



Case Study

# DEVELOPING MUNICIPAL DEVELOPMENT STRATEGIES IN UKRAINE:

Guidelines and an Overview  
of Practices

From April 2015 to December 2020, the Federation of Canadian Municipalities, with the financial support of Global Affairs Canada, is implementing the Partnership for Local Economic Development and Democratic Governance Project (PLEDDG), a technical assistance project aimed at strengthening Ukraine's municipal sector, ensuring effective democratic governance and fostering municipal economic development.

These guidelines and an overview of practices have been prepared to highlight the key factors for the efficiency of strategic municipal development using the PLEDDG methodology.

The PLEDDG approach is unique among the great number of existing methods for strategic planning in that it involves four components: public participation at all the stages of developing and implementing a municipal development strategy; incorporating gender equality; achieving the goals of environmental sustainability; creating responsible agencies; and providing support for the process of achieving the strategy's goals and implementing its objectives and tasks.

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This publication uses photographs from monitoring visits to study progress in implementing municipal development strategies developed with the support of the PLEDDG in partner cities.

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# Table of Contents

MUNICIPAL DEVELOPMENT STRATEGIES: A FORMALITY, A ROAD MAP, OR A WAY TO IMPROVE QUALITY OF LIFE? .....	5
UKRAINIAN AND WORLD EXPERIENCE: COMMONALITIES AND DIFFERENCES .....	11
HOW TO START AND WHAT IS MOST IMPORTANT? .....	16
Step-by-step instructions and recommendations for the effective formulation of a city development strategy in light of the PLEDDG project experience .....	17
FACTORS OF STRATEGIC PLANNING EFFICIENCY: EXAMPLES OF UKRAINIAN CITIES .....	24
Factor 1.    Uniting to solve shared problems—developing a strategy in the ATC context: Khmilnyk and Dolyna .....	25
Factor 2.    Triadic partnership: government, business, and the community: the Western Donbas subregion .....	30
Factor 3.    Municipal Development Strategy Implementation Committee: Kryvyi Rih and Kremenchuk .....	32
Factor 4.    Engaging the public: Zaporizhia, Kolomyia, and Ivano-Frankivsk .....	35
Factor 5.    A designated municipal development institution as a vehicle of change and progress towards development goals: Lviv and Ladyzhyn .....	39



MUNICIPAL

DEVELOPMENT

STRATEGIES:

A FORMALITY,

A ROAD MAP, OR

A WAY TO IMPROVE

QUALITY OF LIFE?





Dolyna  
(Ivano-Frankivsk oblast)



# What does strategic planning mean for a city?

One global trend in the modern world is the increasing role of cities and regions in the territorial division of labour. These administrative units are the engines of development. They are best at considering the needs of the population and the resources available for decision making at the local level, thereby effectively reducing the burden on the central government. Thus, the development of cities, regardless of their size, largely determines the effectiveness of changes at the national level and has an impact on the growth of both the region and the entire country. A quality plan for this growth is the prerequisite for the adoption of the most constructive solutions.

An objective assessment of the improvements in the living conditions of a local community is possible through socioeconomic indicators, while a subjective evaluation can be carried out by gauging the level of personal comfort, in the broadest sense of the word, as directly experienced by community members.

Strategic planning for regional development has become especially relevant in Ukraine in connection with government decentralization and public administration reform.<sup>1</sup> These include the transfer of authority and appropriate financial resources for regional development down to the local level, which necessitates the improvement of strategic planning methods and tools both nationally and locally.

<sup>1</sup> <https://kmu.gov.ua/ua/diyalnist/reformi/reforma-decentralizaciyi>

## Strategic planning of municipal development

is a systematic decision-making process that is focused on the needs of the community and aimed at addressing the most pressing local problems and leveraging competitive advantages in an optimal way on the basis of a reasonable allocation of available resources (time, money, expertise, and material benefits). Such planning envisages improving the well-being of the population and an increased pace of development of a particular locality or region. Strategic planning helps overcome the fragmentation and disproportionality of the economic, social, and environmental development of territories, and also builds trust in the system of relations between the government, business, and civil society.

This applies not so much to future decisions as to future impacts and consequences of today's decisions.

# How does a city benefit from a strategy?

## A municipal strategy:

helps assess the current state of the city more accurately



facilitates resource allocation



identifies additional internal resources for the development of individual municipal spheres



reflects the interests of all local community members



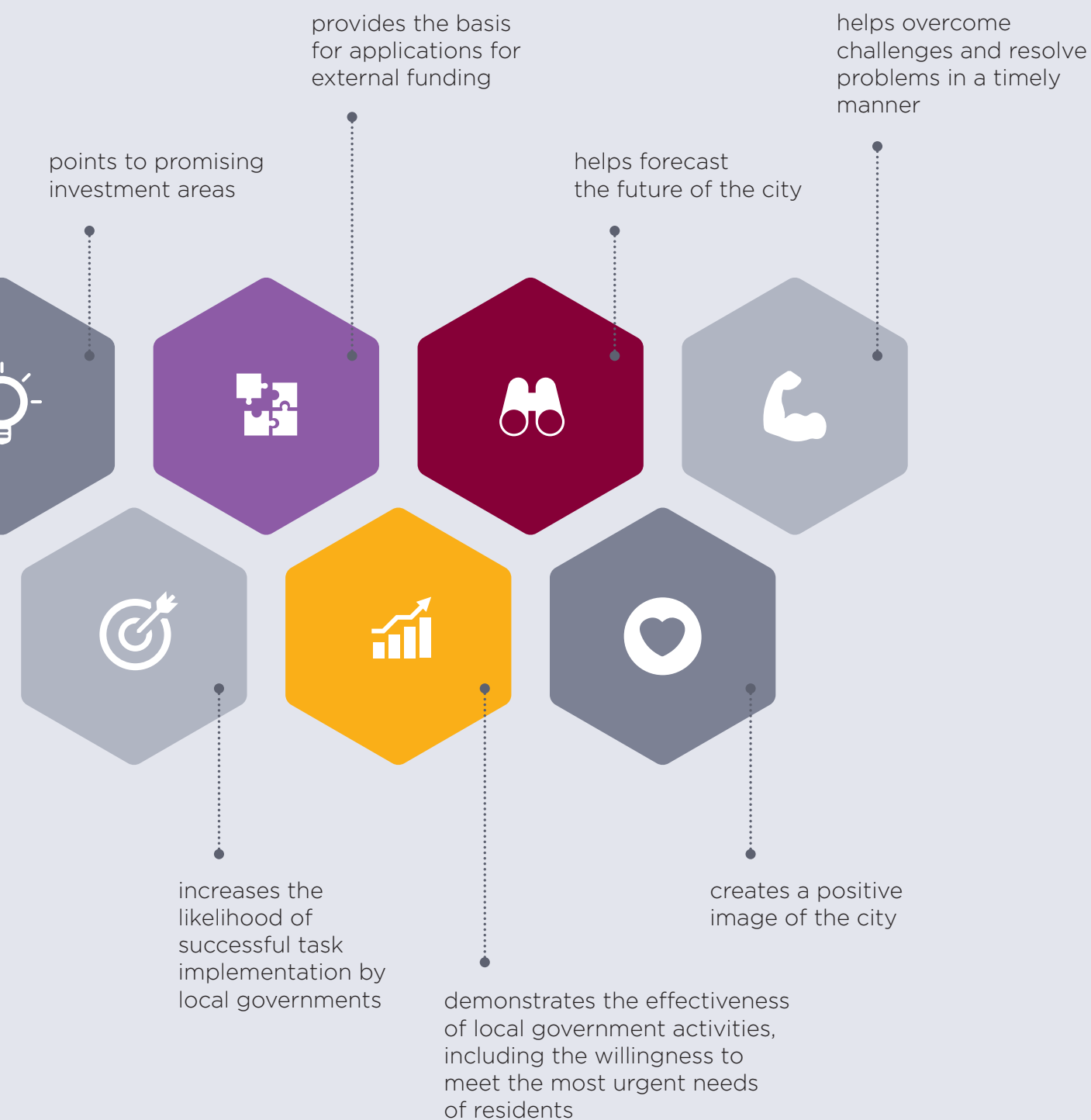
creates a prerequisite for dialogue and effective interaction between the government, business, and the community



eliminates or reduces the number of internal conflicts over municipal community development







# Why has Ukraine become more interested in strategic municipal planning?

Municipal development planning is not a radically new phenomenon for Ukraine. However, in the past this process involved mostly one-year plans with a narrow focus in a limited area, often considering only current urgent measures without any consistent actions planned for the future.

Since 1998, technical assistance programs undertaken by foreign governments and international organizations (Canada, USA, EU, UNDP, and the Council of Europe) have made a significant contribution by implementing a number of projects to promote strategic municipal development planning. This generated keen interest among territorial communities and led to their participation in the strategic planning process. Communities gained a better understanding of how to involve a wide range of individuals and institutions in solving social problems and conduct a joint search for the necessary resources with which to enhance social welfare. At the same time, regional development has come to be dominated by a focus on decentralization and partnership between various levels and branches of government, as well as by cooperation with the private and non-governmental sectors.

These changes, which are in line with the best European and world practices, have been enshrined in regulations and strategic planning documents, first and foremost, in the framework Law of Ukraine “On the Principles of State Regional Policy” (2015)<sup>2</sup> and the State Strategy for Regional Development Until 2020 (2014).<sup>3</sup>

Opportunities became available in 2015 to finance local development with funds from the State Regional Development Fund (SRDF), which was set up under Article 24-1 of the Budget Code of Ukraine<sup>4</sup> as a state budget program. In 2015 not all local government officials were able to use these new regional development financial instruments effectively. UAH 520 million (out of UAH 3 billion) were not utilized and later reverted to the state budget. Consequently, SRDF funds remained at UAH 3–3.5 billion in 2016<sup>5</sup> and 2017,<sup>6</sup> even though the draft budget envisaged nearly double that amount. In 2018 the total amount of SRDF financing reached UAH 6 billion.<sup>7</sup>

<sup>2</sup> The law is available at <https://zakon.rada.gov.ua/laws/show/156-19>

<sup>3</sup> The text of the strategy is available at <https://zakon.rada.gov.ua/laws/show/385-2014-п>

<sup>4</sup> For more information, see: <http://zakon.rada.gov.ua/laws/show/4318-17>

<sup>5</sup> Data taken from <http://dfrr.minregion.gov.ua/monitoring-vikoristannya-koshtiv-derzhavnogo-fondu-regionalnogo-rozvitku-za-2016-rik>

<sup>6</sup> For more information, see: <http://dfrr.minregion.gov.ua/rozpodil-koshtiv-derzhavnogo-fondu-regionalnogo-rozvitku-u-2017-rotsi>

<sup>7</sup> Sources: <http://dfrr.minregion.gov.ua/zatverdzheno-sche-288-proektiv-regionalnogo-rozvitku-na-18-mlrd-grn-zubko> i <http://dfrr.minregion.gov.ua/rozpodil-koshtiv-derzhavnogo-fondu-regionalnogo-rozvitku-v-2018-rotsi>

UKRAINIAN

AND WORLD

EXPERIENCE:

COMMONALITIES  
AND DIFFERENCES





Kremenchuk  
(Poltava oblast)



# Why do cities need strategic planning?

Above all, strategic planning is needed in order to understand the direction and end goal of development. It also gives an idea of what resources are available to make ambitions a reality, within a particular timeframe, and who will be responsible.

Strategic planning offers local governments a comprehensive tool that combines analysis of current events, socioeconomic development forecasts, and possible future scenarios with a strategy of how to move forward. Such planning also helps formulate a common vision of prospects and develop specific step-by-step development projects that are comprehensible to the local community, stakeholders, and society at large. In addition, an approved strategy not only provides a clear and detailed plan for the sustainable development of a city, but also facilitates the mobilization of necessary resources in the form of state and regional funding and international donor assistance, in order to implement the programs and activities identified in the strategy.

## A brief history of strategic planning for cities and oblasts in Ukraine

The year 1999 may be considered the starting point for implementing strategic planning projects in Ukraine. Thanks to the adaptation of the best international experience and the involvement of experts, a number of specialized projects for strategic municipal development were implemented in Ukraine. Significant attention and resources were allocated by international technical assistance projects and international organizations. In line with current approaches and methodologies, strategic municipal development plans were developed as part of the implementation of a number of international technical assistance projects.

Today over 200 territorial communities in Ukraine already have the experience and understanding of strategic planning. However, few of these strategies have met the real challenges and needs of local communities or have been integrated into the everyday operations of cities and the activities of key stakeholders.

Since 2015, the PLEDDG project, implemented by the Federation of Canadian Municipalities, with the financial support of Global Affairs Canada, has been providing support for designing and implementing development strategies to 16 cities in 4 regions of Ukraine.

- Canadian-Ukrainian Business Support Centre (CIDA)
- Community Partnership Project (USAID)
- Triangle of Partnership (TOP) Project, TACIS Institutional Building Partnership Programme
- Municipal Economic Development Project (USAID)
- Regional Governance and Development Project (CIDA)
- Integrated Strategic Planning and Strategic Environmental Assessment in the Autonomous Republic of the Crimea (UNDP Crimea Development and Integration Program)
- Local Investment and National Competitiveness (USAID)
- Promotion of Economy and Employment Programme (GiZ)
- Sustainable Urban Development (EU)
- Ukraine Municipal Local Economic Development (MLED Project)

# Examples of international strategic planning experience

## Łódź, Poland

**Objective:** To create a friendly, creative, and dynamic city of sustainable development with good living, working, and investment conditions.

Three strategic directions: economic, social, and spatial.

**Focus:** Revitalization, rehabilitation, and modernization of urban areas and former industrial sites.

The biggest project is the new Łódź centre: a state-of-the-art planetarium, 3D cinema, science centre, studios, workshops, laboratories, galleries, sound theater, and conference room are now located in a former power station located in the city centre, near the Łódź Fabryczna railway station.

2012

**City Development Strategy – 2020+**

[https://bip.uml.lodz.pl/files/bip/public/miasto/dokumenty/BSM\\_strategia\\_ang\\_20131018.pdf](https://bip.uml.lodz.pl/files/bip/public/miasto/dokumenty/BSM_strategia_ang_20131018.pdf)

## Berlin, Germany

**Objective:** To achieve economic power and improve quality of life and residents' social awareness.

**Six unique advantages of the city** are identified, and eight strategies are developed on their basis: improving the economy through smart knowledge; promoting personal development through creativity; ensuring employment through education and skills development; enhancing the diversity of districts; proportional development of the city and green zones; resilience to climate change; improved transport networks and mobility; public participation in planning for the future.

2014

**City Development Strategy – 2030**

[https://www.stadtentwicklung.berlin.de/planen/stadtentwicklungskonzept/download/strategie/BerlinStrategieBroschuere\\_en.pdf](https://www.stadtentwicklung.berlin.de/planen/stadtentwicklungskonzept/download/strategie/BerlinStrategieBroschuere_en.pdf)

## Barcelona, Spain

**Objective:** To create a comprehensive approach for the effective management of municipal resources and services; using innovative projects and cutting-edge technology to ensure sustainable social, economic, and urban development to improve quality of life for city residents.

**As part of the strategy, 122 projects were created:** Air, noise, and light sensors; smart traffic management systems; innovative parking lots and traffic lights; e-government technology, and more.

2013

**Smart City Strategy**

[https://www.c40.org/case\\_studies/barcelona-s-smart-city-strategy](https://www.c40.org/case_studies/barcelona-s-smart-city-strategy)

## Milan, Italy

**Objective:** To make the city more innovative and inclusive and to improve quality of life by reducing spatial, social, and economic distance between the central part of the city and its periphery.

**Five strategic goals:** achieving the same quality of urban space in all city districts, landscaping, upgrading transportation infrastructure, increasing the number of pedestrian zones, and transforming neglected public areas and abandoned industrial buildings.

## Lisbon, Portugal

**Objective:** To engage citizens in the processes of local development and city governance and to ensure sustainable development.

**The principle of bottom-up joint participation:** reducing social, economic, and environmental disparity and increasing social cohesion.

The Local Partnership Program provides funding for community projects in education, employment, and social and territorial cohesion.

2010

**City Development Strategy – 2030**

<http://www.100resilientcities.org/building-resilience-milans-2030-city-plan/>

2009

**Local Development Strategy**

for territories in need of priority intervention

<https://urbact.eu/integrated-toolbox-deprived-neighbourhoods>

HOW TO START  
AND WHAT IS MOST  
IMPORTANT?



# Step-by-step instructions and recommendations for the effective formulation of a city development strategy in light of the PLEDDG experience

The PLEDDG methodology defines the strategic planning process as creating a shared vision of the future and a systematic path to change management through consensus building across the community. Therefore, strategic planning should not only consider the interests of different groups of stakeholders but also coordinate and balance them. This is reflected both in the guiding function of strategies and in the forms and methods of their implementation. This requires a thorough, in-depth approach to defining problems, as well as harmonization of realistic goals and objectives whose achievement will resolve existing problems and provide a response to current challenges.

The strategic planning process should not be complicated. Its purpose is to identify clearly where the community is today, what it seeks to achieve tomorrow, and how these aspirations can best be realized in a predictable and reasonable way.

The success of strategic planning depends on its clarity and purposefulness. Furthermore, the process should be realistic (as to the assessment of current circumstances and expectations), balanced (considering the limited operational, human, and financial resources), flexible (foreseeing the possibility of changes and amendments), and encouraging action (with the implementation of the principle of accountability).

It takes an average of 6 to 12 months to create a city development strategy, depending on the characteristics of the particular city and the people involved in the process. Strategic planning in each city involves major stakeholder groups from among government institutions, businesses, and civil society organizations. With the support of the PLEDDG, cities formulate their development strategies for a period of five or more years. The type of city development strategy that is chosen depends on the needs of the local community. It can be a strategy of sustainable development, economic development, increasing competitiveness, the development of individual sectors, etc.

Despite a wide variety of strategic planning models and methods, they all feature three large blocks that are intrinsic to any project cycle: analysis, planning, and implementation. These can be repeated, if necessary, but only at a new level.

Cities use Strategic Environmental Assessment (SEA) in order to anticipate and prevent possible negative environmental impacts resulting from the implementation of a city development strategy.

## City development strategy





VOLODYMYR PROSKURNIN,  
strategic planning consultant  
for the MLED and PLEDDG  
projects

“Having a vision of the city’s future is extremely important. This vision must be coordinated with practically the entire community. The purpose of strategic planning is to find strategic starting points, for example, the best resources in the city that can be used for its development. Then we need to build a certain scenario, that is, a trajectory of how we are going to achieve that.”

At its core, SEA is an analysis of the potential environmental impact of planning and development initiatives. It ensures the integration of the priorities of environmental sustainability into plans and programs at the national, regional, and local levels. After identifying possible positive and negative impacts, the municipal development strategy is refined, if necessary, considering the conclusions and recommendations resulting from SEA.

Effective strategic planning for local development is impossible without taking gender equality into consideration. Therefore, a checklist has been developed to outline the basic requirements for gender equality for local community development strategies. This tool should be used in conjunction with the strategic planning recommendations of the PLEDDG because practical experience shows that promoting gender equality contributes to effective governance at all levels and helps achieve sustainable social development. The implementation of gender initiatives ensures that the role of women is enhanced not only in leadership positions in local government bodies but also in their active participation in decision-making processes to develop local policies and strategies in their communities.

As they developed their own development strategies, the PLEDDG partner cities went through six main stages:

1. Organizing work on strategic planning.
2. Analyzing the environment and the factors of territorial community development.
3. Defining the mission, vision, scenarios, and directions of community development.
4. Developing a strategy implementation plan.
5. Public hearing followed up by the official approval of the strategy and its implementation plan.
6. Monitoring and implementing the strategy.

## Stage 1

# Organizing work on strategic planning

The PLEDDG recommends using **an expert-public approach** to developing municipal development strategies. This means that the leadership of local government bodies creates a strategic-planning working group composed of representatives of the main groups of city residents: local government, business, and the community. Methodological support for the meetings of the working group and the entire strategic planning process is provided by experts (internal or external/invited).

In large cities and at the regional level, it is advisable to create a two-tier structure: a “political” one in the form of a supervisory board and an executive one in the form of a working group.

Further work on strategic planning depends on how successfully the working groups are formed. It is at their meetings that the key components of the road map for municipal development are presented and discussed, priorities are set, and decisions of strategic importance to the community are made.

In the initial phase of strategy development, each participant's motivation is a key factor for overall success. Those involved should clearly understand the benefits and ultimate goals of both strategic planning and their own participation. Emphasis should be placed on the fact that the strategy will enable the community to do the following: utilize its resources more effectively and gain access to additional external opportunities and capital to meet its most pressing needs; establish cross-sectoral dialogue; and share responsibilities, which will facilitate the rapid and optimal achievement of goals.

The PLEDDG recommends creating strategic-planning working groups composed of 20 to 30 people in the following proportions: 30% representatives of the local authorities, 30% business, and 40% community leaders and scientists. The working groups must include representatives who hold opposing views in the local government; this will make it easier to implement the strategy and keep it intact if the composition of the local council changes.

All decisions of the working group should be made by consensus. In this case, the strategic planning process will include the implementation of a social contract, whereby the local government, businesses, and NGOs launch a partnership and assume certain commitments. As a result, strategic planning as a collaborative effort by community members will inevitably help unify the community.



### Government

- elected officials
- representatives of local government bodies and their structural units
- representatives of raion, oblast, and national governments and agencies that are responsible for development planning and managing and which have regulatory functions
- representatives of research institutions

### Business

- representatives of large, medium-sized, and small enterprises
- private entrepreneurs
- developers (industrial, commercial, and residential construction)
- representatives of banks and financial institutions
- representatives of chambers of commerce and business associations

### Community

- representatives of community self-organization bodies
- representatives of civic organizations
- representatives of higher educational institutions and secondary schools
- experts from organizations and associations focused on local development issues
- representatives of trade unions and associations



The **schedule for the development of the strategy and its implementation plan** is an equally important element in managing the strategic planning process. This part of the document is developed at the first stage in order to ensure the timely and optimal implementation of all stages of strategic planning work.

## Stage 2

# Analyzing the environment and the factors of territorial community development



The informational foundation of territorial community development planning is found in the analytical and descriptive part of the strategy, the so-called **community profile (passport)**, which contains an analysis of the quantity, quality, and dynamics of its resources.

For a constructive assessment, it is imperative to spot trends. Thus, it is advisable to use indicators showing dynamics over the span of at least five years. Quantitative analysis must be followed by qualitative conclusions. Based on analytical data and relevant conclusions, the community profile is formulated as the foundational document, based on which the working group must identify the most pressing issues and challenges.



Another important element of environmental analysis in the strategic planning process is **a study of the views** of local businesses, NGOs, and ordinary citizens. The collected information is combined in a single document reflecting the consolidated position and considerations regarding the direction of the city's development. It is also useful to survey the community on attitudes to plans and activities, priority areas for urban development, and a desire to cooperate in activities aimed at strengthening the local economy.



**SWOT analysis** is carried out at the next stage. External factors are considered, and major threats and opportunities are identified in the environment external to the city. Internal factors are assessed in terms of the strengths and weaknesses of the territorial community, which determines the main challenges to its development. A sound understanding of these four aspects of the situation in the community helps direct more precisely the planning of measures to accelerate community development toward the fullest possible use of its strengths and adjustment of its weaknesses, as well as the leveraging of existing opportunities and elimination of threats. SWOT analysis is carried out for the entire city as well as identified priority development areas and selected sectors of the local economy. The knowledge that is gained and systematized in the process of analyzing community development factors is one of the key resources for further analysis of progress in municipal development.



## Stage 3

# Defining the mission, vision, scenarios, and directions of community development

An analysis of the environment and community development factors is undertaken in parallel with the creation of a vision of community development. In practice, **defining the mission and strategic vision** of the desired state of the community and the city is the starting point for strategic planning by the working group. The mission of the local community, in its turn, considers the totality of unique historical and contemporary features as well as competitive advantages, both existing ones and those that must be acquired or developed for further dynamic progress. The vision of the future and the mission of the local community must be carefully considered and approved by the working group and then communicated to city residents.



Afterwards, the working group meets to discuss the analytical materials and their results, achieving consensus on the development priorities and key sectors that are central to the city. The desired city development trajectory consists of a number of **strategic areas of development** that should be not only fully in line with the vision and mission, but also based on the completed analysis of development, advantages, resources, and key opportunities. Once the development areas are identified, informed choices need to be made regarding specific methods and systems of objectives and outcomes in order to solve identified problems and realize opportunities. Each of the strategic areas is further fleshed out in the strategic goals and operational objectives.



## Stage 4

# Developing a strategy implementation plan

At the next stage of strategic planning, **strategic goals** are set for each identified area of municipal development, and lower-order operational objectives are then formulated on their basis.

Strategic goals are based on the strategic vision and strategic areas, creating a framework for decisions on specific goals and activities. The set of strategic goals corresponds to a specific strategic area.



Operational objectives are, in fact, projects that demonstrate how changes need to be made and which define strategic goals quantitatively, with the specification of activities, terms, concrete actors, expected results, and volumes and sources of funding. For every operational objective, areas of project implementation and tasks are formulated. Thus, there can be several projects for each objective. Consensus building is crucial at this stage. The working group should resolve possible contradictions and agree on priorities, while considering what resources are available to achieve these specific objectives.



**Terms of reference for project implementation** need to be developed for each strategic goal and operational objective. They specify the necessary activities, expected outcomes, persons responsible for achieving the operational objectives, persons carrying out specific activities independently or in collaboration, the time frame, projected funds to be attracted, and the sources of funding for implementing a specific project.

It is a good idea to use SMART criteria to formulate goals clearly at any level: a goal must be Specific, Measurable, Agreed, Realistic, and Timed. In addition, it is recommended to set success indicators in advance, which will later help monitor the achievement of goals.

## Stage 5

# Public discussions and approval of the strategy and its implementation plan



Having drafted a municipal development strategy and its implementation plan (together with an implementation monitoring plan), the working group initiates a **wide public discussion** of these documents. It is important to hear the opinion of every interested community member about the strategic directions and goals and ways of achieving them.

It is also recommended that progress in strategic planning, intermediate results, and final outcomes be communicated to the public via municipal web portals, social media, local government press services and information departments, and local mass media outlets. The goal is to encourage members of the public who were unable to participate in the public discussions to submit their comments or suggestions. In the future, all gathered materials should be processed and systematized. Only documents that have been finalized in light of the constructive comments from the public are submitted for consideration and approval by the city council.

# Monitoring and implementing the strategy

**Management of strategy implementation** should consist of two parts. The first, political, component declares a desire to achieve a goal, make decisions, and delegate powers to accomplish tasks. The second part deals with the executive bodies that will be implementing the projects.

The monitoring system should include: a monitoring body, a document (regulation) on the monitoring system for strategy implementation (often included in the strategy as a separate section), and a system of quantitative and qualitative indicators of strategy implementation.

**A committee to manage the strategy's implementation** is created in order to ensure the proper level of responsibility for strategy implementation. Ensuring the implementation of the municipal development strategy is a managerial task that involves control over the activities of numerous parties implementing the projects and activities. Therefore, the implementation management committee should be composed of representatives of various institutions: local government bodies, business, and the public. This group of well-organized professionals embodies the will to implement the planned changes.

**Monitoring and evaluation** in the strategic planning system are the final stage of strategy development, but they are carried out throughout the implementation period. The monitoring tool is a system of comprehensive indicators with a multi-level hierarchical model that reflects both how efficiently specific tasks are completed and how relevant they are to the strategic goals of the community development strategy.



FACTORS  
OF STRATEGIC  
PLANNING  
EFFICIENCY:  
EXAMPLES OF  
UKRAINIAN CITIES

## Factor 1

# Uniting to solve shared problems—developing a strategy in the ATC context

## Khmilnyk (Vinnytsia oblast)

Khmilnyk is a resort town of national importance that has set itself the ambitious goal of becoming a recognized European wellness centre on par with Baden-Baden in Germany and Vichy in France. The main object of pride of the Khmilnyk resort is its radon-enriched water that has healing properties. The third healthcare zone of the Khmilnyk resort encompasses 17 villages located near the town, and the local government sees favourable prospects in incorporating these neighbouring communities. The town was one of the first in Ukraine to create an amalgamated territorial community (ATC) by incorporating the rural village of Sokolivka, after this kind of procedure was legislatively regulated in the country. Furthermore, Khmilnyk has signed a cooperation agreement with 10 neighbouring village councils.

“The town sees many future prospects for community amalgamation, but there are some challenges that arise in the process. Adding territories to the town requires a well-developed action plan—a strategy. The mere decision to unite territorial communities is not enough. Having acquired the experience of completing this journey from beginning to end, we can consider all the risks and potential problems in the future. And we will be happy to share this knowledge with others.”

With the support of the PLEDDG, the town was able to look more closely at the methodology of preparing a development strategy and to review its capabilities. The Khmilnyk Resort Development Strategy Until 2027<sup>8</sup> was approved in early 2019. Continuous dialogue with the adjoining rural territorial communities was established in the process. Furthermore, strategic environmental assessment of the strategy was carried out as it was being developed with the support of the PLEDDG.

“Notwithstanding the activity of the working group, it would be desirable on the whole to see entrepreneurs becoming more involved in strategic planning. After all, if we are talking about developing the resort, we are also talking about business growth. Apart from business and the authorities in Khmilnyk, there is a fairly strong group of civic activists who want to build up their town. They were members of the working group and are now monitoring the situation, trying to be active in different areas and town projects.”

“

SERHII REDCHYK,  
Mayor of Khmilnyk

<sup>8</sup> <http://ekhmilnyk.gov.ua/archives/34987>

“

SERHII PIDMOHYLNYI,  
PLEDDG consultant

“

SERHII REDCHYK,  
Mayor of Khmilnyk

The purpose of the strategy is to solve shared problems and carry out shared tasks to develop the productive forces of communities efficiently, make rational use of their resource potential, create comfortable living conditions for community members, and guarantee environmental safety and improvement of the territorial organization of society.

“The future belongs to large, self-sufficient centres (cities). Thus, the surrounding villages and other settlements should be joined to them. It is highly desirable for the latter to have joint socioeconomic programs and plans. In discussing the Regional Development Strategy, it was important for us to receive feedback from the neighbouring communities and hear about top-priority questions and problems in their areas. We try to use various funding options, tools, and opportunities to address issues, so that communities will experience a positive result of amalgamation in practice.”

One of the main strategic goals of the Khmilnyk Resort Development Strategy and its implementation plan has been the development of certain types of tourism and tourist products in the town and regions. The strategy is aimed at developing Khmilnyk as a resort of national importance, enhancing the tourist component for improving the socioeconomic situation in the region, attracting investments in the Khmilnyk resort, as well as creating and popularizing tourist attractions, above all Ksido Palace, which needs to be restored and reconstructed as a monument of national importance. The key strategic areas for developing the Khmilnyk resort are defined as follows: developing territorial tourist products and their promotion; developing infrastructure and communications; developing human resources; expanding services; and improving their quality.

The initiatives envisaged by the Strategy are already being actively implemented including a project to clear the Buh riverbed; the reconstruction of the central town park spanning 24 hectares; and an investment project to revive Ksido Palace.





Zhmerynka  
(Vinnytsia oblast)



## Dolyna (Ivano-Frankivsk oblast)

Dolyna's first development strategy was created in 2007, and it served as a road map for the town for a decade. Experts estimate that the strategy was implemented at 70%, which is a good indicator. In 2009 the town created a sustainable development strategy in the energy consumption sector for 10 years. It was decided that a subsequent development strategy had to be formulated in the context of the subregion—for the territorial communities of Dolyna and the surrounding villages, which jointly set out to create an amalgamated territorial community (ATC) in 2016.

“

NATALIIA HOLOVATA,  
coordinator of the Strategy  
Implementation Committee and  
head of the Department for  
Energy Efficiency, Investments  
and Municipal Development at  
the Dolyna Town Council

<sup>9</sup> [http://rada.dolyna.info/  
doc/rishennya-sesiji/  
pro-stratehiyu-rozvytku-  
dolynskoho-subrehionu/](http://rada.dolyna.info/doc/rishennya-sesiji/pro-stratehiyu-rozvytku-dolynskoho-subrehionu/)

“A strategy is a long-term document, so it would be inappropriate to consider only the interests of the town in present-day circumstances. Thus, potential participants of the future ATC were invited to participate. However, considering that not all the participants agreed to be involved in formulating this strategy document, an alternative path was chosen, namely, drawing up a development strategy in the context of the subregion.”

In 2016 work began on the Dolyna Subregion Development Strategy Until 2027 with the support of the PLEDDG.<sup>9</sup> PLEDDG experts provided methodological support, expert analysis of data and research results, and consulting services. A working group of 34 members representing eight communities of the future ATC worked on the Strategy for over a year. The working group included representatives of administrations, state and municipal enterprises, business, and the public at large. The biggest challenge facing the working group was to balance different interests and identify all community resources. The working group sought to find a place for every community in this subregion, so that each one felt part of an effective and efficient mechanism. Following the presentation of the draft strategy, public discussions were held in each of the subregion's territorial communities. Amendments based on constructive feedback from members of the public were then made to the main text of the document.

The Dolyna Subregion Development Strategy Until 2027, which was formulated before the actual merger of the Dolyna Town Council with five adjacent village councils, identifies three main areas for the future Dolyna ATC: sustainable economic development and the economic development of rural territories; expansion of the resort and the tourism industry; and improvement of the quality of social and public services in the community.

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VOLODYMYR SMOLII,  
Deputy Mayor of Dolyna

“In 2015 we declared our intention to create the Dolyna Amalgamated Territorial Community. Because Dolyna is a large industrial, socioeconomic, and business centre, rural communities were afraid of being overshadowed by the big town. Therefore, some of them were less than enthusiastic about this amalgamation. That is precisely why the strategic planning process is one of the tools to demonstrate in practice that we seek to plan our development together and have no intention of dissolving villages in the urban organism. We want to cooperate rather than absorb. Strategic planning has helped overcome the fears of rural communities. As a result, we have a community that is ready to amalgamate.”

The communities and their members perceive the developed Strategy as “their own,” thanks to wide public debates and the involvement of various social groups. The main directions of the Strategy are formulated with the expectation that further implementation will be carried out through projects, each of which will become a separate element of implementation but will also influence the overall result.

A three-year implementation plan was created along with the Development Strategy. It contains more than 50 projects of interest to the Dolyna subregion as a whole. The PLEDDG supports the implementation of the Dolyna Subregion Development Strategy and helps the subregion attract funding for implementing these projects.

“The Strategy and its implementation plan enable every village and every community to understand their strengths and weaknesses, possible revenues and expenditures, and opportunities for revenue generation: the development of small- and medium-sized businesses, processing industry, balneology, and agriculture. The Dolyna Subregion Development Strategy is aimed at improving living conditions for residents of the town and villages in the subregion, as well as for visitors, tourists, and investors. This will be achieved by improving the business and investment climate, its tourist and cultural attractiveness, and the system of providing market and non-market services.”

The Dolyna Subregion Development Strategy may be implemented in one of two versions: when the territorial communities are united or once an agreement on intermunicipal cooperation is signed. The latter option is for those communities that are not ready to amalgamate but would like to participate in the implementation of the Strategy. At present, the process of creating the Dolyna ATC is in the final phase. It will include five village councils and the Dolyna town council, making it the third urban community in the Subcarpathian region and the third ATC in Ivano-Frankivsk oblast comprising villages from neighbouring raions.

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VOLODYMYR HARAIZD,  
Mayor of Dolyna

## Factor 2

# Triadic partnership: government, business, and the community

## Western Donbas subregion

Overcoming current challenges, finding the necessary resources, and moving to a higher level of welfare in cities and regions can only be achieved through the joint realization of interests and the intersectoral partnership of government, business, and the community. However, no participant in this partnership can or should dominate task implementation processes. Through mutually beneficial dialogue and cooperation between local government and business, the community is involved in the process of developing a community development strategy and its subsequent implementation.

Creating public-private partnerships in such circumstances has a positive impact on the local business climate and the competitive position of the community, and on addressing related issues associated with standards of living. This collaboration helps solve a number of long-term local development challenges, ranging from creating and developing infrastructure to developing and adapting new and promising technologies. It creates an opportunity to raise additional funds for implementing projects in which the authorities establish cooperation with investors, while retaining their controlling powers. This process is also facilitated by the corporate social responsibility policy of businesses, which addresses social and environmental aspects based on volunteer engagement and interaction with the local community.

In 2011 the Municipal Local Economic Development program (MLED), implemented by FCM, applied one of the first successful models of cooperation between the local government and private businesses in Dnipropetrovsk oblast. Three municipalities in the oblast turned their common household waste management problem into a resource for the subregion's development and involved Ukraine's largest fuel and energy company DTEK in developing a solid waste management (SWM) system.

When draft strategic development plans for Pavlohrad, Pershotravensk, and Ternivka were close to completion, it became apparent that these towns lacked the resources to overcome the problem of collecting and recycling household waste. The authorities did not have the expertise and funds to develop an SWM system and waste disposal sites, while constant competition for resources limited the potential for collaboration. Realizing that the problem could be solved only by joining forces, the towns developed the Strategy for Improving the Competitiveness of the Western Donbas Subregion with the support of the MLED project. One of its top priorities was solving the problem of household waste. The subregion includes Pavlohrad, Pershotravensk, and

Ternivka, as well as Petropavlivka and Pavlohrad raions of Dnipropetrovsk oblast.

“Regional projects that were included in the Strategy received special attention. They had to solve the problems of both Pavlohrad and the region as a whole. These include ‘Creating the Western Donbas Agricultural Market,’ ‘Creating a Regional Industrial Park (Industrial Area of Regional Importance),’ ‘Developing a Feasibility Study for Alternative Water Supply in the Subregion,’ and ‘Creating a Comprehensive Efficient Solid-Waste Management System in the Western Donbas Subregion.’”

In order to speed up the process of addressing the top-priority issue for the region, the MLED project initiated the establishment of public-private cooperation, inviting DTEK, Ukraine’s biggest fuel and energy company, which had been actively developing a corporate social responsibility program in this region since 2008. In keeping with the agreement, the MLED project and DTEK co-funded a feasibility study for a solid-waste management system. Having witnessed the vigorous actions undertaken by the subregion and the interest of private business, the regional authorities facilitated the allocation of a 10-hectare plot of land to expand the existing landfill.

“In 2013 we managed to develop and approve the Solid-Waste Management Strategy in the Western Donbas Subregion and the Roadmap for its implementation. Although further steps to implement these strategic documents required decisions on what the management system would be and where additional financial resources for the construction of the new landfill would be coming from, a detailed plan of the subregion’s landfill site was drawn up. In 2017 it was decided to formulate a Solid-Waste Management Strategy in Dnipropetrovsk oblast, and a working group was established at the oblast level. So, we are all working in this direction now.”

Thus, at the stage of planning an integrated SWM system, a mechanism for interaction between local government bodies and the private sector was implemented. Such a move made it possible to establish further support from DTEK for the subregion.

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ANATOLII VERSHYNA,  
Mayor of Pavlohrad

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ANATOLII VERSHYNA,  
Mayor of Pavlohrad

## Factor 3

# Municipal Development Strategy Implementation Committee

## Kryvyi Rih (Dnipropetrovsk oblast)

<sup>10</sup> [http://www.mled.org.ua/media/docs/Kryvyi\\_Rih%20Str\\_Plan\\_till2015\\_ukr.pdf](http://www.mled.org.ua/media/docs/Kryvyi_Rih%20Str_Plan_till2015_ukr.pdf)

In 2012 the Kryvyi Rih Strategic Development Plan Until 2015 was developed and successfully implemented as part of the MLED project.<sup>10</sup> This document envisages four areas of development: a healthy environment and resource provisioning; a diversified competitive economy; the development of science and new technologies; and creating a livable city.

A committee was formed to manage the implementation of the Kryvyi Rih Strategic Development Plan Until 2015. Headed by the mayor, the committee oversaw the activities of the stakeholders involved in the tasks of the Strategic Development Plan, as well as its implementation. The committee included deputy mayors, heads of the structural units of the city council's executive committee, city council members, and the top management of the city's enterprises. Previously, all these individuals were involved in developing the Strategic Development Plan and had merged into one team by the time the committee was formed.

The committee met once every three months on average. The total share of business and public representatives who participated in its meetings was about 30%. Among other things, they were actively involved in reviewing and discussing issues with the implementation of the Strategic Development Plan, coordinated analytical reports on the implementation of its goals and operational objectives, and contributed directly to the implementation of projects.

Experts on environmental sustainability and gender equality were also involved in the implementation of the Strategic Development Plan. The committee also included representatives of the city council's Standing Commission on Environment, Healthcare, and Social Welfare, as well as members of the Environment Management Department of the city council's executive committee. Their involvement greatly enhanced the efficiency of activities in pursuance of the objectives of the Strategic Development Plan in the Healthy Environment and Resource Provision area.

The following units of the city council's executive bodies were involved in monitoring the implementation of the Strategic Development Plan: the departments of Economy; Environment; Business Development; Education and Science; Healthcare; Urban Planning and Architecture; Culture and Tourism; Urban Development and Housing Policy; the Physical Culture and Sports Committee; the departments of Permits and Agreement Procedures; the Strategy for Developing Electronic Information



Resources; and Transport and Communications (all units of the city council's executive committee).

"The main objective of monitoring is to ensure that the development strategy is being implemented and remains relevant. During this process, a number of key tasks are solved: stimulating strategy implementation; assessing the progress and quality of implementation; achieving the vision, strategic goals, and operational objectives and tasks; and, most important, meeting deadlines."

Information on the implementation of the Strategic Development Plan was gathered and analyzed twice a year (after six months and after a year) by the city council's executive committee. The special Monitoring Program for the Kryvyi Rih Strategic Development Plan Until 2015, specifically developed by the MLED project (based on the Project Management System software), was used to monitor the plan's implementation. Overall monitoring showed that as of early 2015, 587 out of 845 planned tasks and projects (nearly 70%) were completed.

"An automated system is used to monitor the implementation of the strategy in Kryvyi Rih in order to optimize the process. Data on the implementation of the Strategic Plan projects, information on the implementation of activities, and change tracking—all the things that are happening as part of the implementation of the Strategic Development Plan—are entered into this system.

The system is accessible and easy to use. It is used by structural units that carry out the tasks and activities of the Action Plan to implement the Kryvyi Rih Strategic Development Plan, and they ensure the inputting of up-to-date information on a quarterly basis."

The monitoring system entitled "Monitoring the Implementation of the Kryvyi Rih Strategic Development Plan"<sup>11</sup> is available on the municipal information web portal and thus accessible to any interested individual.

## Kremenchuk (Poltava oblast)

The Kremenchuk Development Strategy Until 2028,<sup>12</sup> which was developed with the support of the PLEDDG, was approved in 2017. The city development strategy envisages four directions: a city of developed export-oriented business; a city with favourable investment conditions; an energy-efficient and environmentally friendly city; and a city with a superlative creative and humanitarian space. The Strategy Implementation Plan spans three years, during which time a total of 77 projects are to be implemented. As of the end of 2018, 19 projects were completed and eight more were in the process of implementation.

The success of the Strategy's implementation is due to the activities of the implementation management committee. This body is responsible for the implementation of the Strategy's projects and activities and for ensuring that the strategic goals and operational objectives are relevant, realistic, and ultimately achieved.

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VOLODYMYR PROSKURNIN,  
strategic planning consultant  
for the MLED and PLEDDG  
projects

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IRYNA CHERVONNA,  
head of the Department of  
Local Economic Development  
at the Directorate for Economy,  
Executive Committee of the  
Kryvyi Rih City Council

<sup>11</sup> <https://krmisto.gov.ua/ua/strategy/browse>

<sup>12</sup> <http://kremenchukinvest.com.ua/wp-content/uploads/2017/11/Strategiya-rozvytku-mista-Kremenchuka-na-period-do-2028-roku.pdf>

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OKSANA KUZMENKO,  
Deputy Director for Project  
Activity at the Kremenchuk  
Development Institute, a  
municipal enterprise for  
international relations  
and municipal economic  
development run by the  
Kremenchuk City Council

“Initially, there was no understanding of who would be responsible for implementing the Development Strategy: the City Institute or the Executive Committee, particularly its Department of Economy. Over time, decisions crystallized and the responsibility for implementing the Development Strategy was placed on the Department of Economy, but representatives of the Kremenchuk City Institute, units of the municipal executive committee, the university, as well as public figures who had submitted projects to the Strategy were also involved in the process. We did not immediately understand which department had to take responsibility for the implementation of these projects by civil society organizations, but over time and through dialogue and a proactive search for the best solution, we decided to assign each project to the appropriate department and to involve the initiators of projects directly in their implementation.”

In Kremenchuk, the Strategy Implementation Management Committee consists of 21 people, who are responsible for specific areas of its implementation: heads of the city council’s departments (economy, environmental safety, energy management and production, and administrative services), project initiators, and members of the public. Where ordinary citizens are concerned, representatives of the city’s ecological organizations are particularly active: 17 environmental projects were submitted to the Strategy, and their initiators have been working well with the local authorities in order to implement their ideas.

PLEDDG experts provide consultations and expert support to the Development Strategy Implementation Committee. It is worth noting that a preliminary expert assessment recognized the Kremenchuk City Development Strategy Until 2028 as one of the best programmatic documents developed for cities in Ukraine.

## Factor 4

# Engaging the public

## Zaporizhia

For local development to meet the needs of the population, civil society representatives must be involved in all stages of strategic planning in a constructive manner. That is precisely why local government representatives identified and implemented effective public engagement tools at various stages of formulating development strategies in all PLEDDG partner cities without exception.

Zaporizhia turned out to be a special case. The city had begun working on its strategy on numerous occasions but had failed to bring it before the city council for approval. However, PLEDDG specialists managed to make strategic planning not only efficient but also completed, achieving this largely through public participation. Dialogue and a mechanism of communication between the municipal authorities and the public were established in the course of formulating the Zaporizhia Development Strategy Until 2028.<sup>13</sup>

“Thanks to the work on the Strategy, a highly active cohort of community activists concerned with environmental issues has been formed. They are independent of the authorities but are open and engage enthusiastically in constructive cooperation. In general, the public, which had not spoken up before, was able to come forward, thanks to the strategic planning process launched in the city.”

The expert-public approach to creating working groups makes it possible to involve representatives of various organizations, companies, establishments, and institutions from the very first stage of strategic planning. Owing to this, local council members and civil servants acquire a better vision and understanding of the most important needs of different population groups. In their turn, members of the public who have different views on the city's future are able not only to express them, but also to find a balance between developing important priorities and planning sociocultural projects jointly with the authorities and business. Practice shows that this is a necessary condition for the residents' comfort and quality of life.

Working groups for municipal strategic planning are formed to reflect the structure of the local community as precisely as possible. Their formation must be based on gender balance and equal access to local policy formulation and decision making. This principle was followed in creating public hearing groups in several partner cities, including Zaporizhia, before the adoption of the strategies. This made it possible to involve in the discussion of municipal development strategies those residents who did not join the working groups or were unable to participate actively when the development strategies were being formulated.

“Communication was structured in such a way that members of the working group and members of the public discussed the Strategy at the same table with experts and the executive authorities. On the part of the local government, all the structural units of the city council worked on the Strategy.”

<sup>13</sup> [https://zp.gov.ua/upload/content/o\\_1bvi15shg1mh9je61iooc13u7ae4.pdf](https://zp.gov.ua/upload/content/o_1bvi15shg1mh9je61iooc13u7ae4.pdf)

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SVITLANA KRUHLIAK,  
PLEDDG project coordinator  
in Zaporizhia oblast

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IRYNA PIROHOVA,  
chairman of the All-Ukrainian  
Environmental League,  
a Zaporizhia oblast  
organization

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VALERII EDELIEV,  
Deputy Mayor for the  
Executive Bodies of the  
Zaporizhia City Council

Public discussions in Zaporizhia included working group meetings and informal communication. When the Strategy was being drafted, PLEDDG experts suggested integrating environmental issues into different strategic areas of development. But the members of the working group disagreed; they thought it best to single out this issue as a separate—environmental—strategic area. In the end, this vision of the public took the form of a written letter signed by nine civic and political figures concerned with environmental issues in the city. Thus, a separate environmental focus emerged in the Strategy.

“The extensive activities of the focus groups, consultations, and the collection of statistics formed the foundation on which PLEDDG experts, working together with the executive committee, local council members, and the public, created the Strategy that was subsequently approved by the city council. Citizens actively insisted on precisely this formulation of the vision, mission, and strategic directions of municipal development in the Strategy. The main desire was to single out as separate areas the following components of municipal development: the environmental component, SME development, logistics, tourism, energy efficiency, and infrastructure.”

## Kolomyia (Ivano-Frankivsk oblast)

The work on the Kolomyia Development Strategy Until 2027 was completed in early 2017.<sup>14</sup> The strategic planning process lasted for over a year and involved, in addition to the local authorities and PLEDDG experts, many business and public representatives. The Kolomyia Development Strategy is a practical document used regularly by the local government in its day-to-day activities. Its implementation is monitored by important departments and units of the local government, which report every six months to the city residents on what has been done and what will be implemented within the next six months.

The working group for developing the Strategy consisted of 57 persons, half of whom were representatives of businesses and civic organizations. Active dialogue led to the selection of two strategic directions: “Kolomyia as a regional economic and tourist centre” and “Kolomyia as a city with a quality urban environment.”

Representatives of the community submitted 90 project proposals to the Strategy implementation plan, and all of them were accepted. Their implementation was divided into two stages. The first one included 60 projects; the ones whose goals, objectives, and activities overlapped were merged into one. The top-priority implementation demands from the public were infrastructure projects: road repair, new parks and green areas, and improvements to existing parks. Another important issue for the public is job creation, because there are few job opportunities in the town following the closure of large enterprises. Since the Kolomyia Development Strategy pays special attention to tourism, many projects are aimed at building tourism capacity and improving the city’s infrastructure. It is worth noting that most tasks were accomplished within the established timeframe.

<sup>14</sup> <http://kolrada.gov.ua/ekonomika/strategiya-rozvytku-mistka.php>



“At the first stage, as many as 60% of the projects were completed. Of course, there is the issue of insufficient funding for certain projects, but we are actively looking for other sources from which to finance their implementation. Under no circumstances are we going to stop halfway to our goals. We are currently developing a marketing strategy with the support of the PLEDDG. We will move in the direction of tourism development and promote Kolomyia as a tourist town.”

“The biggest concern for the public is the closure of large businesses and the lack of jobs. Now that the town’s industry has basically collapsed, the population is mostly engaged in tailoring and embroidery. We faced the challenge of uniting these people in order to ensure a rational division of labour. It is necessary to form an appropriate cluster. Some are active in production, others in promotion, and still others in implementation. Pottery, Hutsul ceramics are among other popular crafts in the city, so we need to revive it and raise it to a qualitatively new level.”

Residents who had not participated in formulating the Kolomyia Development Strategy were able to join the public discussions. Facebook became a platform for effective interaction between the municipal authorities and the community.

“The community essentially joined in via a Facebook group, where the Strategy was discussed. Information about specific issues to be discussed at the meetings and about what had been completed already was posted there. Residents who were not involved in developing the Strategy were able to participate in public discussions through this group: express their position, offer better solutions, and make constructive proposals regarding topical issues.”

Public and business participation in the strategic planning process has many positive implications for the city. The population of Kolomyia has rallied together; the residents have had an opportunity to establish a dialogue with the authorities. The public has formed an overall picture of where the city is headed and why changes are needed. Residents now have a shared understanding of what Kolomyia should look like, and everyone feels responsible for its future. Part of the financing for the projects has been taken over by the entrepreneurs who were involved in developing the Kolomyia Development Strategy. Its implementation will create secure business conditions for them. Their activities will become more accessible, new jobs will be created, and increased tourism potential will lead to the growth of entrepreneurship and higher revenues to the city budget.

## Ivano-Frankivsk

The Ivano-Frankivsk Development Strategy Until 2028<sup>15</sup> was developed through the joint efforts of the government, business, scientists, active community organizations in the city, and PLEDDG experts. When the city council approved the Strategy in 2018, it became the second long-term development strategy for Ivano-Frankivsk.

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VIKTORIYA OBRAZTSOVA,  
head of the Department of  
Economy, Investment Policy,  
and Energy Saving at the  
Kolomyia City Council

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OLEKSANDR VOLOSHYNSKYI,  
PLEDDG project consultant

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OLEKSANDR VOLOSHYNSKYI,  
PLEDDG project consultant

<sup>15</sup> <http://www.mvk.if.ua/uploads/files/44957-1.pdf>

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BOHDAN BILYK,  
Deputy Mayor for the  
Executive Bodies of the  
Ivano-Frankivsk City Council

Ordinary citizens took the most active part in shaping the strategic vision and mission of municipal development, as well as its priority areas. Their proposals were included in the city's main strategic document. Thanks to their joint work, the Strategy covers the directions of development for virtually all sectors of the economy and is aimed at giving maximum consideration to the current interests of all parties, with the needs and interests of the residents having top priority.

“The following are the high-priority steps for Ivano-Frankivsk this year: developing public transport infrastructure; creating public transport; constructing an additional bridge over the Bystrytsia River, which will solve the problems of one residential district; building preschool educational facilities; developing park zones and public gardens; and constructing bike lanes across the city.”

The four strategic directions of this document are interconnected and can only be implemented efficiently as elements of one whole: a city of investment support and business development; a livable city with an energy-efficient and environmentally friendly infrastructure; a city with government transparency and modern governance; and a city of quality education, medicine, and a diverse cultural environment. Thanks to members of the public, the Strategy includes the following areas: developing sectoral and business associations and business support institutions; creating conditions for science and technology parks; developing and supporting an SME information and consulting platform; developing corporate social responsibility; organizing training on sustainable development, environmental protection, and gender equality; and creating an inclusive environment in institutions of higher education.

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NADIYA KROMKACH,  
head of the Department  
of Economic and Integration  
Development at the Executive  
Committee of the Ivano-  
Frankivsk City Council

“NGOs and scholars from our institutions of higher education submitted Interesting projects, which were included in the Implementation Plan for the 2018–2020 Ivano-Frankivsk Development Strategy. I believe that the implementation of two projects will be especially important for the city's economic and social development. The first one is ‘Creating a Startup Incubator.’ Within the framework of this project, training programs on information security and a series of machine learning workshops for beginners have already been developed. In addition, a unique training program for IT Business Incubator mentors is being tested. The other project is ‘Creating Paragraph, an Open Student Co-Working Space,’ which will provide a space for informal student education and serve as a platform for the self-realization and self-education of students in Ivano-Frankivsk.”

The Strategy envisages the implementation of 140 main projects. In view of the fact that they are aimed at realizing creative ideas in the city—confirmation of the strategic vision of Ivano-Frankivsk as a city characterized by compactness, environmental friendliness, and creativity—both the project initiators and the municipal authorities are interested in implementing these activities and projects.

## Factor 5

# A designated institution for municipal development as a vehicle of change and progress towards development goals

### Lviv

The City Institute is an analytical centre that was established by the Lviv City Council in 2009 to unite the efforts of Lviv's residents, municipal authorities, and businesses in order to address key issues in the city's strategic development. The priorities of this municipal institution are to support the development of entrepreneurship and urban projects and the implementation of municipal strategies.

"The flow of routine issues that need to be resolved urgently constantly diverts attention from strategic questions. In contrast, a strategy is formulated for years to come. Municipal departments usually see only a certain segment of the city's activities, the ones they deal with by virtue of their professional goals. The key objective of the City Institute is to keep the strategy constantly in view, analyze its implementation, study the best practices, help colleagues with ideas and information, and organize brainstorming sessions. In other words, it is about keeping the strategy on the agenda of each unit manager."

The communication component is one of the most important elements of the City Institute's activities. It ensures public engagement through collaborative projects to help all the stakeholders achieve their goals. Thanks to the City Institute, the principle of public participation is actively applied in Lviv. No major decision in the city is made without consulting community representatives. "Communities in Action," "Streets for All," and "City Workshop" are projects that are helping the City Institute work out mechanisms for interaction with Lviv residents.

The key achievements of the City Institute include the opening of the StartUp Depot, the first municipal incubator for IT startups. This project was launched with the support of the MLED project back in 2014, and it has expanded twice since then. The business incubator helps early-stage startups to attract experts and investments, implements social initiatives with government organizations and local government bodies, and works with student projects.

The "Communities in Action" project identified and studied micro-communities in the city, analyzing their priority needs and stimulating change in the surrounding area. Some 30 micro-communities were identified, and their profiles were drawn up; local leaders were identified; SWOT analyses were conducted for each one. As a result, 19 of these communities have been able

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OLEKSANDR KOBZAREV,  
Director of the City Institute,  
Lviv

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OLEKSANDR KOBZAREV,  
Director of the City Institute,  
Lviv

to implement small infrastructure projects co-financed by city residents.

“City Workshop” is an annual platform for exploring interesting municipal development practices. It is a meeting ground for residents and city officials. Every year, the City Institute selects topics that are of most interest to residents.

“By implementing our competitiveness strategy, the number of tourists in the city and the number of people working in the IT industry have increased fivefold. Thanks to the city’s success in tourism and IT, we continue to attract strong investment. An important IT park will be built in Lviv, attracting about USD 140 million in investments. Lviv is constantly vying with Kyiv for first place in external independent testing, and this is one result of the strategy’s implementation. Investment in education is on the rise. We now have education and creativity clusters in the city.”

## Ladyzhyn (Vinnytsia oblast)

<sup>16</sup> <https://www.ladrada.gov.ua/images/stories/doc/rishennya-sesii/2017/13-sesiya/428.zip>

The purpose of the Ladyzhyn Development Strategy Until 2025<sup>16</sup> is to increase the town’s competitiveness and the level of well-being, as well as improve the living environment, working conditions, and all-round development of residents. Drafted with the assistance of the PLEDDG, the document was approved in 2017. The working group to formulate the Strategy consisted of more than 50 Ladyzhyn specialists in local economic development, the staff of local government bodies, local state institutions, members of the Ladyzhyn Town Council, employees of municipal enterprises, town-forming enterprises, local educational institutions, and community representatives. In the course of formulating the strategy, dialogue with community members and business representatives was ensured through ongoing consultations and joint activities. Thus, the following areas for the Ladyzhyn Municipal Development Strategy were identified: “Municipal Services and Infrastructure,” “Environment Protection and Energy Saving,” and “Economic Development.”

Projects in all three areas will be implemented by the Ladyzhyn Local Economic Development Agency, an institution that was created on the initiative of the Ladyzhyn Town Council in 2012. The agency promotes Ladyzhyn’s socioeconomic development, ensures employment, helps boost local budget revenues, safeguard the legal rights and interests of entrepreneurs, strengthen the economic potential of the town’s territorial communities, and forecast and identify prospects for further economic development.

As part of the implementation of the Strategy’s projects, the agency has already conducted three focus-group studies, a poll of 1,200 residents and guests, and an online survey. These activities are facilitating the introduction of an integrated model of open governance that involves citizen participation in local development planning and decision making. In addition, the agency is implementing a number of projects envisaged by the Ladyzhyn Development Strategy. One of them is a project to increase the town’s tourist potential called “Informational Signs in the Urban Environment as a Tool for Improving the Town’s Image.”



It was implemented with the assistance of the PLEDDG and co-financed by DTEK ENERHO LLC. The project envisages the dissemination of information about community resources by setting up citylights and the distribution of promotional videos and printed materials about the city.

In 2016 Ladyzhyn formally joined the Covenant of Mayors, a major sustainable development initiative of the European Commission. The city then committed itself to reducing CO2 emissions by at least 30% by 2030. In particular, the Ladyzhyn Local Economic Development Agency is implementing the project “Developing an Action Plan for Sustainable Energy Development and Climate Action Plan Until 2030 in Ladyzhyn within the Framework of the Covenant of Mayors.” It was developed in line with the strategic direction “Environmental Protection and Energy Saving.” The implementation of the project is helping to develop an environmentally oriented municipal economy and improve quality of life.

The “Rowing Sports Complex” project was implemented jointly with the Department of Physical Culture and Sports at the Ladyzhyn Town Council. The sports complex is located in a recreational zone on the banks of the Ladyzhyn Water Reservoir. It is the only place in Vinnytsia oblast where rowing training programs and regional competitions are held. The sports complex, in operation since 1988, was in need of interior repairs because of years of wear and tear. Thanks to the successful implementation of the project, the repair work was completed, and a boat was purchased, which created comfortable conditions for athletes preparing for competitions.

The Ladyzhyn Local Economic Development Agency is engaged in an active dialogue with community and business representatives.

“In December 2016 we filed an application, in conjunction with the Foundation for Entrepreneurial Initiatives, to reduce the tax burden to 10% of the minimum wage. At the time, a 20% rate was in force, and when the minimum wage was significantly increased, it automatically led to higher social payments to the budget, and the tax burden on entrepreneurs rose sharply. The proposal was supported by the mayor and members of the Ladyzhyn Town Council. This decision significantly reduces the tax burden on local entrepreneurs and will foster increased mutual trust, creating favourable conditions for business development. I believe that the top-priority initiatives for 2019 are attracting investments in the development of municipal infrastructure and SME support and development.”

As part of the 2017–2021 Small- and Medium-Sized Business Development Program in Ladyzhyn, the agency provided 73 free consultations to small- and medium-sized enterprises on economic and labour contracts, optimal taxation systems, selection of the type of economic activity, etc. Three business-planning consultation sessions were held, and two entrepreneurs were provided with repayable financial assistance from the microloan entrepreneurship fund in the amount of UAH 100,000.

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LIUDMYLA RAVLIUK,  
head of the Ladyzhyn Local  
Economic Development  
Agency





Ivano-Frankivsk



This publication uses photographs from monitoring visits to study progress in implementing municipal development strategies developed with the support of the PLEDDG project in partner cities.

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