



Canadian
URBAN
Institute

Institut
URBAIN
du Canada

Regional Governance and Development (RGD) – Ukraine

Project # Z020640

Purchase Order 7037154

"Current Status of Regional Governance and Development in Zakarpattya and Zaporizhzhia Oblasts"

Funding Agency:

*Europe, Middle East & Maghreb Branch
Canadian International Development Agency*

Canadian Executing Agency:

Canadian Urban Institute

In association with:

Foundation for International Training

September 2006



Contents*

I. Introduction

- 1.1. Goal and objectives of the research
- 1.2. Research methodology

II. Legal provisions for regional governance process in Ukraine

III. Primary findings of research on Zakarpattia and Zaporizhzhia oblasts and recommendations

- 3.1. Current situation with respect to social and economic development
- 3.2. Community participation in environment protection policy formulation
- 3.3. Formulation of gender equality policy
- 3.4. Trends in civil society development
- 3.5. Existing forms and mechanisms of participation by the community and other sectors in policy formulation at the regional level
- 3.6. Status of elaboration of development strategies and programmatic documents with a regional scope plus community participation in strategic planning process

* This is unofficial translation. This report was initially prepared in Ukrainian.

I. Introduction

1.1. Goal and objectives of the research

The main objective of this research is determining the current state of affairs in regional governance and development in Zakarpattia and Zaporizhzhia oblasts as well as existing reform trends in this field.

Specific research subjects include legal and institutional aspects of governance and programming system in Zaporizhzhia and Zakarpattia oblasts up to 2006, in particular, forms of collaboration between regional government bodies and private and non-governmental organizations in the realm of regional development.

The overarching Goal of the research is to identify problem areas in the legal and institutional environment of regional governance and development in Zakarpattia and Zaporizhzhia oblasts that can be readily resolved in the short- or medium-term.

Lessons learned and recommendations proposed will be used in implementing the Regional Governance and Development Partnership Project

To achieve the goal of this research, a number of analytical tasks were performed. These include the following:

- * The legal framework was analyzed to determine the degree of community involvement in policy formation at the local and regional levels in Ukraine. In particular, specific forms of citizen participation in governance were examined;

- * The legal field concerning the formulation of medium-term and short-term region level programming documents in Ukraine was explored. In particular, regional development strategies as well as the possibility of citizen involvement in strategic planning were examined;

- * Existing institutional forms of democratic governance at the oblast level were studied;

- * The most common patterns of interaction and partnership formation between oblast regional government, non-governmental organizations and business were analyzed;

- * The methods of developing regional level programming documents, particularly strategic documents, in both pilot oblasts of Ukraine, were studied. Specific attention was paid to the various community sectors and experts involved in this activity;

- * Various sector representatives' opinions of the most efficient forms of regional governance and regional development program/strategy elaboration as well as methods to improve the system of community involvement in regional policy formulation were studied;

- * The primary problems of regional governance and regional development planning in target oblasts were determined; and

- * Recommendations regarding institutional aspects of the regional governance system and development planning in Zakarpattia and Zaporizhzhia oblasts, which could be implemented through this project, were proposed.

1.2. Research methodology

The primary sources for this analytical report were reports prepared by regional governance experts in target oblasts. Those documents in turn were written based on:

- * texts of regulatory acts affecting directly or indirectly the functioning of the regional governance system in Ukraine

- * texts of decisions of Zakarpattia and Zaporizhzhia oblast councils and ordinances of appropriate heads of oblast state administrations regarding interaction with businesses and the public and the content of programs being implemented in the regions;

- * results of surveys conducted with regional government bodies, developmental and community based organizations as well as entrepreneurial circles;

- * statistical data (number of citizen addresses, state of small business development, etc.);

- * other oral and written information provided by representatives of oblast non-governmental organizations and regional government bodies; and

- * findings included in the regional sectoral reports.

II. Legal provision of regional governance process in Ukraine

According to Ukrainian legislation, the primary powers regarding regional social and economic development are distributed among rayon and oblast councils and local state administrations as the local executive bodies.

In particular, the powers of rayon and oblast councils include approval of programs on social, economic and cultural development in the rayon or oblast respectively, target programs on other matters, as well as hearing reports on their implementation according to the Article 43 of Ukrainian Law "On local self government in Ukraine"¹. At the same

time, Ukrainian Law "On local state administrations" (Articles 13, 14) determines the powers of the executive bodies regarding social and economic development of appropriate territories².

Thus, as of July 2006, the right of approval of programmatic documents regarding regional development belongs to oblast councils as representative bodies of oblast territorial community, but at the same time actual instruments of influence in the realm of local social and economic development belong to oblast state administrations as local executive bodies.

The right to involve citizens in the formulation of state policy and to address authorities at the regional level is envisaged in the Constitution of Ukraine (Article 102), as well as by the above mentioned Laws of Ukraine "On local state administrations"³, "On local self government in Ukraine"⁴ and "On citizens addresses."⁵

Moreover general forms of citizen involvement in the formulation and implementation of oblast state administrations' policy is also detailed in the legal framework.⁶ In particular, it provides for the following:

- * Discussion of drafts of major decisions with the participation of various social groups whose rights and legitimate interests are affected by the decision;

- * Inclusion of costs to fund activities dealing with citizens and their associations' involvement in state policy formulation and implementation, public opinion analysis, and mass media monitoring of local budgets; and

- * Increasing the activity of consulting and deliberative bodies created by executive bodies and ensuring widespread community participation in these activities.

Specific order, forms, and methods of studying public opinion and community involvement in decision making are defined in the Procedure of community consultation in state policy formulation and implementation.⁷ These include:

- * Recognition that it is mandatory to consult with the community on the drafts of legal acts concerning citizen rights, freedoms and legitimate interests, drafts of state and regional programs for economic, social and cultural development, and decisions concerning their implementation;

- * Establishment of consulting/advisory bodies and community councils at the heads of state administrations;

- * Provision for community consultations in the form of public discussion (direct form) or study of public opinion (mediated form);

- * Recognition that citizen associations have the right to initiate citizen consultations on problems that have not been envisaged in the framework of the government's planned work; and

- * Results of community consultations have to be taken into account by the executive body during the adoption of the final decision or in its subsequent work.

Other legal acts define the forms and procedures for disseminating information to citizens through the Internet⁸:

- * It is recognized as mandatory to publish certain information regarding activities of local government bodies via the Internet (25 items of information); and

- * It is recognized as necessary to implement an electronic system entitled "Electronic community reception."

Ukrainian Law that defines the forms of citizen involvement in government activity was amended in the autumn of 2005. In particular, the following needs are mentioned⁹:

- * Need to raise the level of civil servants' professional skills in the sphere of community consulting;

- * Need to organize permanent sociological study of public opinion concerning activity of government institutions and local self-government authorities; and

- * Need to organize and conduct competitions aimed to determine new forms of citizen participation in decision-making and implementation of government institutions and local self-government bodies' decisions.

At the same time, the Secretariat of the President of Ukraine started work on a strategy for civil society institutional development.

As of mid-2006, a Department of communication between the government and community within the Secretariat of the Cabinet of Ministers of Ukraine was established to conduct work on preparing drafts of the following documents:

- * Concept of civil society development;

- * Draft of the Law of Ukraine "On amendment to the Law of Ukraine 'On citizen associations'";

- * Draft of the Cabinet of Ministers of Ukraine Decree concerning implementation of community control system (monitoring, expertise);

- * Draft of the Cabinet of Ministers of Ukraine Decree concerning efficient increase in community awareness on activity of executive bodies and implementation of state policy explanation;

- * Draft of the Cabinet of Ministers of Ukraine Decree concerning the state social order;

- * Draft of the Cabinet of Ministers of Ukraine Decree concerning the affirmation of Provision on competition for preparation of National Reports;

- * Draft of the Cabinet of Ministers of Ukraine Decree concerning the affirmation of Provision on conducting competition for determination of new forms of citizen participation in decision making and implementation of

government institutions and local self-government authorities decisions, as well as on preparing proposals for civil society institutional development and on resolving specific social problems;

- * Methodological recommendations concerning the work of community councils.

There is a need to analyze individually the **legal base that defines the system and methods of preparing programmatic documents.**

The Laws of Ukraine that define the powers and guidelines for local state administrations and local self-government institutions' activity¹⁰ envisage that:

- * Local state administration develops drafts of programs on social and economic development and submits them for consideration to the appropriate council, ensures their implementation and reports to the appropriate council on how they have been implemented; and

- * Rayon and oblast councils approve social, economic and cultural development programs, approve target programs on other issues, and hear the reports on their implementation.

The Base Law of Ukraine on state programs' development and preparation¹¹ envisages that:

- * local state administrations and local self-government bodies are participants of state prognostication process and take part in the preparation of economic and social development programs;

- * One of the fundamentals of this programmatic system is openness, as it envisions community knowledge of the drafts of programmatic documents;

- * It is mandatory to develop short-term (1 year) economic and social development programs at the regional, district and city levels; and

- * The suggested structure of short-term economic and social development programs is to be developed at the oblast, rayon and city levels.

At the same time, it should be noted, that according to the Decree of the President of Ukraine "On the concept of state regional policy" of May 25, 2001 N 341/2001, the need to improve public strategic regional planning is mentioned among the various measures that aim to facilitate the realization of a state regional policy that would determine both long-term and current regional development priorities at the national, regional and local levels more precisely and substantially.¹²

Community and local self-government participation in the processes of elaborating and implementing regional development strategies is envisaged as the norm in relevant methodological recommendations for regional level governmental bodies.¹³ These recommendations include:

- * establishment by oblast state administrations of working groups of representatives of power structures, business circles, scientific and community-based organizations, as well as political parties etc.; and

- * pooling of financial and other resources of local executive bodies and local self-government institutions to resolve common regional and inter-regional developmental problems and the use of budgetary funds in an optimal manner.

Moreover community involvement in planning for regional development is stipulated in modern Ukrainian legislation on the stimulation of regional development.¹⁴ These stipulations include:

- * regional development promotion on the principles of collaboration between central and local executive bodies, local self-government institutions, scientific and community-based organizations and other players is key; and

- * to implement the state policy of regional development stimulation, oblast state administrations have to elaborate regional development strategies.

III. Primary findings of research on Zakarpattya and Zaporizhzhia oblasts and recommendations

3.1. Current situation with respect to social and economic development

Zakarpattian oblast is situated in the far west of Ukraine. Its territory is 12.8 thousand sq. km and its population is 1244.72 thousand people. Zakarpattya is divided into 18 administrative and territorial units, including 13 regions and 5 cities of oblast subordination (Uzhgorod, Mukachevo, Khust, Beregovo, and Chop). There are 608 human settlements in the oblast in total.

At the same time, Zaporizhzhia oblast's territory is more than twice as large at 27.2 thousand sq. km and its population is more than 1.5 times as large at 1877.2 thousand people. More than 42% of the oblast's population (847.8 thousand people) lives in one city - Zaporizhzhia. Only 10 % of Zakarpattya's population (124 thousand people) lives in Uzhgorod city. Unlike Zaporizhzhia oblast, almost two thirds of Zakarpattya's population lives in the countryside, making

this oblast the least urbanized region of Ukraine. The administrative and territorial structure in Zaporizhzhia oblast is very similar to Zakarpattia as there are 12 administrative and territorial rayons and 4 cities of oblast significance.

In 2005-2006, Zakarpattia oblast demonstrated a high rate of industrial growth for Ukraine. In January-March 2006, industrial production increased by 10.2 % as compared to the same period of 2005 and the national figure was only 0.2 %. It should be mentioned that for January-March 2005, the industrial production index was 118.7 % as compared to the same period in 2004. At the same time, there was a slump in agricultural production. The indexes for agricultural growth for these periods were only 97.4% and 97.9% respectively.

The primary industries in Zakarpattia oblast are manufacturing, food and agricultural products processing, light industry, wood processing, and machine industry. About one third of added value is produced in human services. Registered unemployment in the oblast as of March 1, 2006 is 3.5 % of the permanent working-age population compared to 3.9 % on the same date in 2005.

Unlike Zakarpattia oblast where human services are a considerable proportion of production, industrial production dominates in Zaporizhzhia, which holds a leading position in electric power industry, metallurgy, machine industry, metalworking, and chemistry. In 2005, growth in industrial production was 3.7 % as compared to the previous year and the figure for Ukraine in total was 3.1%. Growth in agriculture was 4.7%. Registered unemployment was 2.97 % at the end of 2005.

According to national development ratings, at the end of 2005, Zaporizhzhia oblast was 23rd out of 25 regions (including Kyiv city and Sevastopol city). However, when assessed by the volume of direct foreign investments, Zaporizhzhia is 4th; by foreign trade activity, 10th; by wage level, 5th; and by wage level growth, 10-11th. The overall low rating is caused by unsatisfactory results in the social sphere. Zaporizhzhia is 23rd by the level of ecological loading, 27th by the crime rate, and 24-25th by payment for municipal services. In addition, there are some problems in the structure of production. In 2005, metallurgy and metal processing represented 43% of the total volume of industrial output. This kind of structural disproportion causes a number of technological, export and environmental risks.

3.2. Community participation in environment protection policy formulation

The environmental situation in Zaporizhzhia oblast as a whole is characterized as critical due to a high concentration of potentially dangerous enterprises in the oblast centre. Zaporizhzhya oblast is one of the top five oblasts that are most saturated with dangerous manufacturing industries. It is also critical due to the prevalence of resource- and power-consuming industries, the high level of fixed assets' depreciation, the unmonitored accumulation of waste, the low efficiency of waste treatment facilities, and the deficit of money in enterprises for environmental cleanup.

In contrast to Zaporizhzhia, the state of the environment in Zakarpattia oblast can be qualified as satisfactory. At the same time, there are many objects in the oblast that are environmentally dangerous. There has been a slow but steadfast tendency towards the deterioration in environmental figures (for example, contamination of ground and surface waters, atmospheric air quality, and quantity of hunting fauna, etc.).

According to research data gathered in both oblasts, local self-government and local executive bodies are not capable of resolving local ecological problems independently because of a lack of money in the local budgets, as well as due to the inertia and passivity of local officials, and their misunderstanding of the significance of local environmental problems. As a result, ecological problems are not a priority as compared to social and economic problems in local communities.

At the oblast level, efficient environmental policy is not a priority for government action and it is not integrated into social and economic regional development programs. The activities of oblast authorities are devoid of clear priorities concerning environmental protection and safe habitats for residents. There is also an improper degree of intergovernmental coordination regarding environmental controls.

Moreover it is impossible to speak about the possibility of a quick resolution to environmental problems due to the almost complete absence of financial instruments to support environmentally clean industrial technologies at the regional level; poor transparency in administrative actions concerning environmental controls; weak public awareness regarding the environmental situation; and a lack of community involvement in discussions and the elaboration of ecological safety and environmental matters.

As a whole, environmental groups have not been involved in various levels of government's actions concerning self-government and the development of strategic plans for the optimization of the environment. Some precedents were established predominantly due to the activity of environmental non-governmental organizations. At the same time, environmental non-governmental organizations in both oblasts are characterized by poor capacity to be equal partners with the government in resolving regional environmental problems.

To improve the situation, it would be beneficial to implement a series of measures to strengthen the institutional capacity of environmental non-governmental organizations (eco-NGO). Specific measures include:

- 1) creating a web portal for all eco-NGOs in the region, where every organization will be able to put forth its organizational mandate and contact information and to do professional evaluations of the decisions and documents made by government bodies.

2) conducting a series of training courses for NGO representatives in the area of environmental protection advocacy (selection of strategies and methods for citizen representation).

3) announcing a competition for micro-project proposals (up to 5 thousand UAH) among regional eco-NGOs to strengthen the institutional capacity of these organizations.

An equally urgent task is the implementation of measures to improve the interaction between community and local/regional authorities regarding environment protection. These measures include:

1) establishing expert groups composed of representatives of the environmental community (experts in various branches of environment protection) that aim to perform mandatory environmental reviews of all local territorial community or rayon development programs as well as documents and draft decisions concerning environmental protection matters.

2) developing mechanisms to provide public access to ecological/environmental information held by local self-government and executive bodies.

3) creating tools for local governments to report on funds used for environmental protection, funds collected through fines for environmental pollution, and other funds defined in accordance with current legislation.

3.3. Formulation of gender equality policy

The data analyzed in the regional gender reports prepared within the framework of the Project indicates that approaches to gender equality policy formation are similar in both oblasts. For example, in both oblasts:

1) Regional programs were or are being realized to improve women's situation, to assist in gender equality policy implementation, and to realize youth policy;

2) Institutional mechanisms exist or are planned for in the structure of oblast state administrations (OSA) such as coordination councils for women, family, maternity and childhood at the deputy head of administration level (also called Gender Councils), where representatives of non-governmental organizations and the community are represented;

3) Competitions are organized for social projects on family, women, maternity and childhood affairs. Coordination councils select projects and their implementation is partially financed by the oblast state administrations;

4) Gender resource centres for NGOs, gender educational centres, and centres for family violence prevention have been formed through the initiative and with participation of the United Nations Development Program; and

5) a Circle of gender-oriented, non-governmental organizations (for the most part, women's groups) has been established, but its activity, as a rule, is neither influential nor authoritative, so it often leads to discrediting the very idea of this dimension of civil society.

At the same time, it should be noted that the level of government involvement in public organizations' activities is higher in Zaporizhzhia oblast, in particular in family violence prevention, AIDS prevention, resolving youth social problems, etc. In Zakarpattia, multi-sectoral actions are more seldom. It should be mentioned that in both oblasts, public initiatives are implemented through the support of international donor organizations and are only partially co-financed through budget funds.

There are common governance problems regarding resolving gender problems, including:

1) As a rule, government representatives consider gender and youth problems as minor compared to other social and economic development issues and sometimes they even do not believe they exist or are far-fetched;

2) Institutional capacity of government bodies is low and employees have insufficient professional experience with gender issues;

3) Government bodies and non-governmental organizations do not play an active role in improving gender and youth policies. On the contrary, they promote the strengthening of stereotypes concerning the role of women and men in their activities;

4) Regional and local authorities fail to perform gender analyses of their social and economic development activities and do not consider the consequences of their administrative decisions, in particular how they affect employment prospects for both gender groups;

5) Over the last few years, a lot of women and youth organizations have become "satellites" of political parties, but at the same time, party organizations do not consider fair gender representation when determining government bodies; and

6) Training programs, in particular for unemployed people, rarely take into account students' educational level and professional skills.

Recommended measures to improve the situation regarding gender equality are as follows:

1) conduct gender analyses of policy documents to be implemented by regional authorities;

2) perform gender analyses of regional and local budgets and determine recommendations regarding gender-balanced budgeting;

3) integrate gender-balanced approaches into social standards;

4) implement various approaches to incorporating gender issues into regional government activity;

5) provide specialized gender specific training programs for non-governmental organizations' representatives and experts.

6) conduct gender/age consultations with stakeholders in regions; and

7) form regional groups of experts, trainers, and gender and youth issues advisors.

3.4. Trends in civil society development

There are all kinds of non-governmental organizations in both oblasts – Zakarpattya and Zaporizhzhia – allowed under existing Ukrainian legislation, namely community based organizations, charitable organizations and funds, creative associations, and children and youth organizations.

On January 1, 2006, about 500 non-governmental organizations were registered in Zakarpattya oblast (at the oblast, rayon and local level). At the same time, in Zaporizhzhia oblast, more than 500 NGOs were registered at the oblast level alone. The location of non-governmental organizations in Zakarpattya is considerably out-of-balance in geographic terms since more than 90% are registered in Uzhgorod city, about 5 % in Mukachevo city, and the other 5 % in the rest of Zakarpattya. In Zaporizhzhia, a substantive number of NGOs operate in such cities as Energodar, Berdyansk, and Tokmak, testifying to the concentration of NGOs in industrial centres.

The vast majority of Zakarpattya NGOs are registered as community-based organizations, but about two thirds of them are de jure authorities only, meaning they are not fully viable even from a financial point of view.

For Zakarpattya, it is typical that a large portion of NGOs are acting in such sectors as regional development, advocacy and lobbying, ethnic minorities, and culture and education. For Zaporizhzhia, the highest priority sectors are youth policy and advocacy and lobbying. A substantial number of surveyed NGOs are engaged in educational activities. There is a pronounced tendency in both oblasts towards increased numbers of organizations that consider advocacy and lobbying their primary field of activity.

Surveys of Zaporizhzhia and Zakarpattya NGO representatives demonstrate that community structures, as a whole, are capable of:

- 1) representing various strata of the population;
- 2) initiating proposals to resolve socially significant issues;
- 3) consolidating community lobbying and advocacy efforts;
- 4) providing social services to the population; and
- 5) participating in the elaboration of community (city/region) development strategies.

As it was demonstrated in a survey of Zakarpattya NGO representatives, these institutions intend to influence government activity through their participation in advisory committees and expert councils and by lobbying for draft decisions prepared by community leaders. Also, one priority issue is the formation of community coalitions whose representatives participate in roundtables organized by government bodies.

The following problems are apparent in the field of civil society development, in particular regarding its interaction with the government:

- 1) High level of skepticism on the part of the organized community concerning the possibility of influencing government activity; lack of knowledge and skills in the field of representing community interests and lobbying;
- 2) Lack of understandable, clearly institutionalized information channels and, as result, almost total lack of efficient tools to affect local and regional policy-making. NGOs usually use information received from "friends in the corridors of power" and share this information on planned government decisions and activities;
- 3) Existing institutions for interaction between government and the community (consulting and advisory bodies), for example community councils at oblast state administrations, are excessively formal in nature and have only minor effects on government activity. They are formed by oblast state administrations using criteria that are difficult to understand;
- 4) Non-governmental organizations try to promote their activity through the mass media and publicize their opinions about government actions, but such activity is advertising by nature and not efficient;
- 5) Over the last few years, support for non-governmental organizations' projects was provided through appropriate regional programs, but the procedure for disseminating information on the competition for these funds is imperfect, and process of selecting winners is non transparent; and
- 6) So-called "pocket" non-governmental organizations are sometimes created by government bodies with the primary purpose of obtaining funds from international donor organizations and using them to implement government action plans, merely creating the illusion of interaction with organized civil society.

Recommended steps regarding strengthening non-governmental organizations' institutional capacity, in particular concerning their interaction with government bodies, are as follows:

- 1) prepare printed reference-books and a web-portal dealing with the activity of community-based organizations in both regions;

2) improve channels and contents of information provided by government bodies through their websites, printed media, etc. Priority attention should be paid to draft decisions and programmatic documents.

3) stimulate, via educational and organizational facilitation, the establishment of non-governmental organizations in rural areas; and

4) implement training programs for NGOs and government representatives concerning the development of social partnerships, advocacy and lobbying, and community involvement in strategic planning.

3.5. Existing forms and mechanisms of participation by the community and other sectors in policy formulation at the regional level

Current situation

A. Over the last two years, appropriate regional programs were approved in Ukrainian regions to complement national legislation that defines the forms and procedures for citizen involvement in government activity.

Thus in Zakarpattia oblast, a regional program exists for ensuring community participation in state policy formulation and implementation as well as for public opinion investigation in 2006-2007¹⁵. Planned activities for this program (sociological research, ideas competition concerning new forms of citizen involvement, and executive decision making while taking into consideration public opinion) duplicate provisions in nationally approved legal acts and they are not detailed or region specific.

At the end of 2004, an oblast program was approved in Zaporizhzhia that aimed to support the development of scientific and educational activities of community based organizations and to provide favourable conditions for widespread community participation in state policy formulation and implementation in 2005-2006¹⁶. This program envisaged the involvement of specific circles of non-governmental organizations in performing public opinion surveys, in conducting educational activities with elements of citizen involvement, and in preparing training materials regarding community communications.

B. Over the last few years, oblast state administrations (OSAs) began to use institutionalized forms of citizen involvement, as defined in Ukrainian legislation, in their everyday activities. These forms included such institutes as Community Councils at the Head of oblast state administration level, expanded councils at the level of structural units, and other consulting and advisory bodies at the deputy head of state administration level. At the beginning of 2006, an expert group began to work in Zakarpattia under the initiative of an OSCE project.

C. Traditional forms are still used in both oblasts for disseminating information to citizens and for ascertaining the opinion of experts and representatives from various social groups, namely:

- Expanded councils of oblasts state administrations,
- Conferences,
- Press conferences,
- Telephone hotlines,
- Meetings with various population groups, entrepreneurs, and representatives of community-based organizations,
- Roundtables, seminars, and conferences, and
- Citizen receptions (including field reception) by oblast principals.

D. A characteristic of Zakarpattia oblast is that the activity of these consulting and advisory bodies and regional programs aimed to support the development of ethnic minorities, e.g. their national and cultural societies, schools, media, etc.

E. Programs to support small businesses in both oblasts as well as specific programs to provide assistance in certain areas where small and medium businesses is the priority player were created. It should be noted that these programs, unlike many other regional programs, are reasonable, are detailed in their scope of activities, and aimed to involve entrepreneur associations as immediate business service providers and as developmental institutes.

F. In 2005, the number of citizen addresses – the most accessible and understandable form of contact with the regional government for average oblast residents – substantially increased as compared to previous years.

G. Regional governments have great potential to use the Internet as a means of communicating with citizens. Zaporizhzhia and Zakarpattia oblast state administrations' websites allow users to send comments and wishes via e-mail as well as proposals concerning draft decrees to be brought for community discussion.

H. As demonstrated through the results of surveys of oblast state administration and council representatives, policy-makers and civil servants prefer to use more formalized forms of community involvement in governance, namely consulting and advisory bodies. In their opinion, it is necessary to submit for community consideration only those problems that infringe on its interests.

I. Over the last two years, both OSAs have implemented elements of public discussion of draft documents in their activity, in particular for guidelines on administrations' activity for the next year. Also they have conducted expert discussions of draft programs on oblast social and economic development and appropriate budgets.

Problematic issues regarding interaction between the government and the community

1) As shown through the results of surveys in the pilot oblasts, there are many negative stereotypes in the general perception of the primary societal sectors - government, community and business. Social capital is unfortunately too low to speak of favourable conditions for democratic governance.

2) There is also the problem of poor usage of legislative and legal possibilities concerning community involvement in policy making at the regional level and, as result, there are a number of impediments to efficient regional governance:

- what governments lack is a complex vision (strategy) of community and business involvement in regional policy formulation and implementation;
- regional governments are insufficiently informed of the nature and priorities of community based organizations and potential benefits of collaboration with the non-governmental sector;
- there is a deficit of information on government activity, plans, intended course, and results published in the mass media, on OSAs' websites, and disseminated;
- the public is not aware of their rights in relation to the government and does not possess the technological skills necessary to represent its interests; and
- What is conspicuously absent is effective mechanisms for community control of government activity.

3) There is also the problem of open access to statistical information and data on government activity, which are not in essence confidential. Public servants either do not have systematized data banks or treat with suspicion any attempts to find out about their interaction with the community and experts (i.e. regarding the composition of consulting/advisory bodies, results of sociological studies that were financed from the oblast budget, etc.).

4) Formalized mechanisms for community consultation are formal by their nature. This can be partially explained by the fact that issues, which have been submitted for consideration to advisory bodies, have already been agreed on at the OSA level and members of these bodies have no time to submit their proposals. The work of consulting/advisory bodies with a "community element " is usually only declarative since they are established, as a rule, only to adhere to legal documents adopted at the national level.

5) Criteria for selecting members of consulting/advisory bodies at oblast state administrations are not entirely transparent;

6) The practice of public discussions at the oblast level of drafts of significant legal acts concerning the economy, business development, and regional budgets is not widespread.

7) Such innovative governance mechanisms as social services provided by community organizations are rarely used.

8) Entrepreneurs do not have sufficient, efficient and transparent legal mechanisms to affect regional government decision-making processes and the selection criteria for members of consulting/advisory bodies are difficult to understand.

9) Some information considered necessary from a legal standpoint (the required 25 items) is not published on OSAs' websites. Posting this content is hampered by the absence of appropriate human and material resources and it is not possible to respond to citizen demands received via the website. Zakarpattya oblast council does not have its own website at all so its activity is discussed through its in-house newspaper only. At the beginning of 2006, Zakarpattya OSA approved a program to set up an electronic government system that aims to build a local network, a corporate e-mail system for rayon state administrations, and an informational and analytical centre.

10) Mass media does not act as communication forums for government representatives and various societal groups. Their function is reduced to disseminating information concerning already implemented measures of oblast councils and oblast administrations.

11) As a whole, the level of use of modern information technologies for governance is low in Zakarpattya and Zaporizhzhia oblasts. While they do have the essence of such concepts as "electronic democracy" and "electronic government," experts have tested the systems by submitting a series of inquiries via e-mail but the majority of them come back without an answer.

Recommendations to improve interactions between the government and other societal sectors in Zakarpattya and Zaporizhzhia oblasts:

For the national level government:

1) regulate legal forms of community consulting and of openness of government activity and implement mandatory norms regarding the publication and community discussion of draft local budgets, state and other public investments, and draft programs of oblast social and economic development and regarding community monitoring of implementation of the above-mentioned documents;

2) optimize the legislative and regulatory base that regulates the activity of non-profit organizations; and

3) develop a national information strategy concerning the implementation of national policy aimed to support regional/local development.

For the regional governments of Zakarpattia and Zaporizhzhia oblasts and the RGD Project:

A. Concerning raising the transparency level of government activity and fostering public dialogue:

1) study the experiences of consulting/advisory bodies in foreign countries, and advanced Ukrainian experience, in particular concerning the representation of various administrative and territorial units of the oblast as well as various societal strata;

2) establish a permanent working group as an advisory/ consulting body to make decisions when conflict arises between the government and entrepreneurial circles;

3) form citizen information bureaus in rayons (public receptions, consulting centres) and train their staff in modern methodologies of public communications;

4) study the possibility of conducting regional public hearings and implementing other forms of public dialogue between government and the community (community meetings, TV-debates, Internet discussions, etc.);

5) develop a public monitoring system to keep an eye on regional government activity;

6) implement the better elements of electronic government in the OSAs' activity by improving the process of informing the community regarding OSAs' activity through improved content on the OSAs' and oblast councils' websites and enhanced information distributed through other mass media and by establishing community information centres (electronic catalogue and archive of information on paper carriers), especially regarding the budgetary process;

7) establish permanent mechanisms to survey public opinion in various forms and publish the results of investigations in the printed media as well as on the OSAs' websites; and

8) develop and implement regional medium-term programs regarding multi-sector cooperation and study the experience of Dnipropetrovsk oblast, where a similar program was approved in December 2005.

B. Regarding administrative staff professional development:

1) implement intensive training programs for civil servants, representatives of development institutions and businesses and develop instructional and methodological materials on the following matters: communications, PR, modern methods of local policy formulation, instruments for regional development facilitation, strategic management and strategic planning, and application of a target program approach to budgeting and other regional development issues;

2) implement educational activities to disseminate advanced experience of local communities concerning community participation and democratic governance in general; and

3) analyze and disseminate in various forms the best experiences of regional government on such matters as strategic planning, community participation in policy formulation, creation of favorable business environment, etc.

C. Regarding support of non-governmental organizations initiatives:

1) establish a data bank on community organizations acting in the oblast and publish appropriate information on oblast state administrations' websites and build a web-portal for non-governmental organizations operating in all rayons;

2) analyze organizational, administrative and financial capacity to implement annual competitions for social projects of non-profit organizations; and

3) implement training programs for NGO leaders on public lobbying, interests representation, and problem solving regarding local development.

3.6. Status of elaboration of development strategies and programmatic documents with a regional scope plus community participation in the strategic planning process

Current situation:

1) Both oblasts have some experience with the elaboration of regional development strategies.

Twelve years ago (in 1994), a first attempt to elaborate a strategy or "business plan" for the development of Zaporizhzhia oblast occurred. This plan, entitled "Strategy of economic development in Zaporizhzhia oblast," was

elaborated by the consulting firm "Coopers & Lybrand" within the framework of a TACIS program. In 2004, the elaboration of a draft Strategy of economic and social development in Zaporizhzhia oblast for the period until 2015 was initiated. This strategy was a necessary document for regional planning by all Ukrainian oblasts, but this process has not finished yet.

Zakarpattia oblast was the first in Ukraine to complete a Concept of oblast sustainable development (approved by the Zakarpattia oblast council on October 16, 2002).¹⁷ The Concept defined a long-term (20-30 years) perspective for environmental, economic and social development of the territory. The Concept is now defined as a long-term forecasting document for the environmental, economic and social development of the administrative territory. The priorities defined in the Concept were intended to be taken into account when designing the following programmatic documents:

- Strategic programs of oblast economic and social development;
- Programs on oblast economic and social development elaborated when newly elected local governments come to power; and
- Annual programs of oblast economic and social development.

At the end of 2002, the oblast council and state administration knew it was necessary to elaborate a medium-term program for oblast social and economic development (until 2006) based on the priorities mentioned in this Concept. But for a number of reasons, this document was not developed.

The process of developing a regional development strategy for Zakarpattia until 2015 was not initiated until 2004. At that time, the scientific and methodical provisions for this process were approved by the oblast council but real activity only began in the spring of 2006.

2) Expert circles and representatives of various social groups are involved in the process of elaborating regional strategies.

Representatives of local government bodies, community-based organizations, and principals of oblast enterprises took part in the elaboration of Zaporizhzhia's regional strategy at various stages. Zaporizhzhia state university was designated as the strategy main developer based on a competitive process.

The draft Concept of the Strategy – formulation of the strategy's mission and strategic and operational goals and objectives for oblast development – was published for public discussion in the printed mass media. The text of the Strategy was discussed at meetings of public and community organizations (for example, Zaporizhzhia Cossacks), workers of large industrial enterprises, and scientists.

Expert circles through a methodic and coordination council and working group worked side by side with public servants on the elaboration of the Concept of Zakarpattia's sustainable development. The draft document was published in the mass media for public discussion.

This expert approach was also applied to the elaboration of Zakarpattia's oblast development strategy until 2015. Working groups consisting of civil servants and scientists were established. The process of involving stakeholders in elaborating documents began in 2006 within the framework of the Regional Governance and Development Project.

Zakarpattia OSA also tried to hold public discussions of priority areas for regional government activity for 2006. But in practice this activity had a small value, if any, because the proposed priorities were already included in the Program of social and economic development for 2006.

3) There are precedents for and experience in strategic planning for the purpose of community and territory development in both pilot oblasts.

For example, there are development strategies in Berdyansk and Tokmak communities in Zaporizhzhia oblast.

An initiative to start a strategic planning process at the community level in Zakarpattia oblast is planned, according to the Development Program for 2006, because no community has a medium-term development strategy yet. Although the city of Uzhgorod does have a Concept of sustainable development.

Additionally, representatives of Zakarpattia oblast participated in projects supported by the TACIS cross border cooperation (CBC) program to elaborate two CBC documents: 1) Development strategy for transboundary cooperation in the Carpathian region "Carpathians - 2003-2011" and 2) Concept of common development of near-frontier territories of Ukraine and Hungary (the latter document was approved by the Zakarpattia oblast council).

4) According to national legislation, both oblasts have a broad list of regional and national programs to implement on their territory.

Zaporizhzhia oblast is responsible for implementing 51 national and regional programs, 13 of which aim to ensure future economic growth. In Zakarpattia, there are 8 national and 72 regional programs in 2006.

Problematic issues regarding strategic planning with community participation:

1) There is the problem of regional government institutional capacity to apply new technologies for territory development programming and planning in particular:

- a lack of practical skills on such matters as strategic planning for community and territory development;
- an absence of thoroughly developed approaches and technologies to ensure the involvement of non-governmental organizations, representatives from the entrepreneur sector, and target population groups in the process of development strategic planning;
- an absence of territorial institutional capacity that could be used in the process of development planning; and
- a lack of experience and efficient approaches to ensure the mobilization of funds from entrepreneurs, international donors, and foreign investors to implement the strategies as well as territorial operational development programs.

2) Non-governmental organizations and businesses are not active players at the regional level regarding the initiation of modern approaches to regional development programming, which can be explained by:

- an absence of regional level coalitions that could promote the idea of the necessity of formulating regional development strategies;
- divisions among the community sector and weak communication between the NGO sector and businesses in influencing government activity;
- poor knowledge of the legislative and regulatory base that enables the community to be involved in territorial development planning process;
- a lack of theoretical knowledge and practical skills to use modern methodologies for programming and planning in particular for spatial development; and
- a lack of developed tools to apply positive experiences in strategic planning at the local and oblast level.

3) Even public servants within the Zaporizhzhia OSA admit that the process of involving the community, entrepreneurs and other stakeholders is formal, following the “fashion” of participatory strategic planning only. Indeed, representatives of the regional government believe that a strategy should be the product of administrative planning and, partially, of scientific expertise. In their opinion, the process of community communication only complicates this work.

4) Stakeholder participation in community and regional development strategic planning can be active and productive only if this work is performed within the framework of international projects, where such programming elements are mandatory.

5) Various sector representatives propose forms of involvement in elaborating programmatic documents in somewhat different ways. Community organizations put an emphasis on mechanisms that would enable the involvement of all who wish to participate in programmatic activities. Entrepreneurs point out the importance of personal contacts with civil servants while documents are being developed. The managers of development organizations, depending on the situation, point out the need to use various communication channels. At the same time, civil servants prefer institutionalized forms such as working groups, public councils, and consulting / advisory bodies in general.

Recommendations regarding methods of meeting the needs in Zakarpattia and Zaporizhzhia oblast to improve the strategic planning process with community participation:

National level:

- 1) conduct administrative and territorial reform, decentralize governance system in Ukraine in general, and separate powers of local executive bodies and local self-government bodies at the oblast and rayon level;
- 2) elaborate a monitoring and evaluation system for the implementation of regional development strategies and study the possibility of implementing an indicator system for the region as proposed by Zaporizhzhia scientists;
- 3) make mandatory legal norms regarding public participation in the strategic planning process for community and regional development and public monitoring and evaluation of their implementation; and
- 4) organize together with the Ukrainian Ministry of Economy training programs for experts / instructors in the sphere of strategic planning and regional development.

Regional level:

- 1) disseminate to the regions modern methodologies of regional planning and programming, such as a participatory approach, transparent mechanisms for the community, experts, and business to be involved in elaborating regional programs, and implement key elements of monitoring and evaluation systems, especially community monitoring of programming documents;

- 2) finalize, with community participation and through the use of other modern strategic planning methodologies, the elaboration of medium-term strategies for regional social and economic development;
- 3) elaborate a quantitative system for estimating the level of regional social capital and implement technologies to monitor it; and
- 4) initiate the elaboration of community charters for various levels of communities up to the regional level and organize appropriate training for civil servants and community leaders in this field.

Notes:

¹ Law of Ukraine " On local government in Ukraine" of May 21, 1997 № 280/97 - VR (as amended and supplemented).

² Law of Ukraine "On local state administrations" of April 9, 1999 № 586-XIV (as amended and supplemented by Law of Ukraine of May 17, 2001 № 2419- III).

³ Law of Ukraine "On local state administrations" of April 9, 1999 № 586-XIV (as amended and supplemented by Law of Ukraine of May 17, 2001 № 2419- III).

⁴ Law of Ukraine " On local government in Ukraine" of May 21, 1997 № 280/97 - VR (as amended and supplemented).

⁵ Law of Ukraine "On citizens' addresses" (as amended and supplemented by Laws of Ukraine of May 13, 1999 № 653-XIV, and of November 20, 2003 № 1294-IV, as well as of January 20, 2005 № 2384-IV).

⁶ Decree of the President of Ukraine of July 31, 2004 №854/2004 "On ensuring of conditions for more widespread community participation in state policy formulation and implementation".

⁷ Cabinet of Ministers of Ukraine Decree of October 15, 2004 №1378 " Some matters concerning ensuring of community participation in state policy formulation and implementation" (as amended and supplemented by the Cabinet of Ministers of Ukraine Decree of May 18, 2005 № 356).

⁸ Cabinet of Ministers of Ukraine Decree N3 " On the order of publication through Internet information regarding activity of executive bodies" on January 4, 2002; Cabinet of Ministers of Ukraine Ordinance of October 18, 2004 № 759-p " On the work of central and local executive bodies concerning ensuring an openness in their activity, public relations and interaction with mass media".

⁹ Decree of the President of Ukraine of September 15, 2005 №1276/2005 "On ensuring of community participation in state policy formulation and implementation".

¹⁰ Law of Ukraine "On local state administrations" of April 9, 1999 № 586-XIV (as amended and supplemented by Law of Ukraine of May 17, 2001 № 2419- III); Law of Ukraine " On local government in Ukraine" of May 21, 1997 № 280/97 - VR (as amended and supplemented).

¹¹ Law of Ukraine "On state forecasting and elaboration of programs for economic and social development of Ukraine" on March 23, 2000 №1602-III.

¹² Decree of the President of Ukraine "On the concept of state regional policy" of May 25, 2001 № 41/2001

¹³ Order of the Ministry of economy and on European integration of July 29, 2002 № 224 " On affirmation of Methodical recommendations concerning regional development strategies formulation"

¹⁴ Law of Ukraine "On stimulation of regional development" (as amended and supplemented by Law of Ukraine of December 20, 2005 № 3235-IV).

¹⁵ Ordinance of Head of Zakarpattya OSA of January 10, 2006 № 3 "On Regional program to ensure community participation in state policy formulation and implementation and to study public opinion for the years of 2006-2007".

¹⁶ Decision of Zaporizhzhya oblast council of December 29, 2004 № 19 "On oblast program to support development of scientific - educational activity of public organizations and to ensure conditions for more broad community participation in state policy formulation and implementation for the years of 2005-2006"

¹⁷ Decision of Zakarpattya oblast council of October 16, 2002 № 71 "On the concept of sustainable development of Zakarpattya"