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**Local Economic Development Plan**

**of Novgorod-Siversky City**

**United Territorial Community**



**Ukraine**

**July- 2020**

***«This Plan wasprepared with technical support from the Mayors for Economic Growth initiative of the European Commission.***

***It wasreviewed by the experts of the World Bank and commende das good by the Mayors for Economic Growth initiative.***

***Its contentisowned by and remains the soleresponsibility of Novgorod-Siversky city united territorial community.»***

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**Preface**

**Dear residents, partners, investors!**



Today we are at a very important stage of our development, because since 2018 we exist not just as separate settlements, but as a united community. In order to identify development ways for the newly formed community, there is a great need to create an economic development plan and identify key areas for further implementation.

For this purpose Novgorod-Siversky City Council joined the initiative of the European Union "Mayors for Economic Growth" in March 2020 and began the process of preparing a plan.

Of course, the signing of this agreement was preceded by a preliminary study of the results. Change is inevitable – we are changing - we are open and leading expericec-we are not alone but out strength is in partnership, but our strengthis in partnership.

Afirm decision concerning implementation Local Economic Development Plan was made by the Executive Committee of the City Council together with members of the working group including the private sector and the public.

The world around us is changing, so we cannot aside. It is necessary to join together in the implementation of the Local Economic Development Plan, which was also joined by representatives of the M4EG initiative.

The local economic development plan is the community's first attempt to carry out operative economic planning using modern European experience, to create partnerships with the private sector and civil society for the implementation of development projects.

We really appreciate the opportunity to gain the experience of those who are ahead in various areas of development without their own mistakes, and to achieve sustainable results of local economic development in the shortest possible time.

We invite everyone who is not indifferent to the economic development of the Novgorod-Siversky community to join our work!

Sincerely, Mayor Oleh Bondarenko

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1. **Summary**

Novgorod-Siversky is a city of regional significance, a district center, located in the northeast of the Chernihiv region. The area of​​the cityis 21.56 squaremeters. km. The distance from Novgorod-Siversky to the regional center of Chernihiv is about 176 km, to Kyiv - 326 km, to the state border with the Russian Federation it is - about 50 km. The population of the cityis 13.0 thousand in habitants. The working populationis 8.5.

The industrial complex, which is focused mainly on the domestic market, unites 9 industrial enterprises and it is a determinant in the field of material production of the city. Production specialization of the city are: food industry, light industry, extractive industry, forestry and agriculture. The processing in dustry forms 90% of industrial production.

In March 2020, the Novgorod-Siversky City Council joined the EU Initiative "Mayors for Economic Growth" to gain modern municipal experience, to obtain opportunities for expert support offered by the Initiative.

We have established partnerships with the private sector, business community, public organizations, etc., with the aim of reviving the local economy, the first result of which is a local economic development plan.

The SWOT analysis revealed the strengths of the community - favorable geographical location, significant transit potential and developed transport infrastructure, highly skilled labor resources and high scientific potential, diversified economy, high part of economically active population, freedom of doing business activities, private sector activity, desire to engage in private business, the presence of historical, architectural and cultural monuments within and around the city, a developed network of educational institutions.

Weaknesses of SWOT-analysis are significant deterioration of the existing infrastructure of the city, unsatisfactory condition of roads, high level of physical depreciation of fixed assets in the real sector of the city's economy (especially in shipbuilding), obsolescence of technologies, insufficient development of small business infrastructure. At the same time, the opportunities are: creating a favorable investment climate, reducing energy consumption through active introduction of energy efficient technologies, deepening integration with the EU, increasing international technical assistance, increasing the city's exports, increasing the city's transit potential, developing domestic tourism, decentralization.

Threats remain: political instability and the continuation of the military conflict in eastern Ukraine, further centralization of budgetary resources, continued centralization of power, instability of the national currency, market monopolization, lack of competition, rising energy prices, negative natural population growth, deteriorating competitiveness of goods due to growth imports from the EU, waste pollution.

Novgorod-Siverskaya OTG is an active, investment-attractive and at the same time ecologically clean community. A community of economically active people and entrepreneurs, where it is easy to open and run your own business. Social responsibility of business, activity of residents and efficiency of government have become a guarantee of comfortable conditions for community development.

In order to achieve the vision, the following goals of local economic development have been identified:

- Promoting the development of private business initiative in the community;

- Support and development of the existing tourist potential of the city.

The plan is realistic to implement from a financial point of view and the available and potential opportunities. Not only the local budget, but also the private sector and community residents, as well as the state fund for regional development will be involved in financing the activities of this Plan. The Novgorod-Siversky City Council sees this plan as a program document, mandatory for financing, implementation and monitoring of intermediate stages and results. The City Council will make all necessary efforts to implement the measures of the following plan.

1. **List of tables and Schemes**

Table 1: Action Plan.

Table 2: Financing Scheme

Table 3: Monitoring Indicators and Mechanisms

1. **List of Abbreviations**

**The EU**- is the European Union

**WG** - Working Group

**CNAP** - Center for Administrative Services

**SWOT** - analysis of strengths, weaknesses, as well as opportunities and threats

**DFRR** - State Fund for Regional Development

**M4EG** - European Union initiative "Mayors for economic growth"

**MSB** are small and medium-sized businesses

**PP** - a private enterprise

**DP** - is a state-owned enterprise

1. **Introduction to the plan**

By the decision of the 58th extraordinary session of the 7th convocation of the Novgorod-Siversky City Council of the Chernihiv region dated March 25, 2020 № 1107 it was decided to join the EU Initiative "Mayors for Economic Growth" in order to ensuresustainable economic development of the city.

Novgorod-Siversky is a city of regional significance, and a district center it is located in the northeast of the Chernihiv region, on the hills of the picturesque banks of the Desna River. The area of ​​the city is 21.56 square km. The distance from Novgorod-Siversky to the regional center of Chernihiv is about 176 km, to Kyiv - 326 km, to the state border with the Russian Federation - about 50 km. The population of the city is 13.0 thousand inhabitants.

The main investment priorities of community development are the use of local natural mineral resources, primarily chalk, sand, clay, peat, water; integrated development of agricultural production, mainly meat and dairy industry, with the use and modernization of existing processing facilities; deep processing of wood and wood products; use of recreational and tourist potential. Volume-forming enterprise - PJSC Novgorod-Siversky cheese factory, SE Novgorod-Siversky forestry, SE Novgorod-Siverskray agrolisgosp, PJSC Novgorod-Siversky plant of building materials, LLC Novgorod-Siversky-Elevator, PPSeversky Agrarian Investments ”, Slovyansky Hotel, the mineral potential of the community mainly consists of such minerals as chalk, sand, clay. On the territory of Horbivsky Starostynsky district, mining of local significance - chalk - is carried out. Its depositsamountto about 203 million tons.

The plan is developed in accordance with the requirements of the laws of Ukraine "On state forecasting and development of economic and social development of Ukraine", "On local self-government in Ukraine" and corresponds to the regional Development Strategy of Chernihiv region, Community socio-economic development plan and EU Initiatives. growth". The plan is not comprehensive and does not replace or contradict existing plans.

The Plan focuses on the development of the private sector in order to stimulate growth and increase employment. The plan defines the goals, vision and main measures of economic development of the Novgorod-Siversky city united territorial community and makes it possible to determine the factors of economic growth of the community, taking into account the leading European experience and modern approaches.

The plan of local economic development is based on other program documents of the Novgorod-Siversky city united territorial community, annual programs of social and economic development, does not replace them, but logically supplements and deepens.

The plan was developed by a working group consisting of representatives of local authorities, business and the public. During its development, consultations were carried out with specialists, experts working in the field of local and regional development, consulting and communicating with residents and the business environment of the community.

The plan is realistic, the financial sources of its implementation are the funds of the local budget and business, grant programs, funds of the State Fund for Rural Development.

**5. The process of developing a Local Economic Development Plan**

By the order of the Novgorod-Siversky mayor from 15.06.2020 №74-OD the working group on development of the Plan of Local economic growth of the Novgorod-Siversky city council in number of 10 persons was formed (see Appendix №1). The commission included 10 active representatives of local business, who are also deputies of the city council, the leadership of the city council - the chairman and manager of affairs, the head of the economy department and the chief specialist of the economy department. In terms of gender balance, the working group consisted of 5 women and 5 men. All meetings of the group were held in an open mode and with prior announcement of the time and place of meetings, so everyone had the opportunity to participate in the development of the Plan.

During the planning, the working group held online conferences, analyzed the state of the economy, community development factors, identified the main goals of economic development in accordance with the strategic vision, developed an action plan based on funding sources. The first online meeting of the working group was held immediately after the order "On the establishment of the working group", which was democratically divided responsibilities between the participants and formed a common vision of the Plan. At the second online meeting, all developments were agreed and presented according to the provided form of the Plan.

The working group worked in concert, all decisions were made by consensus. It is expected that many organizations and individuals will be involved in the implementation of the Plan, and new joint projects may emerge. Therefore, the Plan emphasizes the establishment of a permanent partnership between local authorities that will facilitate access to information, facilitate communication, and improve the business environment and economic growth.

6. Local economic analysis

***6.1. Analysis of the Local Economic Structure***

The Novgorod-Siversky City United Territorial Community is located in the north of the left-bank Ukraine. The area is characterized by significant steep terrain, the presence of sand hills. Slopes often reach 30%. The main waterway of the city is the river Desna, which belongs to the Dnipro river basin.

The industrial complex, which is focused mainly on the domestic market, unites 9 industrial enterprises and is a determinant in the field of material production of the city.

Today in the city 61 small and medium enterprises carry out business activity, from them 57 are small, 4 - average enterprises.

The number of natural persons-entrepreneurs is 469 people, which is 10 people more than at the beginning of the year. Since the beginning of the year, 83 entrepreneurs have been registered and 67 entrepreneurs have ceased operations.

Production specialization of the city: food industry, light industry, extractive industry, forestry and agriculture. The processing industry forms 90% of industrial production.

Budget-forming enterprise - PJSC "Novgorod-Siversky cheese factory", production volumes amounted to UAH 440.7 million (share of production volumes - 90.3%), which is 13.8% more than in the corresponding period last year. 2362 tons of fatty, processed cheeses and 318 tons of butter were produced, which is 290 tons and 28 tons more, respectively, than a year ago. About 30 thousand tons of milk were processed.

There are 220 trade facilities (shops) in the city.

The network of public catering enterprises includes 12 establishments.

Domestic services to the population in the city are provided by 30 individual entrepreneurs, among whom the services of hairdressers and beauty salons dominate; car maintenance services are provided, etc.

There is also 1 market in the city, the total retail area of ​​which is 0.6 hectares, specializing in food.

The city has recreational, historical, architectural and natural potential. A lot of work to serve tourists in the city is carried out by the historical and culturalmuseum-reserve "A Tale of Igor's Regiment".In 2019, the museum was visited by 30 thousand people, this figure is higher than in the corresponding period last year. There are seven main excursion routes for tourists. The most visited tourist sites are religious buildings that have survived in the city: the Transfiguration Monastery, the Assumption Cathedral, St. Nicholas Church, the Arc de Triomphe.

In order to improve the tourist infrastructure of the community, the establishment of tourist information and signposts was started, round table meetings and consultations were held on the promotion of the tourist potential of the community.

Thus, in pursuance of the provisions of the Novgorod-Siversky Tourism Development Program and in order to develop and promote the tourist potential of Novgorod-Siversky, development of tourist infrastructure and logistics, eight information stands were installed near architectural monuments located in Novgorod-Siversky. To promote the city, souvenirs with the tourist logo and slogan of the city were purchased and distributed among the guests and residents of the city.

In order to continue work on the development and promotion of tourism potential of the community at the 53rd session of the Novgorod-Siversky City Council of the seventh convocation, a decision was made on December 4, 2019 №991 ”On approval of the Tourism Development Program of the Novgorod-Siversky City United Territorial Community for 2020-2021 years ”.

***6.2. Local Cooperation and Networking***

Taking into account that the Novgorod-Siverskaya OTG is a rather young community formed from individual villages that, before unification, had their own vision of their economic development, the process of establishing a dialogue between all the parties concerned is still lasting. However, a team of like-minded entrepreneurs, business representatives and the public has already been formed in the community to work together to form a vision for further development.

The City Council actively cooperates with all organizations, participates in events initiated by them. Sessions of the council are open to the public, there is an opportunity to make wishes and suggestions about city decisions. Local authorities are particularly active in cooperating with the Novgorod-Siversky Association of Entrepreneurs, as well as veterans 'and trade unions' organizations. In this case, cooperation is manifested in the following forms: assistance in organizing mass events, dissemination of various types of information, development of socio-economic development programs, monitoring of various socio-economic problems of the community and more.

Examples of intersectoral cooperation in the Novgorod-Siversky community, in particular, are the improvement of community areas, the organization of solid waste removal; lighting of 90% of the city streets.

In order to develop a democratic society, improve dialogue between government and the community, create and maintain a full public space, intensify local initiatives from the people of Novgorod-Siversky and involve the public in the distribution of part of the city budget to address social issues, the Public Budget Regulations. the city of Novgorod-Siversky was approved.

One of the main directions of the LED plan is the formation of favorable conditions for intensifying the development of tourism, which will accelerate the economic development of the city and its promotion, improve the quality of life, harmonious development and consolidation of society.

It is important to note that the Novgorod-Siverskaya city united territorial community holds public consultations in order to resolve issues of local importance, provide free access to information about the activities of local governments, their officials and office workers, as well as ensure publicity, openness and transparency of their activities. In the near future, the initiative "coffee with the mayor" for existing entrepreneurs and future businessmen, the creation of an investment council under the mayor and etc, will be started.

***6.3. Transparent, Business-friendly and Corruption-Free Administration***

In its activities, the Novgorod-Siversky community tries to meet the following principles such as: transparency, non-perception of corruption and focus on the needs of residents and businesses as customers of services and taxpayers.

The community has an official website <http://ns-mrada.cg.gov.ua/index.php?tp=main>, where all draft regulations are placed for discussion. The community also has its official Facebook page - "Novgorod-Siverska City Council". The composition of the executive committee, deputies of the village council is posted on the website. Decisions of the executive committee and sessions, annual procurement plans with changes are also constantly posted on the official website. The city council has information stands and bulletin boards with information that is constantly updated. It is just the free public access to information about the activities of the city council that is the main factortransparency and the most effective method of combating corruption on the ground.

Business entities apply to the Center for Administrative Services to obtain permit documents. The department of state registration of the city council is located in the premises of the center for providing administrative services, which is very convenient for the subjects of appeals. It performs the powers of registration of rights to immovable property and registration of legal and natural persons-entrepreneurs.

A positive example of ensuring the transparency of local government action and dialogue is the systematic holding of public hearings and meetings of city residents, in particular, on the rates of local taxes and fees, infrastructuredevelopment and socio-economic development. Therefore, as part of this plan, the government plans to support and improve these and other practices of direct democracy, in particular through the use of social networks. At the same time, it is planned to widely apply innovative methods and modern technologies, study the possibilities of creating a modern office center for hosting business services companies.

Online seminars are held for entrepreneurs on opportunities to receive international and state assistance in business development. Several entrepreneurs have already applied to Oschadbank JSC for the state program "Affordable loans 5, 7, 9%" for further use of these funds in business.

***6.4. Access to Finance***

Business financing in OTG is, in fact, due to the vast majority of domestic resources and partly bank loans. As Novgorod-Siversky is also a district center, there are branches of Privatbank, the Oschad-bank which are used by local businesses, residents and government agencies. That is, the business has the opportunity to get all the necessary information about the available loan portfolio of banks for small businesses, to get advice from bank employeeson the possibilities for each case to get a loan.

Activities under the program of available loans of 5-7-9% for SMEs were carried out, entrepreneurs and the head of Oschadbank JSC were invited for detailed information. The website of the city council and the Facebook page constantly disseminate information about the services of the Entrepreneurship Support Fund in the Chernihiv region, information about the farmers' support fund. The director of FG «Nizhyn-Agroinvest» was invited to speak on the prospect for the development of the berry cluster in the Chernigiv region.

The level of local budget revenues, resources for development today does not allow to launch at the community level programs to repay interest on loans and / or support start-ups. Therefore, local authorities at this stage can only provide informational support in this matter.

***6.5. Land Resources and Infrastructure***

The Novgorod-Siversky City United Territorial Community is located in the north of the left-bank Ukraine. The area is characterized by significant steep relief, the presence of sand hills. Slopes often reach 30%. The main waterway of the city council is the river Desna, which belongs to the Dnieper river basin. The area of ​​the Novgorod-Siversky city united territorial community is -9181.2000 hectares.

The list of objects of property of communal ownership of the territorial community of settlements of the Novgorod-Siversky city council of 89 objects with a total area of ​​25,5 thousand sq.m. m, of which actually leased 0.740 thousand square meters. m. (14 lease agreements).

An inventory and determination of vacant land plots and communal real estate, which can be determined for business needs, creation of key attractions in the field of tourism have been held. Access to information about land plots in the city of Novgorod-Siversky is posted on the website of the city council.

The plan envisages modernization of communal infrastructure and ensuring openness and accessibility of communal resources for business. Accordingly, among the measures of the Plan there are preparation of the necessary documentation on land management and town-planning documentation, assistance in laying roads and engineering networks, organization and holding of competitions of investment projects for their further implementation on the territory of the city council.

In order to increase the efficiency of the use of communal lands, the city council will try the mechanism of public-private partnership provided by the legislation with the definition of private partners on a competitive basis.

***6.6. Rgulatory and Institutional Framework***

Despite recent positive changes, there are still some unjustified rules, regulations and other administrative barriers. New entrepreneurs are particularly lacking in information on financial resources, or even on existing member business organizations that can provide them with support, information on national or donor business support programs. There is no business development agency in the city.

***6.7. Skillsand Human Capital, Inclusiveness***

The level of officially registered unemployment is not high. The local employment center is constantly working to create new jobs and reduce the number of unemployed. Work is also underway to improve the skills and retrain of unemployed specialists. An information seminar for organizing your own business "Generate a business idea and start your own business" was held - which was attended by 25 people.

There is a Novgorod-Siversky Medical School in the city, which graduates junior specialists in the specialty of paramedic and nurse. The existence of this educational institution has a positive effect on the general state of labor relations in the Novgorod-Siversky community.

But a large number of graduates work outside the profession, using their professional skills in completely different fields. In addition, the presence of a profession acquired by most young people is not a guarantee of full-fledged employment.

A big problem for the community is the shadowing of employment: employers do not formalize employees, do not fully reflect the salary, do not pay taxes. Therefore, one of the topics of future seminars and trainings for business will be the legal regulation and responsibility of business for violations of labor legislation.

Some residents are employed in the budget sphere: schools, kindergartens, medical fields, utilities, cultural institutions.

A significant percentage of the economically active population goes to work in the European Union.

The City Council plans to hold thematic educational events on the topic: "Start your own business" for business, which will be able to partially meet the needs of improving the professional level of employees.

***6.8. External Positioning and Marketing***

As a result of the survey of the community's residents (503 people (including schoolchildren), the following conclusion can be made: the Novgorod-Siverskay community is perceived mostly positively by its residents.

Increasing the level of popularity of OTG territories is realized through the participation of representatives of the united territorial community, mainly in local events of the district and regional level. Participation in regional and national conferences. At the same time, the community is visited by representatives of communities in other regions to share experiences. Negative aspects, according to community residents, are the high level of depreciation of housing and communal services, low energy consumption and wear and tear of utilities; low financial capacity of the community; shortage of skilled workers; youth unemployment, shadow employment, labor migration, limited opportunity to get quality high-paying jobs in the city and district.

***6.9. Analysis of the Impact of COVID-19 on the Local Economy***

In particular, from March 1 to March 31, no land is charged, and no rent is charged for the lease of communal property. The situation is further exacerbated by the expected slump in the revenue side of the budget due to the impact of quarantine measures, including PIT revenues, if businesses start firing their employees.

Micro, small and medium enterprises make up the majority of the community's entrepreneurs. They are the most favorable to the negative of quarantine. Their incomes are falling and negatively affecting the community's economy.

**7. SWOT analysis**

|  |  |
| --- | --- |
| **SRENGTH** | **WEAKNESSES** |
| 1. favorable geographical location, significant transit potential and developed transport infrastructure;
2. highly qualified labor resources and high scientific potential;
3. diversified economy, high share of economically active population;
4. freedom of entrepreneurial activity;
5. activity of the private sector, the desire to engage in private business;
6. the presence of historical, architectural and cultural monuments within and around the city;
7. developed network of educational institutions;
 | 1. significant wear of the existing infrastructure of the city;
2. unsatisfactory condition of roads;
3. high level of physical depreciation of fixed assets in the real sector of the city's economy (especially in shipbuilding), obsolescence of technology;
4. insufficient development of small business infrastructure;
5. loss of markets, low competitiveness, high material and energy intensity of products;
6. insufficient number of high-quality and interesting tourist products, bright tourist events for different target groups;
7. outflow of personnel and imbalance of supply and demand of labor.
 |
| **OPPORTUNITIES** | **THREATS** |
| 1. creating a favorable investment climate;
2. reduction of energy consumption through active introduction of energy efficient technologies;
3. deepening integration with the EU;
4. increasing international technical assistance;
5. growth of the city's exports;
6. increasing the transit potential of the city;
7. development of domestic tourism;
8. decentralization of power.
 | 1. political instability and the continuation of the military conflict in eastern Ukraine;
2. further centralization of budgetary resources;
3. continued centralization of power;
4. instability of the national currency;
5. monopolization of markets, lack of competition;
6. rising energy prices;
7. negative natural population growth;
8. deterioration of the competitiveness of goods due to the growth of imports from the EU4;
9. pollution of territories with waste
 |

**8. Visions and Objective**

Novgorod-Siverskaya OTG is an active, investment-attractive and at the same time ecologically clean community. A community of economically active people and entrepreneurs, where it is easy to open and run your own business. Social responsibility of business, activity of residents and efficiency of government have become a guarantee of comfortable conditions for community development.

**Main goals:**

In order to achieve the vision, the following goals of local economic development have been identified:

* Promoting the development of private business initiative in the community;
* Support and development of the existing tourist potential of the city.

**9. Action plan**

This action plan is based on an analysis of the current situation in the community in terms of business support, the results of SWOT-analysis and taking into account the real possibilities of the city council for its implementation.

***Table 1. Action plan***

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Thematic block** | **The main goals** | **Actions according to the plan (-we)** | **Duration** | **Involved partners** | **Planned costs***(national currency and equivalent sn EURO)* | **Results** | **Indicators** |
| 1.Cross-sectoral cooperation and interaction at the local level2. Access to finance3.Qualified labor resources and inclusiveness4.Transparent,coruuption-free administration that promotes business development5.Legal and institutional framework6.Land resources and infrastructure1.Cross-sectoral cooperation and interaction at the local level2. Transparent, coruuption-free administration that promotes business development | 1.Promoting the development of private business initiative in the community | * 1. Functioning of the community economic growth center (as part of the regional network)
 | 01.2021-12.2022 | Agency | 720,00/24,1 | There is a center for economic growth of the communitySMEs' access to thematic information has been improvedAbout 50 SME representatives used the services of the Center | 65% participants of the events who noted the improvement of the level of knowledge, access to information, etc. |
| 1.2Attracting grant funds to create / expand new businesses | 01.2020-12.2021 | NGOs, MTD projects / programs, Own funds of potential businessmen | 200,00/6,7 | 2—3 residents took advantage | 2-3 new socially oriented businesses have been created / expanded |
| 1.3.Conducting training in IT technologies in the field of business | 01.2020-06.2020 | Agency | 120,00/4,0 | 5 specialists will be trained. The experience is replicated for SMEs in the community. | Number of enterprises that have implemented IT technologies in the production process |
| 1.4. Conducting training seminars and trainings for the business community of the community | 01.2020-12.2021 | Employment service,Agency | 100,00/3,3 | 15 the maticeventswereheld (law, marketing, foreign economica ctivity, project management) 130 representativesof the businessenvironmentattendedtheevents | 70% of participants who noted the improvement of knowledge |
| 2.Support and developmentof the existing tourist potential of the city. | 2.1.Creation of a tourist information center (TIC) (including collection and updating of information on electronic services) | 01.02.2021-30.08.2021 | City council, business, city residents, mass media | 220,00/7,4 | Institutions of tourism development in the city | A TIC has been established that provides services on a permanent basis |
| 2.2.Development of new recreational routes that would cover all stages of the city's history | 01.03.2021-30.07.2021 | City council, city residents | 130,00/4,4 | Expanding the list of tourist activities in the city | Development of tourist routes not less than 3 |
| 2.3.Arrangement of recreational areas | 01.05.2021-30.10.2021 | City council, business, city residents | 250,00/8,3 | Arrangement of urban space, development of resort and recreational areas | Number of visitors; cleaned of household waste and arranged three hiking trails on the outskirts of the city |

**10. Financing Scheme**

During the planning of activities and sources of funding it was taken into account the efforts of the city council to attract grant funds, state budget funds through the State Fund for Rural Development, as well as business funds on the basis of public-private partnership. All measures are realistic to be implemented in the prescribed period of time and in terms of financial security.

(The official NBU exchange rate as of July 1, 2020 is taken as the settlement rate: 1 euro = UAH 29.8677).

***Table 2. Financing scheme***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Actions (according to table 1)*** | ***Planned expenses (UAH. – EUR)*** | ***Sources of funding[[1]](#footnote-2)*** | ***Lack of funding(UAH. – EUR)[[2]](#footnote-3)*** | ***Notes*** |
| ***Local budget(UAH. – EUR)*** | ***Higher level budgets(UAH. – EUR)*** | ***Private sector(грн. – євро)******(UAH. – EUR)*** | ***Donors*** |
| 1.1.Functioning of the community economic growth center (as part of the regional network) | **720,00/****24,1** | 50,0/1,7 | 0/0 | 10,0/0,3 | 600,0/22,1 |  |  |
| 1.2.Attracting grant funds to create / expand new businesses | **200,0/****6,7** | 20,0/0,7 | 0/0 | 10,0/0,3 | 170,0/5,7 |  |  |
| 1.3.Conducting training in IT technologies in the field of business | **120,0/****4,0** | 20,0/0,7 | 0/0 | 10,0/0,3 | 170,0/5,7 |  |  |
| 1.4.Conducting training seminars and trainings for the business community of the community | **100,0/****3,3** | 0/0 | 0/0 | 10,0/0,3 | 90,0/3,0 |  |  |
| 2.1.Creation of a tourist information center (TIC) (including collection and updating of information on electronic services) of the community | **220,0/****7,4** | 20,0/0,7 | 0/0 | 15,0/0,5 | 100,0/3,4 |  |  |
| 2.2. Development of new recreational routes that would cover all stages of the city's history | **130,0/****4,4** | 15,0/0,5 | 0/0 | 10,0/0,3 | 100,0/3,4 |  |  |
| 2.3 Arrangement of recreational areas | **250,0/****8,3** | 10,0/0,3 | 0/0 | 10,0/0,3 | 230,0/7,7 |  |  |
| ***In general*** | **1740,0/****58,2** | **115,0/****3,9** | **0/0** | **75,0/****2,4** | **1550,0/****51,9** |  |  |

1. Monitoring Indicators and Mechanisms

Monitoring indicators have been developed to ensure quality control and timeliness of implementation of the action plan measures, identification of the need for timely adjustment. To ensure openness and transparency, accountability to the community, a monitoring group will be established by order of the chairman with the involvement of representatives of the public and business.

***Table 3. Indicators and monitoring mechanisms***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Activities***(the same as I do the measures sn Table 1)* | **Start date***(month/year)* **– end date***(month/year)* | **Expected results miss.1-6** | **Expected results miss.7-12** | **Expected results miss. 13-18** | **Expected results miss. 19-24** |
| 1.1.Functioning of the community economic growth center (as part of the regional network) | 01.03.2021-01.02.2022 | Allocation of premises, development of PKD, its examination. Approval of documentation. Announcement of the tender for works | Carrying out repair work. Purchase of furniture and office equipment. Reception of the cent administrator, his training. Identifying the needs of local business. Carrying out of actions on the basis of the center | Conducting events on the basis of the center: up to 10 events per month. Up to 120 participants / month are involved. | Conducting events on the basis of the center: up to 10 events per month. Involved up to 150 participants / month. Conducting a self-sustaining center |
| 1.2.Attracting grant funds to create / expand new businesses | 01.01.2021-31.12.2022 | Program development and approval | The competition for 2021 has been announced. Selection of 2 participants, assistance. 2 new businesses started | Monitoring the use of assistance received. Analysis of the effectiveness of the program, making changes. Announcement of the competition for 2022 | Selection of 2 participants for 2022. Providing assistance. 2 new businesses started |
| 1.3.Conducting training in IT technologies in the field of business | 01.01.2021-31.12.2022 | Search for grant programs and submission of applications. Selection of candidates, preparation of a business plan, starting a business | Search for grant programs | Search for grant programs and submission of applications | Search for grant programs and submission of applications |
| 1.4. Conducting training seminars and trainings for the business community of the community | 01.09.2020-31.12.2022 | Selected trainers, programs. Training modules have been prepared. Participants are invited. The first training module was conducted | II and III training modules were conducted. 5 SME employees were trained | Participants transfer the acquired knowledge and skills through thematic training modules in the community on a peer-to-peer basis. 20 SME representatives gained new knowledge and skills in implementing IT solutions in business processes |  |
| 2.1.Creation of a tourist information center (TIC) (including collection and updating of information on electronic services) of the community | 01.02.2021-30.08.2021 | A tourist information center has been established |  |  |
| 2.2. Development of new recreational routes that would cover all stages of the city's history | 01.03.2021-30.07.2021 | Analysis of development opportunities | 3new recreational routes |  |  |
| 2.3 Arrangement of recreational areas | 01.05.2021-30.10.2021 |  | Three well-kept hiking trails on the outskirts of the city |  |  |

1. НАЯВНІ ТА ПОТЕНЦІЙНІ [↑](#footnote-ref-2)
2. *Нестача не має перевищувати 10% від «вартості» дії* [↑](#footnote-ref-3)