the administrative services should be free of charge because the state is maintained on taxpayers' money. However, even in the most developed countries, most of the administrative services are provided for a fee, as taxes are spent primarily on general public services provided over the whole society: defence, public safety, etc. Instead, administrative services are personalized in nature, and citizens enjoy them in a different amount (or not use certain services at all). Administrative services related to economic activity have even less number of customers. Taxes cannot cover all the costs of administrative authorities in connection with the provision of administrative services and their funding from the state budget is unfair as regards to most taxpayers.

However, in practice the activity that precedes the final document receipt still turns out to be paid anyway (in particular, it concerns examinations, approvals, etc.). This is due to the fact that the authorities who provide (must provide) administrative services delegate their provision or their separate elements (steps) to business entities. The last ones provide their services for a fee. Irrationality of this approach is obvious also because the main criterion in determining the paid / free of charge services should not be a provider but the nature of services (affairs category).

The law provides that the fee for administrative services is paid by an applicant once for the entire set of actions and decisions of the administrative services provider required for administrative services provision. This means that all that settled by the Cabinet of Ministers of Ukraine, lists of paid services for individual executive agencies and their

budgetary institutions - should be abolished and brought into compliance with the Law of Ukraine.

So many formally free of charge administrative services can only become more expensive for applicants. However official legitimate payment for administrative services, by contrast, can be useful for the society, as it reduces the corruption motivation of applicants.

The main prerequisite for solving problems related to the establishment and collection of fees for administrative services is adoption of the systematized law, which will regulate the issue of payment of administrative services.

A Draft Law of Ukraine "On the list of administrative services and a fee (administration fee) for their provision" (hereinafter - the Draft Law) is developed by the Ministry of Economic Development to meet the requirements of the Law of Ukraine "On Administrative Services". The relevance of the Draft Law is in the need for legal definition of the list of administrative services provided by state agencies and local governments, and fees for their provision.

The Draft Law is expected to approve the list of administrative services and a fee (administration fee) for their delivery.

The draft law prohibits pressing upon applicants to receive administrative services, not provided by the law and not included in the list approved by this law.

Given that permits belong to the administrative services these documents are expected to be included in the draft law. In connection with this it is expected to accept the Law of Ukraine "On the list of permits in economic activity" as null and void.

In adopting the law it is envisaged to produce amendments to the Law of Ukraine "On licensing system in economic activity", namely amend Article 4 by a rule, which stipulates that the list of permits and payments (administrative fees) for their granting, renewal, issuance of a duplicate, copies, cancellation at the request of the applicant are established by law.

Adoption of the draft law will enable to define by law a list of administrative services provided by state agencies and local governments as well as fee sizes for administrative services, payment for which is determined by the laws regulating relations in the relevant fields.

The draft law realisation will allow ensuring legality, legal certainty and transparency in the administrative services system and informing the public on administrative services provided by state agencies and local governments.

In case of keeping the current regulation, the requirements of the law on the legal definition of the list of administrative services and fees for their provision remain unfulfilled.

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Participatory Budgeting

Participatory budgeting is a new communication of local authorities with local community and the involvement of residents into decision-making processes. The methodology of the participatory budgeting is defined as an open process for discussions and decision-making in which each resident of a settlement has a possibility to submit his own proposal and decide by voting how to spend a part of the local budget. Experience of cities that use this form of direct democracy (and there are more than 2 thousands of them) proves that as a result we have effective use of local resources, decision-making transparency and thereafter we get more satisfaction in service delivering, higher quality of life and more active participation of community in the local decision-making process.

Participatory budgeting touches upon not only a microaion level but a city level (or roion level) as well. For example in cities like London, Rome, Berlin there is a district with selected (elected) council and determined authorities regarding local administration. Participatory budget is growing year by year in the implemented areas. Such are global trends. The mechanism of its implementation has been improved. For example, an idea of city zoning is used to implement projects in different districts of Paris.

It was in 2015 that three cities of Ukraine Cherkasy, Chernihiv and Poltava got acquainted with participatory budgeting for the first time due to the PAUCI (Polish-Ukrainian Cooperation Foundation) project “Participatory budgeting – possibilities to improve community activities and to establish good cooperation with local authorities”.

One should mention that contests (competitions) of local initiatives – fulfilment of projects that are financed by community organizations under the co-financing condition- are rather popular in Ukraine.

According to the article 144 of the Constitution of Ukraine bodies of local self-government, with the limits of authority determined by law, adopt decisions that are mandatory for execution throughout the respective territory which means that local council should adopt the appropriate sequence of action for the implementation of the participatory budgeting (e.g. adoption of the Target Group Regulations).

Participatory budgeting model in Cherkasy town was implemented by the decision of the Cherkasy Town Council №2-1453 from 20.08.2015 ‘About the approval of the target town program ‘Cherkasy town public budget 2015-2019’. The financing resource was determined for the implementation of the project – 5 mln. UAN per year (beginning from the 2016) and approved: the project application form (in accordance to Cherkasy town council decision №2-1453 from 20.08.2015), cost of 1 project (less than 1 mln. UAN), necessity to support the idea (not less than 10 people), term of realization (during a year), authority for realization (Cherkasy town council executive bodies), requirements for the author of the project (age – 18 years and more, Cherkasy resident – registered, work, study, serve and so on).

All in all in Cherkasy there were 54 projects submitted from September 15 till October 14 2016 in frame of the adopted program. By the way 38 (70%) of them were submitted on paper and 16 (30%) by e-mail. Departments of the Cherkasy town council examined 51

projects as to their practical implementation and as a result 39 were selected to be voted for in December 1-14, 2016.

Public Budget Regulation (budget estimate) of Chernihiv town was adopted by the regular session of Chernihiv town council in August 28, 2015. 4,8 mln. UAN were distributed for the realization of the public initiatives. They will be spent for realization of the 17 projects that got the biggest number of residents of Chernihiv votes during town voting that took place October 5-19, 2015. Thirteen projects-winners concern current expenditures and 4 projects – capital expenditures. Costs are divided equally in half. Maximum amount of capital expenditures for project implementation is 1,2 mln. UNA, for current expenditures – 360 thousand. More than 70 projects were submitted and 56 of them were selected as realistic and were put into voting process, though residents were limited by two weeks term for submission, information campaign was not enough, and not very resultative as the monitoring of the council proved. Most projects were submitted by public sphere – schools, kindergartens. For example, school № 7 will have a possibility to settle video cameras for their school territory; school №21 will reconstruct a shooting range in the basement. According to the plan, it would be a place for training of some schools that are around. Besides residents decided to organize a taxi service for people with disabilities, patriotic murals, art center in one of the districts and so on.

To sum it up cost expenditures for participatory budgeting are different and depend on current necessities of Ukrainian towns.

What is important, these towns use not a conservative approach in considering this document. Working groups had taken into consideration the former experience and are making changes into the Regulations now. Thus, there was an assessment questionnaire designed in Cherkasy. Everyone had a possibility to submit it and take part in the improvement of the process. The term for submission of the applications in Chernihiv was prolonged till the end of May 2016. The official submission for applications will be from May 1, 2016. There would be given a possibility to vote at the age of 16 and older, would be designed a regulation about the organization of voting process in the appropriate places, where the restrictions of administrative impact or any other violations during the voting would be singled out, and besides an extensive participatory budget information campaign would be performed.

The Participatory Budgeting Regulation of Poltava town was adopted on September 15, 2015 by the town council. The working group that is represented by local authority and community was established but all the further activities were postponed until the local election campaign was over and began its activity in 2016. The admission of the residents' applications is performed in Poltava town nowadays. The Poltava town participatory budgeting for the 2017 is not less than 0,1% of the total town budget. Both town-level and rojon-level projects get 50% of the total participatory budgeting. 30% of the rayon cost expenditures are the fundamental and are divided equally between 3 rajons, 70% of the project cost expenditures are divided in accordance to the total square of the rajon and the number of residents in it.

Consequently about 20 towns of Ukraine, such as Vinnytsya, Sumy, Kremenchuk, Svitlovodsk, Trostyanets, Pyryatyn, Lozova, Irpin, Pryluky, Chernivtsy, Kaniv, Zaporizhyya, Berdychiv, Kharkiv, Uzhhorod, Romny, Zhytomyr, Khmelnytskyi, Lviv started a preparation of the participatory budgeting implementation in 2016. Each town has

individual ways of the implementation as each town and resident are unique. In 2016 the sum of the public budget is more than 50 thousand UNA (0,1% from the rate of revenues of the Svitlovodsk town total local budget), others just started the process of study and design of regulations and programs. Anyway, it's a positive vector in stimulating social activity, decision-making process of the community issues.

Among the positive changes, one can name:

- 1) establishment of the positive local self-government body image, development a the degree of trust in local authorities.
- 2) motivation of residents' interest to the place of their inhabitation, work and leisure.
- 3) developing local community leaders: not only heads of the villages, heads of the microraiions, but ordinary sincere activists, their communication with residents.
- 4) participatory budgeting – getting budget compromises.
- 5) improvement of general understanding of budget issues, increasing of their ability for analysis of cost implementation of their ideas, thus their perception of the cost of a bench or a kilometer of the road, or the children's playground and so on.
- 6) projects of participatory budgeting may concern any sphere of life which is in local self-government body competence. It can be investment projects and reconstruction activities, as well as soft projects and activities.

One should pay attention to the participatory budgeting principles:

- implementation of all the planned activities should be performed in a year;
- realization of the investment projects and performance of the reconstruction activities could be done on the territories that are in the town disposal according to the legislation;
- adopted by residents decisions during voting are obligatory for implementation.

Everything mentioned above causes the existing challenges and possible obstacles that are necessary to overcome and take into account when implementing participatory budgeting:

- the process demand a lot of costs in the form of the financing resources, time resources and the active participation of all stakeholders;
- new obligations for the executive bodies staff;
- all the process is open for all stakeholders due to the transparency;
- provision of the count voice reliability;
- openness and accessibility of the selected projects;
- institutional vs lower civil activity;
- not enough fairness in budget project calculations;
- absence of project estimates documentation;
- maximum of project implementation;
- algorithm and difficulties of introducing changes;
- including PB to the general process of town management, as it should agree with other activities;
- education of every participant of the process: both residents and civil servants.

Spreading the successful practice experiences, taking into account strong and weak sides of the process will assist the democracy and self-governance development in Ukraine.

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Performance Programme Budgeting at the Local Level in Ukraine

A decentralization reform in Ukraine aims to identify and differentiate tasks and functions most of which are transferred from the level of central authorities to the lower level and become tasks and powers of the lower level. Among positive effects of decentralization the following are worth mentioning:

– implementing a decision with involving a decision-maker or under its responsibility. Therefore, the time and place of the decision is adequate to the time and place of its implementation;

– due to the optimal management structure a system and procedures of decision-making are simplified;

– a time period for receipt of information from the executive level to the decision making level becomes much shorter, and vice versa, the transparency and openness of a decision-making procedure and the process of its implementation leads to their efficiency increase;

– raise of awareness and increase of responsibility for actions taken and decisions made by officials;

– democracy development, as there is expanding the influence on public affairs by local communities, social groups and the public in general.

Decentralization reforms, including inter-budgetary relations – are an incentive for local communities to fill effectively their budgets, to move to self-sufficiency and plan their spending effectively. For now it is the local authorities who will decide for which needs to spend the money, which goals they want to achieve.

However, there is a significant risk that only increase of the financial resources available to local governments will not lead to an increase in the volume and quality of public services without becoming better of use of scarce public funds.

To achieve this goal, different countries tested various technologies, a common feature of which is to ensure a clear relationship between the amount of spent budget funds and the results of the public institutions activities.

These technologies have different names in different countries:

- performance budgeting;
- result oriented budgeting;

- programme performance budgeting.

In Ukraine this budgetary technology is called "Performance Programme Budgeting" (PPB).

The value of the method is that it is a tool for rational distribution of budget funds for the various priorities and it helps to set clear priorities within existing fiscal constraints, and gain feedback on satisfaction with services provided through budgetary resources.

Cyclical budget process by the PPB approach causes determining the list of social and economic problems at the very beginning and covers the gradual implementation of all measures needed to overcome them. Each new cycle according to the PPB approach begins from assessment of the effectiveness of the budget programme after its implementation, i.e. the degree of the goal achievement of the programme.

It is important to choose properly a system of mutually complementary performance indicators of budget programmes, which should meet its goals and objectives, and thus contribute to determining the effectiveness of its implementation. The programme itself should be aimed at achieving a specific goal rather so that the number of objectives and indicators of its performance was not too big.

According to the PPB methodology, the budget shows a standard of a service, defines scope of works to be performed, the time and money necessary for the certain services delivery.

In 2010-2014 in Ukraine there was an experiment of introducing PPB of preparation and execution of local budgets. To participate in the experiment it was gradually involved different levels of local budgets. In 2014 almost all local budgets (excepting budgets of villages, towns and cities of district subordination) were planned and carried out in traditional format and simultaneously they formed all documents in PPB format.

Gained experience of experimental functioning of local budgets in the PPB format shows that the planning budget according to the PPB procedure differs from traditional (line-item budget) in the following:

- the emphasis changes from planning and monitoring the types and amounts of expenditures to planning socio-economic results of budget spending;
- the budget funds distribution is based not only on the availability of funds, but also on indicators of socio-economic efficiency;
- responsibility of budget administrators for the number and quality of public services (goods) delivered is enhanced.

In this way the expediency of application of this method of budgeting and disseminating it in practice were proved.

According to the Budget Code of Ukraine (art. 20, part 1) PPB is used in local budgets by the decision of the local council.

However, the Law of Ukraine "On Amendments to the Budget Code of Ukraine on the Reform of Inter-Budgetary Relations" of 28.12.2014 № 79 defined that "PPB of local budgets that have relations with the state budget, is used starting with drafting local budgets for 2017". Deferral of wide dissemination of PPB is explained by imperfect software of the process, and in some moments by its absence.

However, in 2016 budget requests for 2017 and, consequently, local budgets should be made by PPB, and from the 1st of January, 2017, they also should be performed only by PPB. During this time, the software of all local budgets should be adapted to PPB.

It is necessary to notice that this norm applies to local budgets that have relations with the state budget. According to the amendments to the Budget Code of Ukraine they are regional budgets, budgets of cities of regional subordination, district budgets and the budgets of amalgamated local communities, created by the law and according to perspective plan of forming territories of the communities.

Since the experiment results showed the need to improve and unify the legal framework of PPB budgeting, it was approved a number of orders of the Ministry of Finance of Ukraine.

The order of 02.12.2014 № 1194 changed the main approaches to the implementation of PPB in preparation and execution of local budgets. The order set that starting from 2015 PPB of the local budgets is used by the decision of the local council.

The order of 12.02.2014 № 1195 approved a new default programme classification of expenditures of local budgets of all levels and a new structure for coding programme classification of expenditures and crediting of local budgets.

These were done at the request of adherence to the principle of unity of the budget system of Ukraine, and given the need for consolidation of indicators and provide a single reliable reporting on the performance of all local budgets (regardless of their methods of preparation and execution).

Given the practice of experiment participants, the Ministry of Finance issued the order "On some issues of implementation of PPB in preparation and execution of local budgets" of August 26, 2014 № 836, which approved new documents that allow implementing PPB of the budget process at the local level, namely:

- [instruction on status and features of participation in the budget process of responsible executors of local budget programmes;](#)
- [rules of drafting passports of local budget programmes and reports on their performance;](#)
- [form of a passport of a local budget programme;](#)
- [form of a report on implementation of a passport of a local budget programme.](#)

The first thing that attracts attention is a fact that passports of budget programmes (and, respectively, reports on their implementation) are formed in 2017 with no breakdown on half-years – only annual figures.

It is clearly defined that the main responsibility and work on formation of passports of budget programmes and reports on their implementation lies on the main administrators of budgetary funds. Key administrators of the budgetary funds of local budgets:

- are responsible for development and approval in cooperation with local financial bodies of passports of budget programmes;
- within the time limits specified for filing the consolidated annual financial statements and budget statements submit to local financial authorities reports on the execution of passports of budget programmes;
- within 30 days after drawing up a report on the implementation of a passport of a budget programme submit to a local financial authority the summarized results of analysis of the effectiveness of budgetary programmes;
- transfer to the relevant territorial body of the State Treasury Service of Ukraine a copy of a joint order of approval passports of budget programmes;
- within a week from the date of approval of the order on passports of budgetary programmes provide getting by responsible executors, budget administrators of lower levels and recipients of budget funds of its copies and copies of approved passports of respective budget programmes.

Execution of the budget drawn up by PPB involves a number of activities related not only to the financing of the programme, but also with managing expenses, distributed by subprograms and objectives of the programme or the subprogram. Any decision on amendments or adjustments to the programme or its implementation strategy, on the volume of appropriations or redistribution of funds between tasks within the programme, on the continuation or termination of the programme etc., need to be taken based on

timely well-founded analytical information obtained. The tools that ensure obtaining the necessary data are monitoring and evaluation - integral elements of effective process of programmes management.

Importance of monitoring and evaluation of budget programmes rises while implementing new norms set out in the Budget Code of Ukraine by a Law of the 24th of December, 2014 № 79. Article 28 of the Code in the new edition regulates the following:

"The main state budget administrators (local budget administrators in case of PPB) by 15 March of the year following the reporting one, exercise public presentation and publication of information on the budget by the budget programmes and indicators, budget allocations for which are defined by the law on the state budget of Ukraine (by the decision on the local budget), in accordance with requirements and according to the form established by the central executive body that ensures the formation of the state budget policy, and publish the passports of budget programmes for the current budget period and reports on the implementation of budget programmes for reporting budget period".

Requirements for the assessment and monitoring of budget programmes implementation are governed by the following regulations:

- the order by the Ministry of Finance of Ukraine "On approval of guidance on measuring the effectiveness of budget programmes" of 17.05.2011 № 608 (amended of 12.01.2012 № 13)

- the letter of the Ministry of Finance of Ukraine regarding the "Improving of the method of comparative analysis of the efficiency of budget programmes that are executed by administrators of funds of local budgets" of 19.09.2013 № 31-05110-14-5/27486.

The PPB in budget planning allows linking together financial and socio-economic indicators of territories development since passports of budget programmes and annual reports on their implementation include a list of socio-economic indicators and the corresponding budgetary resources to ensure the implementation of these indicators. So, it becomes actual a problem of more detailed specification of socio-economic indicators of programmes, the level of implementation of which depends on a certain amount of budget resources to provide these programmes.

Analysis of the current system of performance indicators of budget programmes implementation, conducted on the basis of reports on the implementation of budget programmes in the fields of education and culture for the years 2012-2013, and typical lists of the performance indicators in these sectors, showed that the instrument of PPB needs improvement. For efficient use of typical indicators of budget programmes their number should be adjusted, it should be marked out, if necessary, subprograms as part of specific programmes in the context of codes of functional classification of expenditures. This approach will allow more efficient using of budget funds of subprograms within a programme, reduce organizational burden on the responsible executors of budget programmes when making amendments to decisions on a local budget. For example, if you need a slight adjustment of the budget appropriations for a certain budget subprogram, a responsible executor can make reallocation of expenditures between subprograms within the scope of permanent appointments of the budget programme.

Number of performance indicators and their presentation by groups (costs, products, performance, and quality) depends on specifics of a budget programme and must meet the requirements of analysis of the budget programme implementation. Objectively, the most informative indicators should be performance indicators of efficiency and quality as such that take into account both consumers of social services as well as tools to provide these services. This provides a higher priority of their use. However, when forming typical lists the preference is given to other criteria - to indicators of spending and product. In the current structure of indicators of spending and product, these indicators in

more detail reflect the pricing factors (cost-based components) of budgetary services (e.g. number of pedagogical and other staff jobs, number of libraries, theatrical performances and other events, quantity of customers, etc.) and the expected characteristics of the product, which in many cases substitute for the necessary outcome indicators (efficiency and quality).

At the same time, its performance and quality indicators in the passports of budget programmes that are very limited, designed as derivatives only from some indicators of spending and products, did not disclose the usefulness of implementation of certain programme activities, do not illustrate the satisfaction of its consumer with budgetary social service.

Thus, the current regulatory and legal framework of Ukraine allows forming local budgets by PPB approach, it is provided from 2017. However, it is appropriate to continue working on compiling a list of performance indicators, which should:

- give the opportunity to assess the success of budget programmes implementation and to use available financial resources rationally;
- predict quality indicators or the final result which a community receives from the programme implementation;
- identify causal relationships between quality of life and the quality of public services delivered (strategic, contextual, objective and subjective).

Using such a programme assessment tool will contribute to departing from the practice of funding by the principle of maintenance of budgetary institutions, will give impetus to analyse the structure and volume of budget expenditure and facilitate the implementation of the funding principle according to the strategic plan and by the priority areas.

The latter is the main challenge. The purpose and objectives of all budget programmes should meet the priorities of socio-economic development of the city which set out in the city development strategy. Besides a low level of management skills in planning results and executive discipline of the main budget funds administrator can make for a different funding level of budget programmes and their implementation.

Additional obstacles to successful implementation of PPB approach in local budgets in Ukraine are:

- almost complete absence of medium-term budget planning;
- lack of a clear relationship between strategic documents, targeted programmes and budget programmes;
- low level of transparency in the budget process, which prevents public access to the monitoring of budget programmes.

The list of valid regulatory acts on PPB approach in budgeting in Ukraine:

1. [The Budget Code of Ukraine.](#)
2. [The concept of reforming the local budgets, approved by the Cabinet of Ministers of Ukraine of 23.05.2007, № 308-p \(with amendments of 21.07.2010 № 1467\)](#)
3. [Order of the Ministry of Finance of Ukraine "On approval of the Main approaches to the implementation of PPB approach of preparation and execution of local budgets" of 02.08.2010 № 805 \(with amendments of 12.02.2014 № 1194\)](#)
4. [Order of the Ministry of Finance of Ukraine "On some issues of implementation of PPB approach of preparation and execution of local budgets" of 26.08.2014 № 836](#)

5. [Order of the Ministry of Finance of Ukraine "On approval of the Typical departmental classification of expenditures and crediting of local budgets" of 14.02.2011 № 96 \(with amendments of 23.11.2011 № 1488 and of 14.12.2011 № 1627\)](#)
6. [Order of the Ministry of Finance of Ukraine "On Approval of the Coding structure of programme classification of expenditures and crediting of local budgets and the Typical programme classification of expenditures and crediting of local budgets / Temporary classification of expenditures and crediting for local budgets, which don't use PPB approach" of 12.02.2014 № 1195](#)
7. [The joint order of the Ministry of Finance of Ukraine and the Ministry of Health of Ukraine "On approval of the Typical list of budget programmes and performance indicators of their execution for local budgets in the field of "Health Care" of 26.05.2010 № 283/437](#)
8. [The joint order of the Ministry of Finance of Ukraine and the Ministry of Health of Ukraine "On approval of the Typical list of budget programmes and performance indicators of their execution for local budgets in the field of "Health Care" for pilot projects in Vinnytsia, Dnipropetrovsk, Donetsk region and the city of Kyiv" of 21.09.2012 № 728/1015](#)
9. [The joint order of the Ministry of Finance of Ukraine and the Ministry of Education and Science of Ukraine "On approval of the Typical list of budget programmes and performance indicators of their execution for local budgets in the field of "Education" of 01.06.2010 № 298/519](#)
10. [The joint order of the Ministry of Finance of Ukraine and the Ministry of Culture and Tourism of Ukraine "On approval of the Typical list of budget programmes and performance indicators of their execution for local budgets in the field of "Culture" of 01.10.2010 № 1150/41](#)
11. [The joint order of the Ministry of Finance of Ukraine and the Ministry of Social Policy of Ukraine "On approval of the Typical list of budget programmes and performance indicators of their execution for local budgets in the field of "Social protection of family and children" by expenditures, taken into account in determining the amount of inter-budgetary transfers" of 24.10.2012 № 1116/673](#)
12. [Joint Order of the Ministry of Finance of Ukraine and the Ministry of Labour and Social Policy of Ukraine «On approval of Typical list of budget programmes and performance indicators of their execution for local budgets in the field of "Social protection and social security" of 27.09.2010 № 1097/290 \(with amendments of 09.02.2011 №75/39 and of 08.10.2012 № 1060/630\)](#)
13. [The joint order of the Ministry of Finance of Ukraine and the Ministry of Education, Youth and Sports of Ukraine "On approval of the Typical list of budget programmes and performance indicators of their execution for local budgets in the field of "Physical Culture and Sports" by expenditures, taken into account in determining the amount of inter-budgetary transfers" of 22.11.2012 № 1202/1291](#)
14. [Order of the Ministry of Finance of Ukraine "On approval of the Typical list of budget programmes and performance indicators of their execution for local budgets in the field of "Public Administration" of 01.10.2010 № 1147 \(with amendments of 27.09.2012 № 1035\)](#)
15. [Order of the Ministry of Finance of Ukraine "On approval of the Model list of performance indicators of budget programmes for local budgets by expenditures, that not included in the determination of inter-budgetary transfers" of 27.07.2011 № 945 \(with amendments of 30.11.2012 № 1260\)](#)
16. [The joint order of the Ministry of Finance of Ukraine and the Ministry of Education, Youth and Sports of Ukraine "On approval of Typical list of budget](#)

programmes and performance indicators of their execution for local budgets on issues of youth by expenditures, taken into account in determining the amount of inter-budgetary transfers" of 22.01.2013 № 35/41

17. Order of the Ministry of Finance of Ukraine "On approval of guidelines on measuring the effectiveness of budget programmes" of 17.05.2011 № 608 (with amendments of 12.01.2012 №13)