IMPLEMENTATION OF LOCAL FINANCE BENCHMARKING IN UKRAINE

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LOCAL FINANCE BENCHMARKING IN UKRAINE

Phase One:

• adaptation of the local finance benchmarking methodology (questionnaire)

• adaptation of statistical databases

• development of statistical indicators

Phase Two:

pilot implementation in ten selected cities:
Zhitomir, Korosten, Vinnitsa, Sumy, Kup'yansk, Chuguiv, Yujnoukrainsk, Energodar, Melitopol, Boryspil

IMPLEMENTATION SCHEDULE FOR LOCAL FINANCE BENCHMARKING IN UKRAINE IN TEN PILOT CITIES

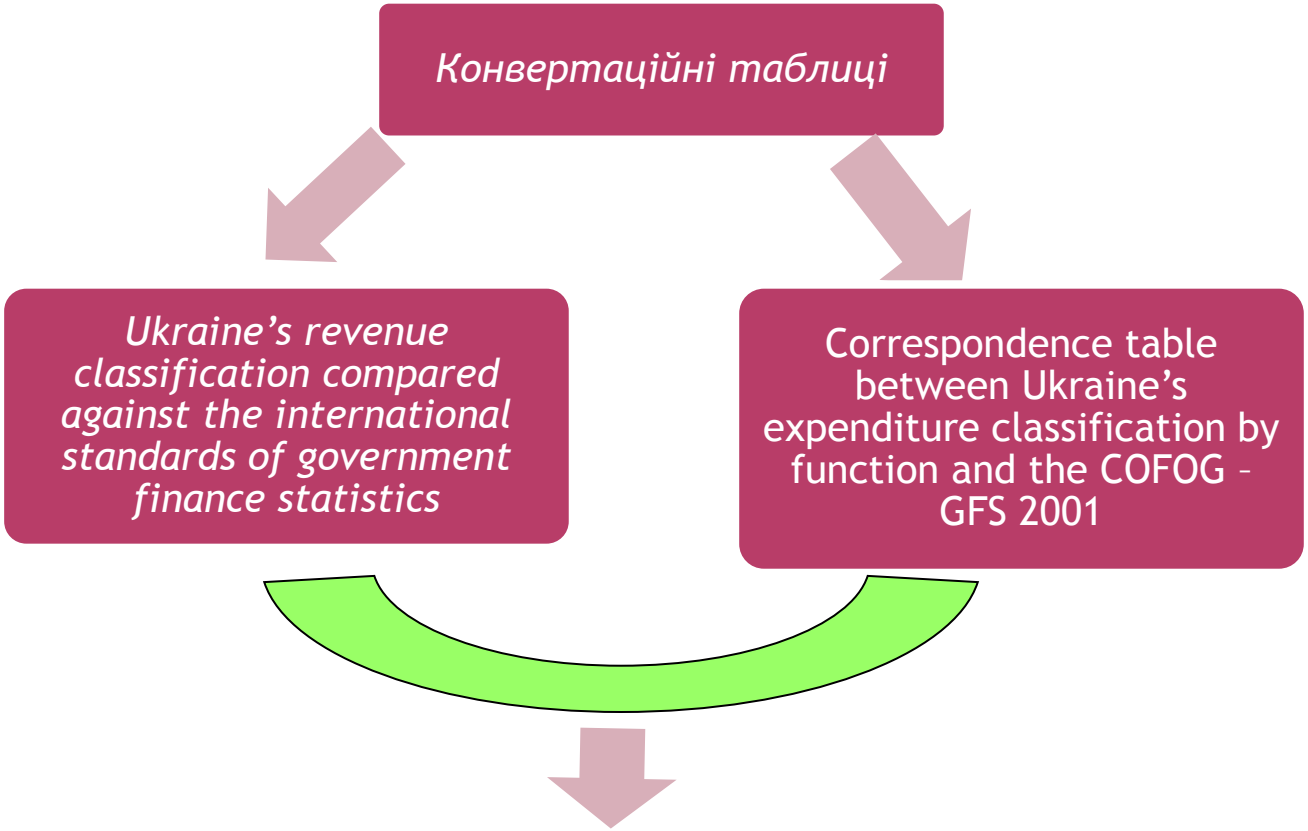
Phase	January 2012	February 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	September 2012
Adaptation of statistical charts									
Adaptation of the local finance benchmarking methodology (questionnaire) for the use in									
Survey of the selected cities and filling in the questionnaire / preparing a final report									

PHASE ONE.
LOCAL FINANCE BENCHMARKING METHODOLOGY (QUESTIONNAIRE)

- Local taxation policy and tax control
- Local government activity transparency
- IT utilization
- Staff capacity building
- Information and publicity
- Capital investments
- Principles of effective budget and financial management
- Special budget process rules (amendments, implementation and control)
- Special control and monitoring of activity

PHASE ONE.
ADAPTATION OF STATISTICAL DATABASES

- Local budget revenues
- Local budget expenditures
- Inter-budget transfers
- Taxation competency taxonomy charts for Ukraine
- *Conversion tables*


Конвертаційні таблиці
Ukraine's revenue classification compared against the international standards of government finance statistics
Correspondence table between Ukraine's expenditure classification by function and the COFOG – GFS 2001
Conversion tables allowed to align and compare Ukraine's local budget data with international standards

STATISTICAL INDICATORS (EXAMPLE)

- Current population
- City area
- Area of the city's taxable land
- Number of retail businesses in the city
- Number of hospital beds

PHASE TWO (PREPARATION).

PILOT IMPLEMENTATION IN TEN SELECTED CITIES

- Researching the website of each city and their local governments

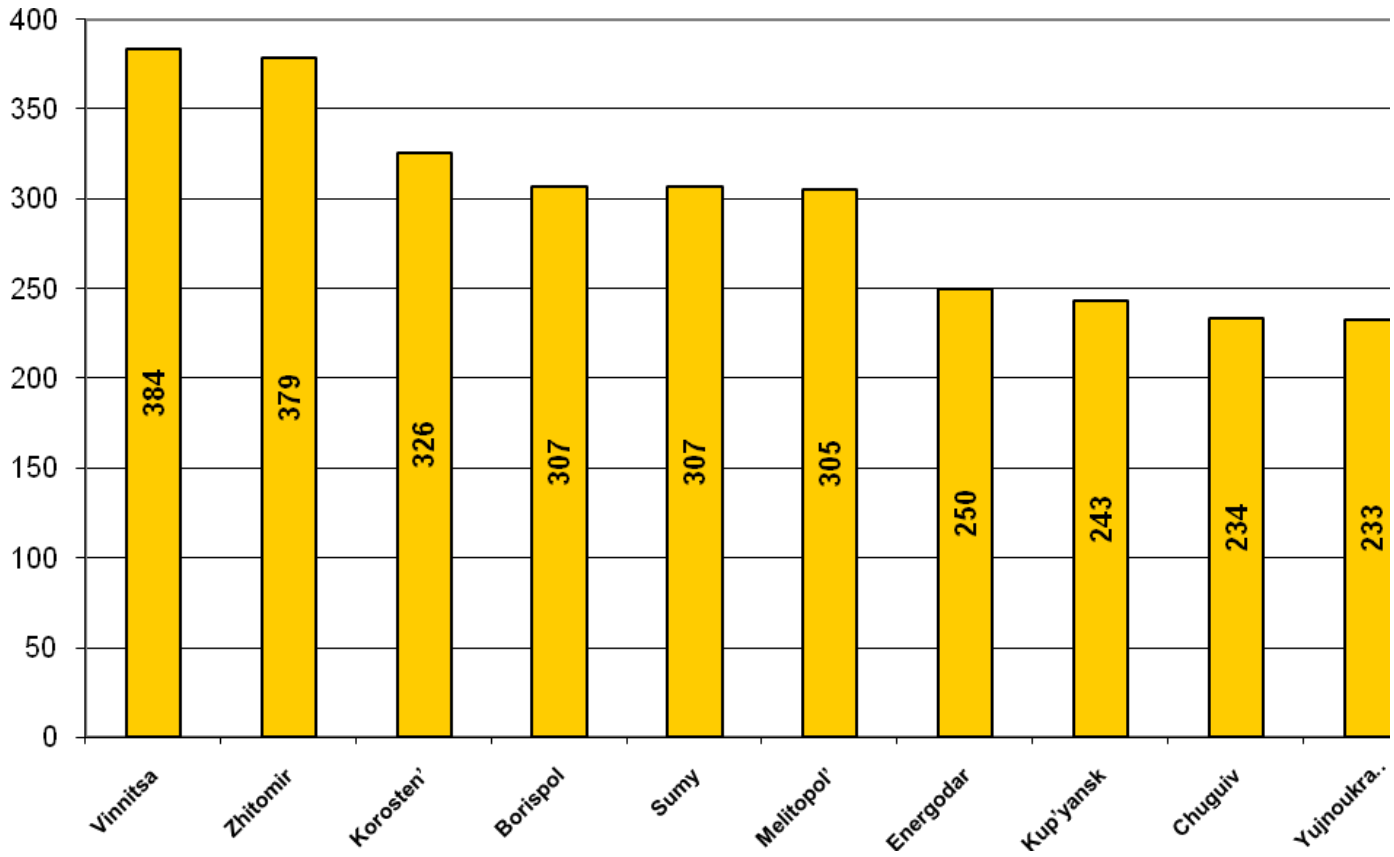
- Analysis of statistical indicators provided by cities and comparing them against the official information available from other sources

PHASE TWO.

PILOT IMPLEMENTATION IN TEN SELECTED CITIES

- May-September 2012: visits to the cities (1 to 1.5 day(s))
- Gathering and processing the data (7 to 45 days)
- Preparing reports on each city (1 to 2 day(s))
- Rating and comparing the cities (3 to 5 days)

RATINGS OF PILOT CITIES



MAIN PROBLEMS

• disconnectedness between structural units responsible for specific indicator related areas

• lack of preparedness of the cities (no available data on a significant number of indicators)

• limited amount of time available for work in the cities

• significant amount of time spent gathering and processing data

• lack of preparedness of local professionals for using benchmarking

CONCLUSIONS

The benchmarking methodology needs some reducing and streamlining:

certain indicators need to be revised

CONCLUSIONS (CONTINUED)

Advisability and prospects of using the proposed methodology:

- Cities can use best practices

- The methodology can be used at the national level as well as for comparison against other countries