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# Participatory democracy and evidence-based decision making at the local level in Ukraine

## End review

Roman Vakulchuk



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# **Participatory Democracy and Evidence-based Decision Making at the Local Level in Ukraine**

**Evaluation of results and goal achievement relating to the project agreement UKR-14/0030 between the Norwegian Ministry of Foreign Affairs (NMFA) and the Norwegian Association of Local and Regional Authorities (KS)**

**Roman Vakulchuk**

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# Executive Summary

## **Context and Introduction to the Local Democracy Project**

A landmark change in Ukraine's governance system occurred in 2014 when the decentralisation reform was launched. The delegation of more power and resources from the central government to local authorities enhanced fiscal autonomy and granted higher responsibility for local service delivery to municipal authorities. In Ukraine, evidence-based policymaking is only at an early development stage, and the quality of the public service provision at the local level remains low. Moreover, the feedback system between citizens and authorities is weakly developed. All this, coupled with widespread corruption, has caused distrust among the population towards local authorities and has raised doubts about their ability to improve service delivery.

Norway has been an active supporter of democracy in Ukraine. The project under evaluation officially started on 25 February 2015 and ended its activities on the ground in Ukraine on 31 October 2018 (however, some dissemination and reporting activities will continue until the official end of the project on 10 March 2019). The project was implemented by the Norwegian Association of Local and Regional Authorities (KS) with support from the Ministry of Foreign Affairs of Norway. The total project budget amounted to NOK 13 371 520. As the ToR (2018) for project evaluation states, '[t]he project focuses on capacity-building for Ukrainian local governments, as well as the strengthening of local democracy and citizen participation, which is being transformed by Ukraine's ongoing decentralization reform' (see Annex 1). The key element of the project was the application of *efficiency networks*, a capacity-building methodology originally developed by KS for Norwegian municipalities. The project also included a large-scale Local Democracy Survey and other activities.

## **Key Actors, Areas of Engagement**

The Norwegian Institute of Urban and Regional Research (NIBR) and the Association of Ukrainian Cities (AUC) in Ukraine have been partners of KS in the project and have played a key role in project implementation. More than 80 municipalities took part in nine efficiency networks covering six different sectors: education, health services, social protection, local economic development, local finance and budgeting and local democracy.

## **Methodology**

The evaluation included desk research and fieldwork in Ukraine in 2018. For the evaluation, a total of 20 interviews were carried out. The evaluation was completed in accordance with the OECD Development Assistance Committee's (DAC) evaluation criteria, including relevance, effectiveness, efficiency, impact, sustainability and risk management. It also included cross-cutting themes.

## **Relevance**

The project should be seen as relevant in terms of its timing, scope and objectives. It matched the ongoing decentralisation reform agenda and fuelled it in a number of important ways. It enabled participating local governments to obtain new knowledge and technical skills in evidence-based policymaking and better service provision. As evidence suggests, the selection of policy sectors for project intervention was relevant. At the same time, energy, housing and utility services – a sector that is highly relevant in the context of ongoing reforms and has significant social implications in Ukraine – was not included in the project. The project also received recognition and support from the Ukrainian government. Different ministries were involved in the work of efficiency networks, and the project was also promoted by the Verkhovna Rada of Ukraine since 2017. The project was also relevant to Norway: The transfer of Norwegian expertise and knowledge, capacity-building activities and educational improvements are among the main pillars of the Norwegian development cooperation agenda.

## **Effectiveness**

In general, the project can be deemed effective. With a few exceptions, most of the activities were implemented and major deliverables fulfilled according to the agreed-upon plan and schedule. The context in which the project was implemented was highly complex and volatile.

**Efficiency networks and Local Democracy Survey.** More than 80 municipalities took part in nine efficiency networks. Some cities were included in several networks. A total of 250 participants took part in the efficiency networks. Two municipalities did not complete the work. The Local Democracy Survey was carried out in 20 cities. A total of 3200 face-to-face interviews were conducted, 2000 with urban residents and 1200 in amalgamated territorial communities (ATCs) (KS and NIBR, 2018). A survey was also carried out among local council representatives in the same cities and ATCs, totalling 212 respondents. Finally, a national representative telephone survey with 1074 respondents was performed. The project was also effective in organising the training programme for newly elected councillors in amalgamated communities and in carrying out the mini-grants competition.

The following factors posed *challenges* to project realisation:

**Dealing with highly diverse local governments.** Local municipalities that participated in the project had different capacities to absorb and operationalise the information and knowledge they received, which resulted in varying degrees of receptiveness towards the project. Respondents noted significant differences in the way local municipalities are organised and operate in Ukraine. Even though the goals across all efficiency networks were similar, project members needed to make additional efforts to adjust their methodological approach to different conditions and needs on the ground. It is necessary to mention one limitation of the present review. Evaluating the impact of each efficiency network would provide an opportunity to compare the results, impact and effectiveness of the project intervention among the municipalities. However, this was not possible for two reasons. First, no baseline was determined that would have allowed comparison of municipalities' performance before and after the project. Second, within the framework of the present evaluation mission, analysing all 80 municipalities would have required a larger evaluation time-frame and resources.

**Lack of reliable data.** This is a significant obstacle for successful evidence-based policymaking in Ukraine. As also noted by respondents, the lack of reliable data was a complicating factor in building efficiency networks. In Ukraine, one must engage in primary data collection, as there is a high level of distrust towards official statistics. Even though only a few delays occurred in project deliverables related to the creation of efficiency networks, the fact that data were not easily available required additional data collection efforts from the project partners. This hampered some of the project activities. At the same time, project members had to adjust the efficiency network model to the local context.

**Adapting the 'efficiency network' methodology to the local conditions.** The process of establishing efficiency networks was sometimes complicated. There were differences in the interpretation of the results between Norwegian and Ukrainian researchers and public servants due to differences in methodological approaches and different meanings applied to policy and technical terms. The transfer of knowledge and communication between the researchers and moderators was also complicated at times. That said, by the end of the project period, this complication became less of an issue, as moderators had become more experienced. As the moderators play one of the key roles in the process, it is necessary to allocate more time and resources for preparing and training them.

## **Efficiency**

The total costs of project activities did not exceed the budget. There were no significant delays in carrying out project activities. The quantitative indicators, presented as measurable services/products, were achieved. The

project plan was to cover at least 50 municipalities in the work of efficiency networks; and in the end, more than 80 municipalities were included. As of 31 December 2018, the budget was distributed among the partners as follows: AUC, 42.34% of the total budget; KS, 33.18%; NIBR, 24.59%. The budget distribution between the Ukrainian and Norwegian partners appears to be within the standard distribution patterns for international development aid projects. During the project, the hryvna (the national currency) faced depreciation, starting from 2014. Thus, the project budget was respectively adjusted but was also not fully used. The total funds spent in the project as of 31 December 2018 amounted to NOK 12 868 297, while the awarded amount was set at NOK 13 371 520. However, some additional funding is slated to be used by KS on the dissemination of the results and reporting until the completion of activities on 10 March 2019. Project auditing did not detect any irregularities in project management and implementation by AUC. The auditors identified some minor shortcomings and risks at AUC and provided recommendations to mitigate them.

## **Impact**

**Efficiency networks and adoption of new practices.** The project had a positive impact on promoting best practices in public service delivery among the local authorities. An in-depth case study of Boryspil and other municipalities showed that the project contributed to improved communication between the local government and the citizens whereby feedback from the population was processed and analysed. At the same time, it is too early to judge whether improved communication directly translates into better service provision by local authorities.

**Capacity-building and awareness-raising through the Local Democracy Survey 2017.** The results of the Local Democracy Survey (LDS) conducted in 2017 demonstrate tendencies in how the population views local governments in 20 cities compared to the 2014 LDS results. Positive changes, although insignificant, were observed regarding the responsiveness and performance of local authorities. Despite positive trends, citizens are still sceptical about local authorities' ability to implement change in their communities. Also, people participated more actively in political life in 2017 compared to 2014 – and yet, they perceived their own capacity to influence local politics to have worsened by 2017. Fieldwork evidence also suggests some improvement regarding information exchange between local authorities and citizens.

**The impact of AUC at the local and central level.** According to the respondents, AUC strengthened its capacity to mobilise local governments and establish more trust between them. The project facilitated the anchoring of AUC as one of the key mediators between the central and local governments – which was not a primary project objective. Active interaction

with Verkhovna Rada since 2017 is a case in point and became an important spinoff of the project. At the same time, the project would benefit from more active and streamlined dissemination of project results. For instance, the AUC website platform dedicated to the project was not particularly helpful for finding and accessing project materials and publications.

## **Sustainability**

The approach chosen to build capacity among the beneficiaries is in line with international standards. The efficiency network methodology is used in Norway, and survey methodology is widely used to assess local democracy. As the fieldwork evidence suggests, the project members tried to adjust the project design to fit the needs of relevant stakeholders.

**Foundation for change and institutionalisation of practices.** Those municipalities that participated in the work of the efficiency networks reported on the use of new practices in their work and their positive effects. However, since employees of municipalities were the main target group of the efficiency networks, it is too early to confirm whether the new knowledge and practices that employees learned have been translated into an embedded institutional practice in municipalities. In other words, the question remains whether these practices will still be used should the employees (who received the training) leave their jobs. The same concern relates to the AUC staff involved in the project. Thus, even though the project laid a foundation for change in evidence-based policymaking in participating municipalities, the objective of embedding these practices at the institutional level has yet to be realised.

**Unsustainable dependence on external support.** Interactions with stakeholders suggest a potential risk of project beneficiaries becoming overly dependent on technical assistance from external donors unless the evidence-based policymaking practices become institutionally embedded within the work of local governments. One of the positive signs observed during the evaluation process was enhanced inter-municipality collaboration, which can mitigate the risk of excessive dependence on external donors in the long run.

**Cooperation between participants after the efficiency network cycle is completed.** Interviewed stakeholders noted that the efficiency networks stimulated collaboration and information exchange between local municipalities. However, since no baseline data had been collected before the project started, it is not possible to describe the scope of cooperation among the participating municipalities before the efficiency networks were launched.

**Complementarity with other donor programmes.** The decentralisation reform triggered interest from various international donors, and donor assistance has grown rapidly since 2014. It is thus important that numerous

assistance projects in the area play a complementary role with as much synergy as possible and do not have an isolated effect. This is one of the major preconditions for project sustainability in the long term. The review of the project shows that no particular donor coordination strategy was employed by project members. Even though the partners interacted with other external donors, in particular with USAID, no specific activities with other donors were undertaken that would have resulted in synergy effects. Thus, the project would benefit from more systematic and consistent collaboration with other donors.

**Shortage of skilled professionals.** Local authorities received greater autonomy and fiscal responsibility as part of the decentralisation reform. This required more advanced managerial competence in health, education, utilities, energy efficiency, finance, economic development, transport and other areas. Therefore, on the one hand, the timing of the project was appropriate as it contributed to building local capacity among the local authorities. On the other hand, there is a risk that qualified personnel will move to bigger cities for better paying jobs, thus undermining the project's sustainability. Ukraine must improve employment conditions for public servants in order to mitigate this risk.

**Stable external environment.** To ensure that the project effects extend beyond the project period, the political and economic environment must be stable and local authorities must receive further support from the government as well as targeted support from international donors. Moreover, the influence of local oligarchic groups and widespread corruption are also important factors that may stall reform progress. According to the OECD report (2017: 8), '72% of Ukrainians do not feel that citizens can do much to prevent or stop corruption, and citizens in regional capital cities consider municipal authorities to be powerless in fighting corruption'. Strengthening the rule of law, fighting corruption and strengthening commitment from the central and local governments are crucial factors for decentralisation reform.

**Project spinoffs.** The project strengthened local research capacity among the researchers who took part in its activities. It has also provided input to two other projects: 'E-governance as a Tool for Local Democracy' (EGOVLOC) and the 'Accommodation of Regional Diversity in Ukraine' (ARDU).

## **Risk management**

Given the volatile political climate in Ukraine, the project was exposed to political instability. Some of the project activities were delayed because of the difficult political situation. Except in several cases, staff rotation was not deemed a significant risk that could have had a negative impact on the project.

## Recommendations

This evaluation includes recommendations that may assist in designing and implementing any similar projects in the future as well as strengthening their impact:

**Replication of efficiency networks without donor support.** As described above, one of the potential risks to project sustainability is excessive dependence on external donor assistance. Taking into account that the project had three cycles starting from 2008, it is important to introduce a training model by which local partners would learn and then replicate the efficiency networks on their own, targeting more cities beyond the project period. This would mitigate the potential concern over excessive dependence on donor support in local governance. In this regard, one measure to achieve this would be to strengthen the capacity of AUC with respect to the efficiency network methodology. This would require recruiting additional staff and creating a special resource centre dedicated to this task. One example would be to introduce a training-of-trainers model at AUC. In addition, those moderators who were already successfully involved in the project could be brought together in a professional network run by AUC. Therefore, any new follow-up project in this area should aim to strengthen the capacity of AUC for self-organisation and replication of efficiency networks without external assistance in the future.

**Baseline data collection.** It is helpful to run user surveys (e.g., the 2017 Local Democracy Survey); however, to be able to better evaluate project impact on a targeted group (e.g., local authorities), it is also necessary to collect baseline data from this group. Before a new project starts and efficiency networks are employed, project members should conduct short surveys among the municipalities concerning the type of evidence-based policymaking practices they use as well as the level and scope of their cooperation with other municipalities. This would help the implementing party to better monitor the progress and impact of efficiency networks on each municipality. This baseline data collection would also facilitate an evaluation of achieved results internally and externally after the project ends.

**Adding the energy and utilities sector to efficiency networks.** Any similar project should consider adding a service provision in the energy and utilities sector. This sector suffers from serious mismanagement in both big and small cities in Ukraine. At the same time, energy sector reform, energy efficiency and consumption are among the main issues on the reform agenda of the central government. Energy and utilities also have significant economic and

social implications for the population. Therefore, improving public services in this sector should enhance citizens' trust towards local authorities.

**More active collaboration with statistics agencies on data.** Data availability remains a serious issue that complicates evidence-based policymaking in Ukraine. Any similar project should more proactively engage local statistical authorities for information exchange and data collection. Running a pilot efficiency network for employees of local statistics agencies could help improve their work as well as identify how they can contribute to better local service delivery and regional planning. This would be especially relevant given that municipalities and amalgamated communities have been tasked with the management of bigger budgets, which requires more advanced data collection, processing and analysis.

**Adopting a donor coordination strategy.** It is important that every new donor project incorporates the results from and builds on previous or ongoing projects in the area in Ukraine. A new project needs to propose a clear strategy for donor collaboration to seek donor complementarity. This in turn should help reduce the burden of excessive and uncoordinated donor assistance for beneficiaries. Collaboration with other donors should include an active exchange of information and data and should search for joint complementary activities.

**Expanded and targeted dissemination and outreach of project results.** This aspect should be strengthened, and more resources and efforts should be invested to achieve broader project outreach. International donors must ensure the effective dissemination of project results. For instance, surveyed citizens, representatives of municipalities, and other project and external stakeholders should be involved in more targeted and expanded dissemination of project findings and awareness-raising activities.

**Support from central government.** The decentralisation reform is a dynamic process. It is important that a new project remains closely integrated with the reform agenda. Teaming up and strengthening ties with Verkhovna Rada and other key public agencies and ministries responsible for the reform would be important for strengthening any future project's impact and sustainability.

# Background

## **Context and Introduction to the Local Democracy Project**

A landmark change in Ukraine's governance system occurred in 2014 when the decentralisation reform was launched. The reform has resulted in a number of observable changes. One major change is the delegation of more power and resources from the central government to local authorities. In 2016, the budget of 159 amalgamated communities grew by 49% compared to 2015. Enhanced fiscal autonomy and higher responsibility for local service delivery are now among the main but also new functions of municipal authorities. The municipalities now retain a much larger share of their tax revenues and can decide for themselves how to spend their budget; they are also in a position to apply for bigger loans from the central government to finance projects to improve roads, hospitals and schools. However, there is also evidence that some regions benefit more than the others, which may widen the inequality gap in the country (Jarabik and Yesmukhanova, 2017; OECD, 2017; Aasland and Larsen, 2018).

Despite all the progress achieved, the legal status of the new powers and responsibilities delegated to city administrations has not been secured through constitutional amendments. There is also strong opposition to decentralisation from some political parties at Verkhovna Rada. All this makes the political context for the decentralisation reform highly volatile and unstable (Sydorчук, 2015).

In Ukraine, evidence-based policymaking is only at an early development stage, and the quality of the public service provision at the local level remains low. The majority of local governments do not have a system for assessing their own performance or the quality of service delivery to the population. Also, the feedback system between citizens and authorities is weakly developed. All this, coupled with widespread corruption, has caused distrust among the population towards local authorities and has raised doubts about their ability to improve service delivery.

Western donors have been active supporters of the decentralisation reform and have initiated large-scale technical support in the area. In particular, Norway has been an active supporter of democracy in Ukraine and has assisted the country through a number of donor projects. The Norwegian Association of Local and Regional Authorities (KS) began assisting Ukraine in local democracy promotion with support from the Ministry of Foreign Affairs of Norway in 2008. In 2008–2018, KS completed a cycle of three projects. The project under evaluation is the last one in this cycle, which officially started on 25 February 2015. The support period was originally defined from April

2015 to April 2018, but on 26 March 2018, it was extended until 31 August 2018 by the granting of a non-cost extension. On 26 June 2018, the project was granted another non-cost extension until 30 November 2018; and on 16 November 2018, a final non-cost extension was granted until 10 March 2019. Both of the two final extensions were made to allow enough time for the evaluation report to be completed within the project period. Meanwhile, all implementation activities on the ground in Ukraine were completed by 31 October 2018. The total project budget amounted to NOK 13 371 520. As the ToR (2018) for project evaluation states, '[t]he project focuses on capacity-building for Ukrainian local governments, as well as the strengthening of local democracy and citizen participation, which is being transformed by Ukraine's ongoing decentralization reform'.

On 27 April 2018, Ms. Hilde Austad from the Ministry of Foreign Affairs of Norway commissioned an external evaluation of the project to assess its results, which is in line with the general request to evaluate other projects supported by the Ministry. The evaluation takes into account the cumulative effect of the previous projects that started in 2008, as no external evaluation or mid-term review of these projects were conducted – in other words, this evaluation was the first to study the projects' results and impact. Only one feasibility study had been conducted in 2008, before the first project commenced.

The evaluation was carried out in accordance with the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee's (DAC) evaluation criteria. The review included an assessment according to the following criteria: relevance, effectiveness, efficiency, impact, sustainability and risk management. It also included cross-cutting themes from the Norwegian Agency for Development, such as women's rights and gender equality, climate and environment, anti-corruption, and human rights.

The key element of the project was the application of *efficiency networks*, a capacity-building methodology originally developed by KS for Norwegian municipalities. The project also included a large-scale Local Democracy Survey completed in 2017 (following a similar survey conducted in 2014) and other mechanisms to support the ongoing decentralisation reform. The overall project objective was to strengthen local democracy in Ukraine through:

- Delivery of more efficient services
- Provision of better conditions for social cohesion
- Support for the transition towards European standards

According to the ToR (2018), 'increased inhabitant satisfaction regarding service delivery and increased trust between inhabitants and local governments' should serve as indicators of achieving set goals. Given that it

is difficult to measure these indicators in an objective manner, an alternative solution was agreed upon 'to consider the impact of the efficiency networks on the ability of the participating municipalities to institute relevant and positive changes in their work and organization'.

### **Key Actors and Areas of Engagement**

The Norwegian Institute of Urban and Regional Research (NIBR) and the Association of Ukrainian Cities (AUC) in Ukraine have been the partners of KS in the project and have played a key role in project implementation. NIBR was tasked with designing the local democracy survey and the overall methodological approach as well as conducting quality assurance of the methodology used for data collection and analysis in the work of the efficiency networks. From the first project year and throughout the duration of the project, NIBR cooperated with researchers from two universities in Lviv and Kharkiv. The SocioConsulting Analytical Centre in Kyiv carried out user surveys for the networks in three social sectors. Later, Operativna Sociologia, located in Dnipro, was tasked with carrying out focus groups for efficiency networks on local finance and economic development and, finally, the Local Democracy Survey in 2017.

More than 80 municipalities took part in nine efficiency networks covering six different sectors:

- Education
- Health services
- Social protection (services for people with disabilities)
- Local economic development
- Local finance and budgeting
- Local democracy

Health, education and social protection were selected as the three main areas of engagement in which the efficiency network concept would initially be applied, as well as the topic of local democracy. Later on in the project, the efficiency networks in local economic development and local finance and budgeting were introduced. The topics were selected in consultation with AUC. The selection criteria were as follows: significance within the context of the decentralisation reform; high relevance for citizens as well as for AUC in their dialogue with the central government and municipalities. The purpose of establishing efficiency networks was to mobilise municipalities to learn from each other and exchange experiences on their best practices in service delivery.

# Methodology

## **Desk Review**

The evaluation started with a revision of project-related documents, materials and publications. KS, NIBR and AUC provided all relevant documents related to the project as well as contact information for key participants and stakeholders. The following types of reports and documents were analysed: project application documents (application form, grant letter, including the budget from the MFA, extension agreements); two audit reports; 21 project progress reports; Local Democracy Survey questionnaires (from 2014 and 2017) and published reports; project-related media publications and academic publications.

## **Fieldwork**

For project evaluation, it was necessary to meet with a wide range of stakeholders to collect their views, perceptions and experiences concerning the project. Obtaining their feedback helped to better understand the extent of the project's relevance and impact. Data collection started with conducting interviews with two project representatives from KS and two researchers from NIBR in Oslo in September 2018. In October 2018, the fieldwork in Ukraine was conducted. This work included visiting cities such as Kiev, Boryspil and Bila Cerkva. A total of 20 interviews were carried out as part of the evaluation process (see Table 1). It was important to have a diversity of opinions from different stakeholders in order to evaluate the project from different perspectives and collect perceptions and views from both project participants and beneficiaries.

Moreover, donor coordination was also part of the evaluation. There are many other donor projects on local democracy and the capacity-building of local governments occurring simultaneously in Ukraine. It was thus important to learn about other projects' concepts and approaches and to compare them with the project under evaluation. Within the scope of this evaluation, a representative of the EU-funded project, Ukraine – Local Empowerment, Accountability and Development Programme (U-LEAD), a multi-donor initiative of the EU and some of its member states (Denmark, Estonia, Germany, Poland and Sweden), was interviewed. Also, a representative of the project, 'Support to Decentralization in Ukraine', run by the Swedish Association of Local Authorities and Regions, was interviewed. Interviews were organised face to face and over the phone, and they were conducted in English, Ukrainian and Russian. A semi-structured

interview guide was developed that allowed for a certain degree of flexibility in interactions with the respondents (Patton, 2002; Vakulchuk, 2014).

**Table 1. Interviewees**

<b>Norwegian partners</b>
<ul style="list-style-type: none"> <li>• Elita Cakule, Head of International Projects Department, the Norwegian Association of Local and Regional Authorities (KS), Oslo, Norway</li> <li>• Christian Larsen, Advisor, International Projects Department, The Norwegian Association of Local and Regional Authorities, Oslo, Norway</li> </ul>
<ul style="list-style-type: none"> <li>• Aadne Aasland, Researcher, the Norwegian Institute of Urban and Regional Research (NIBR), Oslo, Norway</li> <li>• Trine Myrvold, Researcher, the Norwegian Institute of Urban and Regional Research (NIBR), Oslo, Norway</li> </ul>
<b>Ukrainian partners</b>
<ul style="list-style-type: none"> <li>• Oleksandr Slobozhan, Executive Director, Association of Ukrainian Cities (AUC), Kyiv, Ukraine</li> <li>• Natalia Beskupska, Project Coordinator, Association of Ukrainian Cities (AUC), Kyiv, Ukraine</li> </ul>
<b>Key stakeholders</b>
<ul style="list-style-type: none"> <li>• Irina Lyashko, Chief Consultant, the Verkhovna Rada Committee on State Construction, Regional Policy and Local Self-Government, Kyiv, Ukraine</li> <li>• Ole Horperstad, Ambassador of Norway to Ukraine, Royal Norwegian Embassy, Kyiv, Ukraine</li> <li>• Petter Bauck, Counsellor Development, Royal Norwegian Embassy, Kyiv, Ukraine</li> <li>• Vitaly Lukov, Mayor of Voznesensk at Global Forum of Mayors, Kyiv, Ukraine</li> <li>• Galyna Minaeva, Mayor of Chuhuiv at Global Forum of Mayors, Kyiv, Ukraine</li> <li>• Oleksandr Babych, Mayor of Hola Prystan at Global Forum of Mayors, Kyiv, Ukraine</li> <li>• Ludmila Perederya, Administrator, Boryspil municipality, Boryspil, Ukraine</li> <li>• Yuriy Petrik, Head of education unit of Bila Cerkva municipality, Bila Cerkva, Ukraine</li> <li>• Nina Kaminna, Head of the elementary school, 'My Osoblyvi', Bila Cerkva, Ukraine</li> </ul>
<b>Moderators of efficiency networks</b>
<ul style="list-style-type: none"> <li>• Yuriy Stefanchuk, Moderator, Local Finance Efficiency Network (group II)</li> <li>• Nadiya Yeremenko, Moderator, Local Economic Development Efficiency Network (group I) and Local Democracy (group ATCs)</li> <li>• Alisa Riabova, Moderator, Education Efficiency Network and Local Democracy (group 2014)</li> </ul>
<b>International donors</b>
<ul style="list-style-type: none"> <li>• Local Empowerment, Accountability and Development Programme (U-LEAD), Kyiv, Ukraine</li> <li>• SKL International, Support to Decentralisation in Ukraine (DSP), Kyiv, Ukraine</li> </ul>

## Relevance

Building a robust and effective local governance system responsive to the needs of citizens is a precondition for Ukraine's democratisation and adherence to European standards. The concept of the reform of local self-government and territorial organization of government adopted by the Cabinet of Ministers on 1 April 2014 addresses the inefficient use of public resources, weak institutional capacity and poor service delivery to the population by local authorities. In this regard, the project should be seen as relevant in terms of its timing, scope and objectives. The project matches the ongoing decentralisation reform agenda and fuels it in a number of important ways. It has enabled participation by local governments to obtain new knowledge and technical skills in evidence-based policymaking and to offer a better service provision.

The sectors of engagement (education, health and social protection) were selected according to their impact and relevance to the citizens' needs and to the work of AUC. Health and education are the priority areas in the government's five-point action plan adopted by the Cabinet of Ministers in May 2016. Efficiency networks covering the topic of local democracy were also part of the initial project design. As the project progressed, KS, NIBR and AUC decided that other areas, such as local economic development and finance, budgeting, required support, and therefore efficiency networks were also established in these areas. As evidence suggests, the selection of policy sectors for project intervention was relevant. At the same time, energy, housing and utility services – a sector that is highly relevant in the context of ongoing reforms and has significant social implications in Ukraine – were not included in the project.

The project also received recognition and support from the Ukrainian government. Different ministries were involved in the work of efficiency networks, and the project has been promoted by the Verkhovna Rada of Ukraine since 2017. The final project conference, organised as part of the Local Democracy Forum in Kyiv in June 2018, was attended by President Petro Poroshenko, who expressed support for the project and noted its contribution to the ongoing decentralisation reform efforts. He stressed that '[w]ithout real local democracy, Ukraine does not have any future' (OsloMet, 2018).

The project was also relevant to Norway. The transfer of Norwegian expertise and knowledge, capacity-building activities and educational improvements are among the main pillars of the Norwegian development cooperation agenda.

## Effectiveness

In general, the project can be deemed effective, as planned activities were implemented and set objectives were largely reached. It is necessary to note that the context in which the project was implemented was highly complex and volatile, with a violent conflict taking place in the eastern part of Ukraine. The decentralisation reform stagnated and at times even regressed in 2015–2018. Additionally, a number of new reform measures were introduced during this period, further contributing to the complexity. Nevertheless, with few exceptions, most of the activities were implemented, and major deliverables were fulfilled according to the agreed-upon plan and schedule.

**Efficiency networks.** More than 80 municipalities took part in nine efficiency networks covering six topics: education (1 efficiency network), health services (1), social protection (1), economic development (2), finance and budgeting (2), and local democracy (2). Some cities were included in several networks. AUC informed its members about the possibility of taking part in the efficiency networks; then, those municipalities that expressed interest were invited to participate. As the findings demonstrate, the composition of networks (2–3 representatives from 9–13 cities per network) and the work were organised according to the efficiency network methodology<sup>1</sup>. A total of 250 participants took part in the efficiency networks. However, not all municipalities completed their work in the networks. In 2017, representatives from the cities of Bashtanka and Tulchin withdrew their participation because of personnel changes (due to the dismissal of specialists and assistants) in the two municipalities. There were also situations in which city representatives could not attend the efficiency network meetings. In this case, the moderators worked with them individually after the meeting (they sent them the materials, provided advice on how to use them and followed up on their progress). Each time, this procedure was communicated with the project coordinator at AUC. According to fieldwork observations, employees from participating municipalities provided positive feedback on their involvement and the knowledge they obtained. NIBR experts also presented their comparative research on local public service in Latvia, Norway and Poland; this helped participants obtain new knowledge for comparison with their own practices.

**Local Democracy Survey.** The survey was carried out in the following 20 cities: Vinnytsya, Kyiv, Lutsk, Pervomaisk, Boryspil, Chuhuiv, Korosten, Kryvyi Rih, Pavlohrad, Chernihiv, Berdyansk, Dnipro, Ivano-Frankivsk, Kamianets-

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<sup>1</sup> For more details, see <https://www.ks.no/fagomrader/samfunn-og-demokrati/internasjonalt-samarbeid/prosjekter/cooperation-project-in-ukraine/>

Podilskyi, Kremenchuk, Lviv, Mykolaiv, Rivne, Kharkiv and Cherkasy. It also covered 12 amalgamated territorial communities (ATCs): Novoukrainska, Solonyanska, Nedoboivska, Pyryatynska, Reshetylivska, Velykokonapivska, Bilozirksa, Zasulska, Nosivska, Pischanska, Slobozhanska and Starosaltivska. A total of 3200 face-to-face interviews were carried out, 2000 with urban residents and 1200 in ATCs (KS and NIBR, 2018). A survey was also performed among local council representatives in the same cities and ATCs: Overall, 212 respondents compared the attitudes and experiences of citizens with those of local decision-makers at an aggregate level. Finally, a national representative telephone survey with 1074 respondents was carried out with a selected set of indicators from the main survey, which enabled comparisons between the participating cities and the country as a whole. The main part of the survey questionnaire was largely identical to the 2014 survey, which allowed a comparison of the results over time. In other sections, several changes were made, with some new questions added and others removed or changed. The Operatyvna Sociologia company conducted the survey. An open tender was announced and carried out by AUC; a number of companies applied for the tender, and the AUC Commission selected Operatyvna Sociologia on a competitive basis. Survey quality control mechanisms were introduced and maintained by NIBR.

**Elected councillors in amalgamated communities.** The project was also effective in organising the training programme for newly elected councillors in amalgamated communities and in carrying out the mini-grants competition.

**Active involvement of the central government.** The project members actively interacted with the central government and relevant ministries responsible for decentralisation. Representatives of the following public agencies were involved in some of the project activities and events: Ministry of Education and Science, Ministry of Labour and Social Policy, Ministry of Finance, Ministry of Regional Development, Verkhovna Rada of Ukraine and local governments. In 2017, as part of the project, AUC began active collaboration with Verkhovna Rada, which was not planned in the activities but became an important spinoff of the project. The project results from the established efficiency networks and Local Democracy Survey were communicated to the Verkhovna Rada Committee on State Construction, Regional Policy and Local Self-Government.

The following factors posed *challenges* to project realisation:

**Dealing with highly diverse local governments.** Local municipalities that participated in the project had different capacities for absorbing and operationalising the information and knowledge they received, thereby resulting in varying degrees of receptiveness towards the project. Respondents noted significant differences in the ways in which local municipalities are organised and operate in Ukraine. This is attributable to

highly diverse local contexts, security situations, sizes of municipal budgets, types of governance (more democratic vs. more authoritarian mayors) and other factors. Significant differences in terms of the quality of public service provision among individual cities in Ukraine were also highlighted by Aasland and Lyska (2016). Even though the goals across all efficiency networks were similar, project members needed to make additional efforts to adjust their methodological approach to different conditions and needs on the ground. This was ultimately one of the major technical challenges the project team faced during the first project phase.

It is necessary to mention one limitation of the present review. Evaluating the impact of each efficiency network would provide an opportunity to compare the results, impact and effectiveness of the project intervention among the municipalities. However, this was not possible for two reasons. First, no baseline data had been collected that would have allowed a comparison of municipalities' performance before and after the project. Second, within the framework of the present evaluation mission, analysing all 80 municipalities would have required a larger evaluation time-frame and resources.

**Lack of reliable data.** This is a significant obstacle for successful evidence-based policymaking in Ukraine. As also noted by respondents, the lack of reliable data was a complicating factor in building efficiency networks. Unlike Norway, where data are easily accessible and reliable, in Ukraine one has to engage in primary data collection, as there is a high level of distrust towards official statistics. Even though only a few delays occurred in project deliverables related to the creation of efficiency networks, the fact that data were not easily available required additional data collection efforts from the project partners. This was ultimately a time-consuming process, one which prolonged some of the project activities. At the same time, it also indicates that project members had to adjust the efficiency network model to their local context.

**Adapting the 'efficiency network' methodology to the local conditions.** The process of establishing efficiency networks was sometimes complicated. There were differences in the interpretation of the results between Norwegian and Ukrainian researchers and public servants due to differences in methodological approaches (e.g., survey methodology, data interpretation, etc.) and different meanings applied to policy and technical terms used in Norway and Ukraine.

Within the project, it was necessary to prepare local moderators. Moderators were selected on a competitive basis through a specific application process organised by AUC. They received the necessary training, including a study trip to Norway. One moderator was selected to run one efficiency network. Some of the moderators were also assigned to run several efficiency networks. They played an important educational role in presenting the concept of efficiency networks to the participants. And yet,

project partners and participants reported mixed experiences regarding moderators' involvement. One of the concerns expressed by respondents was that they occasionally tended to dominate the discussions, providing less room for other participants to engage in discussions, in turn distorting the very purpose of the efficiency networks. Moreover, several times, the moderators did not have a very detailed understanding of the collected data and statistics. Local researchers who collected the data were more familiar with the findings. The transfer of knowledge and communication between the researchers and moderators was at times complicated. That said, by the end of the project period, this had become less of an issue, as moderators had become more experienced. As the moderators play one of the key roles in the process, it is necessary to allocate more time and resources for preparing and training them.

## Efficiency

Project activities were implemented according to the adopted budget and therefore total costs did not exceed it. There were no significant delays in carrying out project activities. The quantitative indicators, presented as measurable services/products, were achieved. The project plan was to cover at least 50 municipalities in the work of efficiency networks; and in the end, more than 80 municipalities were included. This can be considered an efficient project outcome and, as fieldwork evidence suggests, the inclusion of a larger than planned number of municipalities did not compromise the quality of the conducted efficiency networks. Evaluating the cost efficiency of individual project activities is beyond the scope of this review and would require a comparative analysis of cost efficiency and other, similar capacity-building projects implemented by either AUC or other organisations in Ukraine.

The total costs incurred in the project as of 31 December 2018 amounted to NOK 12 868 297. The budget was distributed among the partners as follows:

- AUC: NOK 5 434 827,18 (42.34% of the total budget)
- KS: 4 269 486,94 NOK (33.18%)<sup>2</sup>
- NIBR: NOK 3 163 982,88 (24.59%)

The budget distribution between the Ukrainian and Norwegian partners appears to be within the standard distribution patterns for international development aid projects. The assessment of administrative and personnel costs in Ukraine shows that these costs are significantly lower compared to costs in other countries in the EU.

During the project, the hryvna (the national currency) faced depreciation, starting from 2014, but the cost of food, accommodation and translation services also increased in parallel. The project budget was respectively adjusted but was not fully used. The currency depreciation made the cost of running project activities in Ukraine significantly cheaper than originally budgeted. Moreover, according to Christian Larsen, 'the project itself has been modified along the way, in order to better respond to the changing realities on the ground during the implementation period'.<sup>3</sup> Therefore, the

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<sup>2</sup> The share of the budget by KS is not final and is subject to change due to the remaining unused funds from the project. See footnote 3 for more details.

<sup>3</sup> Email communication between the reviewer and KS, 07.02.2019.

total funds spent in the project as of 31 December 2018 amounted to NOK 12 868 297, while the awarded amount was set at NOK 13 371 520. Some of the unused funds have been slated for dissemination and reporting activities by KS until the completion of activities due on 10 March 2019.<sup>4</sup>

Project auditing carried out by the Independent Audit Company, LLC Audit and Consulting Group 'Compass', did not establish any irregularities in project management or implementation by AUC. According to the audit report (Compass, 2018: 9), '[d]uring the audit the Auditors found no facts of violation in completing the Financial Statement'. The report (Compass, 2018: 7 and 8) explains that '[t]he Auditors reviewed a sufficient quantity of necessary documents' and '[t]he percentage of the audited expenses makes 78.00% out of total expenses under the Project'. According to the report (Compass, 2018: 9), the total amount received by AUC was channelled via NIBR (EUR 105,419.48) and KS (EUR 466,613.92). Both KS and NIBR received a request from the reviewer to specify why the amount was channelled via the two Norwegian partners, to which they gave the following response via email correspondence:<sup>5</sup>

The project had a defined research component for which NIBR was responsible. That entailed also the distribution of funds to the project's research partners. In this project it was mainly AUC who hired the researchers and transferred funds to them, in the previous project it was a combination of AUC and NIBR. However, due to a change in status of NIBR from a foundation to being part of a university, transfers to AUC could no longer take place without adding VAT in the transactions. It was then decided that all further transfers to AUC, also for the research part of the project, would be executed by KS.

The auditors also identified some minor shortcomings and risks at AUC and provided recommendations to mitigate them. These shortcomings and risks were related to the need to open a separate bank account for the implementation of the project in order to improve internal control mechanisms for the use of funds; to adopt rules and procedures for cooperation with sub-grantees and the formation of their own contributions; to introduce a system of accrual of the personal income tax and military tax on payments to individuals.

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<sup>4</sup> Parts of the funds were spent by KS on dissemination of the project results in 2019, including the organisation of a parallel seminar on local democracy during the Norwegian-Ukrainian Business Forum in Oslo in January 2019 (the budget of which received specific approval from the donor (MFA)). Some of the funds in the form of man-hours will be also used by KS for preparing the final project report due on 10 June 2019.

<sup>5</sup> Email communication between the reviewer and KS and NIBR, 06.02.2019–07.02.2019.

# Impact

Evidence collected from document analysis and fieldwork indicates that the project had various effects on participating organisations and beneficiaries. The list of the main effects is provided below:

**Efficiency networks and adoption of new practices.** The project had a positive impact on promoting best practices in public service delivery among the local authorities. The effects of the efficiency networks were as follows:

- More frequent communication and information exchange between local authorities
- Learning from each other and exchanging best practices regarding public service delivery and citizens' participation<sup>6</sup>
- Obtaining new knowledge on evidence-based policymaking, including the importance of using reliable data and making informed policy decisions based on these data
- Improved knowledge in policy planning
- New knowledge and experience in preparing grant applications

One of the major results of the project was an observable shift in communication between participating local municipalities and the population. An in-depth case study of Boryspil and other municipalities shows that the project contributed to improved communication practices between the local government and the citizens whereby feedback from the population was processed and analysed. At the same time, it is too early to judge whether improved communication directly translates into better service provision by local authorities.

**Capacity-building and awareness-raising through the Local Democracy Survey 2017.** The results of the Local Democracy Survey (LDS) conducted in 2017 demonstrate tendencies in how the population views the local government in 20 cities compared to the 2014 LDS results. Figure 1 compares the views of citizens surveyed in 2014 and 2017. Positive changes, although insignificant, were observed regarding the responsiveness and performance of local authorities. Despite positive trends, these indicators remained on the

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<sup>6</sup> The effective use of 'participatory budgeting' in Lviv, where local citizens can vote over the phone or the Internet, is an example of such a practice.

negative side of the scale in both 2014 and 2017. This demonstrates that citizens are still sceptical about local authorities' ability to implement change in their communities. Also, people participated more actively in political life in 2017 compared to 2014 – and yet, they perceived their own capacity to influence local politics to have worsened by 2017.

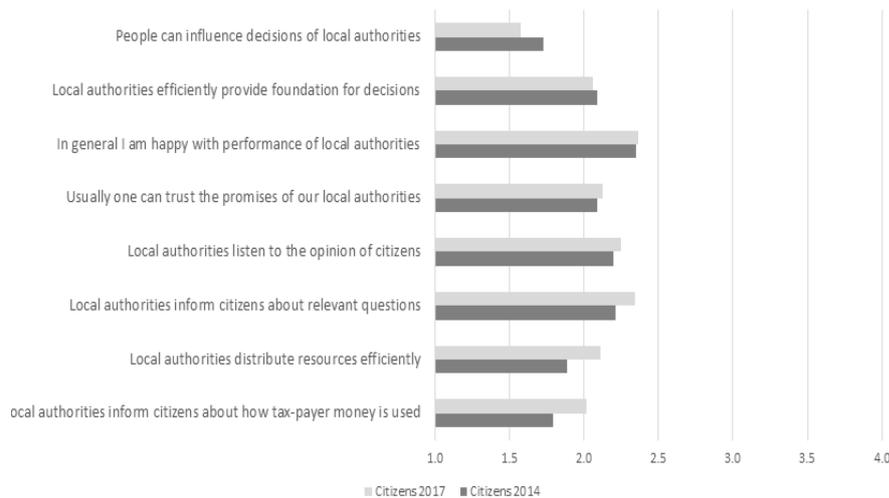


Figure 1. Citizens' perceptions of local authorities' responsiveness. Average agreement level on a scale from 1 (fully disagree) to 4 (fully agree)

Source: Aasland and Lyska (2017).

Fieldwork evidence also suggests some improvement in regard to information exchange between local authorities and citizens. Interviewed city mayors – Vitaly Lukov, Mayor of Voznesensk; Galyna Minaeva, Mayor of Chuhuiv; Oleksandr Babych, Mayor of Hola Prystan – shared the perception that the efficiency networks had a positive impact on public perception of public service delivery in their cities.

**The impact of AUC at the local and central level.** The project strengthened the role of AUC and its regional offices in the context of the ongoing decentralisation reform. According to the respondents, the project helped to better connect AUC with the participating municipalities. The findings also show that the project enhanced the scope of collaboration between AUC and the central government, which was not a primary project objective. Active interaction with Verkhovna Rada since 2017 is a case in point. In addition, drawing on the project results, AUC prepared and provided recommendations to relevant public agencies on how to improve financial mechanisms for public service provision in such sectors as education, health care and social protection. At the same time, the project would benefit from more active and streamlined dissemination of project results to the broader

public and key stakeholders in Ukraine, as well as internationally. For instance, the AUC website platform dedicated to the project was not particularly helpful in finding and accessing project materials and publications.

**Strengthening local capacity among the partners.** The selection of partners in Ukraine was based on the criterion of supporting and strengthening the capacity of already existing and well-functioning organisations. AUC acted as the main partner in Ukraine, and it benefited from the project in many ways. The project facilitated the anchoring of AUC as one of the key mediators between the central and local governments. Their role in the project was instrumental to ensuring interaction among local governments. In the project, AUC strengthened its capacity to mobilise local governments and establish greater trust between them. As one of the respondents noted, 'AUC was a relevant partner, and they prioritised the local democracy project in their work. It is not just a project-based organisation that will be gone after the project is completed. AUC had a say in designing project activities and often engaged in a constructive dialogue with us in terms of what activities and initiatives should be stopped, redesigned or further developed in line with AUC's strategic agenda and goals'. It is important to note that none of the partners expressed complaints with respect to collaboration with other members.

## Sustainability

In this section, we evaluate the project's sustainability and effects beyond the project period. The previous two projects served as a basis for formulating the design of the project currently under review. When evaluating the project's sustainability, it is necessary to note that the approach chosen to build capacity among the beneficiaries was in line with international standards. The efficiency network methodology was used in Norway, and the survey methodology is widely used to assess local democracy throughout the world. As fieldwork evidence suggests, the project members adjusted the project design to fit the needs of relevant stakeholders.

**Foundation for change and institutionalisation of practices.** Those municipalities that participated in the work of the efficiency networks reported on the use of new practices in their work (see Impact for more detail) and their positive effects. From this perspective, it is possible to argue that the project was designed and implemented in a manner that should have enabled the beneficiaries to use new knowledge and practices effectively after the project ended. However, since municipal employees were the main target group of the efficiency networks, it is too early to confirm that the new knowledge and practices they learned have translated into embedded institutional practices in municipalities. In other words, the question remains as to whether these practices will still be used in the event employees (who received the training) leave their jobs. Will municipalities stick to these practices over time – and if so, to what extent? The same concern relates to the AUC staff involved in the project. Thus, even though the project laid a foundation for change in evidence-based policymaking practices in participating municipalities, the objective of embedding these practices at the institutional level has yet to be realised.

**Unsustainable dependence on external support.** Interaction with stakeholders suggests a potential risk that project beneficiaries may become overly dependent on technical assistance from external donors unless the evidence-based policymaking practices become institutionally embedded within the work of local governments. One of the positive signs observed during the evaluation process was enhanced inter-municipality collaboration (presented below), which can mitigate the risk of excessive dependence on external donors in the long run.

**Cooperation between participants after the efficiency network cycle is completed.** According to fieldwork evidence, one can observe positive trends in regard to inter-municipality cooperation. Interviewed stakeholders noted that the efficiency networks fostered collaboration and information

exchange between local municipalities in Ukraine. A number of working groups had been created among the participants on social media (e.g., Facebook or Viber groups) and were actively used both during and after the project. The groups included representatives of the municipalities who took part in the efficiency networks. Participants reported more active discussions about their professional issues and more frequent meetings with each other for different events. These reports, however, are based only on the perceptions and views of the project participants. Since no baseline data had been collected before the project started, it is not possible to describe the level and scope of contact and cooperation among the participating municipalities before the efficiency networks were launched.

**Complementarity with other donor programmes.** Donor assistance to Ukraine has grown rapidly since 2014. The decentralisation reform triggered interest from various international donors. It is thus important that numerous assistance projects in the area play a complementary role with as much synergy as possible and do not have an isolated effect. This is one of the major preconditions for the sustainability of the project's impact in the long term. The review of the project shows that no particular donor coordination strategy was employed by project members. Even though the partners interacted with other external donors, in particular with USAID, no specific activities with other donors were undertaken that would have resulted in synergy effects. Thus, the project would benefit from more systematic and consistent collaboration with other donors.

**Shortage of skilled professionals.** Local authorities received greater autonomy and fiscal responsibility as part of the decentralisation reform. This required more advanced managerial competence in health, education, utilities, energy efficiency, finance, economic development, transport and other areas. Attracting skilled professionals to small cities or rural communities is a challenging task due to depopulation and urbanisation (Jarabik and Yesmukhanova, 2017). Therefore, on the one hand, the timing of the project was appropriate as it contributed to building local capacity among the local authorities. On the other hand, there is a risk that qualified personnel will move to bigger cities for better paying jobs, thus undermining the project's effects as well as its sustainability. Ukraine must improve employment conditions for public servants in order to mitigate this risk.

**Stable external environment.** To ensure that the project effects extend beyond the project period, the political and economic environment must be stable, and local authorities must receive further support from the government as well as targeted support from international donors. The effects will be limited if the legal framework on decentralisation reform remains subject to constant changes. Moreover, there is a risk that local oligarchic groups closely tied to regional politicians may benefit from decentralisation, strengthening their power and influence in regional politics in such a way that it would undermine the entire process. Widespread corruption is also an important factor that may stall reform progress.

According to the OECD report (2017: 8), '72% of Ukrainians do not feel that citizens can do much to prevent or stop corruption, and citizens in regional capital cities consider municipal authorities to be powerless in fighting corruption'. Therefore, strengthening the rule of law, fighting corruption and strengthening commitment from the central and local governments are crucial factors for decentralisation reform to be successful in the long term.

**Strengthening local research capacity.** One of the project's effects is that it strengthened local research capacity among the researchers who took part in its activities. Local researchers and moderators received training in qualitative and quantitative methodology. Participants from AUC also strengthened their competence and gained new knowledge in the efficiency network methodology and in evidence-based policymaking.

**Other project spinoffs.** The project also had several important spinoffs. It informed the design of and provided input to two other projects launched in Norway in 2018. These two projects draw on the existing network and ties among the partners in the local democracy project and are likely to have synergy effects. Members of both projects also plan to utilise the collected data as part of local democracy surveys. In this regard, the project provided some of its established infrastructure for further use in these two new projects. The first project is a 3-year project titled, 'E-governance as a Tool for Local Democracy' (EGOVLOC), and is led by the Oslo and Akershus University College of Applied Sciences and financed by the Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education (DIKU). It also involves collaboration with partners in Ukraine, such as the Catholic University of Ukraine (Lviv) and the Kyiv Mohyla Academy. The second 3-year project is titled, 'Accommodation of Regional Diversity in Ukraine' (ARDU), and is financed by the Research Council of Norway through the NORRUSS+ programme. It includes NIBR-OsloMet in Norway and V. N. Karazin Kharkiv National University in Ukraine as main project partners. The project will analyse how ethnicity, language and regional-local identity are accommodated within the context of the Ukrainian decentralisation reform.

# Risk Management

**Political instability.** Given the volatile political climate in Ukraine, the project was exposed to political instability. Some of the project activities were delayed because of the difficult political situation. For instance, according to Project Progress Report 3 (2016), 'due to political crisis...the government launch of sectoral working groups on reform implementation in education, health care and social protection in amalgamated communities was postponed'; this in turn affected the work of the efficiency networks.

**Staff rotation.** Except in several cases, staff rotation was not deemed a significant risk that could have had a negative impact on the project. The only significant change was when Miroslav Pitsyk, the executive director of AUC, left and Oleksandr Slobozhan was appointed as the new executive director by the AUC Board on 25 April 2017. According to the interviewees, this change did not have a negative impact on project realisation.

**Data management.** No sensitive issues were raised during project implementation. Document analysis indicates that all primary data collection connected to the Local Democracy Survey conducted in 2017 was processed in accordance with international ethical standards and protected survey respondents with respect to participation, anonymity and confidentiality.

## Cross-cutting Issues

### **Gender Equality**

Gender balance was maintained among project members. As for the composition of efficiency networks, female participants dominated. There were two project managers (1 man and 1 woman) from AUC. In terms of efficiency networks in the social sector, which started in 2016, three moderators were chosen (2 women in education and social protection and 1 man in the health sector). Twenty-two public servants (15 women and 7 men) took part in efficiency network training in the education area; 24 public servants (15 men and 8 women) took part in efficiency network training health; and 32 public servants (27 women and 5 men) took part in efficiency network training in the social protection area.<sup>7</sup>

In regard to the application of efficiency networks in the area of local economic development and finance, which was started in 2017, the following gender distribution occurred: four moderators (2 women and 2 men); 32 participants (16 women and 16 men) in group 1; 40 participants (21 women and 18 men) in group 2; 25 participants (18 women and 7 men) in finance group 1; 26 participants (16 women and 10 men) in finance group 2.

For efficiency networks in local democracy, launched in 2017, two female moderators were chosen. In terms of gender representation in groups, the first group consisted of 17 participants (12 women and 5 men); the second group consisted of 23 participants (13 women and 9 men).

There were also 16 trainers (9 men and 7 women) for educating deputies of local municipalities. There are no data on the exact number of female/male employees from municipalities involved in the project; however, based on fieldwork observations and communication with stakeholders, it is possible to conclude that female employees formed the majority. In this regard, the presented gender distribution in the efficiency networks is indicative of the general female/male representation in participating municipalities.

### **Anti-corruption**

Project evaluation did not reveal any negative consequences concerning anti-corruption. Regarding positive consequences, even though the project did not directly contribute to solving the problem of corruption in Ukraine, it

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<sup>7</sup> The number of participants at the first meeting. There were some changes in the composition, although insignificant, during subsequent meetings.

did have a positive indirect impact through the application of efficiency networks, which helped to identify best practices in the public service provision. For instance, participants learned that the Chuhuiv city administration introduced an automated electronic ticket system for visitors at hospitals to reduce the risk of corruption. Without an electronic system, patients often bribe doctors to avoid waiting times. The application of this and similar practices should have a positive impact on reducing corruption in the public service provision in the long run.

### **Climate and Environment**

The project agenda did not directly address the issue of climate and the environment. However, the project did involve air travel, which resulted in CO2 emissions.

### **Human Rights**

The project did not utilise any specific strategy to address the issue of human rights, which would have been beyond the scope of the project. And yet, it is possible to observe improved access to service delivery in the education, health and social protection sectors in participating municipalities. This in turn has had a positive impact on human rights (see Article 22 on the right to social security and Article 26 on the right to education of the UN Universal Declaration of Human Rights of 1948).

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# Appendix

## **Annex 1**

Oslo, 7 August 2018

### **Terms of Reference**

#### **Evaluation of results and goal achievement relating to the project agreement UKR-14/0030 between the Norwegian Ministry of Foreign Affairs (NMFA) and the Norwegian Association of Local and Regional Authorities (KS)**

#### **Background**

KS received its first project grant from NMFA to work on local democracy in Ukraine in 2008. Since that time, KS has been working more or less continuously on the subject through a succession of NMFA-funded projects. The Norwegian Institute of Urban and Regional Research (NIBR) and the Association of Ukrainian Cities (AUC) have been the partners of KS since the very first project, and remain crucial contributors to all main aspects of project implementation today.

Financing for the current project was awarded by the NMFA on 25 February 2015, with an overall grant amount of NOK 13 371 520. The support period was originally defined as April 2015 to April 2018, but on 26 March 2018 it was prolonged until 31 August 2018 by the granting of a non-cost extension. The project focuses on capacity-building for Ukrainian local governments, as well as the strengthening of local democracy and citizen participation, which is being transformed by Ukraine's ongoing decentralization reform. The use of efficiency networks, which is a capacity-building methodology originally developed by KS for Norwegian municipalities, is a central feature of the project design, which also includes a large-scale Local Democracy Survey (following a similar survey conducted in 2014) and a range of measures to support AUC in their work related to the decentralization reform.

#### **Request Context**

At a project review meeting between KS/NIBR and the NMFA on 27 April 2018, Ms Hilde Austad from the NMFA offered the opinion that an external evaluation of the results and goal achievement of the project would be in order. This is part of a larger process whereby the NMFA is requesting similar

evaluations of other projects it supports. KS is consequently seeking an experienced executor with substantial knowledge about Ukrainian society, language and government to carry out the evaluation in a professional manner. He or she should also have substantial experience with and knowledge about capacity building and democracy development.

### **Mission**

KS suggests that interviews (or other means of interaction) are carried out with the following actors:

- KS (Oslo)
- NIBR (Oslo)
- AUC (Kyiv)
- Royal Norwegian Embassy in Kyiv
- Three different Ukrainian cities or communities that have taken part in the efficiency networks, including at least one ATC (Amalgamated Territorial Community, created as a result of the decentralization reform)
- One or more of the Ukrainian researchers who can elaborate on the integration of applied research in the project
- The Verkhovna Rada Committee on State Construction, Regional Policy and Local Self-Government

The cities of Boryspil and Chuhuiv have participated in multiple networks over the years, and could be good interview candidates. Possible scientists to be interviewed are sociologist Oleksii Lyska in Kharkov and/or the team at Operatyvna Sociologia in Dnipro that carried out the Local Democracy Survey on behalf of the project.

While the evaluation shall have the present project as its main focus, it should also take into consideration the cumulative effect of the introduction and use of efficiency networks in Ukraine since 2008.

The overall objective of the project as stated in the project application is to strengthen local democracy in Ukraine by helping them deliver more efficient services, provide better conditions for social cohesion, and support the transition towards European standards. The indicators of goal achievement are described as increased inhabitant satisfaction regarding service delivery and increased trust between inhabitants and local governments. As these indicators are difficult to measure objectively, the evaluation should consider the impact of the efficiency networks on the ability of the participating municipalities to institute relevant and positive changes in their work and organization. For example, it should consider the following:

- The impact of efficiency networks on the knowledge and ability of municipalities to implement changes in their services in an effort to increase quality and/or efficiency
- The impact of the Local Democracy Survey (and the related efficiency network) on the ability of municipalities to take concrete steps in order to increase trust between the inhabitants and the local governments, and to increase inhabitant participation
- The level and scope of continued contact and cooperation between participants after the efficiency network cycle is completed

In addition, it should consider the effect of other project activities in relation to the overall goal of strengthening local democracy, for example:

- The impact of support to AUC and its regional offices on their capacity to influence the decentralization process both at the local and central level
- The effective reach of the training program for newly elected councilors in amalgamated communities
- The impact of the mini-grants on the recipient municipalities' ability to realize projects in support of improved local governance and social cohesion

### **Conditions**

The budget is set at NOK 400 000. This amount shall cover work hours and travel (including VAT) for an expert who will produce an evaluation report assessing the results and goal achievement of the project as specified above. The report shall be based on existing documentation and interviews with project partners and selected project participants in Ukraine. The total amount of work to produce it is expected to be around 200 hours, including a week's field trip to Ukraine to conduct the necessary interviews. Costs related to travel and accommodation are expected to be within the range of NOK 25 000, as specified in the relevant budget; these will be reimbursed by KS after the necessary travel has been completed. The final report should be written in English and be completed by 28 February 2019.

### **Project timeline**

- Project start date: August 13, 2018
- Field visit to Ukraine: September-October 2018
- Submission of full draft report: November 30, 2018
- Submission of final report: January 30, 2019
- Publication of the report: February 28, 2019

## **Scope of end review**

The review should include, but not be limited by, an assessment of the following criteria and questions that draw on OECD DAC guidelines:

### **Effectiveness**

- To what extent have the goal, outcome and output objectives been achieved?
- What were the major factors influencing the achievement or non-achievement of the objectives?
- Is the goal hierarchy sufficient and appropriate to track the results of the project?

### **Sustainability**

- Has the project (activities and objectives) been designed and implemented in a manner that enables the national partner institutions to benefit from the project after it has ended?
- Is the approach to capacity building in line with international best practice and adapted to local needs?

### **Impact**

- To the extent possible, assess and describe the project's broader effects on the participating institutions and societies.

### **Risk management and cross-cutting themes**

- How has KS managed risks throughout the project, including the risk of corruption?
- Has the project had any negative effects on human rights, women's rights and gender equality, climate and the environment, or anti-corruption?

The overview of the guidelines can be found at

[www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm](http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm)

## **Reporting**

The report should 20–25 pages + annexes and should be written in English. The report should include an executive summary with main conclusions, lessons learnt and recommendations.

## **Documents**

KS, NIBR and AUC will provide all relevant documents related to this and past projects in Ukraine, as well as contact information for any participants or other personnel subject to interviews.



## Norwegian Institute of International Affairs

Established in 1959, the Norwegian Institute of International Affairs [NUPI] is a leading independent research institute on international politics and areas of relevance to Norwegian foreign policy. Formally under the Ministry of Education and Research, NUPI nevertheless operates as an independent, non-political instance in all its professional activities. Research undertaken at NUPI ranges from short-term applied research to more long-term basic research.

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