Decentralisation in Ukraine
Achievements, expectations and concerns
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1. INTRODUCTION

The need for the decentralisation of public administration has been on Ukraine’s agenda since the first days of its independence. In September 1997 the Verkhovna Rada (Ukrainian parliament) ratified the European Charter of Local Self-Government, having stated its commitment to European standards of governance. Since then different Ukrainian governments have made efforts to carry out the necessary reforms, but failed for various reasons. Systematic changes were introduced immediately after the Maidan clashes and the change of government in early 2014. On 1 April 2014, the Cabinet of Ministers of Ukraine approved the ‘Concept of the reform of local self-government and the territorial organisation of power in Ukraine’.

What has been achieved over almost three years of reform? What are the expectations and concerns of Ukrainians? What elements require more attention from the public and the government? These are the questions researched in this paper.

1.1 Brief description of the decentralisation reform

Decentralisation means delegating considerable authority and budgets from state bodies to local self-government bodies.

According to one of the ideologists of decentralisation, Anatoliy Tkachuk, Director of Science and Development of the Civil Society Institute, the decentralisation reform in Ukraine is unique and does not copy the experience of other countries. It consists of the following three components:

1. Reform of the territorial organisation of power.
2. Reform of local self-government.
3. Reform of regional policy.

The main objective of the reform is to create the right conditions for the development of communities and bring services closer to the public through the formation of wealthy communities, delegating most powers to the basic level, clearly dividing responsibilities between different branches of government, and ensuring proper resource provision for local self-government.

Under the ‘Concept of the reform of local self-government and the territorial organisation of power in Ukraine’, the first stage of the reform (until the end of 2014) provided for the following:

- Making the necessary changes to the Constitution of Ukraine.
- Developing a legal framework for the amalgamation of communities.
- Introducing a new administrative and territorial structure.
- Rendering financial support to the newly formed territorial units, clearly defining their own and delegated powers.
- Creating proper material, financial, and organisational conditions for the exercise of these powers.

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1. This is a Council of Europe document, ratified by all 47 member states. It commits the Parties to apply basic rules guaranteeing the political, administrative, and financial independence of local authorities.
3. Ibid.
The second stage (2015–2017) was aimed at making standards for the provision of services consistent, reorganising local governments on a new territorial basis, and holding elections.

As a result of the decentralisation reform, Ukraine’s administrative and territorial structure should be rationalised on the basis of three tiers of local self-government: the region, the district, and the community, composed of several population centres combined together. Powers need to be clearly divided between these three tiers based on the principle of subsidiarity. Communities will be in charge of primary and secondary education, primary healthcare, housing and utilities, construction, local roads, and infrastructure. Executive powers will be delegated from regional administrations to executive committees of local councils, while prefects will substitute chairpersons of regional state administrations according to the European Charter of Local Self-Government.

From the very beginning, the reform has not been implemented in accordance with the planned timeframe. The first attempt to amend the Constitution of Ukraine by the end of 2014 was unsuccessful. The Verkhovna Rada failed to consider a presidential bill before the autumn elections and it was withdrawn from consideration. A bill on the voluntary amalgamation of communities was adopted in the first reading in summer 2014, but signed into law only in February 2015. The law ‘On the principles of state regional policy’, which laid new foundations for the state’s regional policy, was also passed in February 2015.

Quite unexpectedly, the first changes in Ukraine’s legislation were those made to the Budget and Tax Codes by the newly elected Verkhovna Rada in late December 2014. These changes strengthened the financial basis of local self-government bodies and provided incentives for their amalgamation. Territorial communities were granted the power to impose their own taxes, set their own rates, and spend revenues from certain taxes. In addition, the State Fund for Regional Development was established, and the amalgamated territorial communities were given financial autonomy. This means that they were no longer dependent on local administrations for their budgets and received subventions directly from the state budget.

Pursuant to the law ‘On voluntary amalgamation of territorial communities’, the merger of the territorial communities was expected to have taken place prior to the 2015 local elections. The territorial communities should have amalgamated voluntarily, but on the basis of regional development strategies developed by regional state administrations and approved by regional councils and the Cabinet of Ministers of Ukraine. Some regions, however, did not produce their development strategies. A further complication was that the second attempt to amend the Constitution before local elections failed for political reasons. Regional councils blocked elections in some newly formed communities because of excessive politicisation of the process.

The introduction of the constitutional amendments also met with resistance because the decentralisation reform became linked, rightly or wrongly, to the Minsk process. The delegation of powers to territorial communities was in conflict with the request of the Kremlin under the Minsk agreement to introduce a federal system of governance in Ukraine. As part of the Package of Measures for the Implementation of the Minsk Agreements dated 12 February 2015, the Ukrainian government committed itself to completing the decentralisation reform by the end of 2015 with regard to certain districts of the Donetsk and Luhansk regions, as agreed with their representatives. This item of the Minsk deal was met with public resistance. This developed into violent clashes outside parliament on 31 August 2015 in which one policeman was killed. This was the day of the passage of a bill on constitutional amendments in its first reading.
As a result, the introduction of the constitutional amendments has been postponed for an indefinite period. Despite the failure to set up executive bodies of local councils, or the institution of prefects as envisaged in the constitutional reform, the reform of local self-government bodies and the amalgamation of territorial communities continued.

The problem of excessive politicisation of the merger of the communities and elections of their authorities was resolved by amendments to legislation. The law ‘On amendments to certain laws of Ukraine regarding the organisation of the first elections to local councils and the elections of mayors of villages, towns and cities’7 was adopted by the Verkhovna Rada on 4 September 2015, and signed the same day by the president. The Cabinet of Ministers was granted the authority to amalgamate communities, while the authority to call elections in the newly formed territorial units was transferred to the Central Election Commission.

In parallel the Verkhovna Rada continued its work on the division of powers between different levels of self-government. According to the Deputy Prime Minister, Hennadiy Zubko, some 150 laws were to be amended as of May 2015.8

A total of 159 newly amalgamated communities elected their new councils for the first time in Ukrainian history on 25 October 2015, the day of the local elections. Within the initial eight months of 2016, elections were held in another 25 communities. On 7 October 2016, the Central Election Commission scheduled the first elections of members and heads of local councils in 143 amalgamated territorial communities for 18 December. Earlier, the first elections were scheduled for 11 December in 41 newly formed territorial units. According to official data, there will be 367 amalgamated territorial communities in Ukraine after the elections.9

The amalgamation opens the door for the use of resources from the State Fund for Regional Development (SFRD). Under the law the amount of SFRD funds constitutes 1% of planned state budget revenues. As stated on its website, “The SFRD will lay the foundation for funding regional development projects on a competitive basis and in compliance with regional development strategies and action plans for their implementation”.10 Furthermore, community projects should be in line with priorities set out in the Regional Development Strategy to be adopted in accordance with the law ‘On the principles of state regional policy’.

The amalgamated territorial communities are granted the right to use a subvention to set up and boost their infrastructure. In 2016, 1 billion Ukrainian hryvnia (UAH) were channelled from the state budget for this purpose. In 2017, this amount has not changed. With the growing number of newly formed communities, the stimulating effect of the subvention will, however, be reduced. The subvention funds are distributed among the newly formed local self-government units through a clear formula. The projects are financed from the subvention according to the socio-economic development plans of the amalgamated communities.

Since 2015, local budgets have received subventions for healthcare and education based on formulas calculated by fund administrators. However, the issue of the establishment of primary healthcare centres and the optimisation of school infrastructure at the community level remain unsolved. Furthermore, public services for schools and healthcare institutions, as well as the publication of textbooks, will be financed from local budgets in 2017. Relevant funds will be withdrawn from the healthcare and education subventions.

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7 Ukrainian Law No. 676-VIII ‘Про внесення змін до деяких законів України щодо організації проведення перших виборів депутатів місцевих рад та сільських, селищних, міських голів’ [‘On amendments to certain laws of Ukraine regarding the organisation of the first elections to local councils and the elections of mayors of villages, towns and cities’], Ukraine: Verkhovna Rada, 2015, http://zakon2.rada.gov.ua/laws/show/676-19
10 State Fund for Regional Development, About the DFRR, http://dfrr.minregion.gov.ua/pro-konkurs
The amount of SFRD funds is to be substantially increased. Experts among civil society fear, however, that these funds may not be transferred because the SFRD should be replenished from proceeds of special confiscation, a bill on which there has not yet been a vote. Many experts say that the expectations of the government on the special confiscation rates are too high.\footnote{Ivan Sikora, The 2017 state budget: How to avoid populism and political corruption, Zerkalo Nedelya.Ukraina, 12 November 2016, http://gazeta.dt.ua/macrolevel/derzhbyudzhet-2017-yak-poperediti-populizm-i-politichnu-korupciyu_.html}

According to these experts, although the decentralisation reform in Ukraine has not been implemented in accordance with the established timeframe, the progress made is considerable compared to other countries. According to Ukrainian Prime Minister Volodymyr Groysman, the decentralisation reform remains one of the priorities of the Ukrainian government in 2017.\footnote{Серед головних пріоритетів діяльності Уряду на 2017 рік – продовження реформи децентралізації, 11 November 2016, Херсонська Обласна Державна Адміністрація, http://khoda.gov.ua/sered-golovnih-prioritetiv-dialnosti-uryadu-na-2017-rik-prodovzenna-reformi-decentralizaci.html}

Nevertheless, a number of potential challenges and risks in the field of social and cultural policies, good governance, and the development of effective political pluralism in communities are likely to impact the implementation of the decentralisation reform. These are outlined in brief below:

- **Exacerbated socio-economic imbalance**: Risks of socio-economic differentiation and growing socio-economic imbalances between well-resourced and economically vulnerable communities, as well as challenges in the public administration system and in relationships between the centre and the regions may occur during decentralisation reform.

- **Limited election control and oversight**: The absence of effective election control and oversight in the amalgamated communities on the part of NGOs and the Central Election Commission may result in local political conflicts and the strengthening of political monopolies. Some experts pointed out the potential risks of criminalisation of the election process in communities. Specifically, criminalisation of elections, bribery, and the use of “administrative resources” (state connections and funds) were named by NGOs as the main three election problems in the amalgamated communities in December 2016. This is evidenced by the number of violations during community elections on 18 December 2016, which exceeded those during elections to local self-government bodies in 2015.\footnote{Комітет виборців назвав три головні проблеми виборів в об’єднаних громадах, ZIK, 19 December 2016, http://zik.ua/news/2016/12/19/komitet_vybortsiv_nazval_tri_golovni_problemy_vyboriv_v_obiednanych_gromadah_1011433}

- **Non-fulfilment of existing obligations**: There are concerns related to non-fulfilment of social obligations by the newly formed local self-government bodies. For instance, newly elected local officials may set new priorities and thereby fail to fulfil some existing agreements.

- **National minorities**: It is also possible that different political parties may use the merger to mobilise national minorities in communities where they form a population majority. This risk was highlighted during a discussion of the merger of territorial communities in the Odesa region.

- **Legal issues**: There are potential risks regarding the legality of actions of local self-government bodies. These could emerge due to a weak system of control of their activities by law enforcement agencies, together with corruption risks caused by public inaction and Ukraine’s weak judicial system. In particular, some community charters contain restrictions and complicated procedures for the exercise of the right to participate in public initiatives.

- **Management and competence**: There are also management and competence risks during the first phase of the implementation of the decentralisation reform regarding administration of socio-economic management processes in communities, and a lack of good managers. Potential management risks could also undermine public confidence in decentralisation.
• **Reshaping social identity:** Although the formation of new socio-cultural identities of the amalgamated communities is significant, their inclusion in regional and common national identity, as well as the elimination of isolationism, are of no less importance.

• **Unclear division of competencies:** Decisions made within the powers of the amalgamated communities and the degree of their legality and legitimacy could also pose a potential risk. Specifically, local self-government bodies made some populist political decisions that were beyond the scope of their responsibilities (for example, anti-NATO statements, and statements on the state language policy).

The above risks in the decentralisation process could be reduced through increased support for amalgamated communities. This should include the development of self-government legislation, proper implementation of law enforcement, education, healthcare, and land reforms (taking into account the specifics of regional reform, self-government, and territorial organisation of power), together with support for public organisations and projects aimed at monitoring government, and the development of socio-cultural initiatives.

1.2 Methodology

This report is based on the analysis of information collected during focus groups and interviews.

The study was carried out to measure the attitude of Ukrainians to various aspects of the decentralisation reform, identify possible reasons for resistance to its implementation on the part of different social groups, as well as their expectations and concerns, and develop information and communication recommendations for relevant national authorities.

The methodology of the study included the following three processes:

• Interviews with experts (regional development experts, representatives of executive authorities and the amalgamated communities);

• Six focus groups in different cities and regions (Ternopil, Sievierodonetsk, the Kyiv region, Uzhhorod, Zaporizhia, and Mykolaiv). This involved 61 representatives of the amalgamated communities, journalists covering the decentralisation process, regional reform offices, executive authorities, and local activists; and

• Analysis of laws and regulations, statistical data.

The study’s methodology was determined and agreed upon with International Alert and the European Commission.

The study was conducted by the Ukrainian Center for Independent Political Research (UCIPR) with the assistance of International Alert, and funding from the EU, under the sub-project ‘From conflict to peace: A path to understanding and reconciliation’, which is part of a larger project entitled *Psychosocial Seeds for Peace*. 
2. ACHIEVEMENTS

2.1 Beneficial impacts of decentralisation

Most informed respondents claimed that decentralisation reform is one of Ukraine’s few restructures that at least has a plan, a concept, and a development strategy. Its distinguishing feature is the simultaneous implementation of several reforms in public administration:

- Reform of the territorial organisation of power.
- Reform of local self-government.
- Reform of regional policy.

This makes it different from reforms carried out in other European countries. In addition, its pace is high, according to one interviewee in Kyiv: “Over the initial six months of the reform, we have amalgamated about 7% of communities, and we plan to merge more than 20% next year. These are very high figures.”

Decentralisation, according to one interviewee in Uzhhorod, “means delegation of powers to local self-governments … and, primarily, the establishment of self-government institutions.”

It is generally perceived as:

- Transferring many powers and responsibilities from national to local authorities, to regions and districts, but most notably to communities;
- Identifying the scope of resources, revenues, and subventions needed for the exercise of powers by communities, giving them the opportunity to control resources;
- Enhancing the quality and accessibility of public services provided at each level – according to an interviewee in Kyiv, an “instrument for increasing quality of life”; and
- Offering an opportunity to ‘cement’ a country split among local feudal clans.

Decentralisation is interpreted as an opportunity for territorial communities to be vested with powers and to control resources. Previously, powers and resources were concentrated in the centre and allocated through executive authorities. This made the territorial communities dependent, and raised obstacles to the development of local self-government. Now, however, most funds will remain in the budgets of territorial communities, whose members independently decide how to spend them.

The relationships between national authorities and the amalgamated territorial communities have gradually been transformed from subordination to partnership, and become more pragmatic. Some participants, however, gave negative examples of the non-participation of community leaders in regional or district activities.

Decisions on the distribution of SFRD funds and subventions are made according to a clear formula, not through the lobbying efforts of executive authorities. This leaves no room for the centralised use of ‘administrative resources’ during elections and corruption during resource allocation.

Local economies have been boosted, and new employment opportunities for the rural population have been created in the service sector. Representatives of one community mentioned a repaired club house that is now used by local people for family festivities, ranging from funerals to birthdays and weddings. As a result one family started to provide catering services.

The quality of local services has increased. Specifically, the quality of school meals has improved through increased funding, and through the purchase of food products at the local level and not at the district/ regional level. Both decisions were made by local authorities in the interests of their communities.
Local entrepreneurship has developed through a reduction in administrative barriers. Businesspeople in the newly formed communities now receive permits from one body only. Previously they had to obtain the necessary documents from different bodies, often through corruption. In addition, the previous territorial units were too small and therefore conducting business within the territory of one community was not profitable.

Development has been also facilitated by the joint development of strategies, and the involvement of community members in decision making and implementation.

“What is decentralisation? It is a big process. Under decentralisation, a community plans its strategic development. It holds meetings, attended by many people: local businesspeople, parliamentarians, and scientists, if there are any. They discuss a lot of things, and find out what has been done and by whom. And wham! a new idea emerges, which could be good for us and that fits into our strategy. Right after that, one or two local businesspeople appear who say: ‘This is a damn good idea, we can do it.’ And they start to put this proposal into practice before it has even been included in the development strategy. This is how we work together.”

– Interviewee in Kyiv

The decentralisation reform has also created opportunities for cooperation among the territorial communities, and established procedures for the implementation of joint cultural, sports, education, and healthcare projects.

A stronger financial basis for local self-government units has enabled them to repair school and sports infrastructure. Positions have been opened in local administrations to deal with issues of physical fitness and sports. It is therefore expected that Ukrainian football will be given a boost in a few years because athletic fields and school gyms, many of which have stood empty for years, are now under repair. Local youths come there to play football. Local football tournaments are often held.

3. EXPECTATIONS

3.1 The most common myths

At the beginning of the decentralisation process, the most common myths and stereotypes in the communities related to:

- The expected elimination of social infrastructure facilities in villages, and a decrease in education and healthcare services during the amalgamations;
- Limited opportunities for the representation of interests of population centres, the absence of parliamentarians in the composition of local authorities of the amalgamated communities, and loss of political control of the administrative process;
- Non-fulfilment of existing social obligations by the newly formed local self-government bodies, and underfunding of infrastructure development and other local needs; and
- Poor access of community members to administrative services.

The expected elimination of social infrastructure facilities in villages, a decrease in education and healthcare services during the amalgamation.

“For instance, when we discussed the merger, we were afraid that a school and a first-aid station might be closed. This does not relate to decentralisation, but to healthcare and education reforms. What I mean is that many problems appear if people do not understand simple things. If your communities merge, your school will be closed. You will have to live under another system. Therefore you should have a grasp of the conceptual structure before discussing decentralisation or preparing materials for the media.”

– Interviewee in Ternopil

Limited opportunities for the representation of the newly formed communities in new self-government authorities.

“Our opponents created the fiction that a local school and a church would be closed. I was at a meeting in the Berezhany district council. Many people came to the event. They said that they were told that their village church would be closed after the merger. For them this would mean the end of everything, the end of their village.”

– Interviewee in Ternopil

Problems of access to administrative services.

“There was the fear that we would lose a village council after the amalgamation. No village council, no village. No school, no village. It’s time to dispel these myths.”

– Interview in Dnipro

Non-fulfilment of existing social obligations by the newly formed local self-governments, underfunding of infrastructure development and other local needs.

“We don’t know where to go for documents, education, or other things. We would have to travel a long way for these services. The number of officials would be substantially increased.”

– Interviewee in Vinnytsia

“The beginning of the merger is always characterised by a lack of trust, and fears. We don’t know how many communities will merge and whether promises will be fulfilled. It is always a kind of matchmaking from the start, but nobody knows what will happen after the marriage.”

– Interviewee in Dnipro
The lack of trust among members of financially weak communities regarding the fulfilment of existing social obligations by newly formed local self-government bodies posed a risk to decentralisation. In some regions, this challenge was met through the signing of memorandums between the territorial communities and local self-government bodies that set out detailed obligations in the area of social development (street lighting, roads, school repairs, etc.). In particular, communities of the Dnipropetrovsk region signed a memorandum setting out a clear action plan and obligations for all sides. As a rule, such memorandum items have been implemented after the amalgamations.

“To protect our colleagues, we have proposed that they sign a memorandum with local councils and approve it at a session. They told us that new lawmakers will be elected and that the newly elected chairperson and members of local councils do not need to fulfil these obligations. As a result, our councils signed a five-year memorandum. They will report on its performance in two years. The memorandum set out a detailed action plan: which streets should be lit, which roads, kindergartens and cultural centres should be renovated, and so on. In other words, they prepared a list of work to be done, if we are serious people who mean what we say. Now this memorandum is being implemented in our community. We were surprised at the amount of allocated funds. Those communities that delay the merger really lose a lot.” – Interviewee in Dnipro

Resistance and rejection was also linked to representation of the amalgamated communities during the elections of their authorities. Some newly formed communities were afraid that they could not be represented at elections, and voiced concern over corruption of political parties. Others linked concern about the absence of representation to the problems of business activities and potential reallocation of resources. The merger of the communities was also opposed by heads of village and settlement councils afraid of losing power and influence.

The consolidation of territorial communities has actually eliminated many myths about the collapse of social and educational infrastructure of some villages. To a large extent these concerns have been allayed, but there are problems in the provision of medical services (primary and secondary medical care), and the availability of sufficient funds for this purpose. These concerns are discussed in further detail below.
4. CONCERNS

4.1 Negative impacts and risks of decentralisation

Disparity between communities: During decentralisation, the newly formed territorial units face a risk of a rapidly growing socio-economic gap between poor and rich communities. This gap grows in accordance with the amount of funds transferred. As mentioned, the amount of the subvention from the state budget did not change in 2017, whereas the number of amalgamated communities increased. Consequently, the later the communities merge, the less money they have to set up and boost their infrastructure.

Competence: A lack of competence on the part of local self-government executives prevents them from taking full advantage of the new opportunities and privileges in order to administer resources and manage changes. New knowledge and competencies are required for new methods of governance and resource management. Socio-economic problems during the reform's implementation at the local level could discredit decentralisation in some amalgamated communities.

Corruption in local authorities: This risk emerges particularly with regard to the unfinished land reform and the delegation of procurement powers to local authorities. The risk could be eliminated through the creation of more transparent mechanisms in land relations (for example, transparent land auctions), the development of an e-procurement system, a system of contactless administrative services provision (which prevents direct contact between consumers of administrative services and officials) and the development of centres of administrative services in the territorial communities.

Ineffective supervision: The absence or ineffectiveness of the system of supervision and control of local self-government bodies regarding the legality of their activities, and the ineffectual judicial system and law enforcement agencies, could also adversely affect the decentralisation reform, discrediting it in the eyes of community members. The establishment of the institution of prefects was suspended due to a delayed constitutional reform process, whereas control and supervision functions have already been removed from the prosecutor’s office. This creates additional risks of violations of legislation in the course of the decentralisation reform at the local level.

Poorly defined scope of responsibilities: Depending on the political situation, there is a risk that decisions are made that are beyond the scope of the responsibilities of local authorities (for example on security issues, the state language policy, or European integration), particularly in the absence of proper control by central authorities and law enforcement agencies. Illegitimate decisions by local governments in 2006 and 2010, for example, were often made without a community merger, when political forces used local authorities to mobilise voters or destabilise the situation.

Legal ambiguity and flux: The constantly changing legal rules make the public distrustful of the state. According to participants in focus groups and interviews, the rules are changing so fast that even trainers are unable to keep up with the latest methods of work with and in communities. In addition, community members have a history of relationships with the authorities in which their opinions and interests were not taken into account; this created many problems for them. There was therefore a suspicion of change.

Ethnicisation of the process: Another risk is posed by the use of the ethno-national factor to mobilise voters. This included rumours about the amalgamation of communities in such a way that would result in national minority members losing their majority. It is important in the process of decentralisation to adopt policies that prevent the formation of isolated enclaves. The experience of the amalgamation...
of multi-ethnic communities and accommodation of their interests is very interesting in this respect. For example, in the Chernivtsi region, the Krasnoiilsk amalgamated community was formed of two population centres. In one of them, Poles made up 70% of the population, while in another, Romanians constituted 92%.16

**Identity formation:** When building the new identities of the amalgamated territorial communities, it is important to take into consideration their inclusion in regional and common national identity in order to prevent isolationism. It is also important to offer opportunities for shaping the ‘new identities of the amalgamated communities’. Specifically, in accordance with the law ‘On local self-government in Ukraine’, “A territorial community is represented by residents of a village, settlement, or town/city that is an independent administrative territorial unit, or a voluntary association of residents of several villages with a common administrative centre.” This law is applicable to all Ukrainian territorial communities, including the amalgamated ones. Article 22 of the law ‘Symbols of territorial communities of villages, settlements, towns/cities, districts, and regions’ says that the territorial communities have the opportunity to adopt their own symbols, mirroring historical, cultural, socio-economic, and other local peculiarities and traditions.

**Political capture and criminalisation:** There is a risk of losing voter control over the activities of local governments elected in the amalgamated communities, and the strengthening of political monopolies that control community resources. This is especially acute with regard to the frozen land reform. These risks are accompanied by the challenges of the criminalisation of the election process. The December 2016 elections, for example, showed the use of ‘administrative resources’, vote buying, and criminalisation of elections in some communities. These challenges often accompany local elections in Ukraine and require an appropriate response from law enforcement agencies and NGOs. And it is not only flawed procedures that can contribute to political corruption during the election process. According to NGOs, after the parliamentary elections of 2014, only 4.5% of cases regarding violations of citizens’ electoral rights resulted in charges being brought. In 75% of cases regarding violation of electoral rights in the 2014 snap election there has been no result.18

#### 4.2 Participation and responsibility of communities, participatory democracy, risks

The low participation of community members in decentralisation and their unwillingness to bear responsibility for decision making are a key factor preventing decentralisation reform from being effective. It is the low participation of community members that creates opportunities for the regional authorities to control the decentralisation reform from above. This behavioural model was formed during the Soviet Union, and much needs be done to remove it. Awareness campaigns should be carried out in communities to explain the advantages of the new territorial organisation of power to their members and officials.

> “During 70 years of living in the Soviet Union, our people got used to having someone tell them what to do and how to live. No one wants to solve problems on their own. I guess that we need to work not only with the authorities, but with the local communities in order that the residents of districts and regions understand that their involvement and their opportunities and willingness to influence events could change the situation in their regions.”

– Interviewee in Kyiv

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17 For details see 4.8 Socio-cultural aspects of decentralisation
Nevertheless, the situation is gradually changing. Earlier, many people smiled when they heard the term ‘participatory democracy’, and some of them even believed that these words should be referred to separately. Today, however, more and more people understand that the active participation of the territorial communities is a basis for local self-government, as noted by one interviewee in Mykolaiv: “Over the past two years, the decentralisation process has intensified. Many reformers cannot even imagine what is going on in the villages now.”

The decentralisation reform was mainly initiated by executive authorities and local self-government bodies. Despite mechanisms of participatory democracy and public participation, as well as various advisory bodies, community members are not actively involved in the planning of changes. Focus group participants noted that local activists and lawmakers use assemblies, meetings, and various forms of consultations to discuss the decentralisation process and the amalgamation of the territorial communities. These efforts were often not welcomed by community members, who were distrustful and unwilling to get involved.

“We held assemblies and meetings. Local council officials worked on every street. We talked with practically every community member, but failed to convince them. People are afraid that a settlement or village council will be retained. There are also other issues. But it’s all right, a journey of a thousand miles begins with a single step.” – Interviewee in Dnipro

“This reform was very ill-prepared. It seems to me that before its start, the key threats and challenges were not identified, and no recommendations were made on how to address them. In the Ternopil region, for example, the largest in terms of its number of territorial communities, many chairpersons of village councils complained that they did not have enough information to know what to do. And most of them believed that they would be even worse off economically with the amalgamated communities than before.” – Interviewee in Ternopil

Respondents said that there are a lot of tools for public participation in decision making, including different forms of advisory bodies. What matters is the will of local community members to use these tools. Experts gave many examples of the low participation and lack of interest of ordinary members of the territorial communities in their amalgamation and in decision making.

They said that almost across the board, members of local councils and territorial communities need to be taught decision-making methods and community participation during the decentralisation process. They also stressed the need to develop participatory democracy through the adoption of community statutes that would simplify tools for involving community members in decision making.

4.3 Language and ethno-national policies in the context of decentralisation

Pursuant to the law ‘On voluntary amalgamation of territorial communities’, the amalgamation criteria include historical, natural, ethnic, cultural, and other factors affecting the socio-economic development of the amalgamated territorial community.^{19}

Community amalgamation also raises a number of socio-cultural challenges regarding intercultural communication. This process sets criteria for particular ethno-national features of population centres. At the same time, potential community amalgamation based on the compact residence of national minorities alone could, for example, result in the enclavisation of newly formed territorial units. This could prove a barrier to better intercultural dialogue and cooperation, and thus create preconditions for current and future conflicts.

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Politicians in the Odesa region, for example, often used the merger of different territorial communities in their rhetoric. The same issues could potentially also be raised in other multi-ethnic regions of Ukraine. Local authorities could use resistance to decentralisation and the ‘disregard of the ethno-national factor’ to mobilise voters and stir protests.

“It appears that on the one hand, it is not correct to create the territorial communities based on ethnic factors alone. On the other hand, if these communities are multi-ethnic, multi-religious or multilingual, their amalgamation implies a kind of dialogue. People should find a new model of communication on these non-economic issues.” – Interviewee in Kyiv

“Separate enclaves should not be created, as this would pose a serious threat. For instance, a Romanian or other enclave could become a monopoly community with vast powers, resources, and opportunities to get foreign assistance. This could become a kind of vacuole that could explode with a pretty serious negative result ... but identifying ‘friends’ or ‘foes’ will nevertheless still be possible.” – Interviewee in Vinnytsya

Despite the difficulties of the community amalgamation in the Zakarpattia region, a regional development strategy for the formation of territorial communities was mapped out that took into account places of compact residence of national minorities. Regional experts have not only taken this factor into account, but also came for consultations to the relevant districts and potential centres of the amalgamated territorial communities, and met their leaders in places where national minorities live in compact groups. This was a positive result driven by previous concerns. In 2015, representatives of the Transcarpathian Hungarian Cultural Association (KMKSZ) and the Hungarian Democratic Federation in Ukraine (UMDSZ) stated their intention to set up, as part of the decentralisation reform and community amalgamation, a single district with the centre in Berehovo. This would have included territories with a high population of ethnic Hungarians. It was perceived by other political forces in the region as a threat of isolationism and separatism.

Notwithstanding the controversial language issue, Ukrainians are almost unanimous that Ukrainian should be the state language. The government should, however, offer opportunities for education and decision-making in minority languages. A positive example of this is the Romanian-language school to be opened in the village of Mamalyga, a centre of the amalgamated community of the Chernivtsi region. The school will offer the opportunity for children from neighbouring villages who had studied in Romanian to continue education in their mother tongue. As one interviewee in Kyiv put it: “In every community, different groups may speak in their own language. But Ukrainian should be the official language in education and public life because it makes us united and strengthens our unity.”

Given the military conflict in the east of the country, and the continued assertions by the Russian authorities that the Russian language is discriminated against, experts emphasised that decisions on language use should be made by the central authorities.

Some experts noted that executive officials pay little attention to the ethnic composition of population centres during the amalgamation process. They said that some politicians mobilise communities to protest against the mergers without taking into account their ethnic composition, and gave the example of the Moldovan and Bulgarian villages. Decisions on voluntary mergers should be made with regard to historical, natural, ethnic, cultural, and other factors affecting the socio-economic development of the newly formed territorial communities.

Although respondents cited no examples of a merger taking place without taking the ethnic component into account, some political representatives of national minorities made statements about the benefits...

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and drawbacks of decentralisation and community development strategies. It was claimed that some online media outlets actively spread provocative and fake news to shape a ‘field of discontent’ within minorities regarding decentralisation. This was done by playing with concepts of ‘decentralisation’ and ‘separatism’. It was certainly done to destabilise the situation in some regions. It is therefore recommended that reliable information is disseminated about the amalgamation of the territorial communities, their success stories, and dialogue and participatory practices.

Members of focus groups also stressed the need to pay attention to intercultural dialogue and communication in order not to create closed enclaves with weak prospects of interaction with other communities on various socio-economic issues. This could reduce the efficiency of their activities and competitiveness.

Respondents stressed the problem of the formation of a new identity within the amalgamated communities. They said that the newly formed territorial units may have a different history of the establishment, different methods of self-identification, etc. A set of measures should be implemented to help them find a common socio-cultural basis and a common identity, to enable them to marshal resources and effectively implement joint activities. It is important that the newly established territorial units do not limit themselves to studying Soviet or Russian imperial history. They need to go further and explore local traditions that existed in the regions many years ago.

4.4 Infrastructure challenges

The decentralisation reform is also impeded by the absence of a stable and modernised infrastructure reform. Notwithstanding the establishment of regional reform offices to support regional development in the amalgamated territorial communities, the newly formed or developing local self-government units still face many problems. In particular, they face problems with the preparation of regional development projects, cooperation, accountability, and the establishment of ‘development infrastructure’.

To be efficient and competitive, the amalgamated territorial communities need knowledge and skills, not only to effectively use funds transferred to them, but also to attract financial resources from donors and offices of the State Fund for Regional Development, and to develop new, competitive projects.

During the process of decentralisation and amalgamation, the relationships of the territorial communities with the centre changed. They received the powers, resources, and subventions for the implementation of projects. Nevertheless, the amalgamated territorial communities experience problems in the administration of these resources and with infrastructure development. In particular, they lack resources for preparing tender documents and reports.

“On the one hand, they have received more resources and the opportunity to administer them. They asphalted a road on their own initiative, and were very happy about it. On the other hand, a lot of problems emerged that they cannot resolve. I mean they have social infrastructure facilities on balance sheet accounts, but do not have the money to address these issues.” – Interviewee in Kyiv

“We are stuck on tenders: the first tender, the second one. We want to purchase a school bus with the money allocated by the Ministry of Regional Development and Construction. We even contributed our own money for the purchase. But because we want to buy only one bus, nobody wants to take part in the tender. So we will have to hold a third tender. This is really the problem. We have money, but we cannot spend it due to bureaucratic formalities. But all directors say that it is not an easy thing to have money, and that they would prefer not to have any.” – Interviewee in Dnipro
4.5 Awareness challenges

Despite significant efforts to provide information, a lack of awareness among respondents and community members about legislation and procedures poses a serious challenge to decentralisation. This challenge creates a mess, provokes conflicts, and discredits the reform. According to one interviewee: “Since people have been given the decentralisation reform, they have a lot of questions, which they cannot answer. They do not understand what to do, or how and when to do things.” Some experts, like this focus group participant in Kyiv, blamed the government, saying that the situation was a deliberate policy: “People lack information. The authorities are not interested in providing them with information. I mean the chairpersons of village councils... People do not understand what is going on, what actions they have to take, what they are responsible for, and what they need to do.”

With regard to prefects, many participants demonstrated a lack of understanding of their role, and echoed the myths used by political parties as arguments against constitutional amendments, according to one focus group participant in Sievierodonetsk: “With the appearance of prefects, decentralisation is gradually turning into centralisation because this additional institution was established to supervise local self-governments.” Some respondents asserted that the role of prefects will be the same as chairpersons of regional state administrations. Moreover, it may become a lucrative, sought-after job, as prefects can at their own discretion cancel decisions made by local self-government bodies or turn a blind eye to violations if they are paid kickbacks.

Experts argued that it is impossible to say that the mergers were voluntary, because people were not informed in advance. People did not know that population centres would be amalgamated into new territorial units. The absence of awareness campaigns was one of the main disadvantages of the reform, according to one participant from Sievierodonetsk: “There was a lack of explanatory work with residents of population centres before the merger. Their rights, and their role in the development of their communities and districts, were not explained to them. This is the biggest downside.”

The lack of sufficient information poses serious risks for the implementation of the reform. It intensifies conflicts, creates confusion, generates myths, and fosters manipulation. Despite the strong support of international organisations, the government needs to strengthen its efforts in this area.

4.6 Changes in the relationships between local self-governments and executive authorities

As a result of the decentralisation reform, district and regional state administrations will be abolished, and executive powers will be delegated to executive committees elected by local councils. Some districts and regional administrations are therefore resisting the decentralisation reform and the amalgamation. This resistance is not necessarily politically driven; local executives are simply afraid to lose power and influence.

In this context, respondents gave the example of the Zakarpattia region, where a long-term plan for community amalgamation has not been approved (as of November 2016). Another draft of this plan was presented on 14 November, after an almost 14-month break. According to the document, 53 amalgamated territorial communities will be formed instead of the 94 planned earlier. At present, only two amalgamated communities have been established in the region and successfully developed. According to some heads of communities willing to amalgamate, it is the regional state administration that is hindering the mergers. Regional officials either refuse to accept the documents or return them because of failures to comply with formalities. They ignore the results of hearings because of an insufficient number of participants. According to Oleh Lukash, the Head of the Transcarpathian Reform Office, local authorities incorrectly and subjectively interpret the law on community amalgamation. His
comments were supported by the conclusions of experts of Ukraine’s Ministry of Regional Development and Construction and the Association of Ukrainian Cities.\(^2\)

According to local community representatives, the reason for these delays in decentralisation is the unwillingness of regional administrations to lose leverage over local councils, which will become financially independent from district and regional officials after the mergers.\(^3\) This aspect was not taken into account in the development of the decentralisation reform.

### 4.7 The role of executive authorities in the amalgamation process

One of the challenges pointed out by some experts is a possible misconception of decentralisation, and in particular, a strong desire among executives of certain regions to lead the process. This is often done without taking into account community interests, needs, or the results of discussions during the preparation of community plans. Regional state administrations attempt to dominate the process of allocating resources and the development of amalgamation plans.

> “There was total resistance. I mean that local self-government officials were very interested in decentralisation, but they were scared away by mythmaking. One of the myths is that the decentralisation reform should be carried out according to the following formula: give us money from Kyiv, and we’ll know how to spend it, but we are going to change nothing in the current system of power.” – Interviewee in Uzhhorod

Respondents noted that the territorial communities often do not understand the process of decentralisation governed from above. They protest against long-term amalgamation plans, which are not agreed upon with community members in some regions. Although the authors of the reform characterise the amalgamation as a “voluntary process stimulated by the government”, community members often view this ‘stimulation’ as attempted coercion.

> “Today, there are these so-called long-term plans that are handed down, as a rule, without discussion. People have a hostile attitude toward these plans. This is one argument. Also, whole districts or parts of them are very often amalgamated into one community in these plans. And people see that they will have to go far away to solve some issues. Now, they can solve everything in village councils, without going 50 kilometres away.” – Interviewee in Kyiv

### 4.8 Socio-cultural aspects of decentralisation

The following challenges of decentralisation were mentioned:

- The formation of a new identity for the amalgamated communities required a search for common meaning through the erection of monuments, policy on collective memory, and joint activities (setting up sports teams, holding cultural events, etc.); and
- The mainstreaming, firstly through interregional partnership and joint actions, of the development of Ukraine’s reintegration and interregional cooperation projects. This element is important for reducing the risk of ‘enclavisation’ of local authorities. The formation of enclaves could lead to negative consequences and raise corruption risks.

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\(^3\) Vasil Ilintsy, Rural councils versus the state administration, The Day, 31 August 2016, https://day.kyiv.ua/uk/article/podrobyci/cilski-rady-vs-dezhadministraciyi
Formation of a common (new) identity for amalgamated communities

“To make the newly formed territorial communities effective and ensure their development, it is necessary to carry out explanatory work on finding a common socio-cultural basis, a common identity for these communities that would help them marshal resources and implement joint activities...to give them something like a ‘calendar of public life’ because to each their own. There will be 1,200–1,500 amalgamated communities in Ukraine soon. It means that we will have a new map of the country. And this new map is not just an economic one.” – Interviewee in Kyiv

Tools to form new identities for the amalgamated communities

“When it comes to socio-cultural factors, villages and settlements have existed in Ukraine for centuries. In this village there is a church. That village has always been in conflict with another one. That is, they are all different. And it is very difficult to merge them, including for cultural reasons.” – Interviewee in Kyiv

Language policy in the amalgamated communities

“We are currently working in communities, and we have a separate focus, which we call a ‘new local identity’. The fact is that the newly established communities are artificial or nearly artificial formations. They have some common history, but they are not parts of a single whole. They will be effective and competitive only when they are one family, one organism. And here of course the role of local traditions, history, culture, and values is extremely important. For example, setting up a football team in an amalgamated community is better than having many different lectures, seminars, and workshops on the new identity. Because it becomes a shared achievement by the whole territory.”

– Interviewee in Kyiv

Experts said that in some cases attention to the socio-cultural aspects of decentralisation offers the opportunity for developing the amalgamated communities, as well as developing tourism, competitiveness and efficiency, including their economic elements, and increasing the level of social cohesion.
Tools to form new identities for the amalgamated communities include:

- Educational activities (seminars, workshops);
- Joint activities as part of the policy of collective memory, the celebration of important dates; and
- Formation of football teams, musical and creative groups, etc.

Cooperation and interaction is also important in terms of integration opportunities for the Ukrainian regions, and the development of new projects. When forming a new local identity for the amalgamated communities it is important to take into account the need to integrate new socio-cultural identities into the national one, and anticipate potential risks of isolationism and the enclavisation of local authorities. In addition to the negative socio-cultural implications, these isolated potential ‘new feudal lands’ increase the risk of corruption, and possibilities for the violation of civil rights and freedoms. To mitigate these potential negative effects, it is recommended to develop the law enforcement system, encourage projects of cooperation between communities and regions, develop infrastructure projects, and support public initiatives on cooperation and partnership with other communities.

4.9 Challenges to healthcare reform in the context of decentralisation

Respondents emphasised healthcare problems during the course of the decentralisation reform. For example, there were difficulties in some communities linked to the allocation of resources for local healthcare infrastructure, including primary and secondary medical services.

“It is because the amount of the healthcare subvention was too small. This is the problem. The healthcare reform was carried out in our region, and relevant changes were made in legislation. Earlier, the total amount of the subvention funds was divided up into primary and secondary healthcare, whereas there is no such division today. We receive the healthcare subvention for the amalgamated communities. Let’s say they want to preserve primary healthcare facilities – ambulatory care clinics and first aid stations – they may spend 50% or 60% of the subvention and allocate the remainder for secondary healthcare or other purposes.” – Focus group participant in Dnipro

Respondents also said that the authors of the reforms failed to consider some details of how medical institutions are organised. Specifically, the sources of funding for departmental hospitals are unidentified. This means that employees of departments to which these hospitals are subordinated lose the opportunity to use their services.

“There is a railways department hospital in the Pomichnyansk district. It was funded from the state budget as it belonged to the railways department. After decentralisation, we will not be able to maintain it because it will be on the balance sheet of the district council. Consequently, less than two thirds of beds will remain. There is no money to pay salaries to the hospital staff. Railway workers from adjacent villages can’t access services here. We are at a dead end, because we’ve done everything right, but have been left with nothing. A lot of details were ignored.” – Female participant from Kyiv

The healthcare reform needs to be revised, with regard to proper financial support and public awareness-raising on the changes in medical services after decentralisation.
4.10 Perception of constitutional reform and understanding of the role of prefects

The further implementation of reform, in particular the passage of constitutional amendments and establishment of the institution of prefects, is not always rationalised and understood at the community level.

Experts stressed the need to clearly determine the powers of the government and central authorities to control decisions of local self-government bodies in the amalgamated communities. Unfortunately, community members do not understand the role and responsibilities of prefects.

Respondents said that prefects play an important role not only in controlling the legality of actions by local self-governments, but also in the development and promotion of interregional partnership and cooperation projects.

“There is no mutual understanding. Every unit, region, and district understands its role. Not we, community members, but the districts and regions. They understand what powers they will be vested with. District administrations will be headed by prefects. This is our favourite word. As of now, there are 57 staff members in our district administration. After the reform, there will be one prefect and 10–12 staff members. Their duties and responsibilities cannot be compared. What will regional state administrations do? They will lose many of their powers.”

– Interviewee in Kyiv

4.11 Self-government in the areas temporarily not controlled by Ukrainian authorities

During discussions, representatives of almost all regions either held no opinion or were negative about the particular features of self-government in certain districts of the Donetsk and Luhansk regions, and on the issue of constitutional changes.

Community amalgamation could continue without constitutional changes on the territorial organisation of power. Nevertheless, constitutional reform is on the agenda. The relationship between decentralisation reform and the Minsk process was perceived, mistakenly or not, by many as an attempt at external interference in internal Ukrainian political processes.

Some participants found it possible to delegate decision-making powers to the Verkhovna Rada and pointed out the risks for the development of the situation in other regions. They emphasised the risks and threats that might be faced by many regions if the decentralisation reform and the conflicts in the Donetsk and Luhansk regions are not separated. The perceived dependent relationship would put obstacles in the path of the decentralisation reform. Experts also mentioned political and organisational risks, and the absence of consensus in society on the ‘specifics of self-government’.

In the opinion of some respondents, it is impossible to settle the situation in certain districts of the Donetsk and Luhansk regions before a change in the Kremlin policy towards Ukraine. As soon as Ukraine reinstates control of the Ukraine–Russia border, a special governance regime could be introduced in these areas for the duration of a transition period. Following that, the said areas should be involved in the decentralisation process and public administration reform in exactly the same way as other regions.
5. CONCLUSIONS

Decentralisation reform envisages specific actions in order to enhance the quality of life in communities. It has a clear framework and conceptual content. It consists of the reform of the territorial organisation of power, the reform of local self-government, and the reform of regional policy. Among its achievements are the improved structure of governance, a reduced level of political corruption due to direct inter-budget relations between central authorities and the territorial communities, and the more active involvement of community members in business development and local initiatives.

Decentralisation can also be seen not only as a tool for economic and social efficiency, and the improvement of community life, but also as part of a policy for Ukraine’s social and cultural development, the inclusion of cooperation projects under regional partnership programs in the government’s socio-cultural policy, the formation of national unity based on the principles of pluralism and democracy, and the full consideration of citizens’ rights.

It should however be borne in mind that the success and efficiency of decentralisation also depend on the overall progress of administrative and law enforcement reforms, infrastructure development, and the fight against corruption. Apart from fiscal decentralisation and the development of self-government legislation, decentralisation depends on the social and legal reforms carried out in Ukraine.

At the same time, the process of decentralisation and of community mergers is fraught with numerous risks and challenges. These should be taken into account to successfully implement the reform.

- Community representatives voiced concerns over the loss of representation during elections in the amalgamated communities, and the strengthening of political monopolies that control community resources. Some respondents reported the criminalisation of elections in local communities in December 2016, and the use of ‘administrative resources’. These risks could be minimised through setting clear rules and monitoring procedures for the exercise of civil rights, and by responding to violations of voters’ rights by the authorities during elections.

- Community activists face inaction and apathy by members of territorial communities, distrust and misunderstanding, reluctance to accept changes, and concerns about the collapse of social infrastructure facilities due to the implementation of decentralisation reform. The risk of non-fulfilment of existing social obligations by the newly formed local self-government bodies after elections could be removed through enhanced community participation, the development of participatory democracy, and the signing of memorandums and social agreements.

- There are also risks of decentralisation reform through the lack of competence of local self-government bodies’ executives. This could discredit decentralisation. This risk could be eliminated through support for different forms of advanced training, community cooperation, attraction of additional financial resources, and the involvement of international organisations in project development.

- A possible increase in the gap between the rich and poor communities poses another risk. This could be mitigated by increasing the efficiency of local self-government bodies, developing projects, and attracting additional public and donor resources for the development of community potential, especially in terms of social cohesion, together with joint actions for the positive development of communities.

- There is no certainty at the regional and community level on the next stages of the reform, their planning, synchronisation with other reforms (for example healthcare, education and land reform), self-government, and regional development.
• Respondents said that many officials are sabotaging the reform. They were also negative about the preparation of community development plans without regard to the opinion of their members. This discredits the decentralisation process.

• The challenges of primary and secondary healthcare in the amalgamated communities remain acute.

• Representatives of multi-ethnic communities voiced concerns about the amalgamations taking place with no regard for ethno-cultural factors. These factors could be used by politicians to mobilise voters, although no such incidents have been recorded so far. Ethno-national factors are one of the main criteria for the community amalgamation, and the practice demonstrates that voices of national minorities are heard during decentralisation. Furthermore, these concerns could be used in various fake information materials to destabilise Ukrainian regions, although their real influence on the situation is overstated. These concerns could be removed through better communication, the sharing of success stories about community mergers, and by providing solutions to the problems of socio-cultural development of national minorities in the amalgamated communities. It is also important to prevent isolationism and enclavisation of the territorial communities through joint cooperation and infrastructure projects.

• Possible corruption in the amalgamated communities caused by unresolved issues of land and administrative reforms was also highlighted by respondents. These risks could be eliminated through the creation of transparent mechanisms in land relations (for example, improvement of the land auction procedure), the development of an e-procurement system, a system of contactless government service provision (which prevents direct contact between consumers of government services and officials), and the development of centres of government services in the territorial communities. In addition, it is recommended that law enforcement agencies effectively control potential manifestations of corruption as part of the anti-corruption system (declaration of income; revenues and expenses; an effective, non-corrupt, and independent judiciary).

• Loss of control over the legality of decisions of local governments and the observance of civil rights poses another risk to the decentralisation reform. This could be minimised through the reform of law enforcement agencies, the removal of potential causes of corruption, the enhancement of the capacities of NGOs, boosting the media’s ability to exercise independent monitoring of the activities of local self-governments, the budget process, and the decision-making system.
6. RECOMMENDATIONS

- **Participation and publicity:** Use and develop methods and tools for increasing community participation, develop mechanisms for participatory democracy, conduct awareness-raising activities on the benefits and drawbacks of decentralisation reform through various information campaigns, carry out social cohesion projects, provide for the opportunity to use community budgets for promoting infrastructure and cultural initiatives aimed at socio-cultural community development, and enhance the quality of services so as to respond to and mitigate the risks of decentralisation.

- **Improve management:** Enhance skills and competencies of local community managers to administer government resources, hold tenders, prepare competitive project proposals for community development, promote initiatives, develop methodical recommendations and reform guidelines, foster cooperation, and develop centres of government services in the territorial communities to increase their potential (through education and training).

- **Assist active community members:** Assist in maintaining the skills of active community members to monitor the formation and spending of community budgets, implement projects, and develop local initiatives.

- **Improve regional cooperation:** Foster interregional cooperation, development, and reintegration projects in the course of decentralisation and regional policy reforms. This is aimed at promoting interregional partnership and national cohesion.

- **Improve community capacity:** Provide support to decentralisation and project administration in the newly formed territorial units through establishing development infrastructure, enhancing communities' capacity to prepare competitive project proposals, and determining sources of resource provision for the amalgamated communities (providing resources in the communities' territory).

- **Identity formation:** Pay special attention to the development of community projects on the formation of new identity and the policy of collective memory, use tools to shape the new identity (joint activities, organisations, football teams and more), and enhance community capacity to manage socio-cultural projects and cultural sensitivities. The formation of the new community identity would help strengthen communities' integrity and, as a result, their efficiency and competitiveness.

- **Improve legal oversight:** Improve supervisory procedures on the legality of decisions made by local authorities of territorial communities established as a result of the regional reform, and make them aware of the goals and objectives. This could be attained through anti-corruption, law enforcement, and judicial reforms.

- **Publicise success stories:** Give examples of success stories of the amalgamated communities, of their economic and social achievements, as well as the growth of social cohesion.

- **Improve multi-cultural communication and dialogue:** Improve the competencies of local officials in multi-cultural dialogue and cultural sensitivity management, especially in multi-ethnic regions, and ensure their cooperation and integration through the implementation of special educational projects and cultural diversity initiatives.

- **Improve consultation:** Reduce distrust in the decentralisation reform and the merger of communities by means of consultations, explanatory activities, meetings, and the sharing of experiences.
• **Improve coordination and planning:** Clearly set and plan the next stages of decentralisation, keeping community members aware of them, and ensure the synchronisation of the decentralisation process with healthcare, environmental, and land reforms.
Walking in the Dark: Informal Cross-border Trade in the Great Lakes Region