



Mayors for  
Economic Growth



# LOCAL ECONOMIC DEVELOPMENT PLAN

Pryluky City Council  
UKRAINE

This Plan was prepared with technical support from the Mayors for Economic Growth initiative of the European Commission. It was reviewed by the experts of the World Bank and commended as good by the Mayors for Economic Growth initiative. Its content is owned by and remains sole responsibility of Pryluky municipality.

August 2018

## Preface

### Dear partners!



*Pryluky is a modern business and cultural center of the Chernihiv region, a regional leader in social and economic development.*

*The city has 14 industrial enterprises representing textile, food, tobacco, extractive, machine-building industries and printing services.*

*Pryluky has had many positive experiences cooperating with investors. One third of the local industrial stock companies are foreign-invested enterprises. Pryluky has traditionally and continues to be ranked first in the Chernihiv region for its share of direct foreign investment.*

*The strategic goals of Pryluky's investment policies are to create business-friendly conditions and to adapt the city to the ever-changing global market. The investment direction of local authorities is based on previously accumulated experience and financial, material and labour resources.*

*Despite the difficult times facing Ukraine, local authorities are implementing projects and policies that significantly contribute to the positive changes in the life of the community. Most importantly, Pryluky continues its dynamic development in the economic, social, and cultural spheres. It is important that Pryluky confirms its status as a city that develops and confidently steps into the future with each passing day.*

*Everyone knows that addressing urgent issues in one or another sphere requires concrete actions that should be provided with financing, which is difficult today under austerity. Therefore, it is clear that under the current circumstances it is of utmost importance for the development of local municipalities that they be able to attract additional financial resources into their own infrastructure.*

*That is why in 2017 Pryluky joined the EU Initiative "Mayors for Economic Growth" (M4EG), under which the Pryluky Local Economic Development Plan was developed. This new document demonstrates the ability of local authorities to plan economic development using up-to-date and innovative methods, to create partnerships with the private sector, and to implement joint development projects.*

*We are open to cooperation and the creation of new investment projects. We invite to the dialogue everybody interested in the development of our city, Pryluky.*

*Sincerely,  
City Mayor Olga Popenko*

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## **1. Executive Summary**

Pryluky is a city of regional significance- it is a district center in the Chernihiv region and also a railway junction. The city is located in the south of Chernihiv region. It is located 167 km from the city of the Chernihiv and 150 km from the capital of Ukraine, Kyiv. The city is the administrative, economic and cultural center of Pryluky district. The city has convenient road and railway connections with other regions of Ukraine, Russia, and Belarus. Pryluky is strategically located within convenient distance of five major Ukrainian cities – within a radius of 200 km are Kyiv, Chernihiv, Sumy, Cherkasy and Poltava. At the beginning of 2018, the population of Pryluky was 55,21 thousand people.

The working age population is 30,94 thousand people ( 56%, among which 48,6 are women, 51,4% are men). The migratory population decline by the beginning of 2018 was 574 people.

In order to implement modern approaches to planning and foreign experience, we joined the EU Initiative "Mayors for Economic Growth and, in the partnership with the private sector developed Local Economic Development Plan.

The Pryluky Local Economic Development Plan (hereinafter referred to as the Plan) is a comprehensive document outlining the priorities and directions of municipal development in the sphere of economic, social and environmental policies and methods and tools for their implementation until 2020.

This Plan includes the new objectives of the local development; they indicate the way to achieve its sustainable future as a dynamic and creative city for living and working. It requires a fundamental change in the approach to all spheres of community life. Therefore, it is extremely important to achieve a clear consensus within the community on issues related to the vision of the long-term community's development and its strategic priorities.

The Plan is the guide for local authorities to achieve strategic goals of local economic development. In addition, a wide range of stakeholders will be involved in its implementation process within their spheres of responsibility. Their active participation will inspire and motivate the local community and will contribute to the fact that the Local Economic Development Plan will be the property of all Pryluky citizens.

## **2. List of Tables and Figures**

Table 1. Action Plan

Table 2. Financing Scheme

Table 3. Monitoring Indicators and Mechanisms

## **3. Abbreviations**

EU – European Union

B.A.T. - British American Tobacco

PrJSC – Private Joint Stock Company

PJSC – Public Joint Stock Company

LTD – Limited Company

UAH – Ukrainian hryvnia

USD – United States dollar

SME – small and medium-sized enterprise

NGO – non-governmental organization

TACIS - Technical Aid to the Commonwealth of Independent States

UNDP - United Nations Development Programme

USAID – United States Agency for International Development

NEFCO – Nordic Environment Finance Corporation

#### **4. Introduction to Plan.**

In order to ensure sustainable local economic development, the Pryluky City Council joined the EU Initiative "Mayors for Economic Growth" in August 2017.

The purpose of the Local Economic Development Plan is to create conditions for economic growth and job creation at the local level, and to support local cooperation between authorities and private sector in order to improve the business environment. The Plan identified the city's competitive advantages, which, properly organized and combined, can be used to solve the major problems of local economic development.

The Local Economic Development Plan is being developed by the community for the first time, making it a document of the utmost importance to the city. However, it is based on the provisions of the Program of Economic and Social Development of the city of Pryluky for 2018, the General Plan of the city of Pryluky, and relevant city-specific programs. The actions of the Plan are included in the project, Pryluky Sustainable Development Strategy.

The need to create a Plan is due both to changes in the socio-economic situation in Ukraine and in the region and amendments to the budgetary and tax legislation which identified new approaches to financing regional development programs.

The Plan is the result of the work of representatives of the three community sectors - local authorities, the business sector, and non-governmental public organizations. This allowed for enough proposals for the Action Plan. The development of the Plan has become an important instrument for establishing partnerships between a wide range of enterprises, institutions and organizations. This means that the document itself will become the property of all stakeholders and subsequently gain public support for the implementation of the Plan actions and projects.

#### **5. Process of Local Economic Development Plan Development.**

A working group on Local Economic Development Plan Development was created by the Mayor's Decree dated January 21, 2018, No. 57. The working group consists of specialists of the structural units of the executive committee and representatives of the public and business sectors. There were 8 meetings of the working group and the results of the dialogue were positive and constructive.

As part of Local Economic Analysis, the working group collected important statistical data and conducted a survey among community citizens to identify their views on the most important issues, their vision of the community's future, the most important areas of development, and where essential infrastructure was found lacking.

The working group also collected important tips from business representatives on improving favorable conditions for small and medium-sized enterprises, as the results of successful activity of small business representatives are a source of filling the municipal budget.

Simultaneously the members of the working group worked on the development of the Pryluky Sustainable Development Strategy until 2025, which provided additional information for the Plan development.

Cooperation between local authorities, business and public sectors during development of Local Economic Development Plan was based on the following principles:

- partnership - various consultations aimed at building consensus, as well as reasonable expectations of the community from the authorities (all decision-makers and strategic objectives were invited to all stakeholders - representatives of authorities, research institutions, business associations, enterprises and civil society );

- integration - the active participation of all stakeholders in the city, which has eliminated conflicts and negative influences, and also focuses on the interoperability and synergy of activities;

- the principle of consensus or public consent, based on the maximum use of constructive potential of the parties;

- responsibilities - the parties are ready to take responsibility for the future of the city and devote their time and other resources to the achievement of such a future, which they identified together and outlined in the plan.

## **6. Local Economic Analysis.**

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

Pryluky is a city of regional significance, administrative, economic and cultural center of Pryluky district and also a railway junction. The city, the total area of which is 42 km<sup>2</sup>, is located in the south of the Chernihiv region. Pryluky has a convenient geographical location: convenient road and railway connections with other regions of Ukraine, Russia, and Belarus. It is located 150 km from the capital of Ukraine, Kyiv.

In regards to social and economic development, Pryluky is ahead of other territorial units of the Chernihiv region. Pryluky provides about one third of the volume of industrial production in the region. Tax revenues from enterprises located on the territory of the city fill more than half of the regional budget. Over 5,000 people work at the main industrial enterprises of the city, which is about 40% of the full-time employees of enterprises, organizations and institutions.

The industrial complex of the city achieved the positive growth rates of industrial production compared to last year: textile industry (164%), machine-building industry (156%), chemical industry (126%) and others.

During 2017, the city enterprises sold industrial products (goods and services) for UAH 8 billion 638.2 million, which is 27.7% more than in 2016, and accounts for 30.4% of the total volume of sales.

Pryluky has a stable tendency to exceed the general index of average monthly wages of full-time employees. In the first half of 2018 Pryluky was in the first place among the cities of regional significance of Chernihiv region. The city enterprises actively reinvest, attract investments, and account for 22% of the total investment of the Chernihiv region.

The city has been ranked first place in the region on share of foreign direct investment, accounting for 87.1%. In 2016 over USD 150 million was invested in Pryluky, and in 2017 - more than USD 180 million. Since the beginning of investments, USD 374.7 million has been attracted to the city economy.

In 2016 the scheme of the street network of Pryluky was approved by the City Council resolution. The development of the urban planning documentation - the General Plan and zoning plan of the city of Pryluky has been completed.

A significant place in satisfying the population's needs for goods belongs to the markets. The city has 3 markets and the Andreevsky trading platform. They have over 2,865 trading places. The trading network of the city has 476 private stores, including 175 of grocery and 301 of manufactured goods.

Small and medium-sized business development of Pryluky is characterized by a stable number of legal entities (290 entities), and the tendency to a small decrease in the number of individual entrepreneurs (2,613 people). This is due to the brain drain occurring in the city. In turn, the decrease in the number of registered business entities did not have a negative impact on the stable growth of budget revenues from small business activity.

Under conditions of limited financial resources, small and medium-sized enterprises do not require large start-up investments and have a rapid rotation of resources. They are able, with some support, to solve the problems of demonopolization quickly and economically by stimulating the development of economic competitiveness.

This indicates the need to create conditions for the development of small and medium-sized business at the state as well as local level. The SME sector employs 7,422 employees, including individual entrepreneurs. In the total output of the region, the share of products produced by small and medium-sized enterprises - 11.1%, the share of revenues from SME entities to budgets of all levels - 11.3%.

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

There is an effective interaction between local authorities and civil society institutions in the city of Pryluky. Civil society institutions and non-governmental organizations represent the interests of the various areas of the community's life: economic, cultural, sports, tourism, ecological. Their interaction is based on partnership and mutual interest in achieving the goals of social, economic and spiritual development, as well as protecting the rights and freedoms of the people.

Local authorities consider these institutions as equal partners in solving local issues. It demonstrates the democracy and transparency of processes and the realities of the community's steps toward development

In total 98 non-governmental organizations are registered and operating in the city. Local authorities actively cooperate with all organizations and take part in the events initiated by them. Interaction takes place during round tables, working meetings, involvement of public and business representatives in City Council sessions, and involvement of citizens in the processes of administrative decision-making through public hearing and open discussion of local issues.

Civic organizations actively work in Pryluky in order to coordinate local development while ensuring and supporting the interests of business sector. Such organizations include: NGO "Comfort and quality", NGO "Institution for the City Revival and Development", Pryluky Union of Central Market Entrepreneurs, Pryluky Municipal Union of Protection and Promotion of Small Business, Pryluky Regional Office of the All-Ukrainian public association for the protection of the constitutional rights and freedoms of citizens of Ukraine "Human Rights Protection", Entrepreneurs Union "Pryluchyna", NGO "Pryluky Union Industrialists and Entrepreneurs "Collaboration", Pryluky local organization of the Ukrainian public organization "Anti-criminal Choice". Pryluky Community Council started its activity in 2015.

Since 2007 the Entrepreneurship Support Center is actively working in Pryluky. It was created within the framework of the joint project of Pryluky City Council, Peace Corps in Ukraine and B.A.T. - Pryluky Tobacco Company PrJSC. The Center specialists conduct seminars for the business sector and provide free consultations to local entrepreneurs on accounting and legal issues related to tax and labour legislation of Ukraine. In total for the first six months of 2018, 1,008 consultations were provided to the business sector.

A promising area for cooperation at the local level is the implementation of public-private partnership because of a lack of own funds to solve the problems of socio-economic development.

The cooperation mechanisms that will be used are partnership, public information through the media, public relations through press releases, holding of press conferences, publicizing official statements, conducting surveys, analyzing letters, petitions, and content analysis of current public opinion.

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

Pryluky City Council activity is aimed at involving the territorial community in budget policy formation and development of territorial development programs, as well as defining the objects of financing and public procurement and resolving land issues. The decisions on the definition of benefits are made publicly. The City Council also provides sanatorium and resort vouchers, referral for free treatment or health improvement, solves issues in educational, medical and other social spheres, and usage of municipal property objects. Particular attention is paid to Housing and Communal Services - the estimation and setting the tariffs for services rendered, co-financing and carrying out repairs.

The Pryluky Administrative Services Center was established in 2012 in order to improve the local legal and regulatory environment for small and medium-sized enterprises by simplifying the procedures for obtaining permission documents by business entities.

Center specialists provide 66 different types of services for the population, including 11 for entrepreneurs.

During the first six months of 2018, 14,452 applications from business entities and citizens of the city and district were received by the Center. For providing administrative services UAH 494.9 thousand were transferred to the local budget.

The work of the Pryluky Administrative Services Center makes it impossible for different forms of interaction between officials and the business sector in solving permission issues, privatization of communal property objects (by setting the value of objects in the interests of individuals, interfering in the auction process, creating artificial restrictions and obstacles to access to trading).

However, the premises of the Administrative Services Center are no longer in line with the technical recommendations regarding location and technical content.

Furthermore, work is being carried out to counteract corruption and simplify internal administrative procedures. As a result, in 2018 the amount of investments in the development of the city's economy grew by 4.6 times.

In general, the development of the relationships between business and authorities is a reflection of changes in economic relations in society. The main task here is optimal and effective partner interaction for sustainable social and economic development of the city.

This cooperation is carried out through regular information, exchange of ideas (dialogue), identification of stakeholders' interests (surveys, questionnaires), participation in events, expert discussions (advisory and expert committees, working groups), joint activities (programs, projects, actions,).

According to the results of the on-line survey, to the question "How do you see the city of Pryluky?" a large number of respondents answered that they are proud of their city, 39.1% of the respondents are satisfied by the conditions for starting own business; provision of plots and buildings for business - 40%; transport infrastructure satisfies 38.5% of respondents; infrastructure development - 26.9%; law enforcement - 34.6%; waste collection - 34,6%; transparency of public procurements - 30.5%; investment attraction to the city - 57,7%; tourism development - 46,2%; construction permits - 44%; support for the development of small and medium-sized business in the city - 40%; the presence of support infrastructure for SMEs - 32%; publicity of local authorities – 50%.

According to the opinion of respondents, the main spheres of local economic development are as follows: industry development - 46.2%; SME development - 42,3%; attraction of direct investments - 42,3%; energy efficiency - 34.6%; transport infrastructure development- 30,8%; training and retraining of labour - 26,9%; social sphere development - 26,9%; active community - 23,1%; beautification and spatial development - 19.2%; development of recreation and tourism - 15,4%; safe environment -15.4%; environmental protection - 7.7%; research and development - 7.7%.

The most problematic areas are: permission for the placement of small architectural constructions - 38.5%; placing of outdoor advertising - 7.7%.

The following proposals were made to the question "Who is responsible for investment attraction?": local authorities - 76.9%; local business structure - 38.5%; professional consulting companies - 23,1%; public organizations - 15,4%; special communal enterprise - 7.7%.

According to the citizens' opinions, the areas of economy that will be of the greatest importance in the future for Pryluky are: textile industry, trade and services - 38.5%; fuel and energy sector - 34.6%; transport, logistics - 23,1%; education, educational services - 23,1%.

#### **6.4. Access to Finance**

*State budget.* In order to raise funds for building and reconstruction of local infrastructure, applications are submitted to the State Fund of Regional Development.

*International Financial Institutions and Grantors.*

In 2007-2010 Pryluky entered into the top four Ukrainian cities who became participants of the TACIS project "Sustainable Territorial Development in Ukraine". The utility company



"Posluga" has received equipment and containers for solid waste collection in the amount of UAH 14.7 million.

During 2015-2017 the city of Pryluky was a participant of the Joint UNDP/EU Project "Community-Based Approach to Local Development-3. Within the framework of the project 15 municipal projects were implemented.

During 2015-2017 Pryluky was one of the pilot cities in Joint European Commission - Council of Europe Project "Community-Led Urban Strategies in Historic Towns"(COMUS).

Collaboration with NEFCO was initiated and materials for the implementation of the project on energy efficiency in 2018 were prepared. The bulk of the credit revenues will be used to modernize street lighting, and grant funds will be directed towards the introduction of energy saving technologies in secondary schools and preschools.

The city of Pryluky is a participant of the grant project "SME activation in cross-border regions of Ukraine-Belarus" under Eastern Partnership Territorial Cooperation Programme with financial support from the European Union.

The financial and credit support of the small business sector is carried out from both the municipal budget and alternative funding sources not prohibited by the current legislation of Ukraine. Local authorities use different approaches to secure sources for financing business development.

One such program is cooperation with the State Fund of Entrepreneurship Support (Chernihiv office), which provides funding for the projects of the business entities.

In addition to state programs of small business support, there are targeted regional (municipal) programs that define the main principles, directions and forms of enterprise development. Also, entrepreneurs are constantly informed on credit programs from international organizations.

### **6.5. Land and Infrastructure**

On June 30, 2017, the Pryluky City Council approved the General Plan and zoning plan of the city territory.

According to this document, there are 13 vacant land plots of municipal ownership form located in the industrial zone at a considerable distance from housing constructions.

№	Total area, hectares	Number of plots	Land title
1	0,5 – 1,0	1	-
2	1,0 – 2,0	2	-
3	2,0 – 3,0	1	-
4	3,0 – 4,0	3	-
5	4,0 – 5,0	2	1*
6	5,0 – 6,0	1	-
7	6,0 and more	3**	-

There are no vacant municipal premises on the territory of the city.

In general, land-use planning will be managed through:

1) development of long-term programs supported by financing from various sources, including municipal budget; implementation of such programs should be supported by appropriate actions for the building of engineering, transport and social infrastructure on the territories designated for industry;

2) provision of land plots that will be up for auction, by the necessary infrastructure for industrial development; creation of conditions for credit funds to be attracted, and private investments for these purposes.

In addition to the aforementioned activities, one can distinguish such actions as: the construction of spatial planning system, the creation of conditions for the development of land use and building, and urban planning documentation for industrial development.

## **6.6. Regulatory and Institutional Framework**

The development of local legal documents is carried out in accordance with the requirements of the Law of Ukraine "On Local Self-Government in Ukraine", "On the Principles of State Regulatory Policy in the Area of Economic Activity", the Tax Code of Ukraine and others.

Draft regulatory acts related to procedural issues for doing business at the local level are based on the principles of expediency, adequacy, efficiency, balance, predictability, transparency and public opinion. Every year, the city mayor reports on the implementation of regulatory policy.

According to the City Council resolution, the rates of local taxes and fees are set differentiated depending on the activity of taxable entities (average and below the average of the total fixed).

In the coming period, maximum efforts will be made:

- to establish closer cooperation between the business sector and credit unions, funds of entrepreneurship support;
- to adopt new legal acts aimed at activating investment processes;
- to systematically monitor the effectiveness of regulatory acts aimed at the functioning and development of an entrepreneurial environment;
- to improve resource provision, organizational, financial, credit and investment support, that is, simplification and improvement of the access of entrepreneurs to financial, credit, property and land resources ;
- to improve information support and training for small business.

## **6.7. Skills and Human Capital, Inclusiveness**

The complex political and socio-economic processes in the country also have a strong impact on the labour market of Pryluky. Problems of economic activity of the population such as reducing the number and quality of labour resources remain relevant. The reasons for this are the difficult demographic situation and the migration processes that have recently intensified.

The number of unemployed registered with the Employment Service during the first half of 2018 was 931 people and decreased by 364 people (or 28.1%) compared to last year. Among them 567 people are women, 322 of unemployed are young people aged under 35 years. As of July 1, 2018, the number of unemployed residents of the city amounted to 473.

The number of vacancies reported by employers to the Employment Service during the first six months of 2018 was 1,960. As of July 1st 2018 the actual number of vacancies in the database of Employment Services was 292. Employers need skilled workers. In particular, there is the lack of electricians, electric and gas welders, machinists, painters, tailors, cooks, retailers, and cashiers. There are also vacancies for mechanics, technicians, power engineers, doctors. The vacant jobs are also offered to citizens without special training, in particular for auxiliary workers, guards, porters (loaders). Since the beginning of the year 29 of unemployed have got new professions and improved their skills.

In order to professionally orient students of secondary schools in the choice of the future profession, it is important to give them the opportunity to learn more about the educational institutions and specialties on which the training of specialists is being conducted.

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

Pryluky has the image of an investment-attractive city. Pryluky has already had a positive experience cooperating with investors. The city traditionally ranks first place in the region on share of foreign direct investment, accounting for 87%. Thus, in 2016 Pryluky received over USD 150 million, and in 9 months of 2017 - over USD 180 million of foreign investment. Today 9 enterprises of the city cooperate with foreign investors, the most important of which is B.A.T. - Pryluky Tobacco Company PrJSC. High investment in local economy is a strong signal of the investment attractiveness of Pryluky for potential investors.

Pryluky has practical experience in the area of creating a positive image of its administrative and territorial unit. An important role was played by the implementation of the Marketing Action Plan for Investing, developed within the framework of Pryluky district Sustainable Development Strategy (USAID project "Cities Development Initiative").

The ways in which local authorities should improve the business climate are the transparency of the formation of a local tax and fee base, openness and rapid access to registers, the creation of a single window and a transparent office for businessmen and those who want to start their own business, to set up an advisory system, etc. In addition, the bundling of business people and their potential partners in business clubs and associations is important.

At the same time, despite the positive economic situation in the city, local authorities are aware that in a free market economy the city can only strengthen itself by becoming more competitive and more attractive for investment and in turn, will be more successful. As a result it would be able to implement the innovation-investment model of development practically.

On the basis of a detailed analysis of all areas of the community life, the strategic development objectives were defined. Namely, improving the investment climate, creating a favorable environment for the existing business and the beginning of a new one, establishing partnerships between the authorities and business sector.

## **7. Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis**

The analysis of the community's internal resources (strengths and weaknesses) and the analysis of the impact of the external environment as opportunities and threats for further development of the community allows us to identify the significant potential for development and formulate the specific tasks and actions to realize this potential and strengthen the competitiveness of the city.

<b>Strengths</b>	<b>Weaknesses</b>
<ol style="list-style-type: none"> <li>1. Availability of a diversified industrial complex</li> <li>2. Proximity of raw materials markets to the city's processing industries</li> <li>3. Significant export potential of the city</li> <li>4. The General Plan and rules of city development and zoning have been established</li> <li>5. The monetary valuation of the land of the city has been developed and approved</li> </ol>	<ol style="list-style-type: none"> <li>1. Slow adaptation of key enterprises to market changes</li> <li>2. Energy intensity is high</li> <li>3. Decrease of scientifically oriented industries</li> <li>4. Presence of the hidden (under-the-table) economy</li> <li>5. Distribution of spontaneous trade</li> <li>6. Outdated engineering infrastructure</li> </ol>

6. The conditions for the development of small business 7. Availability of a development budget that has a tendency to increase 8. Stabilization of indicators concerning unemployment during the last 3 years 9. Compact placement of the territory of the city. 10. High percentage of working age population.	7. Limited territorial resources (lack of free territories) 8. The inventory of the land of the city is not fully carried out. 9. Lack of separation of state and communal land.
<b>Opportunities</b>	<b>Threats</b>
1. Development of city infrastructure that is focused on tourism 2. Improvement of administrative services provision 3. Participation in state pilot projects on the introduction of innovative approaches at the local level 4. Expansion of international cooperation and promotion of the city on the international level 5. Increased access to technical support funds and international development grants	1. No predicted increase in the cost of energy, raw materials, materials 2. Changes in tax legislation 3. Fuel and Energy Crisis 4. Political instability in the country

## 8. Vision and Objectives

The vision and the main objectives of the Plan were formed as the result of the activity of working groups on the development of the Local Economic Development Plan, the Pryluky Sustainable Development Strategy until 2025, and the Coordination Council for Entrepreneurship Development.

### **Vision:**

Pryluky is a city with high-quality administrative services for SME, modern infrastructure, and favorable conditions for its development.

### **Objectives:**

1. To ensure the provision of high-quality administrative services through improvement of organizational procedures in Administrative Service Center.
2. To improve community institutional capacity in the organization of large-scale local trade-related events.
3. To implement a technical and informational element in the municipality's approach regarding free land plots in order to attract investment in the development of the industrial sphere

### **Results**

1. Provision of high quality administrative services in Administrative Services Center, that meet all requirements and recommendations; transparency and accessibility of services for business entities.
2. Created conditions for the sale of goods, presentations of various services of business entities during exhibition and fair events; increased number of participants; tourism development.
3. Attracted investments for industrial facilities placed on free land plot

## 9. Action Plan

Table1. Action Plan

<i>Building blocks</i>	<i>Key objectives</i>	<i>Actions/Projects ideas</i>	<i>Duration (start/finish)</i>	<i>Partners involved</i>	<i>Estimated costs</i>	<i>Results</i>	<i>Monitoring indicators</i>
1. Business-friendly, Transparent and Corruption Free Administration 2. Regulatory and Institutional Framework	1. To ensure the provision of high-quality administrative services through improvement of organizational procedures in Administrative Service Center.	1.1. Equipping the Center's premises	01.01.2019-01.07.2020	City Council,, organizations that provide administrative services	6 000,0 / 184,0	Equipped premises that meet the requirements of the Ministry of Regional Development for providing services to visitors.	Conformity: the main requirements and recommendations of the Ministry of Regional Development regarding the establishment and operation of the Administrative Service Centers will be met 100%. 100% of the legally determined procedures are ensured.
		1.2. Application of software products and systems in the work of the Center's administrators	01.07.2019-01.07.2020	City Council,, organizations that provide administrative services	1 500,0 / 46,0	Automation of Center's working procedures	Reduced time for servicing business entities up to 20%.
		1.3. Organization of consultants' work on cross-border cooperation in business at the Center	01.07.2019-31.12.2020	Administrative Service Center, entrepreneurs, partners of the project "SME activation in cross-border regions of Ukraine-Belarus"	00,0 / 6,13	Providing additional services for business entities	Increased number of business entities engaged in international activities up to 30%.
1. Local Cooperation and Networking	2. To improve	2.1. Study of national and	01.07.2020 - 01.10. 2019	City Council, Chernihiv Regional	20,0 / 0,61	Studied and analyzed strengths and weaknesses	Results of studied experience of organizing

*Local Economic Development Plan  
Pryluky City Council*

1. Land and Infrastructure 2.External Positioning and Marketing	community institutional capacity in the organization of large-scale local trade-related events	international experience of organizations in conducting exhibition and fair events		Development Agency		in organizing fair activity by local self-government bodies	fairs of 6 cities.	
		2.2. Establishment of the Agency for the organization of exhibition-fair events in the city. (development of the statutory documents)	01.10.2019 – 01.12 .2020	City Council, Culture House, Utilities	1,0 / 0,03	Statutory documents on the establishment of the Agency are agreed with the public, communal sector and City Council units	Number of approved Agency statutory documents	
		2.3. Recruitment of staff and provision the Agency with office equipment .	01.12.2019 - 01.05. 2020	City Council, Business public organization	200,0 / 6,13	Recruitment of staff in accordance with qualification requirements	Filling vacant jobs in the Agency by 100%.	
		2.4. Purchase of exhibition and fair equipment	01.04.2020 – 01.09.2020	Agency	2 500,0 / 76,6	Purchased the exhibition and fair equipment	Availability of the equipment for organizing local events	
		3 To implement a technical and informational element in the municipality's approach regarding free land plots in order to attract investment in the development of the industrial sphere	3.1. Development and approval of the land claim project at Pyryatynska St. (total area 8 hectares)	01.01.2019 – 31.12.2020	City Council, Project organizations	20,0 / 0,61	Approved the land claim project	Availability of legal documents
			3.2. Supply of water communications and access roads		City Council	1 000,0 / 30,7	Supplied communications and access roads	100% of the planned volume of work is done
			3.3. Organization of promotional events, presentations for potential investors		City Council, Chernihiv Regional Development Agency	10,0 / 0,3		Quarterly participation in the presentation events

## 10. Financing Scheme

Table 2. Financing Scheme

Actions/Projects ideas	Estimated costs thousand UAH /thousand Euros)	Source of financing (thousand UAH /thousand Euros)				Funding gaps	Remarks
		Local budget	Upper level budgets	Business	Donors		
1.1. Equipping the Center's premises	6 000,0 / 184,0	6 000,0 / 184,0					
1.2. Application of software products and systems in the work of the Center's administrators	1 500,0 / 46,0	1 500,0 / 46,0					
1.3. Organization of consultants' work on cross-border cooperation in business at the Center	200,0 / 6, 13				200,0 / 6, 13		
2.1. Study of national and international experience of organizations in conducting exhibition and fair events	20,0 / 0,61	20,0 / 0,61					
2.2. Establishment of the Agency for the organization of exhibition-fair events in the city. (development of the statutory documents)	1,0 / 0,03	1,0 / 0,03					
2.3. Recruitment of staff and provision the Agency with office equipment .	200,0 / 6,13	200,0 / 6,13					
2.4. Purchase of exhibition and fair equipment	2 500,0 / 76,6				2 500,0 / 76,6		
3.1. Development and approval of the land claim project at Pyryatynska St. (total area 8 hectares)	20,0 / 0,61	20,0 / 0,61					
3.2. Supply of water communications and access roads	1 000,0 / 30,7	1 000,0 / 30,7					
3.3. Organization of promotional events, presentations for potential investors	10,0 / 0,3	10,0 / 0,3					

## 11. Monitoring Indicators and Mechanisms

Table 3. Monitoring Indicators and Mechanisms

Actions/Projects ideas	Duration	Results			
		1 to 6 months	7 to 12 months	13 to 18 months	19 to 24 months
1.1. Equipping the Center's premises	01.01.2019- 01.07.2020		Equipped premises that meet the requirements of the Ministry of Regional Development for providing services to visitors	Equipped premises that meet the requirements of the Ministry of Regional Development for providing services to visitors	
1.2. Application of software products and systems in the work of the Center's administrators	01.07.2019- 01.07.2020		Installed software products and systems	Automation of Center's working procedures	
1.3. Organization of consultants' work on cross-border cooperation in business at the Center	01.07.2019- 31.12.2020		Provided additional services for business entities	Provided additional services for business entities	Provided additional services for business entities
2.1. Study of national and international experience of organizations in conducting exhibition and fair events	01.07.2019- 01.10.2019		Studied and analyzed strengths and weaknesses in organizing fair activity by local self-government bodies		
2.2. Establishment of the Agency for the organization of exhibition-fair events in the city. (development of the statutory documents)	01.10.2019- 01.12.2020			Statutory documents on the establishment of the Agency are agreed with the public, communal sector and City Council units	Statutory documents on the establishment of the Agency are agreed with the public, communal sector and City Council units
2.3. Recruitment of staff and provision the Agency with office equipment.	01.12.2019- 01.05.2020			Recruitment of staff in accordance with qualification requirements	
2.4. Purchase of exhibition and fair equipment	01.04.2020- 01.09.2020			Ordered exhibition and fair equipment	Purchased exhibition and fair equipment



*Local Economic Development Plan  
Pryluky City Council*

3.1. Development and approval of the land claim project at Pyryatynska St. (total area 8 hectares)	01.01.2019- 31.12.2020	Financed land claim project	Ordered land claim project	Approved land claim project.	Approved land claim project.
3.2. Supply of water communications and access roads	01.01.2020- 31.12.2020			Supplied communications water	Supplied communications and access roads
3.3. Organization of promotional events, presentations for potential investors	01.07.2020- 31.12.2020				Prepared complete package of presentation materials

**Annex 1 Mayor`s Decree on working group**



УКРАЇНА

ПРИЛУЦЬКА МІСЬКА РАДА  
ЧЕРНІГІВСЬКОЇ ОБЛАСТІ

**РОЗПОРЯДЖЕННЯ**

21 лютого 2018 року

м. Прилуки

№ 57р

Про розроблення проекту Плану  
місцевого економічного розвитку  
м. Прилуки на 2018-2020 роки

Відповідно до пунктів 9 та 20 частини 4 статті 42 Закону України „Про місцеве самоврядування в Україні”, на виконання рішення 31 сесії VII скликання Прилуцької міської ради від 31.08.2017 р. № 6 “Про приєднання до ініціативи ЄС “Мери за економічне зростання”, з метою виконання взятих зобов’язань щодо розробки Плану місцевого економічного розвитку міста Прилуки на 2018-2020 роки (далі План) та створення умов економічного зростання та створення робочих місць на місцевому рівні, підтримання співпраці міської влади з місцевими партнерами для покращення місцевого бізнес клімату

ВВАЖАЮ ЗА НЕОБХІДНЕ:

1. Утворити робочу групу з розроблення проекту Плану місцевого економічного розвитку м. Прилуки на 2018-2020 роки з метою реалізації ініціативи Європейського Союзу для країн Східного партнерства “Мери за економічне зростання”, згідно з додатком.

2. Робочій групі здійснювати розробку проекту Плану згідно з цілями та пріоритетами Програми економічного і соціального розвитку м. Прилуки на 2018 рік та керуватися рекомендаціями щодо основної структури та змісту, розробленими Європейською комісією.

3. Надати право робочій групі при формуванні проекту Плану залучати до її розроблення фахівців відповідних структурних підрозділів міської ради та отримувати від них необхідну інформацію.

4. Робочій групі завершити роботу з розроблення проекту Плану не пізніше липня 2018 року та подати сесії міської ради на розгляд та погодження.

5. Контроль за виконанням розпорядження покласти на заступника міського голови з питань діяльності виконавчих органів ради Сивенко О.І.

Міський голова



О.М.ПОПЕНКО

Додаток  
до розпорядження міського голови  
21 лютого 2018 року № 57р

С К Л А Д  
робочої групи з розроблення проекту Плану місцевого  
економічного розвитку м. Прилуки  
на 2018-2020 роки

ПОПЕНКО Ольга Михайлівна	міський голова, <i>голова робочої групи;</i>
СИВЕНКО Олександр Іванович	заступник міського голови з питань діяльності виконавчих органів ради; <i>заступник голови робочої групи;</i>
ЧЕРЕП Тетяна Володимирівна	головний спеціаліст відділу інвестицій та міжнародної діяльності міської ради, <i>секретар робочої групи.</i>

*Члени робочої групи:*

БУТКО Сергій Петрович	юрист-консультант Центру підтримки підприємництва;
ВЕРТИПОРОХ Владислав Володимирович	начальник Прилуцької ОДП Головного управління Державної фіскальної служби у Чернігівській області ( <i>за згодою</i> );
ГОРБАЧЕНКО Віктор Демидович	заступник голови Громадської ради при виконавчому комітеті ( <i>за згодою</i> );
ДАЦЕНКО Дмитро Вікторович	начальник відділу економіки міської ради;
ЄРЕМЕНКО Надія Іванівна	член виконавчого комітету міської ради ( <i>за згодою</i> );

КАНАВЕЦЬ  
Олена Володимирівна

начальник відділу інвестицій та міжнародної діяльності міської ради;

РОЖКО  
Артем Миколайович

депутат міської ради, голова постійної депутатської комісії з питань побутового, торговельного обслуговування, громадського харчування, підприємництва, транспорту, зв'язку та регуляторної політики;

ТАТАРЧЕНКО  
Лариса Олександрівна

керівник Прилуцької міськрайонної філії Чернігівського обласного центру зайнятості (за згодою);

ЯЦЕНКО  
Євген Миколайович

депутат міської ради, голова постійної депутатської комісії з питань соціально-економічного розвитку, планування, обліку, бюджету, фінансів та цін.

Секретар міської ради



А.В.ШАМРАЙ