

EFFECTIVE SUPPORT TO DECENTRALISATION REFORMS IN TIMES OF CHANGING POLITICAL COMMITMENT: THE EXPERIENCE OF DESPRO

The context for reforming a governance system evolves over a long time. A political window of opportunity can open suddenly and needs to be grasped. However, the ability to place development assistance at the service of the reform depends, on the one hand, on the receptiveness of government and society and, on the other, on the credibility and legacy of the development assistance provided. The experience of the DESPRO local governance project in Ukraine has generated valuable lessons in this regard. During the project history from 2007 to 2020, DESPRO underwent different phases, having to adjust its strategies in order to do meaningful work and contribute to the longer term reform agenda in various political contexts



– from the central government’s complete lack of interest in local governance reform, to the closest cooperation in the process of the reform implementation.

Early phase: Grasping the window of opportunity to declare the reform as national and local agendas

The DESPRO Project began in 2007, in the second year of the “Orange Revolution” Government, led by former President Viktor Yushchenko. At that time, Ukraine had clearly committed itself to European integration and to increasing the effectiveness of its governance system, including implementing territorial-administrative reform and decentralisation to comply with the European Charter on Local Self-Government. Taking this window of opportunity, DESPRO designed an intervention strategy allowing it to simultaneously work at national and local levels by: a) preparing national framework conditions for the reform through technical assistance to the Government

in designing reform concepts and basic legislation, and b) demonstrating the benefits of a decentralised approach in one focus sector: rural water supply (the most critical service at the time for the rural population).

Despite extensive contributions into mobilising the expert community and the elaboration of national frameworks, the approved reform was never actually launched. This was due to the Government’s fear of embarking upon such a highly sensitive reform towards the end of its term, and risking challenging the political status quo on the eve of elections.

Preparing the grassroots: During the period of inaction, demonstrating the practical benefits of decentralised service provision and generating demand for reform from below by focusing on technical issues

The election of former President Viktor Yanukovich in 2010 marked a dramatic shift back to the old-fashioned centralised governance style, and stagnation of the reforms initiated by the previous leadership. The DESPRO project had to adjust its strategy: it chose to pursue its adherence to the reform by focusing on the local level, demonstrating the benefits of decentralised service provision and, thus, generating demand for the reform from below. Through a combination of local and district

governments’ capacity-building, community mobilisation and direct investments, the project managed to introduce more effective service provision models in partner regions. To prove the benefits of scaled service delivery, shared responsibility and common use of resources, DESPRO piloted inter-municipal cooperation models in solid waste management. This later generated demand for and paved the way for improving the overall legislative basis for intermunicipal cooperation in the country.

On the eve of the Presidential elections of October 2012, the rhetoric of regional development became more articulated (due to EU pressure to comply with the EU requirement as well as the central government's "reverence" towards regional political elites). It resulted in the establishment of the State Fund for Regional Development that DESPRO supported through the engagement of Swiss and national expertise in developing the necessary legislation and accompanying public consultations. While the project's contribution to inter-municipal cooperation and regional development frameworks allowed DESPRO to enter the decentralisation domain at the national level, it was "through a technical door".



Consolidating investments: Capitalising on commitment to decentralisation and experience, and becoming a trusted partner of the Government during the turnover period

The situation had drastically changed by the beginning of 2014: the Euromaidan protest at the end of 2013–beginning 2014 resulted in President Yanukovich fleeing the country; Petro Poroshenko won the subsequent presidential elections of May 2014; Russia annexed Crimea and the ongoing armed conflict began in the east of Ukraine. At the time of the crisis, the new Government took decisive steps by signing the Association Agreement with the European Union and launching a number of key national reforms, including the decentralisation reform (based on the approved Concept of the Local Self-Government and Administrative and Territorial Set-up Reform). In the process of designing and building public consensus around the reform, the

Government drew heavily on DESPRO technical assistance. As early as December 2014, the Parliament had adopted the amendments to the Budget Code and the Tax Code for fiscal decentralisation and laid the basis for the required administrative and territorial set-up.

Along with its national level engagement at the first stage of the reform, DESPRO had consolidated experience and knowledge generated at sub-national level in the area of decentralised planning, budgeting and public service provision, produced a number of valuable learning products and tested several support service lines for local and sub-national governments and public service agencies.

Rolling out the reform: Scaling up technical support and reaching out nationally



Through strategic partnership (with Local Self-Government Associations) and innovative knowledge dissemination and management tools (e-learning and training platforms), DESPRO became a well-established supporter to local and regional governments, and decentralised public service providers in Ukraine. Since the establishment of the first 159 voluntarily amalgamated territorial communities, DESPRO has been providing advice and training to local governments on various local governance and municipal management issues. At a time of

growing demand for ensuring sustainability of amalgamated communities and making full use of political, administrative and fiscal decentralisation, DESPRO responded by developing new products allowing communities to plan their future in a sustainable manner (such as the online [Budget Calculator](#) which provides an overview of the financial resources of a community before and after amalgamation). As a result, local self-government political autonomy was enhanced, local revenue shares increased and investments in public service improvements were made.

At the national level, although no longer the largest local governance program in Ukraine, DESPRO, due to its standing commitment, flexible operating and decision-making procedures and ability to mobilise various stakeholders, remained a close partner of the Government. It



was requested to invest in most strategic and crucial aspects of the decentralisation reform management – communication of the reform, policy dialogue, and coordination of the platform between the Government of Ukraine and multiple development partners.

Achievements, lessons learnt and success factors

By the end of 2019, Ukraine counted 1029 amalgamated territorial communities, covering almost half of the territory of Ukraine and comprising 11.7 million people. The territorial and administrative reform is meant to be completed by the end of 2020 with local elections planned to be conducted on the new basis. As a result of the project, DESPRO acquired a legal status and became a trusted support service provider for national and sub-national government, public service agencies and international technical assistance programs.

Among the factors responsible for the project's success are:

- Flexibility and pragmatism of SDC as donor, and Skat as an implementing agency, in adjusting project strategies, plans and budgets, in order for the project to react to the context changes, grasp opportunities and respond to demands of Ukrainian counterparts;
- A combination of investments at national and local levels based on a solid commitment to pursuing the decentralisation reform course,

despite a changing political environment, as well as strategic placement of such investments;

- An ability to balance between provision of technical assistance (frameworks, approaches, tools, know-how) and direct investments (pilot models, tangible improvements in service provision) – both contributing to an ability to showcase the benefits of the reforms and/or advocate for the necessary changes;
- Collaboration with individual champions for reform and investments in human capital, resulting in project beneficiaries moving to influential positions at different levels;
- Trust and credibility of the project due to capabilities of the team, ability to mobilise top national expertise, strike strategic partnerships and maintain relations with key stakeholders;
- Full use of ICT opportunities for awareness-raising, knowledge management, support service provision and dialogues.



THE EBBS AND FLOWS OF DECENTRALISATION IN UKRAINE

The DESPRO experience 2007-2020

