

COMMUNITY-BASED APPROACH TO LOCAL DEVELOPMENT IN UKRAINE

Assessment of Phase III (2014-17)

Funded by the European Union, Implemented by UNDP

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The Assessment Report is the work of the consultants alone and they bear full responsibility for any errors it might contain. The views expressed are those of the consultants and do not necessarily reflect the views of UNDP Ukraine or of the CBA project staff. While the report includes methodological elements as they pertain to evaluations, it is a comprehensive assessment of project results, not an evaluation in the formal sense. It identifies the best practices and evaluates them within a contextual analysis of challenges and opportunities emanating from the ongoing decentralisation reforms in Ukraine. The assessment is also to be seen as complementary to other ongoing assessments and evaluations commissioned by the EU and other donors, as well as the efforts to consolidate all projects supporting decentralisation reforms under a single Common Results Framework, led and commissioned by SDC.

TABLE OF CONTENTS

Executive summary	4
Introduction	4
1. Assessment purpose and scope	13
1.1. Project hypothesis	13
1.2. Moving beyond the current project outputs	17
1.3. Assessment methodology	18
1.4. Limitations	19
2. Country Context	20
2.1. Social, political, and economic factors	20
2.2. Introduction to the institutional and decentralisation context	22
3. Project profile	28
3.1. Project description	28
3.2. Context provided by complementary and parallel project activities	31
4. Assessment findings	33
4.1 At the national level	33
4.2 Local level	36
4.3. Coordination and synergies with other decentralisation projects	46
4.4 Management and M&E	47
4.5 Relevance for the future	48
4.6 Conclusions	49
5. Recommendations	52
5.1 Short-term: consolidation of gain, ensuring sustainability of local development, coordination with U-LEAD and projects supporting decentralisation	52
5.2 Mid- to Long-Term: Re-modeling of CBA into a new project to support decentralisation and sustainable, inclusive local development	54
6. Annexes	57
Annex 1: Terms of Reference	57
Annex 2: Meetings held	68
Annex 3: Selected documents consulted	71
Annex 4: Notes for a new narrative for social mobilization within territorial decentralisation and sustainable local development in Ukraine	73

Acronyms

ACMB	Associations of Co-owners of Multi-apartment Buildings (“OSBB”)
ASC	Agricultural Service Cooperative
ATC	Amalgamated Territorial Community (“Hromada”)
CBA	Community-Based Approach
CO	Community Organization
CoE	Council of Europe
CRF	Common Results Framework
CRO	Central Reform Office
CSO	Civil Society Organization
DANIDA	Danish International Development Agency
DESPRO	Decentralisation Support to Ukraine Project (SDC)
DOBRE	Decentralisation Offering Better Results and Efficiency (USAID)
DP	Development Partner
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GoU	Government of Ukraine
IDP	Internally displaced person
LDF	Local Development Forum
LED	Local Economic Development
M&E	Monitoring and evaluation
MinRegion	Ministry of Regional Development, Construction, Housing and Communal Services
NABU	National Anticorruption Bureau of Ukraine
PFM	Public Financial Management
RC	Regional Centre of the Local Government Development Centre
RDF	Regional Development Fund
SDG	Sustainable Development Goal
SDC	Swiss Development Cooperation
SIDA	Swedish International Development Cooperation Agency
SME	Small and Medium-sized Enterprise
SURDP	Support to Ukraine’s Regional Development Policy (EU)
TALD	Territorial approach to local development

U-LEAD	Ukraine Local Empowerment, Accountability, Decentralisation and Development Programme (EU, Sweden, Germany, Denmark, Poland)
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

Introduction

The project “Community-Based Approach to Local Development” (CBA) has been operating in Ukraine since 2008. It is funded by the European Union and co-funded and implemented by UNDP. It is now approaching the completion of its third phase. The comprehensive assessment of the project results looks at CBA’s performance, lessons learnt and best practices as a vehicle for the delivery of both local development and capacity building in governance and recommends ways in which (i) it can be adjusted to play an even more important part in Ukraine’s on-going decentralisation and local governance reforms, and (ii) how a future project can play a necessary and significant part in achieving the ultimate goal of the broader decentralisation reform process: sustainable and inclusive local development in all regions of Ukraine.

Project hypothesis

CBA was initially conceived as a way of helping local communities take charge of aspects of their own socio-economic development. In this it has been successful and the first two phases (2008-14) stimulated and supported 2.648 local development initiatives through its capacity-building methodology and small capital grants at a total cost of less than € 12.000 per project. The development initiatives were concentrated on types of investment that were priorities for the country as a whole (e.g. energy-saving, facilities for the provision of health and education services, and waste management) and contributed to tangible improvements of people’s lives.

After 2014 the political context in which CBA is placed has changed dramatically. The Ukrainian government set out to overhaul the existing power balance between the centre and the periphery and to introduce fundamental changes to the country’s fiscal and administrative systems to change the relationship between the state and the people. One consequence of these changes is to place a greater emphasis on local development that is led from the bottom up. The methodology by which the CBA project develops the capacities of citizens and their respective local government institutions to initiate, develop and administer investment initiatives and the role of citizens as agents contributing to the work of hromadas¹, cities, rayons and oblasts. While the context has changed, the theory of change underlying CBA remains the same: namely that civic organizations have a key role to play in local development and in modernizing Ukraine’s society from the bottom up, and in ensuring that social progress and economic growth reaches even the most marginalized.

Today CBA has a proven record in this task of capacity building and of facilitating the agency of citizens and their communities to shape their own futures, and in making them active partners of local government. Although several other similar projects exist in different parts of Ukraine, none matches CBA in scale and therefore

¹ Hromada is used to denote communities that include village administrations and the new amalgamated territorial communities that village administrations are being encouraged to form.

the level of impact on changing patterns of behaviour and relationships at the local level across the country.

Country context

From the outset, CBA has operated against an unhelpful economic background. Annual zero or negative growth was recorded from 2012 to 2015, with the economy shrinking overall by 45 per cent. Fifty-eight per cent of the population now live below the UN-defined poverty line. Poverty is particularly prevalent in rural areas, where it is twice as common as in urban areas. There is also wide variation in average incomes across the oblasts.

Decentralisation, local self-governance and regional policy reforms feature among the government's top priorities since 2014, when the "Maidan Revolution" ousted a discredited and corrupt government and introduced a new era of governance reforms. Part of the key reforms undertaken by the Government of Ukraine's is to overhaul the country's territorial administration, encouraging the smallest administrative units (Village Councils and small towns) to amalgamate, and increasing the allocation of government finance to the new units this created ("Amalgamated Territorial Communities" or "Hromadas") and thereby increasing their financial capacity to provide improved public services to citizens. The aim is to reduce the number of local administrative units from 15,000 to some 1,200 amalgamated territorial communities covering the entire country. To date, some 3,000 have voluntarily amalgamated into 366 ATCs, with just over 3 million people living in these new units.² More than 40 million Ukrainians still live in villages, towns and cities under the old administrative units.

Alongside administrative-territorial amalgamation, fiscal decentralisation constitutes one of the most pertinent issues of the broad reform agenda. Central control of fiscal responsibilities leaves local government heavily dependent on inter-governmental transfers from the central government. Here, the size of grants is prone to political influence. With the reform, oblast councils decide the distribution of finance from the Regional Development Fund (RDF) to local authorities, where again political and personal interests can play a role. Fair, balanced and predictable allocations, based on objective criteria, as well as instruments that promote accountability, not least of local government to citizens, will be necessary if fiscal decentralisation is to be a success and if it is to contribute to the goal of achieving sustainable development in cities and communities across Ukraine.

Ultimately, the decentralisation process, whether fiscal or territorial-administrative, is a means to generate local development as a building block to national development, efficient local service delivery, and improve the relations between citizens and state institutions. Done effectively, it promotes stronger citizenship and thereby a stronger state, economically and politically. Done ineffectively, the impact

² As of February 2017, 366 ATCs had been established, additional ATCs are in the process of being formally recognized.

can be detrimental to development and increase the political instability already present in the country.

Project Profile

The current phase of CBA (CBA III, 2014-17) has a budget of €23.8 million (€23m EU, €0.8m UNDP). Building on the achievements, methodologies and networks of the earlier two phases, it aims to strengthen participatory governance throughout Ukraine through community-based initiatives. It accomplishes this by providing incentives and a methodology to local communities to promote sustainable socio-economic development at the local level, concentrating support to disadvantaged segments of society and on thematic areas that are national reform priorities such as energy efficiency, health, and environment and water management. Complementary to its focus on rural areas, which had been the emphasis in the previous phases, CBA III launched a new component to strengthen urban local governance. Currently, it operates in all 24 oblasts (regions) in Ukraine and in 201 rayons (districts), 800 rural communities as well as 25 cities.

Under Phase III, the project has supported 819 local community organizations (COs) implementing 70 rural economic cooperatives, 47 drinking water schemes, 54 health care centres, 199 energy efficiency schemes, 411 urban dwelling schemes, and 489 energy saving projects, and benefiting an estimated 3.73 million people.

Cumulatively CBA I, II and III have been responsible for more than 3,900 local development initiatives that include 1,810 school/kindergarten renovations, 708 health posts, 157 water supply schemes, 18 environment projects, 64 agricultural service cooperatives, and 1,044 energy-saving projects. It is estimated that some 5.6 million people across more than 2,830 local administrative units (i.e. almost 20 percent of the total number) have benefitted from CBA support since 2008.

Summary of main findings

- Political changes since the Maidan revolution that have led to stronger calls for accountable and responsive governance at all levels have increased the relevance of the work of CBA for both local governance and for the Government of Ukraine's decentralisation reform, post-2014. However, CBA has not been able to secure strategic recognition at the national level for its role and contributions to date and this remains a challenge for CBA and also for the broader reform process in the longer term. The lack of recognition is despite the fact that CBA III is seen by many government officials and representatives from development partners as offering a 'model approach' for community mobilization and sustainable development at the local level.
- The political context for decentralisation reforms is also fragile. The window of opportunity for devolved local governance opened by the Maidan revolution appears to be closing as the present government faces both internal and external challenges. In particular, retaining the population's current support for decentralisation will be difficult as it has yet to experience the promised benefits. In this connection, the Government of Ukraine's aim to create 1,200 ATCs/hromadas through voluntary amalgamations appears increasingly ambitious. Therefore, the present and potential contribution of the CBA project

to supporting these changes should not be underestimated.

- The project uses a grant modality to help build the local organizations and institutional partnerships through which local community members can begin the transition from passive recipient to active citizenship in relation to local government. At the outset, this was necessary due to the virtual absence of national public (government) funds for local government bodies. Now that a more significant level of government funding is beginning to become available, a managed transition from aid-funded grant to government-funded grant is required as territorial amalgamations proceed and capital investment projects to improve socio-economic conditions locally are made the responsibility of the restructured local governments. Meanwhile, non-amalgamated hromadas will continue to need support to promote the organization of their citizens' interests, the securing of benefits and, in the short- to medium-term, their consolidation into ATCs.
- The Regional Development Funds (RDF) are one of the best potential sources of grant funding for future projects in the ATCs and an alternative to the aid-funded grants for micro-projects in the longer term. In addition, the CBA-supported COs provide a set of institutions capable of 'drawing down' and utilizing other types of aid-funded grants including funds available for energy saving, rural development, post-conflict recovery, local infrastructure, and similar. To date, of the 819 COs that have already implemented CBA III micro-projects, 400 have subsequently used the CBA methodology to secure and implement micro-projects with an estimated \$2.8m of financial support secured from other (non-CBA) funds. This pump-priming function of the CBA grants indicates a strong institutional and financial sustainability for the approach.
- The CBA project has initiated three forms of local community organization (CO), each addressing a particular set of needs: (i) COs that focus on a community's public services, examples being the renovation of schools, public spaces, health facilities; (ii) COs that focus on private assets, but where the owners have strong collective interests, for example the apartment buildings that carry common individual problems as well as collective needs; and (iii) COs that focus on the productive use of private assets, but where there is a strong common set of needs best met through collective action in key activities e.g. the agricultural service cooperatives. The social mobilization of local communities around all three types of needs has had a dramatic impact for individuals and local communities from a normative perspective in terms of the 'ways of doing things'. This is facilitating their transition from being passive recipients of centrally planned service and resource provision to the proactive identification and pursuit of their needs and interests, i.e. active citizenship.
- The catalytic role of the CBA project is seen in the strong correlation found between communities that have partnered with CBA and the voluntary decision of Village and City Councils to form ATCs. Twenty-two per cent (195) of the villages and settlements that have amalgamated voluntarily are CBA communities. Fifty-two percent (95) of new ATCs include at least one CBA community organisation. This indicates that an additional benefit of continuing

the CBA methodology in non-amalgamated hromadas will be role in promoting moves towards an eventual amalgamation.

- COs established with support of CBA have clear procedures addressing core accountability issues ranging from decision-making and information sharing through to managing accounts and presenting them for audit. The potential of CBA to stimulate demands for accountability in local governance is evident from the fact that members of CBA micro-projects frequently attend rayon and city council budget meetings to follow deliberations and press their interests. The CBA-supported COs have thus clearly demonstrated a capacity to provide civic oversight of government budgeting and spending and generally to extend accountability demands to local government.
- CBA is well integrated into the oblast administrations with offices within the same premises and the nominated government focal points are frequently heads or deputy-heads of department within the administrations, indicating the priority given to CBA. In around 200 rayon administration offices, CBA maintains “Local Development Resource Centres” which can be used as hubs for information management, organizational liaison and capacity development. These are essential for the project’s visibility, not least to local government, and relevant for the contribution made to its impact and effectiveness by strengthening knowledge and awareness of the project’s approach, methodology, results, and impact amongst key stakeholders. For their part, the CBA staff in oblast and rayon administrations are found to be very professional in their work and constitute a high value resource for decentralisation and local development.
- Overall, CBA is found to be fully in line with the EU guidance on ‘Supporting decentralisation, local governance and local development through a territorial approach’, which aims to re-establish the link between decentralisation and development and to combine the bottom-up territorial approach to development with the elaboration of supportive national decentralisation policies and institutional changes.³ The document identifies local communities as drivers of decentralisation reforms and emphasizes their ability to fight inequality through aiding inclusive local economic growth and improving access to public services and local investments. The EU’s global experience is also seen to demonstrate the importance of fostering relationships between civil society and local authorities and the need to ensure that civil society organisations invest in local governance and in building legitimate and capable local governments as a part of this broader process.

In conclusion, the assessment finds that a bottom-up approach to decentralisation and territorial development as embodied in the work and contribution of the CBA project remains of critical and central importance in Ukraine. It brings several important benefits: it improves governance by engaging citizens and their local

³ “Supporting decentralisation, local governance and local development through a territorial approach”: Reference Document No 23. Directorate-General for International Cooperation and Development, European Commission, December 2016.

governments, increasing involvement and accountability; its methodology develops the capacity for governance in hromadas, rayons, and oblasts; it helps to prepare hromadas for amalgamation; it encourages citizens by providing them with visible and tangible results from their active citizenship; and through its investment focus on national priorities, it contributes to sustainable national development.

CBA's significant strategic value to the promotion of active citizenship is not always fully understood by national level stakeholders, however. Building the agency of citizens into the identification, planning, implementation, monitoring and reporting processes of local development investments is an essential component for the devolved approach to local government and sustainable and inclusive local development as a part of national policy. This could aid the general efficiency of the work of the GoU and of its local government institutions, and increase effectiveness of their resources and funds. Not least, it would increase accountability for their actions and, directly and indirectly, promote local development through improved public service provision and an increase in private sector engagement.

Summary of main recommendations

Based on the comprehensive assessment, the following recommendations are addressed to UNDP Ukraine and to the European Union, and indirectly to the GoU and to other donors and development partners supporting decentralisation reforms and sustainable local development in Ukraine:

Short-term

In the final months of the current Phase III, the CBA project should:

- Maximize the relevance of its contribution to the decentralisation reform, drawing on its presence in all oblasts, hundreds of rayons and thousands of communities, and working with the EU and U-LEAD to ensure that the tangible changes to people's lives at the community level be maximized, further built upon, and made widely visible. In this connection, priorities during the remaining phase III should include much closer linkages to the emerging CRO, and much closer collaboration with U-LEAD, including at the field level, for example through the RCs.
- Seek to inform and secure a presence in national policy-making and coordination on decentralisation and local development, and engage with other stakeholders active in the broader portfolio of interventions. CBA should play a lead role in integrating the SDGs into the Common Results Framework for Decentralisation and Local Development. Such a presence will also require greater and closer collaboration with the CRO, U-LEAD (SIDA and GIZ), U-LEAD's regional centres, and other donor-funded decentralisation projects. In this way CBA should be an integral part of the collaborative effort to support the Government of Ukraine and MinRegion.
- Intensify efforts to bring the voice of the local communities and of the citizens into the national policy discourse, into national media and to the attention of the broader public with a stronger narrative based around local democracy, sustainable economic development, empowerment, equality and citizenship.

Medium- to Long-Term

In the longer term, after the completion of Phase III of CBA, UNDP and its co-development partners should work to secure the following:

- The existing structures, networks, and implementation mechanisms of the CBA project be reorganized into a new project managed and implemented by UNDP, but embedded within the overall umbrella of U-LEAD as the EU's overarching support to decentralisation and local development;
- U-LEAD is designed to emphasize "local empowerment, accountability and development" and CBA already makes a substantial and tangible contribution in this direction. Linking up more closely with U-LEAD's other components focusing on policy development, capacity building and administrative services therefore seems only natural and a logical continuation of what CBA has managed to build up over the past decade across Ukraine.
- The emphasis for the new project should be placed on capacity building for citizen-local government engagement, complementing interventions that U-LEAD, DOBRE and other projects are already undertaking. An important focus would be on the empowerment of marginalized communities, particularly but not exclusively in disadvantaged and depressed areas, and on sections in society that might otherwise be left behind in the decentralisation and local development reform process. In this connection, close collaboration with UN Women should be intensified to empower women at the local community level.
- With their extensive and effective social networks in local authorities, based on relations of trust and continuity, the current CBA project staff should be retained to the fullest extent possible, as a part of the new project. In addition, strong linkages to other UNDP programme activities at the field level should be pursued with close cooperation at local level. For example, CBA III and thereafter the new project should be fully integrated into the recovery activities in UNDP's current activities in the conflict-affected areas of Donetsk and Luhansk.
- The grants in the new ATCs should be gradually reduced as new revenues and funding mechanisms for local infrastructure and social projects come on line for these Hromadas. In the case of ATCs that initially lack technical capacity and resources, and in the non-amalgamated communities, the grant modality should be continued at current levels until amalgamation occurs. In this connection, targeting on the basis of demonstrable socio-economic need should be strengthened.
- The new project should develop and implement specific elements in the non-amalgamated communities designed to raise their awareness of the gains to be made from mobilizing and collectively organizing around their interests. Again, the new project should ensure that the more vulnerable of these communities are not 'left behind' and indirectly neglected.

Additional recommendations relate to the particular targeting of poor, remote or otherwise disadvantaged areas:

- The new programme should be designed to increase downward accountability and strengthen the effectiveness and efficiency of ATCs through the use of performance monitoring in grant allocations and assessments. Performance-based grant systems have been adopted already in a considerable number of countries with UN support. Unlike grants where funds are distributed to local governments simply to give them the means to execute specific functional mandates, performance-based grants incentivize improvements in performance by linking the local governments' performance in pre-determined areas with the access to and the size of funding.⁴
- The need to ensure that social inclusion is prioritized in each local government's development strategy as well as its implementation. Here, adopting the SDGs as a results framework and including communities in the monitoring and evaluation of regional and local development strategies can play a useful role.
- The need to explore possible roles for local government associations and civil society in the context of inclusive and sustainable local development more generally.

Overall, the relevance of CBA and its methodology (and a future sustainable local development project developed in its basis) to the implementation of the Sustainable Development Goals⁵ in Ukraine should be fully embraced. Localising the SDGs by focusing on territories and empowering local authorities to deliver them may be one of the most effective ways to improve the national system to deliver SDG-based policies. Notably, CBA and the new programme should align around Goal 16 ("Peace and Justice") with its aim of developing effective, accountable and transparent institutions at all levels as well as ensuring responsive, inclusive, participatory and representative decision-making at all levels. Also, Goals 10 ("Reducing Inequalities") and Goal 11 ("Sustainable Cities and Communities") are highly relevant with their targets of empowering and promoting the social, economic and political inclusion of all and ensuring access for all to adequate, safe and affordable housing and basic services. Also relevant are Goal 8 ("Good Jobs and Economic Growth"), Goals 3 ("Good Health"), 4 ("Good Education"), 5 ("Gender Equality"), 6 ("Clean Water and Sanitation") and 7("Clean Energy").

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⁴ See UNCDF (2010) Performance-Based Grant Systems: Concept and International Experience, New York, June.

⁵ <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

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The project staff in the oblasts Kyiv, Cherkasy, Vinnitsya, and Ternopil and the communities visited put in tremendous work to ensure the field visits could be successfully completed. Last, but not least, the members⁶ of the local community organisations visited provided insights into their work, activities and lives invaluable to the assessment and provided wonderful hospitality during the visits.

⁶ And the neighbours to members and persons from neighbouring villages in several meetings.

1. ASSESSMENT PURPOSE AND SCOPE

This assessment of the EU-funded and UNDP co-funded and implemented Community Based Approach Project, Phase III, in Ukraine, aims to explore the relevance, efficacy and results achieved by the project. It seeks to draw out lessons that can be used for designing a future intervention in the current context of government proposals to strengthen the decentralisation of government in Ukraine.

To that end the assessment exercise focuses on the activities and outcomes in CBA III that serve to not just improve infrastructure, energy efficiency or local material needs, but rather those that strengthen the local communities' engagement with local government and thereby their own local development and, importantly, the activities' contributions to local governance generally. CBA phases I and II are examined in order to comprehend the institutional and financial sustainability of the local community organisations and their activities over time. This diachronic perspective allows the assessment to understand better, how the CBA project's engagement with local government and other stakeholders enables local development and potentially strengthens citizen-local government relations over time.

Drawing on the available empirical evidence, both from the CBA project itself and from qualitative interviewing and observation at both national-political and field-site levels, the consultants seek to identify and document best practices from the CBA project, notably those that contribute to its relevance, effectiveness, efficiency, visibility and sustainability.

Finally, the consultants draw upon their assessment to consider possibilities for ensuring the sustainability of the project's contribution to local development in contemporary Ukraine. The perspective is framed within the Government of Ukraine's national strategy for decentralisation⁷ and local development and the interventions of a number of development partners in support of this strategy.

Thus, this assessment incorporates a holistic approach in the evaluation of the CBA project's progress towards achieving its outputs amidst the greater decentralisation reform in Ukraine. The assessment applied a wider perspective to consider the contribution of the project to the broader local governance outcomes that today shape the work of the Government of Ukraine and its development partners. As far as the CBA project was originally designed to facilitate and support local development, this remains a focus of the assessment, albeit within the contemporary framework for strengthening local government, and thereby the economic welfare of the Ukrainian people.

1.1. Project hypothesis

From the outset it is important to understand CBA's hypothesis and results logic (nowadays often referred to as the 'theory of change'). At its start, the CBA project began with a focus on building a new approach to engage individuals and their

⁷ <http://decentralisation.gov.ua/>

communities in determining certain key aspects of their own development. With a population that was accustomed to central state planning and centrally managed implementation, albeit with some actions delegated to local administrative units, the introduction of an element of self-governance was a radical break with decades of experience. The partnering of local communities' initiatives with local government required profound adjustments for the communities and their local government officials in Ukraine during the project's early period of implementation, moving from what was largely a disconnect between the two, to increasingly building trust and mutual accountability. As such, the CBA project was 'pioneering' in Ukraine with its approach and impressive in the results it achieved.

Since inception through to Phase III the original project methodology of socially mobilising local communities into institutions to promote their interests has remained as relevant as ever. It draws upon the fact that the poor economic condition of most community members leads to specific needs held in common, which CBA can build upon. For example, renovating a school, a health facility, investing in energy saving investments in housing, in drinking water provision and sanitation, and most recently in agricultural service cooperatives.

Table 1. CBA project investments under Phases I and II

Period	Focus for investments	Details of investments
2008-14 (Phase I, 2008-11; Phase II, 2011-14)	<ul style="list-style-type: none"> • Health services • Access to clean water • Waste management • Learning environment • Public safety • Energy saving 	<ul style="list-style-type: none"> • 599 health posts • 110 water supply projects • 17 environment projects • 1,323 schools & kindergartens renovated • 556 energy-saving street lighting projects • 16 agricultural service cooperatives • 27 other projects

Note: An estimated 2.6 million persons in 2,000+ villages/communities were assisted through CBA I and II with 2,600+ local development initiatives. By December 2012 CBA had developed partnerships with 25 regional authorities and the autonomous government of Crimea, 309 rayons, 1797 village and city councils, and 1834 community organisations from 1830 communities.

Source: CBA project Annual Progress Reports

The successful results indicate that the project hypothesis, namely that individuals and their communities could be empowered by taking on greater agency in the identification of their needs and assuming responsibility for the solutions, was proven during phases I and II.

While CBA focused on such 'line of sight,' tangible results within the local and community context, the political, administrative and fiscal context that CBA was operating in, changed dramatically in 2014. Post-2014 it can be seen that a new hierarchy of activities directed at changing the ways in which the national government delivered services and managed its human and financial resources quite rapidly emerged. As illustrated in Box 1 below, legislative reforms were developed, fiscal decentralisation was implemented, administrative amalgamation

encouraged, capacity building at all levels organised, sector (horizontal) reforms initiated, and much more. From the changes in the national legislative and regulatory framework for decentralisation to the re-organisation of local health provision, the changes were rapid and extensive. At the heart of these changes was a vision of improved local development that would in turn result in better national development; stronger local governance that would support stronger national governance. These changes did not undermine the original project hypothesis and the outcomes identified in 2008,⁸ nor did they change the relevance of the outputs and activities designed to achieve these. In fact, the relevance of CBA activities is strongly demonstrated by results that continue to be achieved in the output indicators. However, what did change were the implications carried by the project's methodology for the broader policy agenda and the activities being developed and implemented at other levels.

**Box 1 Extracts from 'Directive of 1 April 2014 no. 333-p',
Cabinet of Ministers of Ukraine**

"Provision of continuous financial support via district budgets of small territorial communities using a system of equalisation subsidies is burdensome for the state budget and hinders development of small towns and big settlements."

"Implementation of structural reforms will make it possible to achieve a permanent economic effect on the condition of harmonisation of priorities and phases of said reforms with the reform of local self-government and territorial organisation of power."

"Implementation of the Concept will contribute to:

- introduction of the mechanism of control of local state administrations and the population of provision of public services by local self-government authorities, territorial bodies of central executive authorities;
- introduction of standards (norms) of quality of public services provided to the population by local self-government authorities of the basic and territorial level, quality assessment criteria;
- creation of favourable legal conditions for the widest possible involvement of the population."

⁸ The Phase III 'Description of the Action' does state that the CBA has operated with a focus on strengthening participatory governance; the underlying hypothesis being that voluntary participation by communities in the identification, planning, and implementation of projects benefiting their livelihood conditions will bring about a more participatory system of local government and thereby a general improvement in local development.

It is apparent that in 2017 the project effectively now operates with a considerably broader results structure and logic than that presented at the time of its initial design in 2008. These can be distilled down into three, distinct elements possessed by the CBA project today, which offer important contributions to decentralisation reform and local development:

- I. A set of activities that can promote a hierarchy of results and ultimately provide impact on the national policy of decentralisation, on the legal and regulatory framework for decentralisation, and on the levels of funding provided to local government from both government and development partner funds (i.e. for sustaining the activities and for replicating elsewhere in Ukraine's hromadas).
- II. A set of activities that can strengthen the capacities of local government institutions at the different levels (hromada, rayon, oblast). In particular, the capacities to plan, implement, financially manage, and monitor performance of the local development activities for which they are responsible. The promotion of effective, efficient and accountable management and functioning is critical here.
- III. A set of activities with accompanying financial resources that improve service provision at the local level and promote local economic development that leads to increased employment, increased local investment, and increased local revenues to local government.

To capture more clearly the essence of what the CBA methodology brings to each of these sets of activities, the assessment uses the concept of active citizenship. It is a concept that carries two facets of agency, one found in actions of an individual or group of individuals directed towards government and the other found in the actions of government in response to these. With the CBA methodology, individuals within a hromada identify a common need and interest in a certain development goal and look to government for support in realising that goal. Government at the local level provides a space for individuals to express their needs, interests and aspirations. Here, they can follow and engage directly or through their representatives in a set of procedures that ultimately result in a set of activities that might meet their request in full, in part or not at all.

Empowerment relies upon interventions that provide opportunities for individuals to act, it is the provision of space to act. Actions range from legislation at the national level, down to targeted interventions at the local level. However, the agency of individuals, and of organised individuals, is critical if empowerment is to achieve meaningful changes in economic, social and political conditions. Empowerment enables individuals to become citizens, but it requires the agency of citizens if it is to work. The one complements and enables the other. The interface where this occurs most often is at the level of local government. It is here that the CBA

methodology has played a critical and often unique role in Ukraine.⁹

Ultimately, through the strengthening of local governance, the aim is to improve the local population's capacity to aspire and to expand the horizon of their aspirations. To envisage a better future for oneself and one's children raises a need to be able to shape and influence that future. In a democracy neither central nor local government has a monopoly on shaping people's lives, but rather are part of a process to facilitate and create the necessary enabling political and economic environments. In this, citizens and their communities must be active partners of government and the agency of organised interests at the level of local communities is a critical and necessary step in this process. An assessment of CBA, its impact on the aforementioned hierarchy of activities, needs to look at its contributions along these lines.

1.2. Moving beyond the current project outputs

At the request of UNDP and in the interest of the EU as the donor, the assessment explores potential options for using the CBA methodology and resources to strengthen the active citizenship in the current decentralisation reform and for providing continued services for local development. To this purpose, the assessment has independently defined the following areas to guide its work:

- a) The citizen - local government relationship. Local initiatives undertaken by COs/hromadas and municipalities/ACMBs have provided much needed support to households in local communities. What have been the consequences for the relationship between the individual and her local government, whether direct or as mediated through the local community organization? And what challenges have the 'new' institutions (project-based COs) faced in taking on this new role?
- b) Social provision and local economic development. What is the balance in CBA's local initiatives between improving public service provision and facilitating local economic development? How much do they constitute a general form of social welfare provision (directly or indirectly supporting household budgets, providing education and health services) and how much do they increase income opportunities through more and better employment opportunities, with the accompanying state revenue gains from income and other forms of taxation? And do the activities involving economic development demonstrate a credible potential for future local economic development?
- c) Citizen engagement in procedures, processes and systems in sub-national government institutions. It is supposed that this will be facilitated by local government officers and politicians partnering the hromada-based activities, through trainings provided, and through awareness-raising

⁹ The behavioural aspect of this change is partly captured in the exercise designed to strengthen the individual's outlook on problems and their handling, see 'Social and Physiological aspects of decentralisation' in the [Schematic Handbook on Decentralisation](#), 2016, prepared for the CBA Project.

activities based on the results that the CBA project achieves. Is this reflected in the views and actions of the officials and representatives? Have they demonstrated a potential capacity to deliver local development with the new resources becoming available in the amalgamated territorial communities?

- d) Decentralisation strategy, policy, and legal framework. The CBA project offers a significant 'demand side' bottom up element to local development and local governance that is of critical importance to a broader decentralisation strategy. How far is this recognized by national level stakeholders in government and amongst development partners?

An additional issue that emerges from the above when considering possible scenarios for a 'CBA' future is with the public financial management system for local government. How might the CBA system for the management of community-based initiatives be further developed such that it becomes mainstreamed within the local government's financial management system? The aim being to secure the effective and efficient use of funds by local government and to secure social inclusion in the distribution of benefits and greater downward as well as upward accountability.

1.3. Assessment methodology

Semi-structured interviews were held with the main stakeholders in the project. These were identified as being the following:

- Members and officers in local community organisations established or supported by the CBA project at different points of time during Phases I, II and III;
- Project officers working at hromada, rayon, oblast and national levels;
- Local members and representatives of hromada, rayon, and oblast administrations;
- Local government elected officials;
- National government officials,
 - Ministry of Regional Development, Construction, Municipal Economy
 - Ministry of Economic Development and Trade
 - National associations
- Special advisers to the Prime Minister, elected and former deputies to the Parliament, and independent experts;
- Team Leaders, key managers and experts of projects within the Central Office for Reform;

- Officials from UNDP, the European Commission, the Council of Europe, Sida, SDC, GIZ, the Royal Danish Embassy, and other development partners.

The consultants have reviewed project and related documentation, in particular that detailing the approach of the CBA project and the results this has produced.

In order to assess potential initiatives that could continue to ensure the sustainability of the CBA project's contributions and achievements, the consultants broadened their lines of enquiry to include the broader decentralisation reform agenda (policies, strategy, implementation, etc.). Meetings with the government, development partners, project officers and local community organizations were also used to investigate the state and condition of decentralisation initiatives and their impacts in contemporary Ukraine.

With only a limited number of visits possible and CBA being a national project in a large country, the options for sampling at the local level were limited. The selection sought to include to visit 6 rayons in 4 oblasts and a total of 8-9 hromada project sites, rural and urban, from Phases I to III, covering social provision, energy-saving and economic activities (rural).

The inclusion, where possible, of non-beneficiaries and non-amalgamated hromadas with no CBA activities was used to explore the counter-factual. The counter-factual is also tested through data analysis of non-project administrative localities at local and regional levels where it was available and time permitted.

1.4. Limitations

This report is an assessment, not an evaluation in the strict, formal sense. Its purpose is not to provide a systematic evaluation of progress on the project outputs, but rather to assess whether and how core components of the CBA project serve an important role in the ongoing decentralisation and local development reforms in Ukraine. The results achieved by the project are a very important data source for the analysis of the contribution made by the CBA project, but their verification and evaluation is not the main purpose of the undertaking.

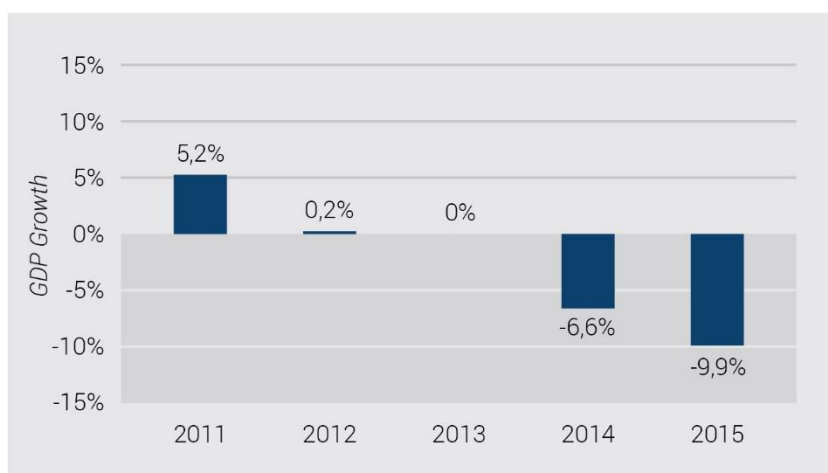
2. COUNTRY CONTEXT

2.1. Social, political, and economic factors

The timing of the CBA project's three phases (2008-2011 (CBA I); 2011-2014 (CBA II); 2014-2017 (CBA III)) means that it has been implemented during a period of rapidly changing social, political and economic conditions. The accompanying agendas, diverse and complex in nature, have shaped a complex set of local and national contexts for the project's implementation with the many forms of influence and at times pressure that these continue to assert.

The general trend for the economic situation in Ukraine has been one of improvement since independence in 1991. While this was significantly nuanced by considerable fluctuations and variations across the country, the current economic situation finds Ukraine with an increasingly weaker currency and deteriorating economic condition. While economic growth had been achieved until 2008, the global financial crisis sent Ukraine into one of the world's worst recessions. Annually, zero or negative growth was recorded from 2012 to 2015 (see Table 2) after which the economy may have entered a road towards recovery. As a result of the recession, the economy shrank from €163 billion in 2011 to €90 billion in 2015, leaving the GDP per capita at around \$2,000; this decline is expected to flatten out over the next few years, possibly ending the recession. The IMF have offered a \$40 billion aid package contingent on reforms, of which some \$7 billion are redeemed, the remainder still awaiting greater political clarity (of a potential election) and the initiation of certain reforms.

Table 2. GDP growth in Ukraine, 2011-15



Source: World Bank, World Development Indicators

<http://databank.worldbank.org/data/reports.aspx?source=2&country=UKR>

Poverty has decreased in absolute and relative numbers since independence, but these still remain high. According to the National Academy of Science of Ukraine, more than half of the population (58%) live below the UN-defined poverty line. Poverty is especially prevalent in rural areas, where it is twice as high as in urban

areas, and overall it has increased due to consumer prices rising steeply over the past few years. Just like the urban-rural poverty divide, there is large disparity between regions as regards GDP per capita, not least influenced by regional specializations in industry and fluctuating conditions for production and export (generally heavy industry in the eastern oblasts and agriculture in the central and western regions).

There is a lack of affordable housing in urban areas; the available housing is in many apartment buildings in of a poor or non-liveable condition. Ukraine is one of the world's most energy intensive countries and operates with large subsidies – only 20% of the costs of power are recovered through prices charged.¹⁰ Efforts to transform the energy sector in the case of natural gas by applying a 'market price' to reduce subsidies as part of IMF-loan stipulations and to change a long-standing culture of reliance on Russian gas, have had dire consequences for household economies as energy prices nearly tripled in the past winter. This is one important reason for why a core component of the CBA project has been to introduce sustainable energy-reducing investments and practices, while funding community projects for improving the material conditions of housing blocks and local educational and health institutions.

The political situation in Ukraine has been volatile since independence, with the Orange Revolution (2004), the Maidan revolution (2014), the annexation of Crimea by Russia (2014) and the repercussions in the Donbas region as key shocks. While the Orange Revolution took the form of relatively peaceful civil resistance against corruption and oligarchic politics, personified by then-President Leonid Kuchma, the Maidan revolution was violent, claiming the lives of at least 130 people and injuries to thousands more. The crisis greatly deteriorated when Russia refused to recognize the new government and initiated a military reinforcement of Crimea, also escalating pro-Russian groups in the Donbas region, leading to the current conflict there. The social and economic consequences have been severe with almost 2 million people being displaced from Crimea and the Eastern region and taking refuge in mainly poor quality housing around the country (UNHCR, 2016). With the annexation of Crimea in early 2014, Ukraine also lost Russia as its main trading partner, whilst the conflict in Donbas has led to substantial social and economic problems in Luhansk Oblast and Donetsk Oblast.

The current GoU has strongly increased its ambitions for decentralizing, aiming to take Ukraine's local system of governance through fundamental changes. The Ministry of Regional Development, Construction, Housing and Communal Services (MinRegion) is the central executive authority in charge of the formulation, implementation and coordination of the decentralisation reform that aims to lead eventually to organizational and financial changes to strengthen the ATCs, including fiscal decentralisation to incentivize local hromadas to collect tax. While decentralisation efforts are still in their early phase, an important first step has been

¹⁰ World Bank (2014) 'Increased Efficiency, Improved Livelihoods: Transforming District Heating in Ukraine' <http://www.worldbank.org/en/news/feature/2014/05/22/increased-efficiency-improved-livelihoods-transforming-district-heating-in-ukraine>

the voluntary amalgamation of some of the earlier village administrations (former hromadas), 366 ATCs (new hromadas) have been formed by February 2016.

In so far as decentralisation can promote greater accountability, corruption is also a target of the reforms. Corruption is a widespread issue in Ukraine and was a key motivation for the civil unrest leading to both the 2004 and 2014 revolutions. According to Transparency International's Corruption Perception Index, Ukrainians rank their country as the 29th most corrupt (among 172).¹¹ Since 2014, legislation has established a National Anti-Corruption Bureau (NABU) to operate alongside other measures such as those designed to make public procurement more transparent, for example, the new electronic Prozorro system for public procurement bids. Increasing the transparency of local public financial management is also a key part of the decentralisation process with the greater accountability this can introduce.

2.2. Introduction to the institutional and decentralisation context

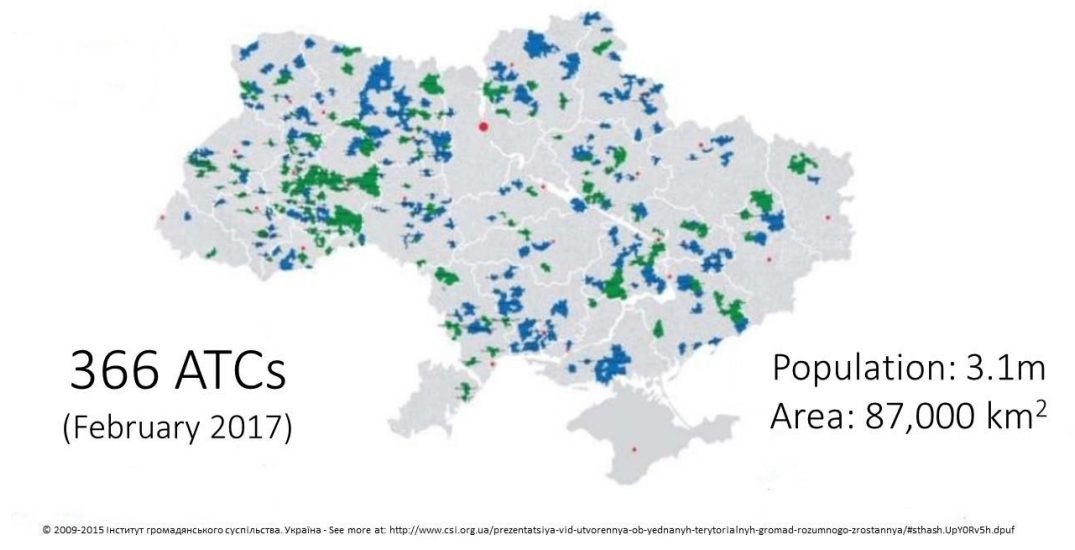
Being one of the largest countries in Europe in terms of territory, the effective administration of oblasts, rayons and hromadas remains decisive for Ukraine's future. Currently, the administrative and territorial division of Ukraine is highly fragmented and unbalanced and includes:

- Oblasts (regions): 24 oblasts; two cities with oblast status, Kyiv and Sevastopol; and the autonomous republic of Crimea. Oblast councils are elected and function as local self-governments.
- Rayons (districts) and city districts: 490 rayons and city districts. As with the hromadas, it is planned that the number of rayons be reduced through amalgamation to some 100-150. Already some of the ATCs are larger than some existing rayons. Rayon councils are elected and function as local self-governments.
- Hromadas (communities): settlements, cities, towns and villages. An important component of the decentralisation reform is the ongoing amalgamation of territorial communities, initiated after ratification of the Law of Ukraine On Voluntary Association of Territorial Communities from 2015. In 2015-2016, 366 newly created communities were formed through amalgamation, representing roughly 25% of the planned number to be created (some 1,200 from an original 15,000). 2017 might be the last year of voluntary amalgamation, with central authorities thereafter deciding on future amalgamations for those original hromadas that have not yet reorganised; presumably this would be based on the present prospective plan of the GoU. Like the oblasts and rayons, hromadas have councils, but since some only include a few thousand people, their financial and human resources are minimal, which provides another incentive for amalgamation. The process of amalgamation is not straightforward or smooth, and it seems several modes of amalgamation have been utilised, some

¹¹ http://www.transparency.org/news/feature/corruption_perceptions_index_2016

in which the hromadas have voluntarily come together, and some in which rayons have guided discussions or suggested plans for potential amalgamation.

Figure 1 Map of Ukraine showing the Amalgamated Territorial Communities as of February 2017



The GoU, and in particular, Prime Minister Groysman, has prioritised decentralisation reform as a key political and economic development for Ukraine to undertake urgently. Post-Maidan Revolution, the provision of effective local government and improved public services in an efficient, non-discriminatory and accountable manner, is critical to strengthening the legitimacy of the GoU and for securing a stronger social contract with its citizens. At the local level, the engagement of citizens, communities, businesses, and other non-state actors in local governance is a central component in this.

However, effective local governance and stronger local development cannot be achieved by the work of local government alone. The national government must play a key role, securing the rights of all citizens across the country to receive equal access to services, resources and assets for which local government is responsible; in the provision of grievance mechanisms for citizens including recourse to an independent judiciary, and in promoting and enforcing the overall accountability of local government to citizens as well as central government.

The current Ukrainian system of governance is a relic of the former Soviet Union and largely unchanged for the last half century. This is the context in which the GoU needs to secure the effective distribution of resources to all levels of government and to do so in an inclusive manner with active citizen participation, engagement and influence. In its reform concept (Directive no. 333 of the Cabinet of Ministers of Ukraine Concept, 1 April 2014), the GoU sets out its decentralisation reform in five steps:

1. Defining the territorial boundaries of local governance bodies and executive power: Setting up the three-tiered system of the administrative and territorial structure (oblast, rayon, hromada).
2. Dividing competences between the local governance bodies of different levels: Division of competencies between oblast, rayon, and hromada levels as it regards education, health, social protection, and others forms of service provision etc.
3. Dividing competences between local governance bodies and executive power bodies: Retaining control functions at the level of executive power, only i.e. rolling back recent policies of ‘centralization.’
4. Identifying the scope of resource needed at all levels: renewing the budget system and having the size of resource allocations follow the size of rayon or hromada; enhancing the size of the local budget; making local taxes the basis for local budgets.
5. Making local government bodies accountable to their voters and to the state: improving the quality of local power operation by making it dependent upon election, thereby increasing the accountability between locally elected government and citizens.

The success of decentralisation is tied to the territorial-administrative amalgamation of hromadas, but only as a starting point from which further forms of fiscal, administrative, judicial and sectoral decentralisation can commence. Fiscal decentralisation for recently amalgamated hromadas has opened up new avenues for increased tax collection and increasing local budgets. As stated above, many hromadas are yet to amalgamate and those with the least favourable socio-economic conditions are likely to be among the last to amalgamate if the present pattern of amalgamation continues.

MinRegion is the executive body responsible for the formulation, implementation and coordination of decentralisation reform. Its current capacity requires it to receive technical, financial and organizational support if it is to both drive reform efforts and continuously cooperate with other line ministries on issues pertaining to their respective areas of responsibility. At present, MinRegion does not possess the necessary capacity to implement successfully the ambitious decentralisation reforms. There are less than a dozen civil servants reported being permanently allocated to work on the reform.¹²

To assist the MinRegion as it oversees decentralisation efforts, a Central Reform Office (CRO) was set up with the support of U-LEAD. The CRO is housed in the ‘House of Decentralisation’ and has become fully functional as of early 2017. The “House of Decentralisation” serves as a hub of various projects, experts, and donors to coordinate more effectively various development projects and partners. It is important to note that the CRO is located outside the ministry and is not a part of the ministry. It is loosely placed under the direction of the Deputy Minister of

¹² Interviews with CRO and various national advisers.

Regional Development in charge of decentralization reforms, but the fact that it is not embedded in the ministry does have possible implications for the authority of CRO's proposals to the ministry and its reform agenda. Its roles are primarily advisory and promoting coordination. The CRO Support Office is affiliated to 24 financially independent Regional Centres (one for each oblast), whose main roles are to monitor reform implementation at the regional level.¹³

The ongoing territorial-administrative reform has introduced positive changes for many of the amalgamated hromadas, budgets having increased 5-7 times in some instances. However, variations in the amalgamation process are a challenge to the overall progress. Some hromadas have been allowed to come together organically with less-than-rigid plans as to how and with whom. For the most proactive hromadas (mainly within or close to larger urban areas), this has meant a head start with increased funding from central government and donors already being secured in the budget year of 2016. For other hromadas that have not yet amalgamated, and particularly those in the poorest regions, the prospect of effective amalgamation and increased local budgets still seems far away. Consequently, a special effort not just to bring these hromadas together, but also to provide assistance in the period following their amalgamation is found to be very important need as many such communities have weak or non-existent technical capacities and human resources.

Later, the territorial decentralisation efforts will require constitutional changes that raise not only considerable technical demands on the government due to the very detailed constitutional work required, but also serious political uncertainties due to the current condition of the government; a new election is reported by many sources as being probable by 2019 at the latest.

Alongside territorial-administrative transformations, fiscal decentralisation remains one of the most pertinent issues of the broad reform agenda. Central control of fiscal responsibilities leaves local government bodies heavily dependent on inter-governmental transfers from the central government. This dynamic allows for the size of grants to be prone for political influence, i.e. the connections individual oblast officials have with central government ministries, other than the eligible criteria such as population, size of administrative territory, and development/poverty indicators.¹⁴ Oblast councils are mandated to decide the distribution of funds from the Regional Development Fund (RDF) to local authorities, another area where political and personal interests interfere.

¹³ UNDP has been formally invited to participate in the CRO and to co-locate staff at the "House of Decentralisation", and is currently in discussion with U-LEAD and other projects in this regard.

¹⁴ Interviews with a range of local informants as well as national experts

Box 2 Cherkasy Regional Development Fund

On 23 September 2016 the 'Agency of Regional Development' was established to assist in implementing the Cherkasy Region Development Strategy. It is designed to prepare and implement programs and projects of regional development. It will also be responsible for strategic planning at the oblast level, as well as for attracting financial resources for projects. Founding members of the Agency are: Cherkasy Regional Council, Cherkasy Regional State Administration, non-government organization «Ukrainian Business Association»; All-Ukrainian public organization «Ukrainian Union of Industrialists and Entrepreneurs»; public association «Agency of entrepreneurship and investment support»; Cherkasy National University (named after B. Khmelnytskyi).

The Agency will become an effective instrument for the coordination of regional development and for attracting intellectual and financial resources to address economic and social problems of the region. Its establishment is in full accordance with the current legislation of Ukraine and European best practices.

One of the Agency's assignments is to support local communities' (hromadas) initiatives through the establishment of the Regional Development Fund. The initial budget for this is 500 thousand UAH (approx. USD 18,400). It will be the regional budget's funding. It is planned that funds will be allocated to the usual communities and the Amalgamated Territorial Communities on the basis of competitive selection of applications. However, the decision to establish this fund and the allocation of financing from the regional budget should be taken by the deputies of the Regional Council at the session planned for early March this year.

Source: Interview with a member of Cherkasy administration, Economic Dept.

A key component of fiscal decentralisation is to create incentives for local government to increase their revenue collection and to raise their performance in planning, budgeting, implementation and auditing. Performance in public financial management can be a basis for determining the size of part of the intergovernmental transfers from the centre to a region. Such a grant is in addition to a basic core grant and a capacity-building grant to ensure a certain level of service provision and to aid future performances. Performance indicators that assess the participatory nature of planning, the transparency of budgeting and auditing, the collection of local revenues, the partnering of the private sector in key areas, and similar core functions in a regular performance assessment can then aid the efficiency, effectiveness and not least accountability of the work of local government. A well-functioning system of public financial management is also a step towards local government eventually raising financial loans for its infrastructure projects.

At present, the capacity of local government authorities at all levels is quite limited and support from development partners will remain important, at least in the short

to medium-term. The emerging framework for local government also requires that they have the technical capacity to work with the new participatory approach to local governance; to bring local needs and interests into the identification, planning, implementation and monitoring process. Improved capacities to prepare, plan, and execute often multi-year investments, drawing on the local agency of their populations, is crucial to the future. While central and regional government set national and regional standards with regulatory frameworks and effective monitoring mechanisms to ensure these are met, local government, also with the regions, need to be able to draw upon their populations in deciding where and how social services are to be provided, infrastructure investments made, and additional resources mobilized.

Ultimately, the decentralisation process, whether fiscal or territorial-administrative, is not an end in itself, but a means to generate local development, efficient local service delivery, and improve the relations between citizens and state institutions. Done effectively, it promotes stronger citizenship and thereby a stronger state, economically and politically.

3. PROJECT PROFILE

3.1. Project description

The Community-Based Approach to Local Development Project – Phase I (CBA I) was launched in 2008 with a budget of €13.3 million and was followed by a Phase II (CBA II; €17.2 million) and the current Phase III (2014-2017; €23.8 million). The objective of the first and second phases was to strengthen participatory governance and improve the quality of life of the Ukrainian population in selected rural areas. During its first phase, the project operated in all 25 oblasts in Ukraine and covered 209 districts (at the time, 42% of the total number of districts in the country), 1,123 village/city councils (at the time 10% of the total number of local councils in the country) and 1,145 local communities. The selection of partners and projects were done through a competitive process based on a number of hardship criteria including poverty, availability of basic services (health, water, energy, waste management, and school transportation) and level of commitment to contribute with their own resources.

The original objective of CBA I was to promote local self-governance and community-based initiatives throughout Ukraine, thereby creating an enabling environment for sustainable socio-economic development at local level. Specifically, it aimed to stimulate people's participation, building confidence in local government and facilitating dialogue between citizens and the government, through community mobilization.

CBA I introduced a community-based methodology, promoting joint community planning and implementation of community-led projects aimed at improving living conditions and the fostering of sustainable local development. A variety of capacity-building activities organized by the project enhanced the professional skills and knowledge of community organizations and local authorities. This put the 'CBA methodology' of a community-based approach to local development into practice. The project also carried out awareness-raising activities to inform local, regional and national level stakeholders about the community-based approach to local development. The intent was to motivate policy-makers to recognize the value of the methodology for national development. This dimension included documenting the experience of project implementation, disseminating reports and newsletters, conducting roundtables, ensuring media coverage, etc.

CBA I was followed by a four-year Phase II from June 2011 until June 2015. The main outputs of the CBA II Project included:

- Enhanced relevant professional skills and knowledge of community organizations and local authorities to initiate and maintain participatory local process on social economic development and public services delivery;
- Energy efficiency at local level increased through promotion of innovative technologies implemented by collective action of local communities and local authorities;

- The demonstration of effective participatory local governance and decentralised management mechanism throughout Ukraine for public service delivery.

CBA II continued to operate in 25 (later 24) oblasts, 200 rayon and 900 village/city councils, with 40 percent of rayon's and local councils being new partners. It expanded activities to 100 new rayons, in addition to supporting activities in 100 previously covered rayons. The major focus of the second phase was methodology replication within a national framework. It also expanded its energy efficiency component and supported selected oblasts to develop energy efficiency strategies and implement selected projects in line with the strategy.

CBA II also promoted cooperatives in rural areas and provided support to establish small rural businesses, supported 712 standard CO micro-projects and 357 energy efficiency projects under the framework of standard cost-sharing and joint decision-making arrangements. The project also worked on establishing a knowledge management hub and curriculum development in more than 30 universities and national training institutes for civil servants and elected officials. This arrangement intended to support a further scale-up of the CBA methodology in the country.

The third and current phase of CBA (CBA III, 2014-2017 with a budget of €23.8 million; €23 from EU and €0.8 million from UNDP) continues to promote sustainable socio-economic development at the local level, aiming to strengthen participatory local self-governance through community-based initiatives throughout Ukraine. Thematically it continues to support areas such as energy efficiency, health, environment and water management. As a complement to its continued rural focus, CBA III also launched a new urban development component that aims to introduce innovative local governance initiatives and improve the multi-apartment housing stock.

Specifically, CBA III aims to:

- I. Promote a community-based approach to local governance and sustainable development by strengthening the capacities of local communities and authorities; integrating participatory mechanisms for local planning into local governments; and supporting community-based initiatives, as well as promoting small farm and non-farm business development in rural areas.
- II. Enhance energy efficiency at local level by building the capacity of local communities and authorities in energy planning and efficient energy use; supporting innovative community initiatives in efficient energy use; and raising public awareness on energy efficiency.
- III. Support the creation of locally owned and managed repository and network of good practices and knowledge on community mobilization and participatory governance by documenting and codifying lessons learnt during CBA and advocating for necessary policy changes towards decentralisation and local democracy.

CBA III continues to operate in all 24 oblasts of Ukraine, in 201 rayons, 800 rural hromadas, and 25 cities. It partners and works with almost all parts of the Ukrainian system of governance including: community organizations, hromada councils and

city councils at local level; rayon councils and rayon state administrations at rayon level; oblast state administration and councils at oblast level; as well as the relevant ministries, parliamentary committees, associations and relevant stakeholders at national level.

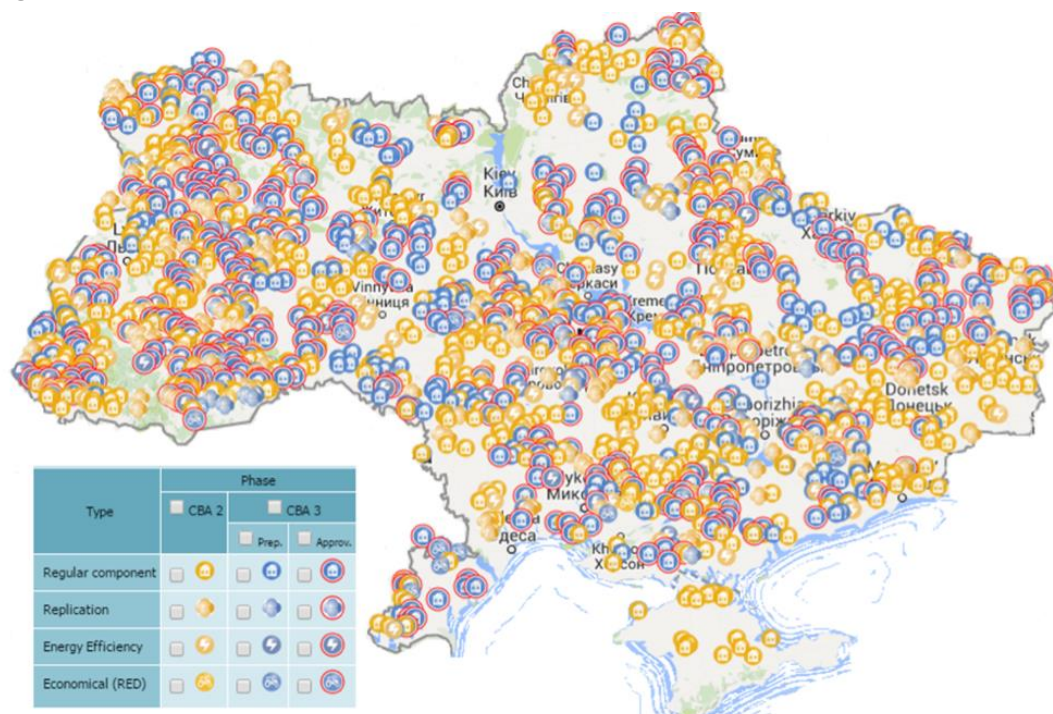
Table 3. Micro-investments made under CBA III project (31st December 2016)

Period	Focus for investments	Number	Details of investments
2014-17 (September)	Rural economic cooperatives	70	<ul style="list-style-type: none"> schools & kindergartens renovated health posts renovated clean drinking water provision energy-saving street lighting projects apartment building renovations (windows, roofs, public areas) new agricultural service cooperatives established plus trainings, information centres, electronic media, etc.
	Clean drinking water	48	
	Health care	54	
	Energy efficiency	199	
	Urban development (Multi-Apartment Building & others)	411	
	Energy saving	489	

Note: By 31 December 2016, CBA III has assisted local development initiatives that affect an estimated 3.73 million people in 819 local community organisations

Source: CBA Annual Progress Reports

Figure 2 CBA II and III activities across Ukraine



3.2. Context provided by complementary and parallel project activities

While CBA was formed in a context and time of significantly fewer internationally supported activities in Ukraine, these have substantially increased since 2014 and the new government's interest in broad political, economic and social reforms, not least with the introduction of two new significant projects from USAID and the EU in 2016. The vast majority of the internationally funded projects work within the conceptual framework and political ambitions of decentralisation and include U-LEAD, DOBRE, DESPRO, SURDP, among others.

U-LEAD (Ukraine Local Empowerment, Accountability, Decentralisation and Development Programme) is a multi-donor action by the EU and four member states (Denmark, Germany, Poland and Sweden) that aims to support the GoU in the implementation of its decentralisation and regional development policies. The core ambition of U-LEAD is to contribute to change in the governance system of Ukraine by improving the capacity of administrators at hromada, rayon, oblast and central government levels, and the programme will run from 2016 to 2020 with a budget of €102 million. It consists of two components, the first being implemented by GIZ and revolving around coordination and capacity building efforts both vertically and horizontally across hromadas, rayons, oblasts and central government, and a second component concentrated on setting up administrative service provision centres and public awareness raising, implemented by Sida.

Figure 3. Integrated U-LEAD Office in Kyiv ('House of Decentralisation')



A key element of the first component is the formation of the Central Reform Office (CRO) and the regional centres (RC) in each of the 24 oblasts. The CRO is situated outside of the MinRegion, but is within close physical proximity to the ministry and aims to communicate and coordinate closely using existing channels and procedures. In relation to MinRegion, CRO is under the Deputy Minister of Regional Development in charge of decentralization reforms. CRO seeks to support the ministry with solutions to emerging issues, wherever possible, and to

coordinate GoU's development partners within a 'house of decentralisation'. Here, each internationally supported project in the broad field of decentralisation can contribute a focal point and resource person(s) to secure a far more coordinated and coherent engagement with the GoU.

'Decentralisation Offering Better Results and Efficiency' (DOBRE) is financed by USAID and implemented by the organisation Global Communities from 2016 to 2021. It focuses on supporting 75 amalgamated hromadas in seven different oblasts (Dnipro, Ivano-Frankivsk, Kharkiv, Kherson, Kropivnytsky, Mykolayiv, and Ternopil), with a budget of \$50 million. It aims to support ATCs in their work to better manage resources, increase the quality of public service, stimulate the local economy and improve citizen engagement. DOBRE partners with, among others, the Association of Villages and Rural Settlements, the Ukrainian Crisis Media Center, the Foundation in Support of Local Democracy, the Malopolska School of Public Administration at the Krakow University of Economics, and the National Democratic Institute.

DESPRO (Support to decentralisation to Ukraine) is funded by the SDC and implemented by the Swiss Resource Centre and Consultancies for Development, covering 2007 to 2017 with a budget of approximately €9 million. The project supports municipal initiatives to increase the efficiency of local public services (through e.g. technical assistance). In its first phase (2007-2010), the project aimed to establish models for decentralised public services at hromada, rayon, and oblast levels, and its second phase (2010-2013) sustained this work with improving service quality and access in selected regions, while also supporting the development of national reforms. In its current third phase (2013-2017), the project continues similar activities around supporting local and central government institutions as they work to increase their capacity and implement the nation-wide decentralisation reforms. It works in Vinnytsia, Dnipropetrovsk, Ivano-Frankivsk, Poltava and Sumy regions. A final and fourth phase is expected to be implemented towards 2020.

Finally, SURDP (Support to Ukraine's Regional Development Policy) was an EU funded project running from 2013 to 2016 aiming to contribute to the social, economic and territorial cohesion of the country.

4. ASSESSMENT FINDINGS

The first set of findings are presented according to whether they are at the national or the local levels. Thereafter specific findings will be discussed on the relevance, visibility, sustainability, effectiveness, efficiency and accountability of the CBA outputs pursued.

4.1 At the national level

- As discussed above, the national context that frames and shapes the context for CBA has changed dramatically since the project's design and the implementation of Phase I and Phase II. Phase III was also prepared prior to the events of 2014. It is found that the political changes have made certain parts of the project more relevant, in particular to higher tiers of government and the work they undertake in support of local development. For its part, the project has continued to focus on doing what it has proven to do well, including under Phase III after the 2014 'Maidan revolution'. It has also continued to be successful in these activities. It is still trying, however, to achieve strategic recognition at the national level based on its significant contribution to a bottom up approach to governance. Although its work directly contributes to much that the government and its development partners are doing elsewhere, this contribution is not reflected in its involvement in the strategic considerations and planning activities taking place.¹⁵ This is despite the fact that CBA III is seen by a number of government officials and development partners as offering a 'model approach' for community mobilization.¹⁶
- The project has used a grant modality funded by donors as a means to set about building the local organisations and institutions through which local community members could begin the transition from 'passive recipient' to 'active citizen' through their activities with, and relation to local government. This was necessary from the outset due to the absence of national public (government) funds. Many of those interviewed at the local community level see the donor grant as a catalytic factor without which the local community organisation and its work with micro-projects would not be possible. In this, the donor grant directly facilitates the building of active citizenship, not least through a strengthening of citizen-local government interaction.
- The possibility that public (government) funding will become available as the Regional Development Funds begin to be established, offers a future alternative source of funding to that of the donor grant. As these begin to come on line and

¹⁵ Returning to the discussion of the project in section 1.1, the project has not been able to move up hierarchy of activities that constitute a decentralized and devolved approach to local governance and development, i.e. bringing the strategic significance of the local activities to the national policy makers and advisers. E.g. The lack of significant presence of the CBA in the Common Results Framework and its ongoing development cannot just be put down to the project closing. It is a clear lack of recognition of the importance of its contribution and of the project itself.

¹⁶ Findings are based on a combination of documentation and perceptions and information gained from government, DP and project staff interviews.

local communities can draw upon them, the possibility to phase out the donor grants, at least to the ATCs eligible for government funds, will be there. For non-amalgamated hromadas, the donor grant can still offer a basis of forming COs as well as an initial basis for facilitating future micro-project activities once amalgamation has been agreed and a managed transition towards government is underway.

- It is also found that the CBA project's facilitation of COs provides an institutional platform for seeking and pulling down other types of donor grants directed towards specific types of activities. For example, in the areas of energy saving, post-conflict recovery, rural development, waste management, drinking water, and similar.
- The GoU's development partners have stepped up their interventions to support the administrative reforms necessary for decentralisation and are seeking to bring a stronger coherence to these. The CBA project provides a valuable complement to administrative and regulatory reform by demonstrating the value to citizens of active local governance. Its contribution, however, is insufficiently recognized. This could partly be a consequence of its possible closure, but it seems also to reflect a lack of awareness and/or recognition as to CBA project's contribution to facilitating the 'demand side' of governance.¹⁷ The CBA project is highly regarded by many government officials and advisers from development partners; it is seen as the 'model approach' for community mobilization and other more recent interventions seek to replicate it, for example DOBRE. This strongly suggests that the community empowerment outcomes of the CBA project and its important contribution to transforming citizen-government relations (crucial for decentralisation) have not been proactively communicated by the CBA project to national stakeholders responsible for the decentralisation reform agenda, not least the development partners, with whom inter-project synergy and coherence is of absolute importance. The fact that decentralisation in the form of devolution is quite new to the GoU adds further importance to this message being communicated effectively.
- The major impetus to the pursuance of a decentralised approach to local government following the events of November 2013 – February 2014 remains politically fragile. While it is not possible for political leaders and groupings to stand in opposition to the reform agenda, they have been able to block certain parts, notably legislation, and to delay others. The window of opportunity for devolved local governance opened by the 'Maidan Revolution' appears to be closing as the present government faces a broad range of internal and external challenges. Furthermore, retaining the support of the population for decentralisation is difficult; as they experience few of the promised benefits of decentralisation. Tangible signs of improvement in the near future are critical

¹⁷ Interviews with the CRO, CoE, and independent experts as well as from a review of the development partners' Common Results Framework (CRF).

to retaining citizens' support.¹⁸ On the positive side, Directive No. 333-p, 'Approval of the concept of Reformation of Local Self-government and Territorial Organisation of Power in Ukraine', remains a strong reference point to which to anchor the agenda and the proposed fiscal decentralisation provides a powerful set of instruments with which to promote the decentralisation and local development agenda. Here the CBA project has a significant role in that it works directly with citizens in organizing their interests in this new context of decentralisation. It is well placed at the local level to engage and educate local communities and local governments about the benefits of decentralized government. That there is potential for further gains still to be realized by the project and again this potential remains to be clearly communicated to policy makers and practitioners, whether international or Ukrainian.

- The GoU's aim to move from some 15,000 territorial communities to around 1,200 is ambitious; the fact that it is on a voluntary or semi-voluntary basis, albeit with strong incentives, is both a weakness and a bonus. A weakness as it produces a very uneven process across the country, but positive as it is anchored in a decision taken at the hromada level. The decision to amalgamate is heavily incentivised by the fiscal decentralisation measures that have been passed, dramatically increasing the budgets of the ATCs. But the decision to amalgamate also requires good information on the advantages and a collective commitment within the concerned hromadas to make use of these advantages. The CBA project has a history of preparing the ground for amalgamation, working with local communities so that they understand the potential benefits of amalgamation. This preparatory role is not found in the approach of territorial-administrative reform laid out by the MinRegion, despite its potential to encourage and accelerate amalgamation. It is left to oblast and other local politicians to take on this task individually.¹⁹ The time frame for completing the process of territorial amalgamation and the adoption of new responsibilities and procedures is limited given the political context discussed earlier that includes the commitment of the population and the willingness of development partners to commit their support in the longer term. Given this, the CBA project could play a productive role in working with more local communities to further the process of amalgamation in the short to medium term. It has a national presence in terms of coverage and staff, a proven effective approach and methodology, and popular support in many localities.
- There is a clear tendency for a number of stakeholders to discuss and focus on decentralisation as an outcome in itself rather than as a means through which to strengthen local and thus national development. Furthermore, decentralisation is discussed by many working with local governance in generic

¹⁸ In the latest analytical report on 'Decentralisation and the Reform of Local Self Governance', commissioned by the Council of Europe (December 2016) 47% of the respondents are not interested in politics, a rise from 41% in 2015. The principal reason given being that they did not trust politicians. 64% still consider the reform of local self-governance and decentralisation as necessary, 61% of these see progress as too slow however.

¹⁹ See for example the description of Pavlo Zhebriivskyi, Head of Donetsk Oblast, undertaking motivational visits to counties, towns and villages. In *Emerging Communities, The Ukrainian Week #1 (107) January 2017*.

terms.²⁰ The lack of clarity and consistency on the issue of means vs. end as well as on the different types of decentralisation does present a challenge for a project such as the CBA where decentralisation as devolution is a basis for promoting local development (services and economic growth), social inclusion and democracy.

- The CBA project focuses on the local level, but it is a national programme with a presence in all 24 oblasts. This is an extremely important aspect of the programme that will be returned to repeatedly in the assessment (see figure 3).
- The conflict in the east of Ukraine and the annexation of Crimea by Russia together with the Minsk Agreement has also introduced a new political interpretation to regional decentralisation with some of those interviewed suggesting that any moves towards greater regional self-governance would be to adopt a policy favoured by Russia. This is seen as one of the factors that continues to hinder the national policy being translated into legislation and not least, the necessary changes to the constitution.²¹

4.2 Local level

Three main forms of local community organization initiated by the CBA project are found to be present at the local level, each addressing a particular set of needs. These are:

1. COs that focus on a hromada's public services, examples being the renovation of schools, public spaces, health facilities;
 2. COs that focus on private assets, but where the owners have strong collective interests. The apartment buildings that carry common individual problems as well as collective needs around maintenance and the condition of common areas in and around the buildings; and
 3. COs that focus on the productive use of private assets, but where there is a strong common set of needs best met through collective action in key activities. The agricultural service cooperatives are built on such collective action.
- The social mobilization of local communities around all three types of needs has had a dramatic impact for individuals and local communities in terms of the 'ways of doing things' in local communities. Previously local government had limited resources and required little engagement or agency on the part of individuals and their local communities, cultivating a reactive mentality from many citizens. Through the CBA work of forming local institutions and associations (with donor grants as a behaviour-catalysing modality), a normative change seems have taken place. Many, if not all, of the visited

²⁰ For example: deregulation, deconcentration, devolution and even privatization have a place under the decentralisation 'umbrella'.

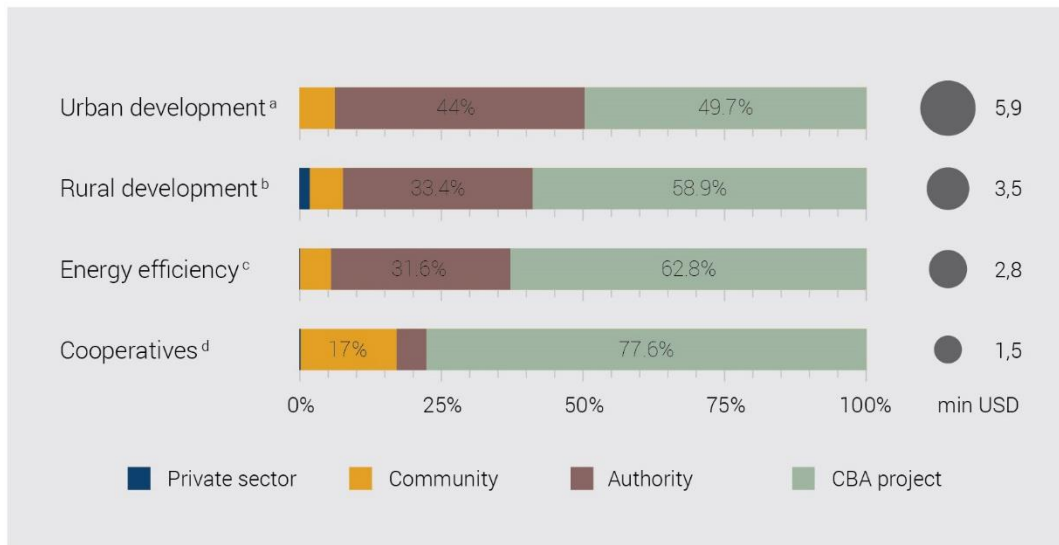
²¹ The link between decentralisation, regionalism and the conflict in the east (Russia's interests here) is posited by some to be an increasing challenge to aspects of decentralisation; others see it as an opportunity to move self-governance beyond the oblasts and down to the hromadas.

organisations talk of their engagement with the CBA project as a ‘wakeup call’, both in terms of bringing the individual efforts together for the sake of greater impact and stronger relations to local government, but also as a realization of the need to act proactively in these relations, at times even defining their own terms of engagement.

- There is a strong correlation between hromadas in which there are CBA micro-projects and the voluntary decision to amalgamate into new ATCs, i.e. enlarged hromadas. While it is not possible to establish causation in a scientific manner, interviews suggest that the experience of participating in a CBA local project is relevant for assessing the potential benefits from territorial amalgamation, not least the possibility of pursuing new and greater aspirations with a local government body that carries greater responsibilities and is better resourced in terms of revenues and technical capacities.
- There is strong evidence that CBA micro-projects lead to subsequent local community activities supported by CBA and from elsewhere including private funding from local community organisations. Interviewees reported successful and unsuccessful bids for non-CBA project funds. This is important as it would indicate that while donor grants constitute up to 50-75% of the initial local project budget, the relative size of the donor contribution declines when projected over the life of the recipient community organization’s infrastructural activities and investments.²² Of the 819 local community organizations that have so far implemented CBA III projects, 400 have gone on to implement other projects to a total value of \$ 2,8 million using the CBA project methodology, but without CBA donor funding. Figure 5 presents the latest data on local CO project funding broken down by type of project.

²² Interviews with local community organisations, project staff and focal point local government officials.

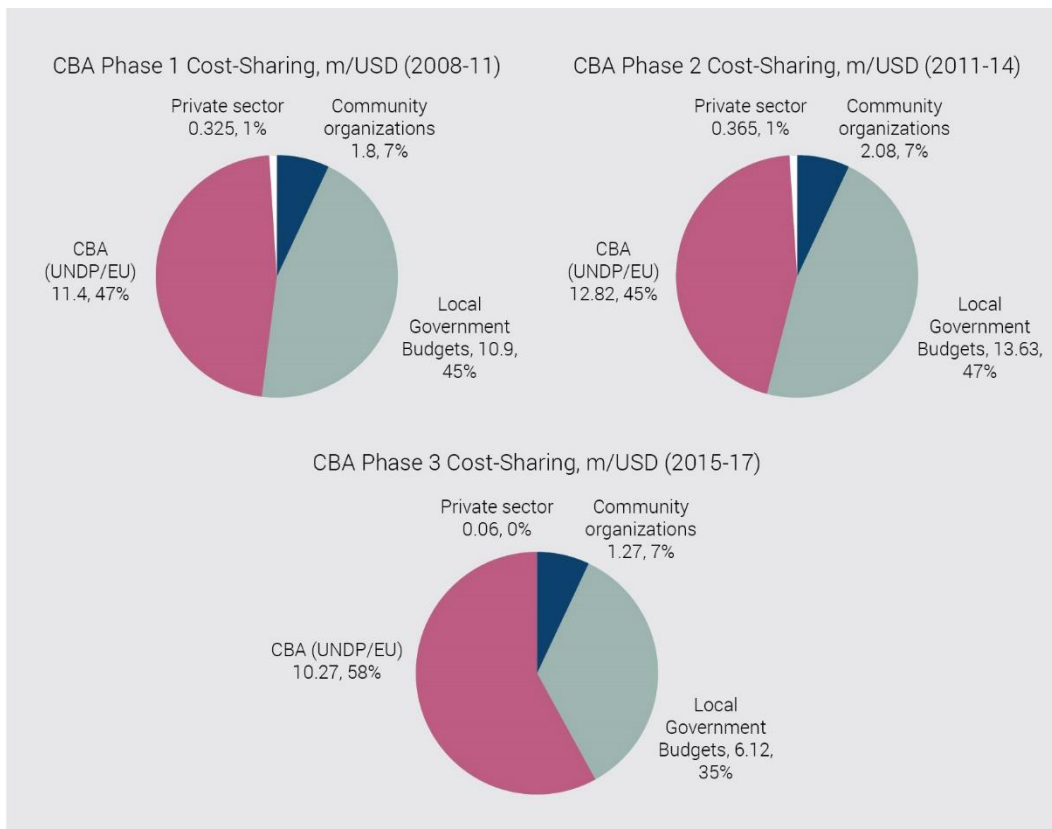
Figure 4. Co-Financing of CBA projects by type as of December 2016



Notes: ^a) Private sector (0%), Community (6.3%) - ^b) Private sector (1.8%), Community (5.9%) - ^c) Private sector (0.1%), Community (5.5%) - ^d) Private sector (0.2%), Authority (5.2%)

Figure 5 looks at the same data, but over the three phases of the CBA project. It shows a slight trend towards increased proportion of CBA project grant in the funding, possibly a reflection of the economic crises affecting household economies, as discussed in section 2.1.

Figure 5. Co-Financing of CBA projects Phase I, II and III



- There is considerable anecdotal evidence, backed by smart phone videos in some instances, that CBA project community organisation members are attending rayon and hromada council budget meetings to follow, and at times press, their interests and to monitor the work of the council members.²³ This is an important instrument to counter rent-seeking behaviour, clientelism²⁴ in local politics and other forms of misuse of elected positions by council members and administrative officers.

Box 3 Example of project impact – ACMB association in Kyiv oblast

In an apartment building in Kyiv oblast, housing 251 flats and 721 people, the individual owners formed an association in 2008 outside the framework of the CBA. In 2016, they won a grant from the CBA following competition at oblast level and begun a process of training and capacity building in different aspects of implementation, from the basics of the community-based approach to accounting and auditing. The grant was for energy-saving activities such as changing the roof, and the members now only spend half of what they did on heating. Explaining the qualitative difference among the association's members, attention is not paid as much to the difference in their material situation, but rather in the change of mentality among the association's members. Following the project, it is the ambition of the ACMB to take credit from a bank and finance the next stages of renovation themselves. As a member of the associations explains it: 'Earlier, initiative belonged to the central state and we would sit on our hands and wait. Seeing that it is possible to get support, people are now taking initiative themselves', and that 'donor support is good, but we have to do things ourselves'. The project seems to have brought the members closer to local government, and they talk of holding these accountable ('the mayor has to listen to us – otherwise we won't vote for him'), just as the perception of decentralisation has become more positive ('decentralisation means we become closer to the government and call tell them our needs and interests'). To better lobby their interests to local government, they plan to initiate a collective association of home owners associations, an ambition led by a member of the ACMB who became deputy head of the village council after the process of implementing the CBA project.

Relevance

- The relevance of the CBA project is considerable, a view shared by the vast majority of those interviewed and from the documentary evidence reviewed. Of particular note is the number of local government entities reached and interacted with, of local community organisations established, of schools and clinics renovated, of households covered, and of individuals that have benefited. These impacts are considerable, important and well documented.²⁵

²³ Ibid.

²⁴ Use of position to manage the allocation of resources to secure advantages ranging from electoral support to public contracts for family and friends.

²⁵ The data in the CBA project's Annual Progress Reports is detailed and the achievements are supported by the qualitative data collected during the field visits.

- The relevance of the micro-projects to CO members is found to be high. For example, energy-saving has a direct impact on heating costs, clean water and sanitation has a direct impact on public health, improved health and education structures are high priorities, and the agricultural service cooperatives appear to have a positive effects for earlier land distribution in rural areas as households take back land to cultivate themselves rather than leasing it out. The economic impact on people's lives and livelihoods cannot be overestimated and was clearly stated by those interviewed in the field visits. To this should be noted that the national economy also gains from these same activities, directly as in the case of gas use and local agricultural production, indirectly in terms of local communities' well-being.
- In addition to the local development gains, the CBA project seems to have had a transformational impact on the majority of individuals in the local communities with whom it has engaged. The transition from being passive recipients of what the state decided centrally to provide, to being active participants in identifying and rectifying their needs and pursuing their interests cannot be overestimated. It is a transformation of individuals into active citizens and a changing social contract between citizen and state.
- In stating this, the consultants are again highlighting the point that the relevance of the CBA project to citizens and local communities and therein its strategic importance, is only fully realized by the communities themselves and those who work directly with them. At the national strategic level, its relevance is not yet recognised.

Visibility

- Based on meetings held with beneficiaries, non-beneficiaries, hromada leaders, focal point persons in the state administrations, and local government officials, the visibility at the local level is high within the participant hromadas, the neighbouring hromadas, local rayon, city and oblast administrations. Interviews and discussions with informants from these showed that they are very well aware of the work and the specific methodology of the CBA project.
- All visited project sites featured visible materials including manuals, reports, notices of meetings, details of activities, and similar. It clearly informed on funding sources for the CBA project (EU and UNDP), logos being present on the majority of documents, on office signs and signposting, and flags were also present on desks and elsewhere (figure 7).

Figure 6 An example of a typical CBA local project poster



- Meetings with government officials and development partners in Kyiv suggest that here the visibility is more limited to an appreciation of the quantitative side of the CBA project – numbers of oblasts, rayons and hromadas covered, local project initiatives and households benefiting. As discussed previously, there is a lack of strategic awareness of any political and economic agency on the part of local communities. This suggests that the right message in the right media is not getting through to the right people, i.e. it is not ‘visible’.
- Part visibility and part impact-relevant, the CBA project regional offices seem well integrated into the oblast administrations. The Memorandum of Understanding developed between the CBA project and the oblasts includes, as a necessity for cooperation, the provision of an office inside the oblast administration’s premises for CBA project personnel. The proximity of the regional offices, coupled with the fact that focal points are usually heads of department or deputies, makes for a day-to-day steady interaction between project staff and the oblast administration, strengthening the awareness and visibility of the project’s approach, methodology, results, and general impact.
- The social media presence of the CBA project appears to be strong and, in particular, the work with individual regional Facebook pages for all involved local communities is very good. The pages are regularly updated and the COs use this medium as a key tool for obtaining information, in the identification and planning of new initiatives, in the search for funding, and to follow local government service provision.
- As noted above, the visibility of the EU and UNDP as the funding and implementing agencies is high in the CO offices and their activities. The visibility of these agencies outside of the micro-projects and COs is present and noted in local government offices. The national project office has a clear understanding of the importance of agency visibility, placing EU and UNDP logos on documentation, assets such as vehicles, and in the organization of meetings, workshops, formal openings, and similar.

- There still remains a significant need to create a strong presentation of the project, its rationale and its significance to people's lives, as a basis for demonstrating the impact of citizen agency to those working at the strategic level of decentralisation and local development. The project has achieved a growing media profile, culminating with 1,198 media coverage activities in 2016 of which 138 were in the national media. However, as already indicated at several points in the report, there is a need to ensure that the right messages continue to reach the appropriate audiences and that the content of the media activities are considered just as important as the number of activities.

Sustainability

- While the period of their existence is still quite short, nevertheless the institutional sustainability of the new local community organisations appears strong whether based around a school, a housing block or an agricultural service cooperative (ASC). The social side of institutionalized collective action appears to be an important element here, but pride in what can be achieved through the agency of organised interests is the most powerful motivator. This was found in all the project site visits, but the first ASC visited was particularly interesting as it is based upon privately owned productive assets being enhanced through collective action. The participants showed considerable pride in their cooperative engagement and how it might develop further; meanwhile neighbouring villagers, also present at the meeting, talked of how they were using the ASC's experience to develop their own ASC.
- Of the local micro-projects visited by the consultants, the majority of community organisations have gone on to pursue other options for funding, both private and public. In so doing, they have moved beyond the CBA project to include pressing local government for further support and action. They have used the social networks and media linked to their new activities as a means for obtaining information to aid in the identification and planning of new initiatives, in the search for funding, and to raise or manage local government administrative issues. This reinforces the earlier suggestion that there is a potential for the CBA-generated COs to operate as institutional bases for drawing down and utilising other sources of funding and it explored by the project and DPs more generally.
- At the national level, a recent study shows that most Ukrainians gain their knowledge about politics and not least the decentralisation reform through watching television.²⁶ But the same study indicates that it is the urban, well educated, white collar sections of the population that are most supportive of the reform. Rural, less well-educated, manual employees tend to be those sections significantly less supportive. Much higher visibility across a diverse set of media is critical to countering the less positive perceptions and expectations of the reform. More traditional methods such as meetings, community twinning, inter-community visits and exchanges, targeting those in a hromada that could

²⁶ Decentralisation and the reform of local self-governance: Results of the second wave of sociological research, CoE, December 2016.

be champions of change, also need to be used to present the issues involved, to listen to concerns and to enable discussion.

- The financial sustainability is less certain, but the recent allocation of revenue assignments to local government has led to a significant increase in the budgets available to the newly amalgamated territorial communities. With capacity building to the local government and to the local communities, this should provide possibilities for a considerable increase in local development activities funded by government and go a long way towards ensuring financial sustainability of an approach based upon a CBA-type methodology.
- Political sustainability is less predictable. As indicated previously there are important time constraints facing the type of work currently led by the CBA. In particular, political uncertainties and difficulties in implementing policy commitments undermine the support from development partners on the one hand, and weakens the commitment of the population to territorial decentralisation on the other. Such challenges will only grow in strength as 'electoral politics' intensify in the lead up to a future election.
- Several oblast administrations seem to have adopted CBA methodology in their approach to hromadas as a way to mobilise community action around micro-projects, including their co-financing. A major factor here is the aforementioned strong integration of CBA project regional offices into oblast administrations. As these administrations look to spend an increasing grant- and revenue-based budget, the case for using the CBA methodology and its organisational resources at oblast and rayon levels will grow.

Given that: (i) the original needs that prompted the use of CBA project methodology to generate and organise interests in the local community organisations remain; (ii) the devolution of resources and responsibilities to local government is now becoming a reality; and (iii) the experience of the CBA project in organizing improvements in local communities, the consultants find that the sustainability of these local community organisations is considerable.

Effectiveness

- The financial cost of the three phases of the CBA project is shown in Table 4. To measure the effectiveness of the funds committed in terms of results indicators is not possible for this assessment. In terms of impact, baseline studies are not available and the quality of existing public data at disaggregated levels is a major challenge. In the case of local governance and local development, it was not possible to generate data for indicators that could capture the change in a community's engagement with local government or the impact of a community's needs and interests on higher levels of government policy formulation, planning and the quality of implementation.²⁷

²⁷ For example, a series of structured surveys across a number of hromadas, including beneficiaries and non-beneficiaries with a set of socio-economic characteristics including gender, a wealthy/poverty indicator, educational levels, age, occupation and possibly ethnic identity could be one instrument if time permitted.

Table 4. Financial cost of CBA project across 3 phases

Phase	Amount
CBA I (2008-2011)	€13.3 million
CBA II (2011-2014)	€17.2 million
CBA III (2014-2017)	€23.8 million

- The consultants find from their field visits that the results of the CBA local projects are widely appreciated, often seen as ground breaking in communities that have considered themselves isolated or beyond the reach of the state. This indicates that the implementation is perceived as effective in terms of the achievements made with the funds available. In this matter, it is important to note that the replication of the approach in new localities and the diversification into new areas of activity have constantly presented new challenges. It has not been a case of taking only the 'low hanging fruits' and avoiding the possible risks attached to the rest.
- Significantly, the local government officials appointed to act as project focal points view the projects as very effective in engaging with local communities. They are government administrative officials and their positive response to the project indicates a strong interaction between the demand and supply sides of local governance, between citizens and their local government.

Efficiency

- The efficiency of the project is affected by a number of exogenous factors and the significant changes in context during the CBA project's lifetime. Nevertheless in terms of local COs established, projects undertaken, community organisations that continue to function, adoption of the approach and methodology by others, and project outputs realized, the consultants find the CBA project, and CBA III in particular, efficient.
- The functioning of CO – project - government personnel during the field visits was observed to be based on relations indicating strong mutual respect and trust rather than position and status. As an indication of an efficient organising of different interests around commonly held goals, it suggest a high degree of efficiency has been achieved by the project at the local level. This qualitative evidence is reinforces the quantitative evidence provided in the reported results achieved during the three phases of CBA. It requires a high degree of efficiency to establish 819 COs to implement some 3,900 micro-projects since 2008.
- The reformed revenue and expenditure assignments together with the increase in grant allocations to the oblasts and the regional development funds will present a perfect test over the next few years to see if the same efficiency in the use of resources can be taken up by the local governments.

Accountability

- In the CBA project, the accountability of its operations and those of the local community organisations in particular, has been secured formally through the financial management of the project itself, including the aspects required by UNDP (auditing, evaluations, and project management oversight).
- Accountability through individuals and communities holding state administrations and elected representatives to account for local development (and its failings) requires considerably more capacity building.²⁸ The consultants did find that the community organisations established by the project had quite clear procedures to address core accountability issues, from decision-making to managing the accounts and presenting these for audit. Transparency is practiced with high participation in meetings and discussions, good use of noticeboards for information on budgets, activities, etc., and little indication of exclusionary practices found (e.g. closed meetings, lack of open discussion on plans or finances). While this is not to suggest that everything works according to the letter, interviews and discussions on their rules and procedures do suggest a high active engagement on the part of CO members and an openness to internal and external scrutiny.

The training provided by the CBA project to COs on the roles and responsibilities of members of local government, from the local government officials elected in the village to those in the state administration at oblast level, is positive. It was found to have increased the desire to hold local government officials and their administrations accountable for their actions. The project methodology's social mobilization efforts are seen as an important step towards strengthening the accountability of local government in the future.

Inclusiveness

- To what extent the community organisations initiated by the CBA project are inclusive is difficult to assess. From the very limited sample of local project sites visited by the consultants it would appear that outside of the major urban areas, income inequality is relatively low, a product of the generally poor economic condition of the majority, rural population. Members of different COs visited as part of the assessment, stated that, where possible, all beneficiaries contributed to a micro-project and where a person could not contribute due to poverty, others did so on their behalf. This was to ensure they were included in the micro-project.²⁹
- The issue of social inclusion is likely to become more dominant as inequality grows within and between communities in the near future (see Figure 8 and

²⁸ For example, through activities such as public meetings for presenting hromada budget plans and findings from audit reports, holding public audits, hromada budget tracking by local civil society organisations, local media reporting.

²⁹ Several examples were presented including that of an elderly widow with no children and only a pension to live on. Unable to manage the costs involved in an energy-saving project, her costs were shared by the other members.

Table 5).³⁰ Securing a socially inclusive approach to local governance and development is best planned for now. The role of hromadas and oblasts in ensuring a socially inclusive approach to service provision, access to public resources and assets will be a critical factor in this. Linking the CBA project methodology to instruments designed to strengthen the local government role in pursuing an inclusive local development strategy and having this monitored from oblast and central government, should be a priority.

Figure 7.
Relative poverty rate by settlement type 2000-13, with expected data for 2014-15



Source: Calculated by IDSS based on data from the ongoing household survey conducted by the State Statistics Service of Ukraine

Table 5. The Gini coefficient index for Ukraine 2010-14

Year	2010	2011	2012	2013	2014
Gini coefficient	24.8	24.6	24.7	24.6	24.1

Source: World Bank – World Development Indicators, <http://wdi.worldbank.org/table/2.9>

4.3. Coordination and synergies with other decentralisation projects

- The consultants find that while several of the GoU’s development partners are working with capacity building and policy advice on decentralisation and local development at the national level, and to a limited extent at the oblast level. Very few are working with this at the hromada level and certainly not across all the regions of Ukraine. For example, DOBRE focuses its support (USD 50 million) on 75 amalgamated hromadas in seven of Ukraine’s oblasts. DOBRE

approached the CBA project to draw on its methodology for working with local communities. The selective and limited scale of the DOBRE approach might increase the success of a decentralised approach to development, but it excludes many other hromadas including in the same oblasts, from being able to engage on the same terms. The projects are chosen by the DOBRE project rather than selected on the basis of a more open process of competitive bidding as practiced by the CBA project. It is the competitive approach that is now being introduced by the Regional Development Funds (see Box 2).

- In the absence of a strong in-house capacity at MinRegion in which to anchor development partners, U-LEAD's recent moves towards coordinating different development partners' projects in the broad field of decentralisation, public administration reform, and various aspects of local development is important. The CBA project in its present form introduces a potentially strong vertical dimension to this coordination – it being the main player in local community engagement. As the EU is the CBA project's primary donor, it is worth noting the terminology of the EU's 'Support to Decentralisation Reforms, Local Governance and Territorial Development (DLGTD)'. It points to the need to introduce "policy development and innovation" following the bottom-up dynamic so important for devolution and too often neglected. To quote "(...) consideration should be given to a second stream of aid, one that explicitly focuses on supporting national policy development and institutional innovation "from below". It would make a smart use of project approaches to support selected, issue driven operations that foster local experimentation of scalable institutional innovations in order first, to make the most of existing policy frameworks and then to demonstrate the need, and build the constituency, for further policy reform. [The ultimate aim being] a more realistic and more strategic policy dialogue and contribute to feasible and incremental policy reforms "from below".³¹ The CBA project is found to provide precisely this dimension in the current context of Ukraine.

4.4 Management and M&E

- In the view of the consultants, the CBA project staff are highly professional and extremely good at implementing the CBA methodology and achieving the planned project outputs. While only a relatively small number of micro-project sites were visited (9), all the evidence supported the positive results reported in the project's Annual Progress Reports for Phase III. This in turn demonstrates the quality of the project's management and of the field staff in their implementation of the project.³²
- The monitoring of the project at all levels is deemed effective, and the national office should certainly be highly commended for its work in this area. The breadth, depth, and regular updating of data related to the project's activities

³¹ DG for International Cooperation and Development, 2016: 84-85. This is

³² Information from interviews with a broad range of stakeholders including beneficiaries and non-beneficiaries, government officers, development partners, independent experts and advisers.

and outputs is most impressive.

- Where the consultants found a lacuna is in the project's focus on tracking outputs and not monitoring the more systemic changes affecting local government and notions of citizen empowerment at the lowest level. Such monitoring would provide a clearer results logic for complementing the work of other stakeholders in the broader field of decentralisation, those addressing the higher points in the 'hierarchy of activities' referred to in section 1.1 of this report. The CBA project could and should have a much greater role in the work of the CRO, of U-LEAD and not least, in the work and thinking of the MinRegion.

4.5 Relevance for the future

- The CBA project has changed the way that local development is undertaken at the level of local communities in the administrative areas in which it has been implemented. The value of the transition of individuals and their households from being passive recipients of what the state decided centrally to provide, to becoming active participants in identifying and rectifying their needs and pursuing their interests after so many years cannot be overestimated. It is a transformation of individuals into active citizens with all the implications for local and central government that this carries.
- As the process is far from complete and the voluntary nature of the amalgamation of territorial communities has the unintended consequence of disbursing resources more unevenly, it is critical that instruments that aid the continuing roll out of the reform process and mitigate temporary negative effects, are retained. CBA is such an instrument, but it needs to be modified as well as developed further. For example, through using its capacity building to begin the transition away from donor grants towards government grants in the case of COs where territorial has taken place and new revenues are becoming available. It is important to incite and facilitate the work of such COs as they attempt increasingly to access local government funding. Where ATCs are less advanced or where amalgamation has not yet occurred, it may well be necessary to keep the donor grant for the short to medium term, using it as an instrument to promote collective action and engagement, to demonstrate the agency of organised interests, and the benefits that can be realised.
- The vital role of active citizens to the work of hromadas and oblasts also needs to be better understood by the local administrative officials and the elected representatives. Again here the CBA project has a relevant role in facilitating their understanding of the positive contribution citizens can bring to the work of local government, through bringing their agency into the identification, planning, implementation, monitoring and reporting processes for which local government is responsible. It can aid the efficiency of their work and the effectiveness of their resource use. Most importantly, it will also increase their accountability for their actions. Directly and indirectly, these promote local development, both in public service provision and in private sector engagement.

- The work of the Regional Centres, established under U-LEAD, can be an important element in the dissemination of information on the work of local government to both local government and citizens. At present, they have limited resources and their role is not yet embedded into the work of the oblasts. Again, the contributions of the CBA project to the centres' work, and of the centres to the work of the CBA project need to be addressed and strengthened from a strategic perspective.
- The relevance of the CBA in the de facto promotion of active citizenship also needs to be clearly underlined and understood at the national level and built into the strategic reform process and the activities undertaken by government and its development partners as a significant component, without which successful decentralisation and local development cannot occur.
- Incentives remain important, but these will not be enough in themselves. The voluntary and incentivised approach to territorial amalgamation is a good example here. The mentality embedded in significant sections parts of the (rural) population is one of state-delivery, of mistrust in participation, and of interaction with local government as being useless if not dangerous. A substantive amount of work must be put into pushing communities in a direction that sees a (re)building of their trust in local government. The CBA project's experience in promoting collective action and mutual support amongst CO members offers an important step towards this. At present, no other project offers this possibility on a national scale.
- As previously stated, government officials and the elected representatives have to become receptive to the communities' needs and their emerging engagement with local government. Tendencies towards clientelism and rent-seeking behaviour in local government are to be expected. Transparency with respect to local government's activities and monitoring to secure greater accountability are going to be critical.

4.6 Conclusions

- CBA has made significant contributions to local development and the condition of local governance across the country:
 - All oblasts and a significant number of hromadas have been reached (see Figure 2).
 - About 50 % of local community organizations established by CBA have used CBA methodologies to implement other projects, attracting funding of \$ 2.7 million from other sources and examples of neighbour communities copying the CBA examples have been identified across the regions and communities visited.
 - Well-functioning relationships between CBA COs and hromadas/rayons/cities/oblasts have been established, not least facilitated through the integration of the CBA project offices in each oblast administration, enabling day-to-day cooperation and oversight from CBA

project staff.

- The beginnings of a proactive citizen engagement with the councils in budget allocations and drawing on technical experience are clearly apparent.
- The CBA methodology and the mobilization of community members in local organisations is important as it provides an institutional basis for a new type of political activity and activism at the local level that was not permitted or expected for more than 70 years. By recalibrating responsibility for local development from the central state to local institutions based on COs and individuals becoming active citizens around CBA micro-projects, the CBA methodology using grants and capacity building, has enabled people to demonstrate the beginnings of a qualitative change in their thinking on local development and their role within it; the horizon of aspirations is being extended, an expectation that collective participation can aid their realisation created.
- While a significant part of CBA's work has been on implementing micro-projects with donors' grants, it is clear that these have not remained an isolated project activity. Rather, they have served a transformative role based on the experience of successful implementation through community organisations. Combined with increased interactions with hromada and oblast administrations and councils, this has produced some significant changes in the local population's relationship with local government.
- By working closely with local government at hromada, rayon and oblast levels, often pressing these to interact with the local population, the CBA project has ensured that local government and communities are brought increasingly together in significant processes of building and forming citizenship and a state-citizen contract that works both ways. In this, the territorial-administrative decentralisation is only the first step in a much longer process that should result in local economic growth and social development and a readiness to amalgamate in those hromadas that have not yet done so.
- Linking the gains achieved under the CBA project to the work of the GoU, the CRO, U-LEAD and the other decentralisation and local development projects will be a critical step forward for the whole decentralisation reform agenda. Most importantly, it will help to secure and build upon the gains emerging around local development at the hromada level. Social mobilization leading to active citizens and hromadas/cities/rayons and oblasts that are more receptive to citizen agency is pointing to an important step forward for local governance in Ukraine.
- Finally, the assessment clearly finds that a bottom-up approach to decentralisation and territorial development is critical to policy innovation and any strategic plan that hopes to address the diversity present in contemporary Ukraine:

- Diversity of the regions as regards levels of hardship, poverty, infrastructure, basis for the economy, natural resources, infrastructural and environmental challenges faced;
- Diversity in needs between urban populations who are better equipped to access employment in emerging sectors such as telecom and IT, and rural populations who continue to base their livelihood on agricultural work, often from a perspective of production for self-consumption rather than for commercial gain (the imbalance in cost-sharing between urban and rural micro projects accentuates well the unequal level of funds available in the two contexts, see figure 3);
- Diversity in status and situation of amalgamation entailing that some ATCs are heavily favoured by certain donors and by mechanisms of redistribution from central government, risking the neglect of non-amalgamated territories;

5. RECOMMENDATIONS

The recommendations are presented in two parts, as the EU financing of the CBA project implemented by UNDP is due to end in September 2017. The first set of recommendations are made with respect to the present CBA project's Phase III, and include a proposal to bring the project into a closer coordination with the U-LEAD programme, supporting the Government of Ukraine's decentralisation policy. The second set is made with regard to a possible new project based upon a remodeling of the CBA project. This is due to a perceived need to maintain a strong and national bottom up, demand side element and an incentive for active citizenship and local engagement within the broader territorial decentralisation reform strategy. The first set could be implemented quickly in order to modify implementation in the period until September 2017; the second set could inform preparation of a new project.

5.1 Short-term: consolidation of gain, ensuring sustainability of local development, coordination with U-LEAD and projects supporting decentralisation

At the national level, it is important that the role of social mobilization and the critical contribution of active citizens is fully acknowledged. To achieve this, national stakeholders should be presented with a 'new' narrative based on the CBA project's experience in building the agency of individuals as active citizens, working through community organisations and engaging with government and other actors such as NGOs, donor project agencies, the media, and similar. While citizens are pursuing local development, the other actors' roles are to facilitate local activity, provide capacity development in governance and, where it is still necessary, local motivation towards territorial amalgamation. It is a common objective that requires one agenda to secure the coordination of many outputs and their multiple activities.

CBA Project staff should be active in a range of forums to raise the profile of the project and awareness as to what it achieves. To this end it should immediately:

- Actively participate in the CRO, and in the 'House of Decentralisation', and contributing in a leading role in the donor coordination system established under the Common Results Framework.
- Stress the need to replicate the social mobilization approach of CBA through the establishment and capacity building of community organisations;
- Pursue an active media campaign to target both the general public but also important stakeholders in strategic positions with respect to decentralisation and local development. A narrative on the role and importance of active citizenship to the broader reform should be presented using innovative tools and social media to ensure the right message in the right media reaches the right stakeholders. To support this work, the campaign should draw upon and present the voices of citizens and local communities, expressing their needs, their aspirations and their experiences with the gains achieved to date be presented and heard. Employment of a journalist might be considered to collect and prepare contributions to the printed media, television and radio, social media such as Facebook (where the CBA presence is already strong) and Twitter. To support and complement the national campaign, local communities

can be encouraged to approach local media and to use social media in a similar fashion if they are not already doing so.³³

- The CBA project national office should undertake, with support from UNDP Ukraine, an immediate internal review to identify the specific needs of a unit designated to carry forward a social mobilization/active citizen project in collaboration with U-LEAD.
- As a part of this review, the potential of certain technical areas to cooperate increasingly closely with other similar units in the House of Decentralisation (e.g. communications, M & E) should be assessed and a transition plan to enable such cooperation prepared. This would be an initial step in the preparation of a longer-term cooperation strategy. The ongoing work of DPs around the CRF is an immediate reference point for this engagement and cooperation.
- In support of the work in the non-amalgamated territorial communities, it is recommended that CBA III plans for, and the new/modified project undertakes, a 2 year intensive information campaign that targets the non-ATCs with information, study tours, public meetings, exhibitions, and similar to promote amalgamation. This should be launched by the CBA project and continued under the new project. In the longer term the Regional Centres should become a central element in a more sustained programme with a five year plus horizon in each oblast. At present, they lack the resources and capacity.
- UNDP Ukraine and CBA should develop a proposal for strengthening the public financial management of local government revenues, grants and expenditures. This should be linked, where possible, to work elsewhere in Ukraine on fiscal decentralisation, but with a specific intention of linking local government's performance to incentives built into the inter-governmental grant. Initially, this would be based upon the Regional Development Funds with a set of minimum conditions being linked to the central government provision of grant funds and for the RDF allocation of funds to hromadas. In the longer term, similar PFM monitoring would extend to other local government revenues and expenditures, both at oblast level and below. The strengthening of accountability to citizens through public meetings to present budgets and audit findings, open access web-sites to present basic performance indicators based on independent assessments, the use of public auditing and budget tracking by local civil society organisations are a few of the instruments to be considered. A performance based grant on top of a base grant allocation using a formula could be the incentive, while a capacity grant as a third element would help to ensure that poor performing administrations can improve.³⁴
- The present system whereby local community organisations are budget holders for the grants received should be continued, but be reviewed in the light of the previous recommendation for developing an improved local government

³³ The Decentralisation and reform of local self-governance: Results of the second wave of sociological research, CoE, December 2016, provides a very useful point of entry to analyzing what message through which media, to reach which group.

³⁴ See UNCDF (2010) op. cit.

public financial management system based upon the rules and regulations of the GoU, as these are developed.³⁵

- It is recommended that work in CBA III that has addressed social inclusion in terms of inputs (approach) and outputs (results) be identified and documented to support future work in the new project.
- Finally, the role of the different regional and local government associations should be reviewed. In the limited period available to the consultants, it was not possible to study and assess the status and roles (present and potential) of these. However, they do offer an important point of entry to regional and local councils and local government generally, which should be a part of a broad approach to territorial decentralisation and local development. It is therefore recommended that a subsequent study of their roles, constitutions, and constituencies be undertaken. They need to be made into agents for change rather than supporters of often somewhat parochial vested interests.

5.2 Mid- to Long-Term: Re-modeling of CBA into a new project to support decentralisation and sustainable, inclusive local development

When CBA Phase III ends in 2017, an entity capable of taking forward the capacity building and social mobilization activities at community level will be vital for the continuing progress of the decentralisation reform agenda and for managing the use of local government revenues and grants to promote local development. As the assessment has pointed out, the CBA project has been very successful in doing what it was set up to do, but has not yet succeeded in having a strong presence in mainstream strategic considerations at the national level.

To this end, it is proposed that already in the coming months, the existing CBA project, under the management of UNDP, be brought into a closer engagement under the overall umbrella of U-LEAD, which itself already has two main components. Post-CBA, a new project would be placed in the framework of development partners and their projects coordinated with U-LEAD and function as an additional component.

To facilitate the transition and work of the new project, it is recommended that:

- Current local CBA project staff from oblast down should be retained as a part of the new project. This is justified due to the importance of their work, the need for continuity with government administrations ensured through their strong integration into key oblast administration departments, their knowledge of the legal and financial aspects of decentralisation and the procedures developed under the CBA project enabling local communities to engage with these. In addition, their general institutional knowledge and social networks will be an important asset to retain.

³⁵ The consultants could not assess the current public financial management system adequately and the new revenue allocations under the fiscal decentralisation reform have only recently be introduced. A full assessment and review of the local government public financial management system is required.

- It is recommended that the project should focus on capacity building for citizen-local government engagement, which has been very successful in CBA III. The capacity building will need to be developed further in terms of scale (additional ATCs/hromadas, rayons/cities and oblasts) and in terms of depth (additional trainings of the different local stakeholders, support documentation, local information dissemination and specific local media campaigns). This line of work will fill a post-CBA gap in the portfolio of current decentralisation and local development projects in which there will be little outside the more 'targeted' projects such as DOBRE, DESPRO and UNDP's own (also mainly EU-funded) Restoration of Governance and Reconciliation in Crisis-Affected Communities of Ukraine (covering the government-controlled areas of Donetsk and Luhansk Oblasts).³⁶
- In the ATCs, given the new availability of local government grants and revenues, the grant modality should be reduced progressively with a view to being withdrawn within 3 years. As some oblast Regional Development Funds will be available in 2017,³⁷ it is proposed that where this is the case, and the proposed local project is from an ATC, the donor grant should be 65% of the local project's budget if it is a first time activity and 45% if a second time activity.³⁸
- In amalgamated hromadas that lack adequate technical capacities and human resources, it might be necessary to make the transition period longer. In non-amalgamated hromadas, in the absence of additional revenues released by amalgamation, the grant modality should be continued at a level not exceeding 80% for the time being.
- Based upon the above recommendations, it should be clearly understood that a significant part of the new project's work would aim to support local communities in securing funding from their ATC councils and from their oblasts. While it should facilitate the agency of organised interests across all the regions and hromadas of Ukraine, there will be a particular need in those hromadas that are at greatest risk of being left behind, namely not amalgamated, rural, more remote, having fewer opportunities for employment, poor service provision and poor infrastructure. The effects of the conflict in east Ukraine is also an additional factor to consider here.
- Thereafter, the new project should also take social inclusion in local development as a specific focus in its work. Activities should address social inclusion and outputs should aim to contribute to outcomes in the field of social

³⁶ Restoration of Governance and Reconciliation in Crisis-Affected Communities of Ukraine covers 10 hromadas in Luhansk Oblast and 10 hromadas in Donetsk Oblast and runs from June 2016 to November 2017.

³⁷ For example: RDF grant allocations are to be discussed in Cherkassy Oblast in March 2017.

³⁸ Project contributions vary. In a limited number of micro-projects, the donor grant reached 80%. In the majority of cases it is between 50% and 75%. The higher level of donor grant was agreed in Phase III due to the economic situation in 2014-15 (communication with IPM).

inclusion and equality of opportunity with respect to governance and local development. As a part of this, social inclusion indicators should be a part of the monitoring and evaluation strategy. The monitoring should be at community and regional levels, capturing inequalities at the different levels – notably economic, gender, locality, ethnic, age-based inequalities with respect to the provision of and access to public services, resources and assets. As a part of being integrated within the ‘House of Decentralisation’, social inclusion will be present in project activities, but also in securing its strategic presence within the broader portfolio of projects.

- It is recommended that the new project build upon the earlier proposals for a development in its communication and information strategy in the final stages of the CBA project. Namely to ensure that a new narrative on active citizenship, and its capacity to be an agent of change, be strongly disseminated. The aim is to bring the role of active citizenship into national strategic considerations when and wherever decentralisation is on the agenda. This communication and information strategy should be developed in close collaboration with other stakeholders in the ‘House of Decentralisation’ and in close consultation with the Ministry of Regional Development.

6. ANNEXES

Annex 1: Terms of Reference

Attachment C

TOR for INDIVIDUAL CONSULTANT

Project name:	Community Based Approach to Local Development, phase III
Post title:	Program Assurance Expert (CBA III)
Country/Duty Station:	Ukraine, Kyiv
Expected places of travel: (if applicable)	Within Ukraine
Starting date of assignment	December 2016
Duration of assignment:	(indicative until) February/March 2017
Supervisor's name and functional post:	Primary Supervisor - Marcus Brand, Program Advisor, UNDP in Ukraine; Secondary Supervisor - Hendrik van Zyl, International Project Manager, CBA III)
Payment arrangements:	Lump Sum (payments linked to deliverables)

Administrative arrangements:

The Program Assurance Expert (CBA III) is expected to provide services on a part time basis, during the contract period, and as per the working schedule agreed with the supervisor. He/she should arrange work facility, travel to duty station (Kyiv) and office equipment etc. that might be deemed essential for accomplishment of the tasks

1. BACKGROUND

The EU/UNDP project, "Community-Based Approach to Local Development Project" was launched in 2007 and was followed by Phase II (CBA II) in May 2011. The objective of both phases was to strengthen participatory governance and improve the quality of life of the Ukrainian population in selected rural areas. During its first phase, the project operated in all 25 regions in Ukraine and covered 209 districts (at the time, 42% of the total number of districts in the country), 1123 village/city councils (at the time 10% of the total number of local councils in the country) and 1145 local communities. Selection of all project partners were through a competitive process based on criteria of hardship such as poverty, availability of

basic services (health, water, energy, waste management, school transportation) and level of commitment to share their resources.

Phase I of the project introduced a community-based methodology, promoting joint community planning and implementation of community-led projects aimed at improving living conditions and foster sustainable local development. A variety of capacity-building activities organized by the project enhanced the professional skills and knowledge of community organizations and local authorities. This put the “CBA methodology” of community based approach to local development into practice.

The project also carried out awareness-raising activities to inform local-, regional- and national-level stakeholders about the community-based approach to local development. The intent was to motivate policymakers to recognize the value of the methodology for national development. This dimension included documenting the experience of project implementation, disseminating reports and newsletters, conducting roundtables, ensuring media coverage, etc.

Phase I of CBA has been followed by a four-year Phase II, with duration from June 2011 until June 2015. The main outputs of the CBA II Project included;

Output 1. Enhanced relevant professional skills and knowledge of community organizations and local authorities to initiate and maintain participatory local process on social economic development and public services delivery.

Output 2. Energy efficiency at local level increased through promotion of innovative technologies implemented by collective action of local communities and local authorities

Output 3. Demonstrate effective participatory local governance and decentralised management mechanism throughout Ukraine for public service delivery

The second phase continued to operate in 25 (later 24) regions, 200 rayon’s and 900 village/city councils, with 40 percent of rayon’s and local councils being new partners. It expanded activities to a 100 new rayon’s, in addition to supporting activities in 100 previously covered rayon’s. The major focus of the second phase was methodology replication within a national framework. It also expanded its energy efficiency component. It supported selected regions to develop energy efficiency strategies and implement selected projects in line with the strategy.

In addition, the CBA II promoted cooperatives in rural areas and provided support to establish small rural businesses in the selected regions. It supported 712 standard community projects and 357 energy efficiency projects under the framework of standard cost-sharing and joint decision-making arrangements. The project also worked on establishing a knowledge management hub and curriculum development in more than 30 universities and national training institutes for civil servants and elected officials. This arrangement intended to support a further scale-up of the CBA methodology in the country.

The third phase of the CBA Project (CBA III – 2014-2017) continues supporting traditional areas such as energy efficiency, health, environment and water management in rural areas, as well as launched a new urban development

component and innovative governance initiatives. The CBA further promotes small farm businesses in rural areas. It supports the Ukrainian Government in developing policies in the area of decentralisation and shares innovative approaches and good practices on participatory governance and community-led local sustainable development through knowledge management hubs and the curriculums of 40 regional universities.

The CBA-III Project, as well as its previous phases, continues to operate in all 24 regions of Ukraine, in at least 200 rayon's, 1000 rural communities, and in 25 cities in 12 regions. The overall objective of the CBA-III Project is to promote sustainable socio-economic development at local level by strengthening participatory governance and encouraging community-based initiatives throughout Ukraine. Specifically the Project promotes principles such as a community-based approach to local governance and sustainable development, enhances energy efficiency at local level, support the creation of locally owned and managed repository and network of good practices and knowledge on community mobilization and participatory governance.

The Third phase of the CBA Project supports community led activities in the following priority areas:

- Health (local health posts network)
- Environment
- Water management
- Improved Management of Housing sector
- Innovative Governance
- Energy efficiency
- Local economic development

Through the replication of social mobilization techniques, it empowers citizens of villages and cities to assert themselves as drivers of local development. Citizens are empowered if their actions have an impact on local government, or any level above that in terms of policy and implementation. So citizens are empowered if there is a 'space' that government provides, one into which citizens are invited, or one that they 'invent' to secure leverage on government at local and/or higher levels. This is one of the core aspects of what CBA Phase 4 needs to work on and with.

The project also works on establishing knowledge management hubs and curriculum development in about 40 universities and national training institutes for civil servants and elected officials. This arrangement will support further scale-up of the CBA methodology in the country.

The CBA Project Phase III efforts also to promote community-led development in cities by additional support provided to municipal governance. Municipal councils and administrations will get an exposure to the best innovative governance practices and technologies. Social accountability mechanisms, forms of participatory decision-making, innovative ways to provide and monitor provision of public services to the population exercised by local governments will help to

ensure the sustainability of community-led development, as well as PBGS, Annual assessments linked to Formula Funding, civil society accountability mechanism, budget tracking, public audits, etc.

Due to the conflict situation in the east of the country, the CBA Project also supports community renovation projects for temporary accommodation of internally displaced persons (IDPs). In partnership with local authorities and community organizations, the CBA Project restored 34 social infrastructure objects in 9 Oblasts.

At this stage of project implementation, the impact of the project needs to be assessed with a focus on collecting best practices and recommendations for final year right sizing, to ensure all planned project deliverables are reached. The Program Assurance Expert will report on specific project right sizing needs and potential upscaling recommendations to UNDP and the Government.

More details on the CBA Project can be viewed at <http://cba.org.ua>

2. MAIN OBJECTIVES OF THE ASSIGNMENT

- **Global objective**

1. The identification and evaluation of the Community Based Approach to Local Development Project (CBA) best practices with the aim to review and assess the relevance, effectiveness, efficiency, visibility and sustainability of the CBA Project initiatives and its development approach.

2. A comprehensive assessment of project results and best practices to date and search of future potential right sizing is required. Therefore, the assessment aims also at providing recommendations for the development of future initiatives to ensure sustainability based on the strengths, advantages and lessons learned of the currently applied CBA methodology.

- **Specific objectives:**

The main objectives of the assessment are as follows:

1. To assess the relevance, effectiveness, efficiency, visibility and sustainability of the CBA Project to date and its development approach and methodology.

2. To formulate recommendations for project right sizing during the last year of implementation and the development approaches, priorities, focus areas of intervention and design of future initiatives to ensure sustainability of the program and the continued relevance in the changing context of decentralisation and local governance reform.

- **Requested services, including suggested methodology**

The assignment includes in total up to 18 days (12 days in regions) mission to Ukraine. (Indicative) The expert shall communicate with the CBA III office in Kyiv, Primary Supervisor, Secondary Supervisor and Ukrainian stakeholders.

The main stakeholders of the evaluation are:

On central level:

- Ministry of Regional Development, Construction, Municipal Economy of Ukraine
- Ministry of Economic Development and Trade
- Association of Local and Regional Authorities

On local level:

- Regional Administrations and Regional Councils
- Rayon administrations and Rayon councils
- Cities
- Village councils
- Community organizations – project sites

It is envisaged that the experts should make short term visits to at least 6 regions of Ukraine selected on the basis of

1. level of performance of the region in CBA activities (low-medium- high)
2. geographical distribution (west- east (Government-controlled area) or non-conflict- conflict)
3. thematic distribution of projects (Urban and Rural economic development)³⁹

The list of selected regions must be discussed with the CBA project staff and finalized by the UNDP project manager.

The mission should include visits to local stakeholders and CBA regional implementation units, rayon resource centres and community-project sites.

3. DESCRIPTION OF RESPONSIBILITIES / SCOPE OF WORK

The scope of the mission includes review, analysis and provision of findings/conclusions and production of a comprehensive evaluation report. The report should be based on results of findings and interviews with stakeholders composed according to five groups of issues listed below (but not limited to):

³⁹ A classic issue looked to elsewhere has been the distribution of benefits i.e. who in the community has received. E.g. it might only be a group defined by the occupation or particular assets and resources they hold, or a particular social identity. It is important to know this – particularly with respect to the role of government (representing all) and the sustainability and ownership of the projects implemented. Target populations are mentioned below under 2, but on what basis are they targeted, how is the targeting undertaken, and what about non-targeted groups- their perceptions etc.? If we are talking about governance and social mobilization within a broader decentralisation and governance approach, then these questions are critical.

1. Project design (relevance, coherence):

- Is the project overall objective clear to national and local counterparts and relevant to Ukraine development priorities?
- Is the project's methodology clear to/understood by project's target groups and accepted as valid to Ukraine's context by national and local counterparts?
- Is the project's methodology implemented as planned (i.e. without any variations)? If not, explain what has changed and why.
- How relevant are the Project's outputs to its outcome/main objective?
- Are implementation targets clear to project's staff and its counterparts?

2. Project effectiveness (and efficiency):

- Are project management and implementation arrangements effective?
- How well the project is known and perceived?
- Are project activities performed as planned (on track)?
- Are resources spent as planned?
- Is the project reaching the intended target population?
- How satisfied are the target groups with their involvement in the project?
- What and how much progress has been made towards the achievement of outputs (and output targets) and objectives?
- Compare the cost effectiveness of the project ($\$ \text{ invested} / \text{ people reached} = \text{unit cost}$) with similar local development projects in other countries.

3. Project's sustainability

- What is the level of institutionalization of the project's methodology at the national/regional level?
- Can the project's actions be implemented without continued intervention and financing?
- What are the key constraints, if any?

4. Project's visibility.

- How well the project is known and perceived?
- How is the roles of the EU and UNDP perceived in the project?
- Are visibility guidelines respected and to which extent?

The Expert should offer all stakeholders a questionnaire on visibility containing the following questions:

- do they know the sources of funding?
- do they know what is the EU role in the project?
- have they seen/placed EU visibility signs in the project offices and community project sites?

Summary of the questionnaire findings should be presented in the report

5. Lessons learnt/recommendations for potential follow up work

- What lessons can we learn from the way in which the project is unfolding?
- What could have been done differently in CBA III (from a methodology and/or activity, or resource usage point of view) to complete the project more effectively?
- What is the level of readiness for implementation of each component of a potential follow up phase of the project? What are external factors, risks and risk mitigation approaches?
- What in the development approach and in the implementation arrangements of CBA III that can improve in order to sharpen the focus (during the last year) of the CBA III strategy and to better address the most salient issues surrounding local development?

(This list is indicative and is not exhaustive)

The Program Assurance Expert (CBA III) shall draft the evaluation report and submit it to the Project Manager of CBA III. The final evaluation report should be finalised taking into account the comments of the Project Manager.

- **Required outputs**

The final output should be a comprehensive assessment report containing a mid-term assessment of CBA III based on the guidance above with a separate chapter containing practical recommendations which can be used in capturing best practices and designing future follow up initiatives if so recommended.

- **Content**

The Expert shall provide an assessment report of the CBA project. The report should contain a mid-term assessment of CBA III based on the guidance above with a separate chapter containing preliminary practical recommendations which can be used in capturing best practices and designing future follow up initiatives if so recommended and submit it for comments of the UNDP Project Manager.

- **Language**

The final report should be submitted in English.

4. DELIVERABLES AND ACTIVITY PLAN

- **Planning**

The Consultant is expected to start his/her assignment with a briefing with the Supervisor in Kyiv. The tentative mission plan shall be discussed with the Supervisor during the briefing in Kyiv.

- **Location(s) of assignment**

The location of the assignment will be Ukraine. Some of the stakeholders reside in Kyiv. Travel around the country is however needed to visit the regions as described in section 2 of the ToR. The project will help arrange and cover the direct cost of intra-city travels as well as other local travel around the country. Travel to and from Ukraine are considered to be included in the global budget submitted by the Consultant/s.

- **Timing for submission and comments and, when relevant, for approval**

The Consultant shall provide the UNDP with the draft Action Plan with the detailed Time Schedule of the assignment according to the expected deliverables

Revised draft report with comments of the Primary Supervisor and Secondary Supervisor included should be provided within 3 days upon the receipt of comments.

Thus, the Consultant is expected to deliver:

1. Action plan of the assignment (in English);
2. Electronic version and 2 hard copies of interim report (in English only);
3. Electronic version and 5 copies of the final report (in English only).
Indicatively, the report should be at least 50 pages but not more than 100 pages.

5. SCHEDULE OF THE ASSIGNMENT

- Tentative commencement period is December 2016.
- Within 5 days after Contract enters into force, the Consultant shall inform the Supervisor about the planned date of the expert's arrival to Ukraine. The project should last no longer than 75 calendar days from the signature of the Contract.

Indicative detail of the estimated activity schedule is given hereunder:

	Activities	Number of working days
1)	<p>Mission to Ukraine:</p> <ol style="list-style-type: none"> 1. Briefng with the UNDP Project Manager, Composition of a team and action plan development; 2. Briefing with UNDP representatives; 3. Meeting with major Stakeholders at the national level 4. Mission to the selected regions of Ukraine. Visit to six selected pilot regions 	<p>6 days including first international travel</p> <p>12 days including local travel</p>
2)	Drafting of the evaluation Report	5 days
3)	Revision of the draft evaluation report on the basis of the UNDP project managers comments (to be provided within 15 days)	3 days
4)	Final Evaluation Report prepared taking into account discussion during 2nd mission to Ukraine and submitted	2 days
	Total	28 days

6. MONITORING/REPORTING REQUIREMENTS

- Fortnightly status report on tasks carried out;
- A final report on the task completion

7. EXPERIENCE AND QUALIFICATIONS REQUIREMENTS

- Master's/Specialist degree in social and political science, regional development, humanities, law, economics;
- At least 8 years of professional experience and proven track record in conducting evaluations and development of large-scale programs in the area of local development/governance;
- At least 8 years of professional experience and proven track record in local social and economic development field, policy advice, development, formulation and implementation in these areas, preferably at international level, including field experience in CIS region;
- At least one proven research/report in the area of programme evaluation and

development in the area of local development/governance (top-quality, cogent, well-articulated research/report written in the past, conveyed artfully without mistakes);

- Fluent in English (oral and in writing). Knowledge of Ukrainian or Russian would be an asset.

Other Competencies:

- Knowledge about CBA methodology will be an asset;
- Strong analytical and organizational skills;
- Full commitment to undertake the assignment and deliver quality outputs within established timelines is absolutely necessary.

Corporate Competencies

- Demonstrates integrity by modeling the UN's values and ethical standards;
- Promotes the vision, mission, and strategic goals of UNDP;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;
- Treats all people fairly without favoritism;
- Fulfills all obligations to gender sensitivity and zero tolerance for sexual harassment

9. REMUNERATION

Lump sum remuneration amount agreed upon with the selected expert will be disbursed in three tranches as follows upon satisfactory delivery of agreed deliverables (products and services) as specified in the TOR:

- 20% of the total amount upon satisfactory submission of the action plan of the assignment– deliverable 1 (December 2017);
- 40% of the total amount upon satisfactory submission of the interim report – deliverable 2 (January 2017);
- 40% of the total amount upon satisfactory submission of final report - deliverable 3 (February/March2017).

10.

Lump sum contract

The financial proposal shall specify a total lump sum amount for the total duration of the contract and should imply all costs (professional fees, travel costs to join the duty station (Kyiv), etc.). Payment terms should be indicated around specific and measurable deliverables as provided in the Section 4 of this Terms of Reference. Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount.

Travel

Travel within Ukraine (if needed to deliver expected results) will be paid in addition to this payment for service in accordance with the UNDP rules and procedures. Consultations regarding travel options will be held with the Project Manager prior to planning of the trips and relevant logistics.

In the case of unforeseeable travel, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and the Consultant, prior to travel and will be reimbursed. In general, UNDP should not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources.

Annex 2: Meetings held

Date	Meetings
5.1.2017	Janthomas Hiemstra, Country Director, UNDP Ukraine (SKYPE) Colin Maddock, SURDP (SKYPE)
9.1.2017 - 10.1.2017 Kyiv	CBA project staff UNDP Ukraine staff Graham Meadows, independent expert (SKYPE)
11.1.2017 Kyiv & Ukrainska (Kyiv Oblast)	Silvia Cherman, CBA CDO Kateryna Teguchyna – Chairman of the Board of the ACMH “ZhSK Dnipro” Nataliya Shevchenko – Chairman of the Board of the ACMH “Variant” Tetiana Rybalko – Accountant of the ACMH “ZhSK Dnipro” Maksym Vynnyk – Member of the ACMH “ZhSK Dnipro”, Deputy of the City Council Olga Levshunova - Project Focal Point in the City Council Nadiya Zakrevska, member of the Board of the ACMH “ZhSK Dnipro” Ala Dubynchuk, member of the Board of the ACMH “ZhSK Dnipro” Yevgeniy Lysenko, member of the Board of the ACMH “ZhSK Dnipro” Anatoliy Povar, member of the ACMH “ZhSK Dnipro” Andrii Grabovyy, member of the ACMH “ZhSK Dnipro” Myra Didukh, European External Action Service, Kyiv
12.1.2017 Cherkasy Oblast	Anna Babkova, CBA CDO Lyudmyla Strashna, CBA CDO Vita Vdovychenko, Oblast FP Olena Yakovenko – Coordinator of the Rayon Resource Center Viktor Nakonechniuk - Head of the CO “Rodyna” Tetiana Kovbasenko – Secretary of the CO “Rodyna” Alina Tesko – Member of the CO “Rodyna” Oleksandr Malynoshevskyy - Member of the CO “Rodyna”, Head of the village Borovytsia Volodymyr Pryhodko – Member of the CO “Rodyna” Anatolii Parkhomenko – Member of ASC “Obriy” Nataliya Kuzka – Member of ASC “Obriy” Tetiana Strykal – Member of ASC “Obriy” Nataliya Kravchenko – Member of ASC “Obriy” Sergii Cherednichenko – Member of ASC “Obriy” Yurii Putrja – Member of ASC “Obriy” Nataliya Katerucha – Member of ASC “Obriy” Nadiya Coryova – Member of ASC “Obriy” Tetiana Kozachenko – Member of ASC “Obriy” Michail Muzyka – Member of ASC “Obriy”
13.1.2017 Kyiv	Serhyi Sharshov – Head of the department of territorial governance Lyudmyla Dementsova – Deputy head of the department Olena Kucherenko – Head of the department of regional development Liliya Popova – Head of the division of the cooperation with local authorities Serhiy Popov – Coordinator of donor activities (SDC) Tatyana Matychyk, Head of the Central Reform Office Daniel Popescu, Senior Decentralisation Advisor to the Government of Ukraine, Council of Europe
16.1.2017 Kyiv	Dominik Papenheim, Sector Manager, EU Representation Benedikt Herrmann, Sr. Adviser, EU Representation. Myroslav Kosheliuk, Special Advisor to the Prime Minister, former Deputy

	<p>Minister of Regional Development, former Deputy Mayor of Vinnitsya Alexandra Fehlinger, Deputy Head of GIZ U-LEAD, in charge of operationalizing CRO, Regional Centres, policy support. Astrid Folkmann Bonde, First Sec. Political Division, Danish Embassy Natalia Sywenkyj, Political Advisor, Danish Embassy Yuliia Tkachenko, Political Advisor, Danish Embassy</p>
17.1.2017 Kyiv	<p>Colin Maddock, SURDP Sergey Maksymenko, SURDP Anatoliy Tkachuk, Director, Civil Society Institute Yuriy Ganushchak Vitaliy Kuchynski, M&E Analyst, UNDP Christian Disler, SDC Iloma Postemska, SDC</p>
18.1.2017 Kyiv	<p>Blerla Cela, Deputy Country Director, UNDP</p>
19.1.2017 Vinnitska oblast	<p>Ratushniak I.A. - Deputy Head of the Economic Department, Vinnytska Oblast Krylov V.O. - Chief specialist, Vinnytska Oblast Lubarskyi V.P. - Head of ASC "Ivanovetski kurkuli" Kushnir L.V. – Member of ASC "Ivanovetski kurkuli" Popova A.V. – Member of ASC "Ivanovetski kurkuli" Kozlovskiy V.G. – Member of ASC "Ivanovetski kurkuli" Savolyuk Y. V. – Member of ASC "Ivanovetski kurkuli" Oliynyk V.A. – Member of ASC "Ivanovetski kurkuli" Homiak O.M. - Head of ASC "Sady Semiramidy" Kucheruk A.V. - Head of CO "Zamok Nadii" Konovaliuk L.G. – Member of CO "Zamok Nadii" Smerechynska V.V. – Member of CO "Zamok Nadii" Gadasiuk N.G. – Member of CO "Zamok Nadii" Kolodiy P.B., Head of Village Council Didur V.L. – Member of CO "Zamok Nadii" Kyliachus I.V. – Member of CO "Zamok Nadii" Mostova A.O. – Member of CO "Zamok Nadii" Vovk L.V. - Head of CO "Yaltushkivska Lelechenka" Vysochanska G.V. - Member of CO "Yaltushkivska Lelechenka" Dzis O.M. - Member of CO "Yaltushkivska Lelechenka" Hvatkov S.D., Head of village council Paraschuk S.M. - Member of CO "Yaltushkivska Lelechenka" Yurchyshena O.D. - Member of CO "Yaltushkivska Lelechenka" Gorbanyuk M.O. - Member of CO "Yaltushkivska Lelechenka" Papizh I.M. - Member of CO "Yaltushkivska Lelechenka" Peresunko V.I. - Member of CO "Yaltushkivska Lelechenka" Stytsyuk L.I. - Member of CO "Yaltushkivska Lelechenka" Solodka G.I. - Member of CO "Yaltushkivska Lelechenka" Kovalchuk A.M. - Member of CO "Yaltushkivska Lelechenka" Pavlikivska T.V. - Member of CO "Yaltushkivska Lelechenka" Golub N.O. - Member of CO "Yaltushkivska Lelechenka" Kaskun M.A. - Member of CO "Yaltushkivska Lelechenka" Ghuravel A.M. - Member of CO "Yaltushkivska Lelechenka" Ostapysheva L.M. - Member of CO "Yaltushkivska Lelechenka" Lukaniova E.T. - Member of CO "Yaltushkivska Lelechenka"</p>
20.1.2017 Ternopil oblast	<p>Stefanskiy V.A., Head of rayon council Onyshkevych V.O., First Deputy Head of rayon state administration Nikitiuk S.A., CBA Project focal-point from rayon Melnychuk L.S., Head of TSNAP of Shumsk city council</p>

Sobchuk G.G., Administrator of Executive committee of city council
Pavlenko L.V., Secretary of city council
Kryva O.M. - Member of the ASC 'Dary Laniv'
Mishchenko Y.R. - Member of the ASC 'Dary Laniv'
Ponchuk M.M. - Member of the ASC 'Dary Laniv'
Sevodov V.O. - Member of the ASC 'Dary Laniv'
Basamanovych N.V. - Member of the ASC 'Dary Laniv'
Kovalchuk Y.Y. - Member of the ASC 'Dary Laniv'
Balchuk M.Y. - Member of the ASC 'Dary Laniv'
Boyko Oleksandr - Head of ASC 'Dary Laniv'
Dovgopoliuk V.M. – Member of the CO 'Dobryn'
Shtogryn V.O. – Member of the CO 'Dobryn'
Gorodynetskiy V.V. – Member of the CO 'Dobryn'
Dubyna O.M. – Member of the CO 'Dobryn'
Kondratiuk O.O. – Member of the CO 'Dobryn'
Shtogryn N.M. – Member of the CO 'Dobryn'
Gorunko M.D. – Member of the CO 'Dobryn'
Dovgopoliuk N.M. – Member of the CO 'Dobryn'
Shevchuk N.A. – Member of the CO 'Dobryn'
Semeliak G.U. – Member of the CO 'Dobryn'
Padytch O.I. – Member of the CO 'Dobryn'
Gladyshev L.P. – Member of the CO 'Dobryn'
Padyk L.P. – Member of the CO 'Dobryn'
Dovgopoliuk M.A. – Member of the CO 'Dobryn'

Annex 3: Selected documents consulted

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Annex 4: Notes for a new narrative for social mobilization within territorial decentralisation and sustainable local development in Ukraine

A new narrative for the community based approach:

- Social mobilisation that facilitates the agency of organised individuals and their interests in local development;
- The role of local government for providing a space into which that agency can be directed and from which it can seek more and better services, access to resources and influence the nature of local investments in infrastructure;
- The importance of local institutions that bring individuals together as a part of facilitating their agency having a voice;
- The importance of local government administrative officials and elected representatives listening to these voices and in turn making their organisations stronger in delivering efficient, effective and accountable services;
- Aspirations are not limited to services, but also to a family's economic condition. This requires employment opportunities and investment opportunities, both of which need an attractive economic environment at the local as well as at the national level;
- Local government (hromadas/communities/cities/rayons) with oblasts and GoU, need to create and strengthen such an enabling environment. Continuity, predictability, recourse to justice (contractual), as well as infrastructure, services and environmental needs;
- Private sector needs to be encouraged to become active in such an environment;
- Local, oblast and GoU government also need to regulate the environment for all stakeholders to ensure that financial, environmental, social and economic needs are met, standards are upheld; the timely delivery of finances and other resources; administrative positions are filled; rules for public financial management are followed, etc..
- Securing a socially inclusive approach drawing on these elements will also be important; within and between communities across Ukraine.
- All Ukraine's citizens should feel the benefits. This strengthens political stability and economic development at all levels of government and society.

The objectives:

- For the citizens and their local communities: Improved access to a better education and health, improved drinking water and sanitation; improved local infrastructure in such areas as roads, street lighting, social housing, and community facilities; and improved employment and small enterprise opportunities based upon local economic growth.

- For local government; an improved planning process, more sustainable initiatives in service provision and local infrastructure (communal structures such as schools, clinics, drinking water and sanitation investments locally managed and resourced), reduced corruption and increased local revenues.

Note: the narrative is very much in alignment with the EU's Decentralised local government and territorial development – the bottom-up policy dynamics D-G for International Cooperation and Development – Europe Aid, 2016.