

SEMINAR PROCEEDINGS



Implementing Decentralisation and Deconcentration Reforms in Ukraine: Sharing OECD Country Experience

26-27 January 2017

Ministry of Regional Development
9 Velyka Zhytomyrska Str.
Kyiv, Ukraine

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The Regional Development Policy Committee (RDPC) was created in 1999 with the goal of identifying the nature of territorial challenges and assisting governments in the assessment and improvement of their territorial policies. Through its mandate today, the Committee aims to serve as the premier international forum for senior-level policy makers to identify, discuss, develop, and disseminate a vision of regional development policy that is place-based, multi-level, multi-sector, evidence-based and innovative. The Committee also seeks to enhance well-being and living standards in all region types, from cities to rural areas, and improve their contribution to national performance and more inclusive and resilient societies.

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■ THE PROJECT: SUPPORTING DECENTRALISATION IN UKRAINE

The OECD project will run until 2018 with the aim of helping the Ukrainian authorities implement their decentralisation reforms and strengthen the institutions of public governance at national and sub-national levels across the country. It is jointly implemented by the OECD Regional Development Policy Committee and the Eurasia Competitiveness Programme, in close collaboration with the Government of Ukraine. The project is **co-financed by the European Union, and the governments of the Czech Republic, Flanders (Belgium), and Poland.**

SEMINAR PROCEEDINGS

■ Overview

This capacity-building seminar served to frame the topic of decentralisation and deconcentration in the context of the ongoing territorial reform in Ukraine, in terms of amalgamation of municipalities, forms of co-operation and incentives, as well as the administrative process for the mergers. The seminar presented practical lessons from OECD countries in implementing decentralisation and deconcentration reforms, including key success factors for achieving greater co-ordination among different levels of government, as well as for building accountability and improving services at sub-national level. It offered participants the opportunity to hear how other countries have met the challenges associated with such reforms and to discuss experiences with other government officials and academics. This seminar was the first in a series which will be held throughout Ukraine over the course of this project. The audience included policy makers and practitioners from the public sector, think tanks, representatives of sub-national administrations and relevant associations involved in the decentralisation reform.

■ Key findings

- Decentralisation entails risks regarding public service delivery because of high socio-economic disparities, and may require the use of equalisation mechanisms.
- The lack of quality human resources at local levels is problematic, as many newly amalgamated communities (NACs) do not have the necessary skills and capacity to manage funds.
- NACs still do not have full control over land-use on their territory. There is a need to reform the governance of land use, so that local authorities have more freedom to exploit the potential revenues stemming from land resources.
- Regional development strategies can be effective tools for co-ordination and multi-level governance.

THURSDAY 26 JANUARY 2017

■ Opening remarks and introduction

The first day of the seminar was moderated by **Mr. William Tompson**, Head of the OECD Eurasia Division. Opening remarks were delivered by **Mr. Vasyl Kuybida**, President of the National Academy for Public Administration under the President of Ukraine (NAPA), **Mr. Benedikt Herrmann**, First Secretary and Policy Officer for Decentralisation and Sectoral Reform at the EU Delegation to Ukraine, and Mr. William Tompson. The representatives welcomed the audience and highlighted the relevance of the OECD work in supporting the decentralisation reform in Ukraine and in sharing good practices and international standards.

Ms. Dorothée Allain-Dupré, Senior Policy Analyst in the OECD Regional Development Policy Division, provided an introductory presentation on [Decentralisation Trends in OECD Countries \(Ukrainian\)](#). The OECD presents a diverse and complex institutional landscape at sub-national level, with 25 unitary countries and 9 federations or quasi-federations. Although there were nearly 138 000 sub-national governments in the OECD in 2015-16, degrees of decentralisation vary significantly across OECD countries. In 2014, sub-national governments in OECD countries accounted for 40% of general government expenditure, 59% of public investment and 32% of tax revenues. Spending tends to be more decentralised than revenues, which can create vertical fiscal imbalances and may accentuate the need for transfer systems.

A positive correlation can be observed between the degree of fiscal decentralisation and GDP per capita, with wealthier countries tending to be more decentralised. However, the links between decentralisation and economic performance are not clear-cut, and may depend on the extent to which countries implement a

broader set of multi-level governance reforms, which include institutional reforms (re-organising powers, responsibilities and resources), territorial reforms (re-organising territorial structures) and public management reforms (re-organising administrative processes).

Decentralisation reforms can entail numerous benefits, including increased efficiency, improved local public services, and enhanced transparency and accountability. However, they are not devoid of risks. Fiscal equalisation is necessary to compensate for inter-regional disparities and to assure a certain fundamental level of service provision at the local level. Moreover, while municipal mergers can help to create the necessary scale for local public service delivery, high levels of fragmentation can sometimes lead to unproductive competition among municipalities (as was the case for instance in metropolitan Chicago). Co-operation across municipal and regional boundaries is therefore essential.

■ Session 1: Trends and responsibility assignment in decentralised contexts

The first session began with a presentation on [*Assigning Responsibilities to Lower Levels of Government with an Eye on Improving Public Service Delivery – the Dutch Experience \(Ukrainian\)*](#) by **Ms. Iris de Graaff**, representative of the Department of Intergovernmental Relations, Ministry of the Interior and Kingdom Relations, The Netherlands. Ms. De Graaff presented the Netherlands' experience as a decentralised unitary state, which began with the need to establish local water boards to manage dikes, dams and floodgates providing defence against floods.

More recently, the 2011 Agreement on Decentralisation led to a substantial transfer of tasks and responsibilities to the regional and local levels. In particular, a significant decentralisation of social policy was achieved by empowering municipalities to become better suppliers of social services through an integrated four-year programme involving five ministries. On the legislative front, the *Participation Act* provides active support helping citizens to stay employed, the *Youth Act* places municipalities in charge of youth care services, and the new *Social Support Act* helps municipalities to improve the self-reliance of people with limitations and mental health problems. While the Ministry of the Interior and Kingdom Relations guarantees the cohesion of the decentralisation process, regional partnerships and social teams are established to bring different fields of expertise together and ensure that social services are delivered as close as possible to the need of the inhabitants. The role of the central government is to provide the legislative framework, and monitor the impact and results of the programme. Currently, the focus is on extending the monitoring system to link spending with the quality of service delivery and outcome-based indicators.

Mr. Vasyl S. Kuybida, President of the National Academy for Public Administration under the President of Ukraine, delivered a presentation on [*Decentralisation in Ukraine: Challenges and Opportunities*](#). The reform process began as early as 1998 but was delayed on several occasions and didn't really begin until 2014, with the adoption of the concept on local self-government and amendments to the budget code. Key issues that arose through the process of the creation of newly amalgamated communities (NACs) included the need to ensure basic service provision at local levels, overlapping of responsibilities with rayon councils and rayon state administrations, obtaining political support for legislative reforms from the Parliament, and the need for increased financial support from the State Fund for Regional Development.

Ms. Olena Tomniuk, Director of the Center for Development and Projects Implementation, Deputy Executive Director of the Association of Ukrainian Cities, provided further insights into some of the challenges faced by Ukraine in implementing the decentralisation reform. In particular, NACs face significant budgetary and legislative instability and lack the necessary skilled personnel to provide services at the local level. Decentralisation is also hindered by the fact that cities of oblast significance are excluded from participating in the amalgamation process.

■ Session 2: Building effective co-ordination approaches

A presentation on [*Building Dialogue among Actors at All Levels of Government for Greater Vertical Co-ordination – the Swedish Experience \(Ukrainian\)*](#), was delivered by **Mr. Sverker Lindblad**, Senior Advisor at the Division for Regional Growth, Ministry of Enterprise and Innovation, Sweden. Mr. Lindblad presented Sweden's experience in implementing its Regional Growth Policy, which provides a place-based and integrated cross-sectoral approach to support local and regional competitiveness.

Sweden has relatively few municipalities when compared with other countries in Europe; however an analysis of functional regions highlights the need for stronger co-operation between some municipalities. Regional policy is highly dependent on settlement patterns and with increasing migration to the southern more densely populated areas, co-ordination and dialogue between levels of government is essential. Sweden's National Strategy for Sustainable Regional Growth and Attractiveness 2015-2020 is an effective tool for co-ordination and multi-level governance. The strategy is applied at regional level and is the basis for EU structural funds programmes as well as other investments for growth. Sweden has also established the Forum for Sustainable Regional Growth and Attractiveness, which meets four times per year and provides regional government representatives with opportunities to discuss relevant issues at the central level and interact with sectoral ministries and state agencies. The next stage of the reform process in Sweden will involve the integration of spatial and economic planning.

This was followed by a presentation on [*Increasing Co-ordination between Local Governments for Effective Horizontal Co-operation – the French Experience \(Ukrainian\)*](#) by **Mr. Jean-Christophe Baudouin**, Director for Territorial Strategies, General Office for Territorial Equality (CGET), France. The CGET aims to tackle territorial inequalities which are most often present in lagging post-industrial or rural regions with low population density, and to address the issue of segregation within cities (e.g. Marseille). Growth areas in France tend to correspond to coastal areas, large cities and their surroundings. The long distances to access public services are a challenge in rural areas, and regions periodically undertake evaluations. Recently, the state has established 1000 centres to improve the accessibility of public services in rural areas.

Recent territorial reforms in France have had two main objectives: to simplify the administrative structures (by merging from 22 to 13 regions), and to address the high levels of municipal fragmentation (France has 36 000 municipalities) by developing inter-municipal groupings for the common management of certain local public services such as waste collection and urban transport. Developing a network of linkages between local communities and small and medium-sized cities is also a key objective of regional policy.

Ms. Liudmyla Damentsova, Deputy Director of the Department of Regional Development, Chief of Division, Ministry of Regional Development, provided a detailed description of the operational aspects of Ukraine's decentralisation reform. The first tangible results of the decentralisation reform can be seen in the growth of local budgets and the implementation of projects in local communities. In less than two years, a total of 1740 local councils have come together to establish 366 NACs. Empowering local communities to invest in their own development has resulted in 95% of the UAH 1 billion infrastructure grants for NACs being used for projects such as road repairs, schools, hospitals, kindergartens, street lighting, water supply, and purchases of municipal equipment. In addition, 73 agreements on inter-municipal co-operation have been signed, which will help to further improve the efficiency of local budget expenditures. One of the best results has been the increased awareness of the population about the decentralisation reform.

Mr. Serhii Yatskovskiy, Director of Khmelnytskyi subdivision of the Local Government Development Centre (LGDC) spoke about the experience of amalgamation in Khmelnytskyi region. There are 26 NACs in Khmelnytskyi region, covering about 42% of the population. Cities should be driving the reform process, but are unable to participate in the amalgamation. The rayon administrations are mostly ineffective and as such, the central reform office plays an essential role. In 2015, they held 50 meetings in villages to answer questions, hear concerns, and obtain the trust of local people. Funds were attributed as follows: 25% for roads, 20% for water pipelines for villages, 20% for energy projects, 20% for communal services. One of the biggest benefits has been the increased responsibility and ownership of citizens for investments that are made in their local communities.

During the open discussion, Mr. Lindblad explained that structural differences across regions (e.g. industrial structure, demographics, education, finance) should become the basis for regional development strategies and the selection of disadvantaged regions. A strong process of dialogue with the central government is necessary for regions to communicate their needs and take responsibility for the development of their territory within the framework of a national strategy. It's also important to link spatial planning with economic development planning, using a functional perspective based on commuting patterns. Mr. Baudouin emphasised the need for good information and data in order to conduct proper spatial planning. New data at the regional level often comes from civil society, and in these cases it is helpful to have a platform to feed this data upwards and into the policy making process.

■ Regional development strategies in a multi-level governance context

This session began with a presentation on [Regional Development Strategies in OECD Countries – Trends and Tools \(Ukrainian\)](#) by **Ms. Maria-Varinia Michalun**, Policy Analyst, OECD Regional Development Policy Division. Ms. Michalun outlined that GDP growth in OECD countries is often concentrated at the regional level (to varying degrees). In Ukraine, the Kyiv agglomeration accounted for 40% of total GDP growth from 2004-2013. While growth is often strongest in urban regions, intermediate regions can play an important role too.

Countries are increasingly focusing their regional development strategies on policy goals such as competitiveness, growth and inclusiveness. This includes focusing on key drivers of productivity such as business development, innovation and infrastructure investment. Investments in soft infrastructure (e.g. teacher skills) are often made at sub-national level, and can be a means to support lagging regions and reduce inter-regional inequalities. Urban-rural linkages are also an effective policy tool; these can be promoted through integrated development policies between urban and rural areas, the recognition of complementarities, and the definition (or redefinition) of urban-rural systems. Effective co-ordination mechanisms should be in place for regional, urban and rural policies. Regional Development Agencies are another way for countries to implement competitiveness reform agendas. They often manage a range of sectoral programmes and benefit from multi-level funding. Finally, vertical co-ordination instruments and multi-level dialogue can help to ensure co-ordination and define priorities for investment.

This was followed by a presentation on [The Results of Financial Decentralisation in Ukraine](#) by **Ms. Yanina Kazyuk**, Expert on local finance and budgets, Ukrainian Association of District and Region Councils. Ms. Kazyuk explained that in late 2016 the first 159 NACs received financing, and financial resources at local levels have now increased from UAH 1 billion to UAH 7 billion. Many local budget accounts of NACs now have large surpluses, mainly due to personal income tax receipts. The philosophy and approach of communities to funds management has changed, and they now have initiatives and incentives to use their funds more effectively. However, overlapping responsibilities between the rayons and NACs is a persistent issue, and it is therefore important that the financial resources of the communities are commensurate with their new responsibilities. The lack of quality human resources at local levels is also problematic, as many communities do not have the skills to manage funds. Communities are now thinking about monitoring and analysis of budget indicators, and learning to develop strategic plans to support financial flows.

The final presentation on [New Regional Development Policy for Ukraine](#) was delivered by **Mr. Yuri Tretyak**, Deputy Team Leader, Support to Ukraine's Regional Development Policy. Mr. Tretyak outlined some of the recent institutional developments that have underpinned Ukraine's decentralisation reforms. In the past, strategies were drafted but regions were not obliged to implement them. To avoid having sectoral and place-based investments with little to no regional impact, a number of co-ordination bodies have been established, which aim to connect regional development planning with financing mechanisms. These include the inter-service co-ordination commission for regional development (gathering line ministries, the Ministry of Regional Development, and regional development associations), and the Council of Regions (a political forum for the President, government, Parliament and regions to discuss regional development policies at a

political level). The government is currently developing a mid-term action plan for 4 years, and a law on state strategic planning to improve the system of planning documents for the country.

Discussions focused on some of the obstacles to further rollout the decentralisation reform, which include the political environment, blocking of draft legislation by MPs, limited funding for NACs and the State Fund for Regional Development, and corruption. **Mr. William Tompson**, Head of the OECD Eurasia Division, delivered closing remarks and thanked the audience for their active participation in the discussions.

FRIDAY 27 JANUARY 2017

■ Session 3: Linking decentralisation to effective territorial development

The second day of the seminar was moderated by **Ms. Dorothée Allain-Dupré**, Senior Policy Analyst in the OECD Regional Development Policy Division. **Ms. Isabelle Chatry**, Project Manager, Sub-national Finance and Territorial Reforms, OECD Regional Development Policy Division, provided introductory remarks and a summary of the main points highlighted during the first day's discussions. In particular, i) more capacity is required at the local level in terms of staffing and skills, especially in the NACs; ii) NACs need access to more sustainable and long-term financial resources; iii) decentralisation entails risks regarding public service delivery because of high socio-economic disparities, and may require the use of equalisation mechanisms; iv) NACs still do not have full control over land-use on their territory, a draft law addressing this is currently being discussed in Parliament; and v) other draft laws will enable amalgamation around cities of oblast significance.

Mr. François Bafoil, Director of Research, CNRS, Sciences-Po Paris, France, delivered a presentation on [*Implementing Decentralisation and Territorial Reform in Eastern Europe \(Ukrainian\)*](#). Mr. Bafoil outlined three major challenges faced by countries in Eastern Europe undergoing the transition in the 1990s. First, regional policy took place within an enormous flow of broader changes to policies and institutions. Second, candidate countries did not receive much guidance on how to structure and design institutions for regional development. Third, the need to implement innovative place-based policies aimed at improving social inclusion by guaranteeing socially agreed essential standards to all. Cohesion policy has helped to encourage a paradigm shift in regional development policies across the EU, towards a more place-based, knowledge-oriented, participatory and integrated approach to public investment based on multi-level governance. It has helped to improve connectivity, strengthen the role of administrative regions and local governments, and improve access to clean water and urban waste water. Important weaknesses that need to be addressed include the lack of clear-cut objectives, the broad range of priorities, and the weak long-term impact.

This was followed by a presentation on [*Ensuring Coherence between National and Sub-national Development Strategies/Policies – the Polish Experience \(Ukrainian\)*](#) by **Ms. Malgorzata Lubinska**, Chief Expert, Department of Development Strategy, Ministry of Development of Poland. Ms. Lubinska outlined the major stages of the decentralisation reform in Poland, which began in 1990 with the restoration of local governments (gminas). In 1999, the number of regions (voivodeships) was reduced from 49 to 16. The gminas (2 479 in total) are responsible for delivering basic public services, while the 379 poviats (districts) are responsible for secondary services. From 2007, regions have been autonomously managing about 25% of European structural funds under cohesion policy. Regions also prepare and implement their own regional development strategies. These must be coherent with the medium-term development strategy, with national spatial development concepts and with 4 macro-regional development strategies.

The Ministry of Economic Development is responsible for spatial planning and regional policy in Poland, including the transfer of EU structural funds and co-operation with local authorities, social partners and NGOs. In 2009, the number of sectoral strategy papers was reduced from 42 to 9 integrated strategies, one of which is the National Strategy for Regional Development (NSRD). The NSRD was drafted in 2010 and aims to increase the competitiveness of regions through the development of growth poles (which are expected to

create positive spillovers for surrounding regions) and build territorial cohesion by focusing on select problematic areas that are distant from the main urban centres. Co-ordination of regional policy is achieved through the Centre for Strategic Regional Analysis under the Ministry of Economic Development, which conducts evidence-based policy planning, and the Joint Commission of Central Government and Local Government. Furthermore, territorial contracts are used to prioritise regional investments, with incentive mechanisms to reward regions for good performance.

The presentation of Ukraine's experience was delivered by **Ms. Olena Kucherenko**, Director of the Department for Regional Development, Ministry of Regional Development. Ms. Kucherenko outlined the four main pillars of Ukraine's new regional policy. The first is strategic planning, with 25 regional development strategies currently in place. Second, a new system of financing instruments was introduced, which led to a 43.8% increase in local budgets. Third, a new system of monitoring was introduced, with quarterly socio-economic indicators produced for each region. Fourth, a number of institutions for regional development were set up, including an inter-agency committee on regional development, which has a mandate to implement place-based sectoral policies, and a network of regional development agencies. Ms. Kucherenko expressed the government's commitment to regional development and the decentralisation reform, as well as the desire to learn from the experience of OECD member countries.

Mr. Daniel Popescu, Special Advisor to the Government of Ukraine on Decentralisation, Council of Europe Office in Ukraine, highlighted the need to link decentralisation with development. Outside of large cities, villages need investments to foster their development. Ukraine has advanced quickly in the reform process when compared with other Central European countries, by investing in the development of NACs and supporting increases in local budget revenues. The most pressing challenges include political will for decentralisation (blocking of legislation in the Verkhovna Rada), lack of trust in government, sectoral decentralisation, and developing technical capacities in local administrations by training civil servants.

During the open discussion **Mr. Benedikt Herrmann**, First Secretary and Policy Officer for Decentralisation and Sectoral Reform at the EU Delegation to Ukraine, suggested that growth rates of 4-5% should be possible in Ukraine if key issues such as corruption and the unfriendly regulatory environment for businesses are tackled. Personal income tax is currently not collected to its full potential, and could be doubled if the shadow economy is tackled. This is a major opportunity for local administrations to boost their revenues, which would allow them to provide better public services and encourage improvements in tax compliance.

■ Session 4: Launching decentralisation reform experiences in newly decentralised countries

The final session of the seminar began with a presentation on [Launching Decentralisation Reforms to Enhance State Resilience \(Ukrainian\)](#) by **Dr. Jörn Grävingholt**, Senior Researcher, Department of Governance, Statehood and Security, German Development Institute. Dr. Grävingholt discussed the role of decentralisation reforms in enhancing state resilience and boosting the state's ability to perform its main functions. Resilient statehood includes three major dimensions: i) authority (control of violence); ii) capacity (provision of basic services and administration); and iii) legitimacy (acceptance of rule). In a decentralised setting, local governments can be a major source of stability. This is particularly relevant for Ukraine, which needs to maintain a strong reform momentum to avoid being locked into a partial reform scenario. In this respect, stability could be seen as an obstacle to reforms, as it can allow for endless delays and conflicts from vested interests.

Following on from this, **Ms. Tatiana Escovar Fadul**, Deputy Director of Sustainable Territorial Development, Department of National Planning, Colombia, delivered a presentation on [Launching the Decentralisation Reform in Colombia – the Colombian experience \(Ukrainian\)](#). In Colombia, decentralisation reforms were introduced to improve efficiency in public spending and public service provision, democratise local communities, strengthen administrative, fiscal and territorial autonomy, improve social welfare, and reduce regional inequalities. Decentralisation began with a constitutional reform in 1991, giving municipalities authority over water and service provision, and providing for popular elections of mayors and governors.

One of the biggest challenges with Colombia's decentralisation reform was the need to design policies accounting for the wide heterogeneity across regions. Prior to 2014, the Department of National Planning had developed six typologies for territorial entities based on income and population. The current typology introduced in the National Development Plan is based on 15 variables. A key goal of the regional policy is to reduce the gaps between regions. An Integrated Effort Index is used to assess the efforts needed to reduce regional disparities across eight sectors. One interesting finding was that infrastructure gaps tend to be wider in municipalities with higher socio-economic gaps. The National Development Plan 2014-2018 now includes specific sectoral policy goals for each region.

The three main dimensions of Colombia's decentralisation reform include administrative decentralisation (delegation of capabilities to territorial entities), fiscal decentralisation (royalties general system, participation general system), and political decentralisation (popular election of mayors and governors, national planning system). The royalties general system provides a more equitable system for the distribution of oil and gas revenues, which are now directed to 1 089 municipalities (prior to the reform only 522 municipalities received royalties for investment purposes). The territorial association scheme allows sub-national governments to associate themselves for various purposes, such as social development, environmental management, regional planning, and infrastructure development. Territorial management performance evaluation is conducted based on data from the National Planning Council and the Territorial Planning Council. Colombia also implemented OECD recommendations on planning, budgeting, multi-level governance and strengthening intermediate levels of government.

Ms. Olena Boïko, Member of Parliament of Ukraine, Committee on Construction, Regional Policy and Local Self-Government, gave some insights into the political economy of Ukraine's decentralisation reform. She explained that the initial concept for the reform was produced in 2004, and while some discussions were started, there was little to no political will to implement the reform. In 2013-14, the presidential and parliamentary crisis led to the development of the concept for the reform of local self-government. Today, the biggest issue holding back the reform process is trust. Providing clear and transparent information to the public is necessary to build trust among the population.

Finally, **Ms. Olena Simonenko**, Head of Project Office for Sectoral Decentralisation, presented the priorities for [Sectoral Decentralisation in Ukraine](#). Sectoral decentralisation is a gigantic task that will continue for several years. The Ministry of Regional Development is working with key line ministries such as health, education and social policy to co-ordinate the priorities for decentralisation across 22 sectors. For instance, the Ministry of Education wants to experiment with "model schools", to improve the organisation of the school system in rural areas. Another project currently underway is the development of hospital districts, which could result in amalgamations of the current 490 rayons. Land use is a key issue, as NACs are not allowed to administer their land in full. Over 700 centres for administrative services have been established, although the quality of service delivery is inconsistent. The plan is to have a centre for administrative services in each NAC, with full integration of electronic services. A matrix has been developed to monitor progress indicators across various sectors.

■ Conclusions of the seminar and way forward

Concluding remarks were provided by **Mr. Benedikt Herrmann**, First Secretary and Policy Officer for Decentralisation and Sectoral Reform at the EU Delegation to Ukraine, and **Ms. Dorothée Allain-Dupré**, Senior Policy Analyst, OECD Regional Development Policy Division. Ms. Allain-Dupré outlined the next steps and planned activities for the project. The OECD will produce three analytical reports, conduct a series of capacity-building seminars throughout Ukraine until 2018, and organise one study visit to an OECD country. The project will also support Ukraine in increasing its engagement with OECD bodies, in particular the OECD Regional Development Policy Committee. Furthermore, Ukraine will be encouraged to adhere to OECD instruments, such as the [Recommendation of the OECD Council on Effective Public Investment Across Levels of Government](#), which focuses on co-ordination arrangements, public management capacities and key framework governance conditions for public investment.

ANNEX A: AGENDA

IMPLEMENTING DECENTRALISATION AND DECONCENTRATION REFORMS IN UKRAINE: SHARING OECD COUNTRY EXPERIENCE

Ministry of Regional Development
9, Velyka Zhytomyrska Str.,

Kyiv • 26-27 January 2017

Day 1: Thursday 26 January, 2017

Moderator: Mr. William Tompson, Head of Eurasia Division, OECD

9.30-10.00	<p>Welcome and Opening Remarks</p> <ul style="list-style-type: none"> • Mr. Vyacheslav Nehoda, First Deputy Minister of Regional Development, Construction and Municipal Economy of Ukraine • Mr. Benedikt Herrmann, First Secretary, Policy Officer Decentralisation, Sectoral Reform, Delegation of the European Union to Ukraine • Mr. William Tompson, Head of Eurasia Division, OECD
10.00-10.45	<p>Introduction: Decentralisation trends in OECD countries</p> <ul style="list-style-type: none"> • Ms. Dorothee Allain-Dupré, Senior Analyst, Regional Development Policy Division, OECD Secretariat
10.45-11.15	<i>Coffee break</i>
11.15-12.30	<p>Session 1: Trends and responsibility assignment in decentralised contexts</p> <p>Presentation of OECD country experience:</p> <ul style="list-style-type: none"> • <i>Assigning responsibilities to lower levels of government with an eye on improving public service delivery</i> – the Dutch Experience by Ms. Iris de Graaff, Department of Intergovernmental Relations, Ministry of the Interior and Kingdom Relations, The Netherlands • Questions and Answers <p>Presentation of Ukraine experience:</p> <ul style="list-style-type: none"> • Mr. Vasyl S. Kuybida, President, National Academy for Public Administration under the President of Ukraine • Ms. Olena Tomniuk, Director of the Center for Development and Projects Implementation, Deputy Executive Director of Association of Ukrainian Cities, Director of "PUL" Project <p>Open discussion</p>
12.30-14.30	<i>Break for lunch</i>

<p>14.30-16.15</p>	<p>Session 2: Building effective co-ordination approaches</p> <p>Presentation of OECD country experience:</p> <ul style="list-style-type: none"> • <i>Building dialogue among actors at all levels of government for greater vertical co-ordination</i> – the Swedish Experience, Mr. Sverker Lindblad, Senior Advisor, Division for Regional growth, Ministry of Enterprise and Innovation, Sweden • <i>Increasing co-ordination between local governments for effective horizontal co-operation</i> – the French Experience by Mr. Jean-Christophe Baudouin, Director, Directorate of Territorial Strategies, General Office for Territorial Equality [Cget], France • Questions and Answers <p>Presentation of Ukraine experience:</p> <ul style="list-style-type: none"> • Ms. Liudmyla Damentsova, Deputy Director of the Department of Regional Development, Chief of Division, Ministry of Regional Development • Mr. Serhii Yatskovskiy, Director of Khmelnytski separate subdivision of the “Local Government Development Centre” (LGDC). <p>Open discussion</p>
<p>16.15-16.45</p>	<p><i>Coffee break</i></p>
<p>16.45-17.50</p>	<p>Regional development strategies in a multi-level governance context</p> <p>Presentation of OECD country experience:</p> <ul style="list-style-type: none"> • Presentation by Ms. Maria-Varinia Michalun, Policy Analyst, Regional Development Policy Division, OECD • Questions and Answers <p>Presentation of Ukraine experience:</p> <ul style="list-style-type: none"> • Ms. Yanina Kazyuk, Expert on local finance and budgets, Ukrainian Association of District and Region Councils • Mr. Yuri Tretyak, Deputy Team Leader, Support to Ukraine’s Regional Development Policy <p>Open discussion</p>
<p>17.50-18.00</p>	<p>Conclusions of Day 1</p> <p>Summary of the discussions and key takeaways of the day by Mr. William Tompson, Head of Eurasia Division, OECD</p>

Day 2: Friday 27 January, 2017	
Moderator: Ms. Dorothée Allain-Dupré, Senior Analyst, Regional Development Policy Division, OECD	
9.00-9.15	<p>Introduction of the day</p> <ul style="list-style-type: none"> • Ms. Isabelle Chatry, Project Manager, Subnational Finance and Territorial Reforms, Regional Development Policy Division, OECD
9.15-11.00	<p>Session 3: Linking decentralisation to effective territorial development</p> <p>Presentation of OECD country experience:</p> <ul style="list-style-type: none"> • <i>Implementing decentralisation and territorial reform in Eastern Europe</i> by Mr. François Bafoil, Director of Research, CNRS, Sciences-Po Paris, France • <i>Ensuring coherence between national and subnational development strategies/policies – the Polish Experience</i> by Ms. Malgorzata Lubinska, Chief Expert, Department of Development Strategy, Ministry of Development, Poland • Questions and Answers <p>Presentation of Ukraine experience:</p> <ul style="list-style-type: none"> • Ms. Olena Kucherenko, Director of Department for Regional Development, Ministry for Regional Development, Building and Housing and Communal Services of Ukraine • Mr. Daniel Popescu, Special Advisor to the Government of Ukraine on Decentralisation, Council of Europe Office in Ukraine <p>Open discussion</p>
11.00-11.15	Coffee break
11.15-13.00	<p>Session 4: Launching decentralisation reform experiences in newly decentralised countries</p> <p>Presentation of OECD country experience:</p> <ul style="list-style-type: none"> • Presentation by Dr. Jörn Grävingholt, Senior Researcher, Department of Governance, Statehood and Security, German Development Institute • Presentation – <i>Launching Decentralisation Reform in Colombia</i> – the Colombian Experience by Ms. Tatiana Escovar Fadul, Deputy Director of Sustainable Territorial Development, Department of National Planning, Colombia • Questions and Answers <p>Presentation of Ukraine experience:</p> <ul style="list-style-type: none"> • Ms. Olena Boïko, Member of Parliament of Ukraine, Committee on Construction, Regional Policy and Local Self-Government • Ms. Olena Simonenko, Head of Project Office for Sectoral Decentralisation <p>Open discussion</p>

13.00-13.15	<p>Conclusions of the seminar and way forward</p> <ul style="list-style-type: none"> • Comments and closing remarks by Mr. Vyacheslav Nehoda, First Deputy Minister of Regional Development, Construction and Municipal Economy of Ukraine • Comments and closing remarks by Mr. Benedikt Herrmann, First Secretary, Policy Officer Decentralisation, Sectoral Reform, Delegation of the European Union to Ukraine • Comments and closing remarks by Ms. Dorothee Allain-Dupré, Senior Analyst, Regional Development Policy Division, OECD
13.15	<p>End of seminar</p>

ANNEX B: LIST OF PARTICIPANTS

№	Participants	Position	Organization
Public sector representatives:			
1.	Ms. Olena Boiko	Member of Parliament	Verhovna Rada of Ukraine
2.	Mr Olexandr Ihnatenko	Assistant of Member of Parliament	Verhovna Rada of Ukraine
3.	Mr Leonid Smishko	Head of Division of local self-government and territorial organization of voting rights	Secretariat of Cabinet of Ministers of Ukraine
4.	Ms. Mariana Dzvinyk	Chief specialist of the Division of local self-government and territorial organization of voting rights	Secretariat of Cabinet of Ministers of Ukraine
5.	Ms. Olena Kucherenko	Director of Department for Regional Development	Ministry of Regional Development of Ukraine
6.	Ms. Liudmyla Damentsova	Deputy Director of the Department of Regional Development - Chief of Division	Ministry of Regional Development of Ukraine
7.	Mr Oleg Protsenko	Advisor	Ministry of Regional Development of Ukraine
8.	Mr Andriy Kudelin	Project manager, POSD	Ministry of Regional Development of Ukraine
9.	Ms. Galyna Markovych	POSD	Ministry of Regional Development of Ukraine
10.	Mr Vadym Virchenko	Manager, POSD	Ministry of Regional Development of Ukraine
11.	Ms. Iryna Frenkel	POSD	Ministry of Regional Development of Ukraine
12.	Ms. Alina Zakharchuk	Chief specialist	Ministry of Regional Development of Ukraine
13.	Ms. Nadiya Muzychuk	Chief Specialist of the Entrepreneurship Development of Department of Regulatory Policy and Entrepreneurship	Ministry of Economic Development and Trade of Ukraine
14.	Ms. Iryna Korzh	Chief Specialist of Division of cooperation with IFIs and OECD, Department for Coordination of international programs	Ministry of Economic Development and Trade of Ukraine
15.	Ms. Marna Matsenko	Chief Specialist of the development of the system of administrative services management of Department of Regulatory Policy and Entrepreneurship	Ministry of Economic Development and Trade of Ukraine
16.	Ms. Olena Machulna	Deputy head of the budgetary adjustment – Head of Division	Ministry of Finance of Ukraine
17.	Ms. Olena Gogol	Deputy head of the local budget planning	Ministry of Finance of Ukraine
18.	Mr Ivan Shum	Head of the department of transportation of SE "DerzhavtotransNDIproekt"	Ministry of Infrastructure
19.	Mr Serhiy Kunytskyi	Deputy Head of internal structural change division of Department of reform corporate development of JSC "Ukrzaliznytsia"	Ministry of Infrastructure
20.	Mr Vadym Oliynyk	Deputy Director of Department	Ministry of Infrastructure
21.	Dr. Vasyl Kuybida	President, Professor of the Chair of the Regional Administration, Local Self-Governance and Urban Management	National Academy for Public Administration under the President of Ukraine
22.	Mr. Volodymyr Vakulenko	Head of the Chair of the Regional Administration, Local Self-Governance and Urban Management	National Academy for Public Administration under the President of Ukraine
23.	Ms. Nataliia Grynchuk	Deputy Head of the Chair of the Regional Administration, Local Self-Governance and Urban Management, Associate Professor	National Academy for Public Administration under the President of Ukraine

No	Participants	Position	Organization
24.	Ms. Natallia Vasylieva	Professor of the Chair of the Regional Administration, Local Self-Governance and Urban Management	National Academy for Public Administration under the President of Ukraine
25.	Ms. Anzhela Lelechenko	Associate Professor of the Chair of the Regional Administration, Local Self-Governance and Urban Management	National Academy for Public Administration under the President of Ukraine
Regional authorities :			
26.	Mr Olexiy Riabokon	Mayor	Pyriatin town
27.	Mr. Serhii Yatskovskiy	Director of Khmelnytskyi separate subdivision of the Institution 'Local government development centre' (LGDC).	Khmelnytsky LGDC
28.	Ms. Valentyna Bas	Assistant Consultant of deputy Khmelnytsky Oblast Council, Head of Projects and Programs "Strengthening Communities"	Khmelnytsky Oblast Council
29.	Mr Vasyl Goshovsky	Director	Municipal institution "Agency of development of Mykolayiv"
30.	Mr Ziniviy Broyde	Advisor of the Head	Chernivtsy Regional State Administration
International partners:			
31.	Mr. Benedikt Herrmann	First Secretary, Policy Officer Decentralisation, Sectoral Reform	Delegation of the European Union to Ukraine
32.	Mr Dominik Papenheim	Sector Manager – Regional and Local Development/Decentralisation of Governance	Delegation of the European Union to Ukraine
33.	Ms. Iris de Graaff	Expert	Department of Intergovernmental Relations, Ministry of the Interior and Kingdom Relations, The Netherlands
34.	Mr. Sverker Lindblad	Senior Advisor	Division for Regional growth, Ministry of Enterprise and Innovation, Sweden
35.	Mr. Jean-Christophe Baudouin	Director	Directorate of Territorial Strategies, General Office for Territorial Equality [Cget], France
36.	Ms. Janina Brennan	Advisor, Support to the Decentralisation Reform in Ukraine	U-LEAD with Europe, GIZ
37.	Mr. Yuriy Svirko	Communication coordinator, Support to the Decentralisation Reform in Ukraine	U-LEAD with Europe, GIZ
38.	Mr. François Bafail	Director of Research	CNRS, Sciences-Po Paris, France
39.	Ms. Malgorzata Lublinska	Expert	Department of Development Strategy, Ministry of Development, Poland
40.	Mr. Daniel Popescu	Special Advisor to the Government of Ukraine on Decentralisation	Council of Europe Office in Ukraine
41.	Mr Volodymyr Kebalo	Support Officer to the Special Adviser to the Government of Ukraine on Decentralisation	Council of Europe Office in Ukraine
42.	Dr. Jörn Grävingholt	Senior Researcher	Department of Governance, Statehood and Security, German Development Institute
43.	Ms. Tatiana Escovar Fadul	Deputy Director of Sustainable Territorial Development	Department of National Planning, Colombia
44.	Mr Yuri Tretyak	Deputy Team Leader	Support to Ukraine's Regional Develop. Policy
45.	Mr Sergiy Maksymenko	Regional Development Advisor	Support to Ukraine's Regional Development Policy
46.	Mr Artur Grossman	Head of Kyiv office	Solidarity Fund PL
47.	Ms. Tawnia Sanford Ammar	Director	EDGE

No	Participants	Position	Organization
48.	Mr Ruslan Kundryk	Governance Sector Lead	EDGE
49.	Mr Christian Disler	Senior Advisor	Swiss Cooperation Office Ukraine
50.	Ms. Ilona Postemska	National Programme Officer	Swiss Cooperation Office Ukraine
51.	Ms. Daria Fedchenko	Partner	PricewaterhouseCoopers
52.	Mr Markijan Želak	Project team manager	GGF
53.	Iryna Gubarets		Embassy of Canada
54.	Ms. Caroline Pöschl	Manager, Global Fiscal Policy Advisory	PwC
55.	Mr David Mašek	Counsellor-Minister	Embassy of the Czech Republic
56.	Mr Krzysztof Siwek	Ministry Counselor	Ministry of Economy of Poland
NGOs:			
57.	Ms. Olena Simonenko	Project Manager	Central Office for Reform
58.	Mr Viacheslav Liashenko	Scientific Secretary	International Research Center for modernization and development of cooperation (Poltava city)
59.	Mr Dmytro Vasylenko	Legal consultant	Reform Office in Khmelnytskyi
60.	Ms. Natalia Harashchenko	President	NGO "Club of economists"
61.	Mr Serhiy Tsybytovskiy	Head of Division of Legal Policy	Association of district and regional councils
62.	Mr Vadym Savchenko	Deputy Head of the Executive Directorate	Ukrainian Association of village and settlement councils
63.	Mr Olexandr Dumas	Chief specialist of logistic	Ukrainian Association of village and settlement councils
64.	Ms. Yanina Kazuk	Coordinator of fiscal decentralization	Central reforms office
Institutes:			
65.	Ms. Olena Tomniuk	Director of International Relations	Association of Ukrainian Cities
66.	Dr Inna Lunina	Head of Public Finance	Institute of Economics and Forecasting of NAS of Ukraine
67.	PhD Dina Serebrianska	Researcher of public finances	Institute of Economics and Forecasting of NAS of Ukraine
68.	Ms. Tetiana Kvasha	Researcher	Institute of Economics and Forecasting of NAS of Ukraine
69.	Mr Vitaliy Pylypiv	Professor of Regional Studies and Tourism	Kyiv National Economics University
70.	Mr Yaroslav Ostafiychuk	Professor of Regional Studies and Tourism	Kyiv National Economics University
71.	Mr Roman Pravorskyi	Assistant Professor, Head NGO "Foundation of Regional Innovation Development"	Kyiv National Economics University
72.	Mr Rostyslav Tomenchuk	Chairman	Ukrainian Institute for International Politics
OECD delegation:			
73.	Mr. William Tompson	Head of Eurasia Division	OECD
74.	Ms. Dorothée Allain-Dupré	Senior Analyst, Regional Development Policy Division	OECD
75.	Ms. Gabriela Miranda	Country Manager Ukraine, Eurasia Division	OECD
76.	Ms. Maria-Varinia Michalun	Policy Analyst, Regional Development Policy Division	OECD
77.	Ms. Isabelle Chatry	Project Manager, Subnational Finance and Territorial Reforms, Regional Development Policy Division	OECD
78.	Mr. Jibrán Punthakey	Policy Analyst, Eurasia Division	OECD
79.	Mr. Antoine Comps	Policy Analyst, Regional Development Policy Division	OECD
80.	Mr. Mykhailo Semchuk	OECD local consultant	OECD