



# Partnership for Local Economic Development and Democratic Governance



Partnership for Local Economic Development and Democratic Governance Project (PLEDDG) is a 6 year technical assistance project financed by the Government of Canada. The project aims to strengthen Ukraine's municipal sector by increasing capacities of Ukrainian cities to advance local democracy and economic development. We will do this by creating an enabling environment for entrepreneurship and local economic development (LED), by facilitating decentralization of authorities and by supporting integrated development planning at the local, regional and national level. More broadly, we support the empowerment of people and local governments to effect sustainable open government and economic growth.

PLEDDG is implemented by the Federation of Canadian Municipalities (FCM) and funded by Global Affairs Canada.



# About PLEDDG



## Partners

- Ministry of Regional Development, Construction and Housing of Ukraine
- Ministry of Economic Development and Trade of Ukraine
- Association of Ukrainian Cities
- Oblast administrations and oblast councils of 4 regions: Vinnytsia, Zaporizhia, Ivano-Frankivsk, Poltava
- 16 partner cities in 4 oblasts



## Context

Effective interaction between civil society, business and state is necessary for democracy and economic development. Under previous national governments, the priorities of citizens and business were not sufficiently integrated into what was a largely outdated, non-democratic local decision-making processes. As Ukraine implements democratic reform, national, regional and local authorities are recognizing that the decision making process should be as transparent as possible, involving all stakeholders and taking account of interests and priorities of citizens and business. Effective dialogue and cooperation between authorities and citizens can be achieved through an “open government” model. This model of governance is a system in which citizens participate in government planning and decision making, while those in office respond to citizens needs with accountability and transparency.

# PLEDDG's Focus

## IMPLEMENTING AN "OPEN GOVERNMENT" MODEL AND ENSURING TRANSPARENT AND EFFECTIVE DECISION MAKING BY LOCAL GOVERNMENT



### Programming

PLEDDG is committed to the values of inclusive and accountable government because enhancing transparency and strengthening civil society participation will advance local democracy and provide greater economic stability. PLEDDG will empower local governments to implement an "open government" model to create transparent and participatory decision-making processes. We facilitate more inclusive approaches to local government that enable various stakeholders to more actively contribute to shaping the local development agenda and devising local solutions to economic development challenges.

### Outcomes

- Open, democratic governance models developed and applied in partner cities
- Strategic plans developed and implemented including community vision, gender equality and environmental considerations, as well as inter-municipal cooperation
- Improved partner city attractiveness, governance and service delivery



## Context

A flourishing middle class with a healthy pool of small and medium enterprises (SMEs) is an integral part of a prosperous market economy. Developing the SME sector increases employment and state budget revenues. Currently in Ukraine, small and medium enterprises constitute 99.8% of all enterprises in the country. However, the regulatory burden on business has placed Ukraine near the bottom of international “ease of doing business” scales. Administrative barriers to trade provided serious obstacles to improving the investment climate. These and other factors impede the ability of local authorities to sufficiently respond to their citizens, manage their resources in an efficient and transparent manner and create an enabling environment for small and medium enterprises (SMEs) and local economic development.



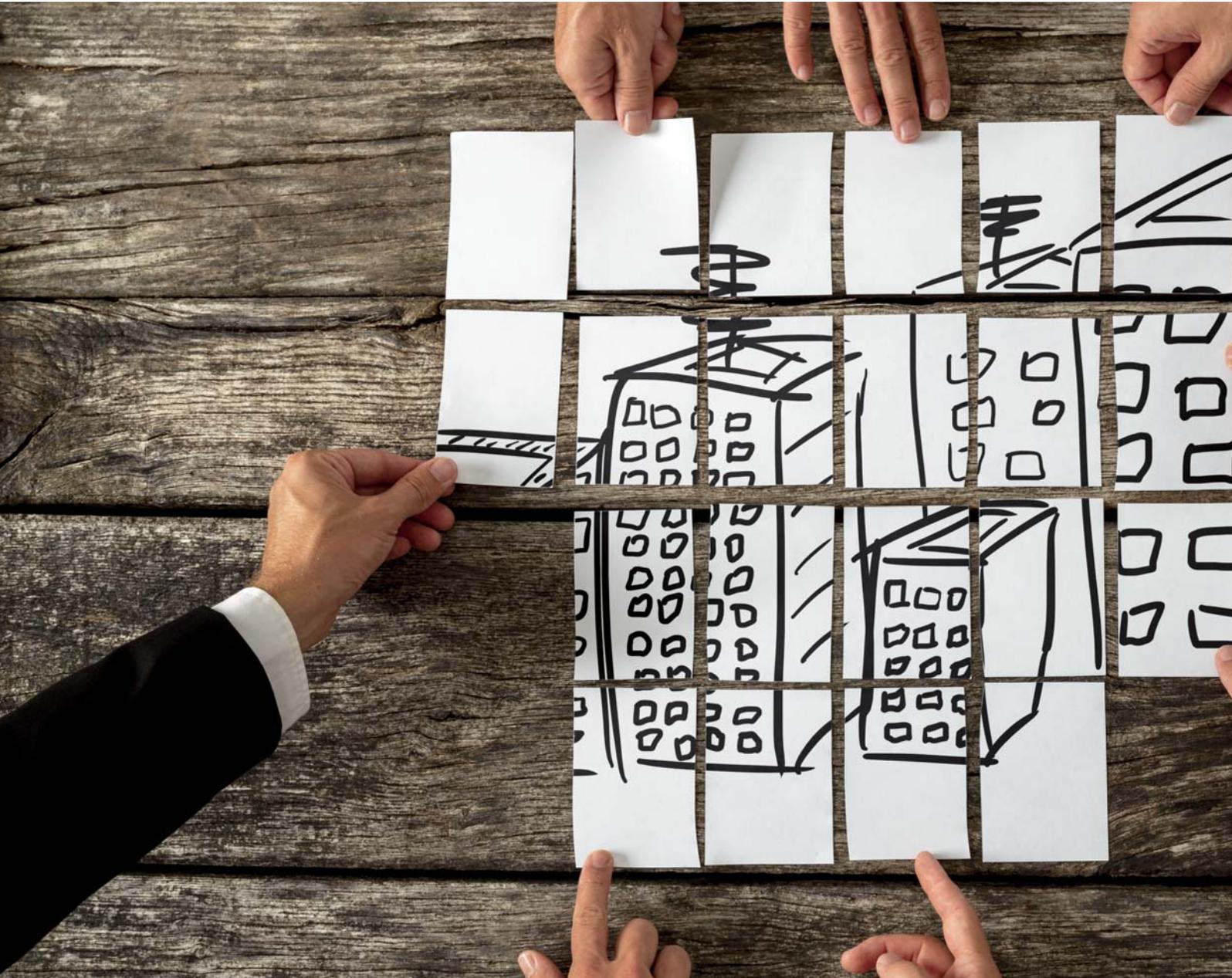
## SUPPORT OF SMALL AND MEDIUM SIZED ENTERPRISES DEVELOPMENT

### Programming

PLEDDG will stimulate and support the growth of sustainable small and medium enterprises (SME) through development of business support institutions, enhancement of entrepreneurs' skills and capacities. PLEDDG believes that an effective business climate and business services are cornerstones of SME growth and economic prosperity. As such, we will implement local government business support programs to help expand and strengthen SMEs and ultimately, the middle class.

### Outcomes

- Favorable enabling environment for SMEs in partner cities created with a focus on women entrepreneurs and environmentally friendly businesses
- Business infrastructure developed and new services for SMEs applied
- Increased opportunities for local stakeholders to engage in partnerships that support business development



## Context

Socially significant problems cannot be solved only at one level of government without relevant involvement of other levels of authority. That is why effective governance is impossible without constructive interaction and dialogue between regional and national governments. Local governments are accountable to the communities they serve while operating within both regional and national legal and policy frameworks. However, since Independence in 1991, local governments have had insufficient authority and few resources to implement their mandate. Excessive centralization of authorities and resources decreases local governments' effectiveness, causes regions' dissatisfaction with national government, which in its turn threatens Ukraine's integrity and unity. In this context PLEDDG Project supports decentralization reform in Ukraine and helps to establish cooperation between different levels of government to increase the efficiency of resources utilization and facilitate quick solving of local problems.



## IMPROVE COLLABORATION BETWEEN LOCAL, REGIONAL AND NATIONAL AUTHORITIES TO FACILITATE DECENTRALIZATION AND INTERGOVERNMENTAL DIALOGUE



### Programming

PLEDDG will facilitate improved structures, capacities, practical policy, planning, and intergovernmental cooperation as a means of facilitating decentralization and promoting local investment, trade and business development. In addition, PLEDDG will continue to support the Association of Ukrainian Cities (AUC) to improve and expand their services related to democratic governance and LED.

### Outcomes

- Enhanced training and professional development opportunities on democratic governance, LED, investment and trade for LG officials and staff
- Increased ability of regional/local governments for intergovernmental dialogue and integrated economic development planning
- Enhanced capacity of the AUC to represent the interest of its members in policy issues and provide them with better services



## Integration of environmental sustainability issues

Ukraine is a member of the UN Millennium Declaration and UN General Assembly Resolution 2030 Sustainable Development Agenda (New York, 2015) and supports a number of international decisions on implementing sustainable development. PLEDDG Project supports the implementation of the Concept of Sustainable Development, in particular, its environmental component. Environmental safety issues are extremely topical for Ukrainians, who in 1986 lived through one of the biggest environmental disasters in Ukrainian and world history. In order to prevent future disasters, minimize negative environmental impact and ensure compliance with environmental and economic approaches to local economic development, all PLEDDG Project initiatives will be analyzed to check whether they have negative environmental impact, how it is best to limit such negative impact and how to maximize possible positive environmental impact. Project implementation plan includes Environmental Sustainability Strategy that will ensure integration of environmental aspects in all Project activities – from general planning to implementation and evaluation of each initiative and the project.

# CROSS CUTTING THEMES



## Integration of gender equality issues

Equal participation of men and women in all spheres of public life, including in policy and public administration, is an important aspect of Ukraine's democratic development. Strengthening gender equality requires introducing effective gender policy aimed at awareness raising on the culture of gender behavior, fighting gender stereotypes prevailing in society and encouraging women's active participation in public life. Through its activities, PLEDDG Project will facilitate the enhancement of women's active involvement in the economic development processes. Use of a 'gender lens' will be promoted throughout all major project activities, primarily by focusing on women entrepreneurs and facilitating new approaches to social entrepreneurship and services for women; gender analysis and integration of the interests/needs of women as part of strategic planning and budgeting in partner cities; as well as through the knowledge sharing on gender equality issues. Also, PLEDDG intends to provide support to AUC's Committee on Equality Rights and Opportunities for Women and Men.



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