



Success Stories
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Leaders Forged in a Crisis: Transformation of the AUC Regional Office in **Luhansk**

PLEDDG uses a consistent and balanced approach toward ensuring the sustainability of outcomes of all initiatives implemented with its backing. To this end, the project team and partners are constantly planning strategic activities designed to help prolong the favourable impacts of projects and maintain their productivity as much as possible once external aid stops.

Back in 2016, PLEDDG drafted the AUC Regional Office Development Strategy after analyzing the organizational structure of the regional offices (ROs) of the Association of Ukrainian Cities (AUC), with the intention of defining a new and more effective role for ROs in promoting the development of cities. This marked the beginning of a gradual reorganization of offices into innovative information and service centres. These steps were necessitated by the dependence of ROs on external funding, insufficient proceeds from membership fees, and mounting competition from other associations of local government agencies. Consultants were hired in five pilot regions (Zaporizhia, Poltava, Ivano-Frankivsk, Vinnytsia, and Luhansk) to devise and implement RO development strategies.

“The Association of Ukrainian Cities is one of our principal partners. A crucial ongoing task involves ensuring the sustainability of AUC initiatives once PLEDDG aid has been phased out. They are going off on their own, so to speak. We are committed to making sure that our aid has long-term impact and practical value. As exemplified by the project to enhance the capacity of AUC regional offices, we can see the comprehensive nature of support provided by PLEDDG and the way pre-conditions are created for subsequent sustainability,” says **Oleksandr Ihnatenko, Chief Expert on Interagency Cooperation and Economic Development, PLEDDG**.

The Luhansk Regional Office of the AUC provided the most stellar performance of all the pilot regions supported by PLEDDG. The local team managed to put the aid to effective use, augmented and strengthened their institutional potential, and created conditions favouring continued sustainable development.

“The Luhansk RO survived a challenging crisis period. Yet this is exactly what helped them unlock their potential. I believe that a lot of credit for this goes to the staff. The Executive Director put together a team of highly enthusiastic and goal-oriented professionals. PLEDDG also hired a consultant to provide an extra edge: this enabled the team to get territorial communities more actively involved and launch an in-depth study into the needs of existing members of the AUC regional office. This made it possible to simplify and speed up the process,” says **Volodymyr Nyzhnyk, PLEDDG Coordinator at the Association of Ukrainian Cities**.

Since the armed conflict broke out in eastern Ukraine, the Luhansk RO has been working out of Severodonetsk. It currently comprises 26 territorial communities. Regional Office Executive Director Natalia Boyko says that they had virtually nobody to work with after the relocation, seeing how 70% of the communities remained in the occupied territory. When the offices were transformed into information and service centres, the Luhansk team was the first to pursue this line of work. As of March 2020, the Luhansk regional office was the only one providing billable services to local government agencies. According to Natalia Boyko, they owe this result primarily to a proactive approach and maximum mobilization of resources in the face of the armed conflict in Ukraine's east. The office found itself on the brink of getting shut down in 2014. In order to stay afloat and continue to reinforce the voice of local government in the Luhansk Region, a decision was approved to introduce billable services as soon as practicable.

“In late 2014, our regional office comprised nine teams, including just three cities – Lysychansk, Rubizhne, and Severodonetsk. The others were villages and small towns. We experienced a critical shortage of proceeds from their membership fees. Meanwhile, we had to rent office space, pay electricity bills, and retain employees. Luhansk used to be a key donor but ended up in the occupied territory. Even now the amount received from 26 member communities is smaller than the contribution previously made by the Luhansk regional centre alone. In the face of a dire shortage of funds, in 2016-2017 we began applying for grants and providing billable services to local government agencies. This helped us stay afloat. In recent years we have made big improvements, acquired experience, introduced new billable services, and approved their current list in 2019,” says **Natalia Boyko**.

The Luhansk Regional Office of the AUC offers the following services: consultancy, methodological, and training support for local government agencies; setting up regional platforms for problem solution discussions at the local government level; fundraising; re-granting; and support of local economic development. Enhancement of the potential of the Luhansk RO was accompanied by ongoing two-component assistance from PLEDDG: 1) support from a highly-qualified consultant and; (2) transfer of the strategic planning methodology, which made it possible to competently formulate the aspects of continued development of the regional office.

“I worked with communities that are members of the Luhansk RO, helped with strategic planning, consultancy, and methodological support. I can say from practical experience that it went a long way in helping the communities. We collaborated on exploring the actual needs of communities and revised the list of billable services that could be potentially provided. The Regional Office Development Strategy was also prepared under PLEDDG auspices, which is a hefty contribution. Over the past two years we have been organizing series of workshops for representatives of our communities: such as those dealing with project management and submitting project proposals to the State Regional Development Fund. Such training is extremely important, since all territories are currently trying to mobilize additional funding for development, while the project application submission process keeps getting more and more complicated,” says **Kateryna Klymenko, Deputy Executive Director of the Luhansk Regional Office of the AUC, PLEDDG consultant**.

The Luhansk Regional Office’s Development Strategy for 2020-2030 and the Strategy Implementation Plan for 2020-2022 were prepared in 2019 with PLEDDG support. One of the strategic growth aspects of the RO involves effective external communications and building long-term partnerships. The regional office is already providing services not just within Luhansk Region, but also in other regions, thereby adopting a competitive stance at the nationwide level. The strategy calls for setting up a hub of eastern regions of Ukraine on matters of local economic development at the regional office. Local government agencies of the Donetsk, Kharkiv, Sumy and Dnipropetrovsk regions will receive consultancy and training support along with assistance with strategy mapping for projects and targeted programs.

“In addition to the hub, up until 2023 we have scheduled several trainings and workshops on project management and strategic planning, activities dealing with decentralization and capacity development of united territorial communities. We have plans to arrange regional platforms with the involvement of Ukrainian Members of Parliament. We would like to use our experience and achievements to highlight for MPs the existing local challenges so they can be solved at the national level. It is also extremely important for us to popularize principles of gender budgeting. We can see that local government agencies still have little information on this subject, which means that we must push the gender equality agenda in areas where we have influence. In providing consultations or holding training activities, we use methodological materials provided by PLEDDG: on strategic planning, the gender component, and environmental balance. Owing to this support, we have actually become stronger, got a fresh perspective on critical situations, and learned how to move forward,” **Natalia Boyko** adds.

The AUC’s Action Plan for ensuring the sustainability of the outcomes of initiatives implemented with PLEDDG’s support, calls for approving development strategies and action plans of all regional offices by the end of 2020. The practice of annual reporting on the implementation of these strategies will also be introduced. Other plans for the year include elaborating a mechanism by which the AUC network will provide billable services, updating the list of services and supplementing it with strategic environmental assessment, launching billable services at each regional office in the PLEDDG pilot regions.



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The series of success stories #ChangingCities demonstrate successful examples and innovative approaches to democratic governance and local economic development in Zaporizhzhia, Vinnytsia, Poltava and Ivano-Frankivsk oblasts in Ukraine, that have resulted from the efforts of the international technical assistance project “Partnership for Local Economic Development and Democratic Governance” (PLEDDG) which is being implemented by the Federation of Canadian Municipalities and funded by Global Affairs Canada.

