

Project management practices in the newly established territorial units of Ukraine

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Abstract: In the article, based on the analytical generalization of the conducted sociological research, the activity of implementation of project management practices in the United Territorial Communities (UTC) of Ukraine is studied. Among the main problems are: low quality of communication in the system of relations between the authorities and the community, failure to observe the principles of publicity, openness and transparency; the non-systematic nature of strategic planning organization in the UTC, the more formal nature of such activity; the important role of collaboration with international donor organizations in community development and project funding. At the same time, among the obstacles in the way of such cooperation, we can distinguish insufficient professionalism of project management activities in local self-government bodies of the UTC and insufficient level of its organization. The results obtained can be the basis for improving the scientific and methodological platform for training local government officials, as well as for improving the regulatory and methodological basis for reform.

Key-words: decentralization, administrative-territorial reform, strategic territorial management, project management, community development project, united territorial communities.

1 Introduction

Transformational conversion of the administrative-territorial structure of Ukraine, change of centralized approaches to management to decentralized ones are intended to lay the foundation for the organization of effective local governance at the level of territorial

communities. Sustainable regional development of any territory cannot be ensured without additional financial resources. In this context, it should be noted that today most of the newly created territorial communities, especially small ones, do not have sufficient resources for sustainable socio-economic

development. The experience of other countries shows that there are opportunities to attract additional resources for the development of the territory through more active integration into the European space. However the problem is a lack of knowledge and skills in project management issues, as well as awareness of representatives of local self-government bodies of territorial communities about the possibility of participation in relevant national and international programs (grants). In the context of the above, the study of problems of sustainable development of territorial communities in the implementation of project management practices as a catalyst for their resource provision is timely and relevant.

Modern science has developed a sound methodological basis in the field of strategic planning, in particular project management as its component. First of all, it should be noted that the fundamental principles of the development and implementation of regional development strategies were studied in scientific works (Copus et al., 2011; Dissart, 2007; Isaksen, 2001; Kuch., 2016; Stimson, Stough & Roberts, 2006). At the same time, it should be emphasized that in Ukraine these processes have certain features of formation and development. Thus, the inconsistency of the legal framework, lack of clarity and specificity in the presentation of the methodology for developing strategies lead to the dominance of a formal approach to strategic planning for regional development (Kostyukevich, 2016; Borodin, 2016). To some extent, the work of international donor organizations and non-governmental organizations in Ukraine contributes to solving these problems, with the aim of spreading best practices of strategic planning and project management in communities (Tkachuk, 2016; Methodology; Berdanova, 2013; A practical guide). Accordingly, there is an urgent and objective need for a more detailed and thorough study of the current state of implementation of project management practices in newly created territorial units, as well as the study of problems faced by specialists of local self-government bodies, which is the purpose of this research. In our opinion, this will help to shape the directions of further research, as well as ways of improving the methodical and practical activity of governmental and non-governmental structures, as well as all interested parties involved in this field.

2 Models and methods

The study initiated at the beginning of February 2018 in the framework of the implementation of the project of young scientists' research "Formation of the mechanism of implementation of integrated territorial management in the conditions of transition to sustainable development" with the support of the Ministry of Education and Science of Ukraine, aimed at obtaining objective information on experience, skills and problems of representatives of local self-government bodies regarding the application of modern strategic management and project management practices.

Today 699 united territorial communities have been created in Ukraine (as of January 10, 2018). The population of the united territorial communities is 6.0 million (14.3% of the total population of Ukraine). In total, 3264 territorial communities have already been united - 29.1% of the total number of rural, urban city councils that operated until 2015. (Monitoring, 2018). It is necessary to state that the dynamics of creation of united territorial communities is uneven across regions. Thus, in some regions the share of the territory which is a part of UTC reaches, according to the calculations, 56,35% (Zhytomyr region), while in others - only 4,82% (Transcarpathian region).

In order to form a sample population of territorial communities, an indicator of the intensity of decentralization processes (by the ratio of the areas belonging to the UTC to the total area of the region) was evaluated. The regions of Ukraine were divided into three groups:

- regions where the process is quite intense (intensity is - (38,02-57,02%);
- medium intensity regions - (19.01-38.01)%;
- low intensity regions - (0-19%).

The intensity of each group was then determined in each group. For the study, regions with average intensity values in each group were selected as well as regions with "intensity" levels of decentralization processes - Zhytomyr and Transcarpathian regions (Table 1).

Thus, the study envisaged to cover 223 UTCs, that is 32% of the UTCs created in Ukraine.

The survey was conducted using a questionnaire created using the GoogleForms tool, which would provide convenience to the respondents in answering questions, prevent the possibility of changing the content and form of the questions by the respondents, as well as preventing "loss" of the answers in the correspondence. The study lasted from January 20 to February 20, 2018.

Table 1 Formation of a sample of the surveyed regions*

	The name of the area	Square of the area, sq. km	Number of territorial communities, units	Number of UTC, units **	The area covered by UTC, sq	Intensity of decentralization processes, (I), %
Group of regions with low intensity of decentralization (I = 0-19%), I average = 12,65%						
1	Transcarpathian region	12777	337	6	616,124	4,82
2	Kiev region	28131	659	12	2402,52	8,54
3	Kirovohrad region	24588	415	15	2541,817	10,34
4	Kharkiv region	31415	458	12	3676,001	11,7
5	Vinnytsia region	26513	490	34	3979,652	15,01
6	Lviv region	21833	556	35	3466,701	15,88
7	Ivano-Frankivsk region	13900	711	25	2373,527	17,08
8	Cherkasy region	20900	516	26	3730,055	17,85
Group of regions with average intensity of decentralization processes (I = 19.01-38.01%), I average= 26,77%						
9	Donetsk region	26517	386	14	5292,98	19,96
10	Luhansk region	26684	332	11	5330,982	19,98
11	Odessa region	33310	707	25	7203,62	21,63
12	Rivne region	20047	419	26	4777	23,83
13	Kherson region	28461	271	28	7430,644	26,11
14	Poltava region	28748	503	42	7553,633	26,28
15	<i>Sumy region</i>	<i>23834</i>	<i>298</i>	<i>29</i>	<i>7989,559</i>	<i>33,52</i>
16	Chernivtsi region	8097	313	28	2779,194	34,32
17	Nikolaev region	24598	365	29	8687,892	35,32
Group of regions with high intensity of decentralization processes (I = 38.02-57.02%), I average = 50,09%						
18	Ternopil'ska region	13823	615	42	5477,7	39,63
19	Volyn region	20144	412	41	9326,429	46,3
20	Dnepropetrovsk region	31914	569	60	16082,47	50,39
21	Chernihiv region	31865	605	37	16396,03	51,45
22	Zaporozhye region	27180	299	42	14275,36	52,52
23	Khmelnitsky region	20645	348	40	11148,52	54
24	Zhytomyr region	29832	631	46	16811,48	56,35

*the regions that were included in the sample according to the results of calculations of the intensity of the decentralization processes are indicated in bold; italicized - Sumy region, included in terms of personal contacts and acting as a "pilot" region for the study; ** The UTCs, in which the elections are just scheduled and have not yet taken place, are listed.

Thus, after the date specified in the request as the end of the study period (February 20, 2018), so many responses were received (Table 2).

Therefore, as a result, replies were received from the representatives of 20 UTCs. Thus, in fact, about 9% of the number of UTCs formed in the studied regions participated in the study. In the country as a whole, this is only 3%. At the same time, the most active were the respondents from Sumy (personal contacts played a significant role) and Dnipropetrovsk

regions. Representatives of the Transcarpathian and Kharkiv regions neglected to participate in this study. The initial results of the survey, in particular, the activity of the respondents, indicate that, despite the reforms, the quality of the process of organizing the activity of governmental structures in Ukraine remains rather low. Traditional problems prevail: the unreliability of publicly available information regarding the organization of work of local self-government bodies, its irrelevance and

incompleteness; low level of publicity and openness of activity of power structures.

Table 2 Number of respondents' answers by the regions of Ukraine

Region	I, %	Number of UTC in the region, units	Number of answers received, units	Percentage of received responses from the number of messages delivered,%	Percentage of responses received from the number of UTCs in the region,%
Zhytomyr region	56,35	46	3	6,82	6,52
Dnepropetrovsk region	50,39	60	6	18,18	10,00
Poltava region	26,28	42	2	11,76	4,76
Kherson region	26,11	28	2	8,33	7,14
Kharkiv region	11,7	12	0	0,00	0,00
Transcarpathian region	4,82	6	0	0,00	0,00
Sumy region	33,52	29	7	29,17	24,14
Total	X	223	20	12,99	8,97

3 Results of the research

Turning to the analysis of the specific content of the answers received, it should be noted that the studies covered both rural (3) and urban (2) and urban UTCs (15) with an area of 83 square meters. km to 2280 square meters km (average - 372 sq. km) and population from 2852 people to 35085 people with an average number of 8869 people, which corresponds to the average number of UTCs s formed during 2015-2017 in Ukraine (Monitoring at January,10).

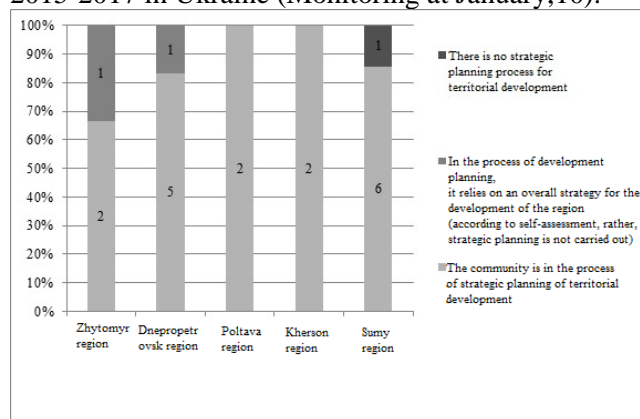


Fig. 1. State of strategic planning in communities

In general, most of the united territorial communities that took part in the survey understand the importance of strategic planning for their own development and initiated this process - 85% of respondents, 10% rely on the overall strategy for the development of the region, ie they do not carry out strategic planning on their own (one UTC in Zhytomyr and Dnipropetrovsk oblasts - leaders in the intensity of decentralization), and in 1 UTC in Sumy region this process has not started at all. At the same time, the

process of strategic planning in communities is characterized by different "quality" (Fig. 1).

At the same time, despite declaring the implementation of the strategic planning process in the communities (85% of respondents), only 75% of the UTCs surveyed identified the persons responsible for this process (Fig. 2). At the same time, this is understandable for the UTC of the Zhytomyr region, where this process is "rather not carried out", but for the 2 UTC of the Sumy region, where the strategic planning implementation was noted, such answers are evidence of a lack of understanding of the content of strategic planning and its necessity, as well as the chaotic organization of this process affects its quality.

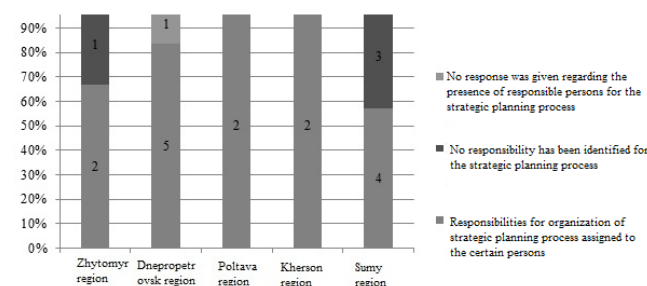


Fig. 2. Organizing strategic planning in communities in terms of identifying the responsible ones for the process

For newly created communities, a rather important issue in terms of strategic plans is the attraction of financial resources for the development of the territory. Finding alternative sources of financing for local development projects is a joint activity of the authorities and organizations, as well as organizations interested in the implementation of

such projects, and requires increasing the professional competence of employees and their interest in obtaining results of activities aimed at meeting the needs of the population [11;14].

It is obvious that local development projects belong to public sector projects and have considerable specificity compared to business projects, and they can provide both economic and purely social results - benefits of the territorial community, in line with the direction: they should be directed at the

realization of strategic priorities development of the territory and achievement of socio-economic benefits of the territorial community; must be approved as part of the project part of the strategy; must be carried out under the auspices of a municipal authority; should have centers of responsibility in the structural units of the municipality [10]. So, let's look at how far project management principles are implemented in communities today (Table 3).

Table 3 Project management experience in communities

Indicator	Zhytomyr region	Dnipropetrovsk region	Poltava region	Kherson region	Sumy region	Total	% to total
Known conditions for attracting funds from international funds	1	4	1	1	3	10	50,0
Known conditions for attracting funds from the State Regional Development Fund (SRDF)	3	5	2	2	7	19	95,0
It is known that there are opportunities to raise funds for the development of territories from extra-budgetary or special funds, but the detailed conditions are unknown		1				1	5,0
The community has experience in preparing projects for funding from international donor organizations (UNDP, EU funds and others)	1	5	1	2	1	10	50,0
The community has experience in preparing projects for funding from the SFRD	2	3	2	2	7	16	80,0
The community has no experience in preparing projects for external funding	1	1				2	10,0
Community projects are being implemented (implemented) at the expense of international funds	1	5		2	2	10	50,0
Community projects are being implemented (implemented) at the expense of the State Regional Development Fund SRDF	2	1	2		6	11	55,0
No community funded (not implemented) projects funded by external sources	1	1			1	3	15,0

Shown in Table. 3 data show that 95% of communities know the conditions for attracting funds from the State Regional Development Fund and only half from international funds. A rather unexpected result for us was that 1 UTC is not aware of the conditions for raising funds from extrabudgetary or special funds, and this community is from a region with a high intensity of decentralization processes.. Despite the awareness of the financing conditions of local development projects both at the expense of the state budget and international funds, not all communities have the experience of preparing such projects (in particular, 1 UTC of Zhytomyr region), which may be caused by lack of appropriate skills and evidence of underdevelopment of project

management in community. It is interesting that in the experience of project preparation at the expense of international funds, some communities indicated ignorance of the conditions of cooperation with such funds (Dnipropetrovsk, Kherson oblasts). This discrepancy in the answers can be explained by the change in the staffing of local self-government bodies (specialists who have the necessary skills no longer work), which substantiates the feasibility of implementing more prudent personnel policy in local self-government bodies.

The results of the actual implementation of projects by sources of funding underline the need to improve project management skills in order to increase the share of successfully prepared projects. Thus, all of

the UTCs of the Sumy oblast covered by the study had experience in preparing projects for financing from external sources (SFRD or international funds). However, in one community none of these projects was implemented.

Next, let's consider at what areas of the community have implemented projects (Fig. 3).

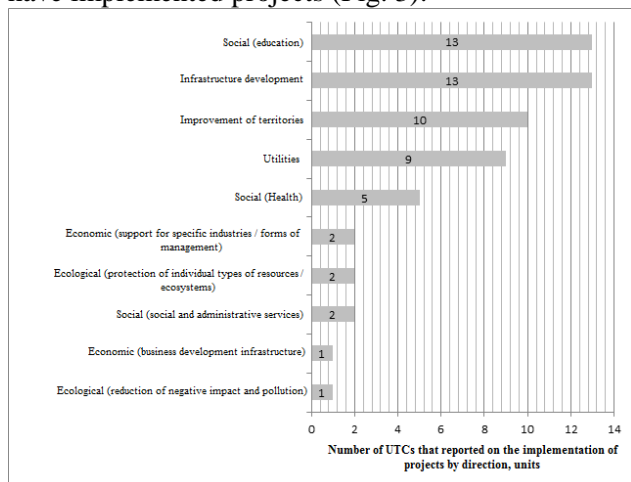


Fig. 3 - Areas in which community projects have been implemented

Consequently education-related social projects and infrastructure development projects are most common (65% of communities have such experience). Economic and environmental projects are widespread (5-10% of communities). The results obtained with regard to economic projects (business development infrastructure, support for specific forms of business management) are to a certain extent understandable, since the task of the authorities is to promote the development of the business, not to accompany its formation and promote certain forms of business. At the same time, there is little concern for environmental projects. The current state of the environment and the existence of significant problems in the field of environmental pollution are pushing for new priorities over power structures, in particular, the most relevant today in the light of European integration processes is the creation of safe waste management systems. At the same time, according to the data obtained, this issue is not a priority for local governments, and therefore the achievement of sustainable development goals and the balance of social, environmental and economic goals of territorial development is still quite complicated.

Next, we can see if there is a relationship between the existence of a community development strategy and the development of project management practices in the community (Fig. 4)

The data provided indicate that overall, there are no significant differences between communities that

already have an approved Development Strategy and those that are just working to develop it. Yes, the number of areas in which projects are implemented is the same, and the number of projects funded by international funds is also. The number of projects implemented at the expense of the State Fond for Reconstruction and Development (6 to 4) differs somewhat, although, given the lack of strategy, the implementation of such projects was not likely to be the cause of this divergence, but rather to a greater extent related to the experience of preparing such projects.

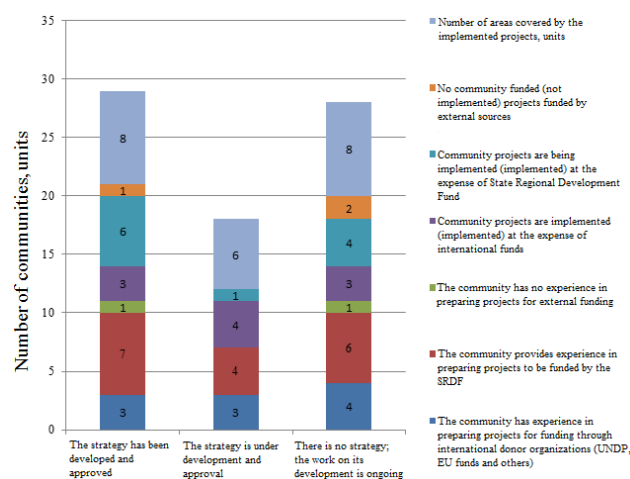


Fig. 4 - Development of project management practices depending on the degree of development of strategic planning in communities

What is interesting here is that in the absence of an approved strategy, individual communities do not have the experience of preparing projects from external sources. This is the basis for the conclusion about the formality of the strategy, and therefore the lack of motivation (and consequently the desire to acquire the appropriate skills) for its effective implementation. It should also be emphasized that a larger number of communities already implementing projects from external sources do not have an approved Strategy (is in the process of approval).

4 Conclusions

Thus, the results of the conducted research, characterizing the quality of the course of the processes of reforming the administrative-territorial system and local self-government in Ukraine, allow focusing on such aspects of the outlined problem:

1. Low quality of organization of work is established at all levels of the management system related to communications in the system of power-community relations. Failure to observe the

principles of openness, publicity and democracy in the activities of local governments in UTC.

2. Strategic planning is not a systematic and widespread activity, but rather a formal approach to the process of strategic planning and development of the Development Strategy.

3. Cooperation with international donor organizations is a significant factor in community development and a source of funding for relevant projects. At the same time, the obstacles to such cooperation include the lack of professionalism of project management in local self-government bodies and the lack of its organization. In our opinion, the project department (office), which may have a different structure depending on the availability of human resources and their professional competencies, should play a key role in building effective project management of the integrated territorial community in its strategic planning system. The organizational and methodological management of the project department (office) can be carried out by a professional strategic planning consultant (regional manager). At the same time, the project department (office) can operate in the format of a working group composed of relevant community experts.

It should be emphasized that given the low activity of the study participants (the answers were provided only by the representatives of 20 UTCs out of the 156 surveyed); the results should be considered to be limitedly representative, especially in the country as a whole. However, the findings and conclusions can be considered as an informative basis for further research in this area, in particular, and hypotheses to further test and examine them.

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