



Ukraine Cultural Policy Peer Review

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Peer Review Team Report

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1. Introduction

1.1 Background

The mission is taking place in the context of a decentralisation process which empowers local authorities in Ukraine with cultural competences. This administrative and political process questions the traditional relationship between the Ministry of Culture and local authorities, in particular with regard to respective functions, responsibilities and funding.

On the 24th August 1991, the Ukraine became an independent national state. Article 4 of the Law of Ukraine on Culture establishes that priorities of public cultural policy shall be determined by state programmes of social and economic development of Ukraine which should take into account aspects of cultural development. "The government shall create, on a priority basis, conditions for: development of culture of the Ukrainian nation, indigenous peoples and national minorities of Ukraine; maintenance, restoration and protection of the historical environment; aesthetic education of citizens, first of all children and young people; and enlargement of the cultural infrastructure in rural areas."

On 6 January 2011, the President of Ukraine signed the new Law of Ukraine on Culture. The law defines the following priorities of the national cultural policy:

- development of the culture of the Ukrainian nation, indigenous peoples and national minorities of Ukraine;
- maintenance, restoration and protection of the historical environment;
- aesthetic education of citizens, first of all, children and young people; and
- enlargement of the cultural infrastructure in rural areas.

According to the Budget Code of 2015, basic cultural services are provided and financed through local administrations including support for libraries, houses of culture, clubs, museums, theatres or exhibitions. Local authorities (regions and municipalities) are in a position to take decisions on supporting and maintaining local cultural facilities under the control of the Ministry.

Local authorities in Ukraine account for a significant share of the public sector employment and spending. They play a major role in the provision of social services, notably in education and culture, with primary responsibility for urban housekeeping functions, including water supply, waste-related policies, infrastructure construction and maintenance. The Constitution leaves it to the legislator to define the notion of "issues of a local level", and yet the law attempts to cover this vast area by the copious listing of powers, instead of limiting this list of powers to a minimum and proceeding on the principle of general competence at local level.

Therefore according to the provision of the constitution and national legislation, the Ukraine has the following territorial structure:

- (1) Autonomous Republic of Crimea
- (2) oblasts (24 oblasts / 24 oblast councils)
- (3) districts (490 districts / 488 district councils)
- (4) cities (460 cities / 458 city councils)
- (5) districts in the city (55 city district councils in the 25 cities)
- (6) settlements (1 180 settlements / 783 settlement councils) and
- (7) villages (27 214 villages / 10 279 village councils)

Concerns are expressed by organisations in the cultural field that the cultural sector will be a victim of budget cuts, due to low priority given to cultural services at local level; this would put at risk the existing local cultural infrastructure, as well as artistic education. Similar concerns are expressed in relation to the preservation of cultural heritage.

As a former socialist country, Ukraine can count on a wide network of delocalised cultural infrastructure. According to the latest edition of the Compendium of the Council of Europe (CoE), there are 33 324 cultural institutions in rural areas, namely: 16,640 culture clubs (with amateur groups, artistic associations), 16 000 public libraries (excluding school libraries), 800 cinemas and audio-visual units. Amongst the 890 cultural sites of national significance, there are 6 cultural World Heritage Sites.¹

In relation to libraries, the Ministry of Culture directly manages and funds four national and two state libraries. Other libraries are under the financial responsibility of local authorities (regions or cities) but must follow the rules and minimum standards provided by the Ministry.

The Ministry also sets standards for cultural clubs that network the country (the latest Ministerial order is from November 1998).

In relation to cultural heritage, there are approximately 890 sites of national status and approximately 7 270 sites of local status in the State register of immovable heritage of Ukraine. However, Ukraine has yet to develop a comprehensive registry system to map its heritage resources, and to identify priority heritage preservation sites.

The State has the duty to preserve its cultural heritage in accordance with the Constitution and laws of Ukraine, as well as a number of international conventions ratified by Ukraine. There is significant lack of funding at regional level to maintain sites and there is no means of control of the quality of maintenance and repairs undertaken.

The Ministry of Culture of Ukraine acts as a central executive body that formulates and implements the state policy in the sphere of culture, manages the drafting of relevant laws in Ukraine and oversees their implementation. The Ministry directly manages the activities of state institutions related to culture and the arts, including all the institutions that have a national status. According to the Compendium of the CoE, the Ministry allocates funds to more than 130 state cultural institutions of national importance (theatres, museums, libraries, film studios, higher schools, etc.) and to a number of nation-wide festivals and events.

There are numerous legislative and regulatory acts² that govern the functioning of cultural institutions. These rules will need to be updated as a result of the decentralisation process empowering local authorities with cultural mission. Therefore, it is expected that a single comprehensive document, aimed at local authorities, will be prepared with a view to governing the respective competences.

Local authorities are looking for guidelines from the Ministry to update policies that often date from Soviet time.

¹ Ancient City of Tauric Chersonese and its Chora (2013)

Kiev: Saint-Sophia Cathedral and Related Monastic Buildings, Kiev-Pechersk Lavra (1990)

L'viv the Ensemble of the Historic Centre (1998)

Residence of Bukovinian and Dalmatian Metropolitans (2011)

Struve Geodetic Arc (2005)

Wooden Tserkvas of the Carpathian Region in Poland and Ukraine (2013)

² The Order of the Ministry of Culture of Ukraine "On Approval of the State Standard for provision of free services by librarian and cultural institutions of state and communal ownership (approved on 15.10.2013 number 983 registered in the Ministry of Justice on 11.19.2013 No. 1966/24498). The state standard is a set of social norms and standards by which the level of basic social guarantees for the provision of free services by cultural institutions of state and communal ownership is determined.

The Peer Review mission is also required to advise the Ministry on the development of public-private partnership in the field of culture.

1.2 The Council of Europe Peer Review Exercise

Peer reviews allow colleagues from other European governments, who have conducted similar reforms and legislative changes, to offer information, exchange experience and good practice and provide friendly advice to the host government. The Council of Europe is able to mobilise the expertise of 47 member States.

In addition to meetings with government representatives involved in the permanent implementation of the proposed reforms, Peer Reviews also include meetings and exchanges with stakeholders, international experts, representatives of other international organisations, civil society and local experts. The results of these discussions lead to a broader understanding of the issues at stake to contribute to significant improvements in any legislation or action plan that is being prepared, and this reflects both European standards and the specificities of the situation in a member State.

The Peer Review seeks to pursue the following objectives:

- to assist the Government and stakeholders by sharing experience from other member states with experiences of culture decentralisation and heritage protection, including private-public partnerships;
- to understand and take stock of the state of culture policy reform;
- to identify priority areas of reforms in the field of culture decentralisation, artistic education and heritage protection;
- to propose ways forward and policy recommendations.

The Peer Review mission took place in Ukraine on 13 and 14 March 2016. The detailed mission programme and list of participants are attached as Appendix 1 and 2 to this report.

1.3 The nature and aim of the Review

This report focuses mainly on priority areas of interventions to reflect existing human and financial resources: culture is not yet perceived as a priority policy area in the modernisation of Ukraine.

Account is taken of the difficult situation of local authorities and the budgetary constraints in Ukraine. Therefore, the peers considered that efforts should be made rapidly, in order to develop a vision and policy orientation to guide local authorities, cultural activists and organisations, as well as citizens, to assist the modernisation process and pool existing resources.

The Ministry of Culture continues to be perceived as an active contributor of changes and not as an instrument to maintain the status quo. National and local policy makers should learn to make the most of Ukrainian cultural resources to drive economic and social development. They have to understand that Ukraine history, traditions, cultures, artistic and creative expressions are essential pillars to build a contemporary and modern Ukraine.

If the Ukrainian government is serious in reforming its cultural policy, the peers recommend that the matter be given more importance in the political agenda and Ukraine's modernisation process. Cultural infrastructure and management are largely remnants of past Soviet policies and priorities. Unless reforms take place in the cultural sphere it will be difficult to transform attitudes and perceptions on the nature of the changes taking place. Decentralisation will become an opportunity for culture operators and citizens only if a cultural strategy is properly

articulated and endorsed by all stakeholders, public authorities, institutions, investors, artists, cultural managers and citizens, in particular youth.

Peers also felt that digital technology should be better taken into account in policy development, as it has considerable impact on cultural consumption and access. The creative value chain in the cultural field is profoundly impacted by digital technology, notably digital distribution. These changes offer new and alternative opportunities of monetisation. Cultural stakeholders (artists, producers, distributors) should reflect on organisational changes in order to make the most of these opportunities (to reach international markets, to offer licenses to digital operators with a view to collecting royalties, to offer new services, to democratise access to cultural content and enable participation).

Peers felt that Ukraine was in an ideal position to invent the Ministry of Culture of the 21st century: a Ministry capable of:

- orchestrating a coherent nationwide policy;
- mainstreaming culture and creativity in numerous policy areas to trigger economic and social innovation;
- enabling the emergence of a strong cultural sector which makes the most of digital opportunities;
- empowering social participation in cultural practices and processes.

At the request of the Ministry of Culture, the Review was carried out to examine, as a matter of priority, the following recommendations:

1. Efficient allocation of responsibilities in the cultural sphere between different levels of authorities (national, regional and local – the vertical links) and cross-sectoral interactions (horizontal links);
2. The development of state-private partnership in the cultural heritage field;
3. The optimisation of local cultural infrastructures in the context of decentralisation.

The Peer Review report is addressed to the Ukrainian Government. It does not include minutes of the discussions held during the meetings and it does not include direct statements by specific stakeholders. Rather the report seeks to provide recommendations which will support the goals articulated by the Government and the many partners we spoke to, in order to support delivery of the reforms. The Peers feel that reform gives the opportunity to challenge a system where 90 % of culture funding serves to maintain existing and long-established infrastructures or management systems, to the detriment of new initiatives.

This report has been compiled on the basis of exchanges and contributions from members of the Peer Review Team.

2. Main Findings

All participants recognised that there is now a window of opportunity and an exceptional chance for Ukraine to make fundamental changes to the management of its cultural policy and to achieve significant improvements and consistency in public services, whilst building on the existing cultural infrastructure, resources and legacy. Internally, the range of authority representatives and partners all recognised the need to make changes to the policy, structures and to improve services. There is likely to be European and international aid to support and assist in achieving significant changes.

The decentralisation process is the opportunity to review existing structures, management methods to enhance cultural services with a view to increase access to knowledge; to digital technology; preserving the memory of places and traditions (including craftsmanship) but also to celebrate contemporary artistic and creative expressions. Culture is a driver of self-esteem and pride, thus contributing to much needed social cohesion. Equally important, the provision of cultural services should aim to contribute to cultural and creative entrepreneurship to enable local economic development and to offer perspectives to young talent throughout the country. It is also the opportunity to ensure that Ukraine offers its population easy access to culture and knowledge, via a network of public facilities as well as private initiatives serving the availability of books (bookshops), music, theatres or cinematography.

In the view of the peer group, the reform should aim at the following objectives:

- Clarification of cultural policy priorities (“vision”) with a view to guiding the decentralisation process, as well as to enable the cultural ministry to exercise co-ordinating, monitoring and controlling functions at local and national level.
- Adoption of a reform package aimed at:
 - o Empowering local cultural centres to be actors of changes and capable of providing cultural services required;
 - o attracting private investment and initiatives (in both production and distribution) as well as encouraging public/private partnership.
- Better communication on the importance of culture investment, as an agent of economic and social transformation.

The Peer team has grouped recommendations in relation to these three policy objectives.

2.1 Vision

The Government needs to establish a clear vision on the role of local authorities in the implementation of culture policy. It has to be clear about the benefits which will be achieved, including:

- Stronger democratic representation and citizen empowerment (to create, to express their skills and traditions);
- Improved and consistent public services to deliver knowledge and access to art and culture, whilst encouraging the emergence of a strong network of private facilities (bookshops, independent cinemas);
- Improved economy and efficiency in public services;
- Optimisation of cultural resources (heritage, talents, industry, infrastructure) for economic and social development (tourism, attract investment, creative entrepreneurship, social cohesion, education, self-esteem).

A strong and clear vision is required. It will provide stakeholders with a clear understanding of what decentralisation will achieve, supported and complemented by statistics and financial figures to provide evidence on the impact of policies, as well as showing the value of the cultural investment, both economically and socially. The peer review identified a consistent message that there is little understanding of reform, what is being proposed and what it will achieve. There is, however, a lot of fear of the commitment to maintain cultural services and to preserve the heritage at local level. The value of cultural investment is not well understood at local level and limited to past and narrow conception (“Culture is good for tourism and to preserve the identity”). Culture is foremost an essential way to develop human capital, stimulate creativity in society, support social cohesion and quality of life, foster democracy and is a powerful source of attractiveness.

Therefore, it is important to incentivise local support to provide cultural services and to invest in culture (infrastructure, heritage, art education, culture management). Support will have to be granted on the basis of well identified criteria to guide local authorities in their approach.

The following principles should be considered:

- Minimum public services to maintain artistic education, including contemporary approaches in local areas;
- On the basis of merits and a tendering process, local authorities appoint cultural centre managers;
- Priority financial support is granted to cultural centres which have developed a strategy in consultation with local stakeholders;
- Cultural centres are incentivised to network and develop into creative hubs, in order to contribute to the development of local creative ecosystems (providing access to the internet, co-working spaces for cultural and creative entrepreneurs, to facilitate the expression of artistic skills (performance, production, distribution), to access works of art (literature, music, films...), to support co-creation and cross disciplinary interactions between art and science or between creative skills and industries.
- Review the value of local museums on the basis of their artistic and historical contribution (to justify public support and funding). Set up objectives for evaluation including audience development efforts and co-funding requirements.
- Evaluation tools implementation.

The vision must be supported by an open and transparent process for all stakeholders to endorse the vision and participate in its implementation. The vision also needs to identify the time frame for the reform, and this will re-enforce the commitment to the vision and give all stakeholders a focus for delivery. The vision needs to include an overarching timeframe to address concerns as to ‘if’ and ‘how’ the reform will happen, for instance concerning the transfer of functions and funding.

The peer review discussions also identified the importance of the Ministry networking with the 24 regions of the country, as well as representatives of cities to organise regular consultations, ensuring consistency of policy implementation. Experience in Europe shows that local authorities and cities are main drivers of cultural activities as a source of local economic development and attractiveness. A system of monitoring and data collection must be built into association, with local and national statistical offices enable to evaluate policies and to track the evolution of cultural practices and productions.

What also emerged during the peer review was a lack of trust among the different stakeholders, particularly towards Government initiatives. The mission of the Culture Ministry will have to be clarified. The importance in driving the process towards other

ministries and local authorities will have to be reinforced, in order to give the Ministry the necessary authority.

2.2 Reform Package

The reform package is a set of law and regulations that will be prepared, discussed and adopted with a view to the implementation of the above objectives.

It aims to:

1. Provide a frame to ongoing culture decentralisation;
2. Enable and promote public-private partnership to increase funding and professionalise management.

Culture decentralisation has to take place with clear policy objectives set out by the Ministry of Culture in collaboration with local authorities and with the support of stakeholders.

A law on culture decentralisation will clarify the role of respective public authorities and will organise the collaboration between the different authorities to mobilise and pool resources, but also to ensure consistency in policy implementation.

The law will consider the respective roles of its public authorities in relation to:

- the preservation of culture heritage and its identification;
- the management of such heritage sites;
- the control of repairs and renovation work.

The Ministry has the responsibility to identify heritage sites of national value; this implies setting and managing a national registry, as well as a unit responsible for the control of preservation work carried out, to prevent destruction or incorrect restoration. Regional or local authorities will play a role as part of a contractual arrangement with the Ministry to manage heritage sites.

A good mechanism to foster public-private partnership legislation is to provide tax relief to private individuals or businesses that invest in heritage protection or cultural centres. A system of concession and mandate can be made available to enable private owners to manage heritage sites within set limits and obligations, thus giving investors the possibility to benefit from their investment without compromising policy objectives.

Cultural sponsorship – Tax relief in France

- for companies: income tax deduction of 60% of the donation with a maximum of 0.5% of the company revenue;
- individuals: income tax deduction of 66% of the donation, with a 20 % limit of the personal income.

A 2016 analysis on sponsorship in France shows that half the companies with more than 250 employees are nowadays sponsors. In 2015 corporate cultural patronage was in excess of €3.5 billion, representing a 25% increase in comparison with 2013. Cultural sponsorship is selected by 24% of the companies and, with €25 million, represents 15% of global sponsorship.

Advertising on the scaffolding of monuments – France

Private or public owners of a monument can allow companies to advertise on scaffolding while restoration work is in progress. Authorisation is subject to the following conditions:

- The revenue from advertising is to be fully dedicated to the restoration cost;
- The advertising display surface cannot exceed 50 % of the scaffolding surface;
- The duration of advertising must not exceed the duration of the restoration work.

This possibility allowed public authorities to implement major restoration campaigns they were unable to finance alone. As an example, the restoration cost of the church of Saint Augustin in Paris is €4.2 million and advertising revenue is €1.4 million. In La Madeleine church in Paris, restoration cost is €3 million and advertising revenue €0.780 million. The restoration of the French Ministry of Justice facades in the Ile de la Cité was made possible by the €2 million revenue from advertising provided by the scaffolding installed for the duration of the work.

In **Italy**, interest in sponsorship is growing. The new Code about Public Works simplifies the procedures for sponsorships in favour of cultural heritage. The new procedure will take place through a transparent reporting process on websites.

Real Estate companies could be granted building permits on the condition that they contribute to the provision of cultural services by planning integration of cultural amenities and services. A percentage of infrastructure investment in public work could finance a fund aimed at supporting cultural activities at local level.

In **Spain**, funds generated by a cultural 1.5% tax are managed by the Ministry of Infrastructures together with the Ministry of Culture. There are also some National Heritage Plans aimed to establish priorities and intervention criteria (for example, cultural landscapes or industrial heritage).

www.mecd.gob.es/mecd/cultura-mecd/areas-cultura/patrimonio/1-cultural/definicion.html or <http://ipce.mcu.es/conservacion/planesnacionales.html>. The 1.5% fund has been essential for the development of comprehensive plans to preserve and restore cathedrals, castles, theatres and museums in the whole country because of the obligation of investing in the place close to the public infrastructure.

In **Italy**, the Law No. 717/1949 assigns 2% of total public works of post-war reconstruction to the adornment of the new buildings by means works of art. The law has changed over time and is still an effective tool to promote culture and art, as well as job opportunities for artists. Artists are selected following an open competition.

A law would give responsibility to local authorities to maintain a good level of artistic education. Respective obligations would be determined as part of conventions between the States and regions; failure to comply with such obligations would prevent local authorities from accessing State funding. The law would set guidelines on the management of cultural centres and the minimum services such centres should follow to qualify as cultural amenities. The issue of the legal personality of cultural centres, their activities and funding would be a matter for discussion between local authorities and the ministry, in consultation with stakeholders.

Cultural centres can be incentivised through public grants to provide excellence in cultural service provision. They could be given the obligation to network with other regional cultural centres and given incentives to pool resources and conduct common projects. Best centres would be rewarded by the Ministry of Culture because of past achievement, strategic plan,

business model, citizen participation or management quality. Once a year cultural centres and cultural departments from regional bodies could meet at the invitation of the Ministry of Culture to share experience and discuss strategic development. This would be the opportunity to show case interesting or promising initiatives and for culture managers to network. The law could oblige local authorities to recruit managers as part of an open competition and to provide training in cultural management, in order to help build local capacity.

Charter of good practice for the recruitment of art school directors – France

This charter has been drafted by the national association of art school directors involving the French Ministry of Culture and local authorities' representatives. With this Charter local authorities have a tool and common reference for the recruitment of art school directors. The Charter sets guidelines for the recruitment procedure and defines objective criteria for assessing the competence of candidates.

In **Spain**, the State Museum Law, www.boe.es/buscar/act.php?id=BOE-A-1987-11621, establishes the minimum services museums must implement. The objective is to create national standards for services, activities, staff etc.

2.3 A better understanding of the importance of cultural investment and the decentralisation of reform:

Decentralisation may fail for culture if no attempt is made to show local authorities the value of investing in it. Cultural investment is similar to other forms of investment and is based on the same financial approach of sound management. Like any investment, it presents risks: the return on investment is not guaranteed. However, cultural investment presents some very specific challenges because of its nature. A political risk is undeniable, as the general public continues to perceive culture as superfluous, secondary or the preserve of the affluent. Culture is classed as subsidiary and non-essential.

However, numerous examples throughout Europe show how a cultural investment, which is properly managed from a financial viewpoint, produces a set of impacts in terms of economic prosperity, jobs or entrepreneurial vocations in the creative economy. Properly integrated into local development strategy, cultural investment is a source of regional attractiveness for visitors and investors. When it lives up to local popular expectations, it is also a source of attitude change that generates spirit cohesion, pride and collective aspiration. There can be no development without self-confidence, and confidence in the potential of others.

As such, cultural investment is a highly political matter, because the transformation that is generated is profound. The returns will relate not just to the ability to develop a product or an offering that is capable of gaining market share in the next three or five years with a view to maximising profit. They will be based on the ability of the investment to transform the local habitat, the quality of life, to change minds, to stimulate tolerance and knowledge acquisition, to encourage risk-taking and to promote creativity and entrepreneurial spirit. They will also be based on its ability to offer opportunities for greater citizen participation. Such an investment is both physical (involving the promotion of heritage, for example) and emotional (through its aesthetic shock value and the collective experience it generates).

In this respect, cultural investment is unique. The difficulty of measuring its many and various impacts is a source of mistrust. This difficulty arises because the effects are largely intangible compared to those of other forms of investment, and qualitative data (used to measure

intangibles such as social effects) do not create the certainty produced by quantitative data. Culture also suffers from the lack of a statistical tool, because of the continuing and excessive preoccupation of statistics with the production of material wealth.³

The impact of cultural investment extends beyond the protection of the historical heritage and the development of tourism, the functions usually assigned to culture from an economic viewpoint. Impact evaluation shows the effects of the investment on urban planning, the development of the economic fabric and entrepreneurship (the SMEs in the cultural and creative industries that play a vital role in the digital economy), employment and the ability to attract foreign investment, as well as the spill-over effects on other economic sectors in search of innovation. As with any investment, the experience of the management teams is of major significance in the decision to go ahead, especially when considering the sustainability of the impacts. Success depends on the ability to develop a common vision that can transform an intervention that is a one-off occurrence (being related to a single event) into a force that will boost the region and its civic and entrepreneurial energy over the long term.

As a result, the Peer Review team takes the view that it is important to set a communication campaign aimed at explaining the various impacts of cultural investment on local economic and social development. This will ensure a better understanding of the policy pursued and what is expected by the different levels of authorities. The exercise is part of capacity building. It should engage managers of regional cultural centres as well as other private cultural stakeholders, and take the form of very practical seminars and workshops to consider:

- the value of cultural investment, economic as well as social
- impact evaluation
- data collection and monitoring
- cultural asset management
- tools for social transformation

Focus would be given to achieving and re-enforcing joint ownership of the reforms by stakeholders. Equally important is intra-governmental communication. This exercise could extend to other ministries such as on economic development, regional, finance, social affairs, tourism or education. Communication and dissemination of information about the reforms and their benefits are key to ensuring a consistent buy-in across government. This will also require an understanding of the improvements for communities and the long term benefits for Ukraine as a whole. Investing in communicating the importance and role of the reforms is therefore a pressing necessity. A significant burden of responsibility in this respect falls upon the political leaders within Government, as well as the Ministry of Culture.

Communication on the objectives would be in a "people-oriented" language and would include key messages, such as:

- Good, equal services for inhabitants in art education and cultural access;
- Comprehensive and co-ordinated economic and social development;
- Valorisation of local heritage and identities, with due respect given to diversity;
- Sustainable and financially robust cultural infrastructure, both public and private;
- Strengthened local democracy and cultural participation.

In addition to broad communications, there also needs to be support communications arrangements to ensure that at a local level the meaning of the reforms is understood.

³ KEA, "Feasibility study on data collection and analysis in the cultural and creative sectors in the EU", September 2015: http://www.keanet.eu/wp-content/uploads/CCS-Stats-Study_final-30092015.pdf?4f4eb7

3 Summary of Recommendations

Recommendation 1 – Vision

The Government needs to establish a clear vision for culture decentralisation. It needs to be clear about the benefits which will be achieved, including;

- Stronger democratic representation and citizen participation in cultural activities;
- Improved and consistent public services related to culture (with a list of requirements);
- Improved economy and efficiency in public services in the field of culture and artistic education, with the goal of pooling financial and human resources;
- Clearly enumerating the gains for local authorities (in terms of central funding support, territorial attractiveness, economic and social development);
- Mechanism of control to ensure good quality of services, heritage protection and universal access.

The vision should be spelled out in legislation and clear financial information the allocation of funding between the centre and the region and municipalities. The reform package needs to clarify where respective power and responsibilities lie for services and authority administration. All stakeholders need to understand the role of central government and the degree of decentralisation. This will allay fears of stakeholders and clarify respective responsibilities. The vision should be shared by other ministerial departments, notably regional development, economy, tourism and education.

Recommendation 2 – Communication and Engagement Strategy

The Ministry of Culture should develop a communication strategy aimed at local authorities and stakeholders to convey its vision and promote culture as a driver of local social and economic development.

The Ministry of Culture should be resourced with a view to:

- Communicate more effectively, notably via social media, on the importance of a cultural policy.
- Provide training to local authorities and cultural managers on the implementation of the reform and its objectives.
- Explain the reform to cultural stakeholders and to gather their views and concerns.
- Engage with other ministries (education, tourism, economy and finance, transport).
- Manage a special task force to consider better linkage between tourism policy and heritage investment.

The communication should be supported at the highest political level to emphasise the political importance of the exercise (“political leadership”).

Recommendation 3 – Control implementation of the Reform

The Ministry of Culture should be resourced to control implementation of the reform, notably with a view to:

- Control maintenance and repair work on historical sites deemed of national importance;
- Monitor impact of decentralisation in regions notably on the functioning of local cultural centres, museums and libraries, in relation to set objectives;

- Be able to influence legislative and regulatory development (in the field of regional and economic development, finance, education and tourism) which may affect the provision of cultural services, cultural production or distribution and artistic education.

Recommendation 4 – Capacity Building

The Ministry of Culture should be resourced to:

- Fund the networking of main cultural centres, museum and libraries, including digital networking.
- Provide training facilities to cultural managers (centres, museums and libraries) and local authorities in charge of culture.
- Provide grants and incentives to support the implementation of the planned strategy.
- Develop a system of labelling to reward best initiatives.
- Support digitisation of works as well as initiatives aimed at promoting the distribution of Ukrainian culture on digital networks.
- Develop prizes and challenges to reward local talent or initiatives.
- Set up indicators and impact evaluation to monitor policy results.
- Stimulate international networking (support international events in the field of cultural and creative entrepreneurship).

Recommendation 5 - Reform package

- Clarify respective roles of authorities in relation to heritage protection, define heritage sites of national value, set a central authority to oversee heritage work.
- Establish a legal and financial framework whose effect is to promote public-private partnership (ownership, license).
- Adopt a system of tax incentives to attract private investment and facilitate co-funding schemes with private individuals, as well as between public authorities.
- Establish a State guarantee fund to encourage financial institutions to lend to cultural operators and industries.
- Develop a system of redistribution (1% of value of infrastructure work for instance or a percentage of lottery funding) that benefit cultural investment at local level.
- Support the development of a local culture and creative industry strategy (publishing, music, audio-visual, games, performing art, design).

4. International Experiences

The section below is a list of good practices or interesting constitutional and legal developments in the respective countries of the national experts. The references have been proposed by national experts as examples of policy measures that would support Ukrainian cultural policy with a view:

- To give prominence to cultural policy in overall policy development:

In **Italy**, the new budget law, approved on 28th July 2016, introduced the Fair Sustainable Wellbeing (BES) Act in the State budget for the first time. It allows for the evaluation of the effect of public policies on some key social dimensions. The set of indicators aims to make the country more aware of its strengths and to measure the quality of life of its citizens. Among the indicators considered most relevant (130 divided into 12 domains), domain 9 are Landscape and Cultural Heritage.
www.misuredelbenessere.it/index.php?id=documents. This shows the importance given to cultural heritage in public policy.

In **Austria**, the “Bundesdenkmalamt” (Federal Office for the Protection of Monuments) is, with more than 150 years of history, one of the oldest institutions of its kind in the world. The Bundesdenkmalamt is the only institution in Austria which has the legal entitlement to protect objects of historic, artistic or other cultural value against alteration, destruction or illegal export from Austria. This protection applies not only to monuments belonging to the State but also churches or private properties. It is responsible for the implementation of the “Denkmalschutzgesetz” (the Act for Protection of Monuments). The “Bundesdenkmalamt” is a public agency within the Office of the Federal Chancellor with 200 employees.

- To implement and manage decentralisation:

In **Italy**, the Ministry of Heritage and Culture and Regions adopted Framework Programme Agreements. In view of the many, but often repetitive and not very articulate, requests for financing of local administrations, this is necessary to regulate access to resources and the guiding criteria for the development and management of cultural heritage. The resources are managed directly by the Region on the basis of criteria agreed with the Ministry. The framework programme relates to:

- The restoration for the conservation, the functional adaptation (structural and plant), to improve accessibility, safety and surveillance, also of the external areas of the Great Attractor. Technical support is provided.
- The development of the cultural industry, tourism, creative, entertainment and traditional products, in order to enhance the cultural and tourist offer of the territorial areas of reference of the attractors.
- The implementation of policy strategies to support development of cultural services and culture participation.

In **Italy**, in relation to property belonging to a list of historic-artistic assets, the law no. 85/2010 established a particular transfer process based on specific Valuation Agreements (containing a restoration project) approved by the Ministry of Culture Heritage and Tourism.

The transfer of historical and artistic assets starts with the signing of an agreement with the local authority involved, the Ministry and the State Property Agency. The local authority may give new functions to the asset on the basis of a Valuation Programme for cultural purposes, ensuring an efficient and sustainable management from an economic and financial point of view. So far, the State Property Agency received transfer requests for 648 items of historical and artistic assets. 99 of these assets have already been transferred, to the value of €501 million.

Heritage management – Decentralisation of monuments – France

Under French law of 2004, local authorities have the possibility to ask for the property transfer of a monument included in a list published by the French Council of State. Local authorities had 12 months to submit a project for the conservation and cultural enhancement of the transferred monument. Within two years, 65 monuments were transferred for local authorities to manage (château du Haut-Koenigsbourg, abbaye de Silvacane, abbaye de Notre-Dame-en-Vaux, Site archéologique de Vaison-la-Romaine, Domaine de Chaumont-sur-Loire, château de Chateauneuf-en-Auxois...)

The quality of the projects was analysed by the Ministry of Culture (State regional office and national level) and a convention for each transferred monument was finalised and signed by the Prefect of the region, along with the representative of the local authority. Under the 2004 law, a restoration and conservation project proposed by the local authority is partially funded by a State subsidy. The results of the 2004 Law were deemed by a report from the French Senate to be very encouraging and generating a real regional cultural dynamic, and the enhancement of regional identity. Senate representatives acknowledged the widening in the range of opening hours, the increase in the number of cultural events and visitor flow, a revenue increase, diversification of cultural policy and partnerships, an increased quality of reception, information and guidance to the public. Senate representatives also noted the following risks: uneven State subsidies lead to unequal treatment of local authorities, fear that commercial priorities may affect heritage conservation, risk that, in the event of an economical or financial crisis, local authorities might be tempted to sell the monument to private individuals or companies.

Heritage Management - Centre des Monuments Nationaux (CMN) – France

A one-hundred-year-old establishment, heir of the *Caisse nationale des monuments historiques et préhistoriques* created in 1914, the *Centre des Monuments Nationaux* is a public institution under the Ministry of Culture and Communication. CMN is a public establishment of an administrative character (PEA) under public law with budgetary autonomy which is backed by public funds (€12.8 million) and resources generated by the entrusted monuments (€9.5 million) and controlled by the French Ministry of Culture and a board of directors including the French Ministry of Finances and Economy.

The French Heritage Code entrusts the CMN with three complementary missions:

- the conservation of historic buildings and their collections;
- the dissemination of knowledge and their presentation to the wider public, the development of their frequentation and use;
- the promotion of the participation of national monuments in cultural life and the development of tourism in consultation with the regional cultural departments, local authorities and cultural institution networks.

Monuments entrusted to CMN operate in a network, according to two principles: the principle of total financial mutualisation of resources (revenue generated by a given monument is paid into the budget of the institution that distributes all the credits to the different monuments of the network according to their needs); an organising principle based on shared projects and resources and sharing skills.

CMN manages 89 National monuments belonging to the State (total of 8.6 million visitors in 2015). 100 restoration projects were launched or were in progress in 2014. CMN is authorised to manage public monuments owned by local authorities. CMN is also entitled to contract with local authorities in the field of monument management expertise and knowledge transfer to local curators and monument managers. The institution organises capacity-building training for curators and managers of monuments, with the scope of developing their responsibility and skills. These development plans led to the organisation of 400 cultural events in 2015 and the signature of 90 conventions with local authorities, with the aim of developing attractiveness of the regions and therefore increasing the region's direct economic benefits.

Centre Pompidou Metz, PICC – France

Centre Pompidou-Metz is one of France's major cultural decentralisation projects.

Centre Pompidou has brought its model to the Eastern France region, and offered its know-how and collections in a partnership with local government bodies, providing the initial necessary funding but also guaranteeing independence of scientific and cultural choices.

Centre Pompidou-Metz is neither a branch nor an annex of Centre Pompidou Paris but a sister institution, independent in its scientific and cultural choices, able to develop its own programme.

Centre Pompidou-Metz is a €70 million investment with funding from EU, the French State and local authorities. There are 500 000 visitors a year, a very high level in comparison with other regional institutions in France.

Heritage management and decentralisation - Spain

There are both regional and national registries (www.mecd.gob.es/cultura-mecd/areas-cultura/patrimonio/bienes-culturales-protégidos.html). Regional registries have the duty of communicating any new heritage site to the national one. This system allows for the combination of regional competences to protect sites with the need of keeping a national and comprehensive registry.

The Instituto del Patrimonio Cultural de España (<http://ipce.mcu.es>) is a specific unit to control and monitor interventions. There are also some similar regional institutes.

It is usual to appoint ad hoc legal persons to manage some of the most important heritage cities or sites (World Heritage), for example:

- Santiago de Compostela Consortium. <http://www.consorciodesantiago.org/>
- Toledo Consortium <http://consorcioledo.com/mcomunicacion/index.asp>.

There are also numerous examples of joint management of cultural centres through ad hoc legal persons (consortia and foundations):

- Consorcio del Teatro de la Maestranza de Sevilla.
www.teatrodelamaestranza.es/teatro/instituciones.html

- Consorcio del Liceo de Barcelona. <https://www.liceubarcelona.cat/es/institucion>
- Consorcio del MACBA. <http://www.macba.cat/es/consorcio>

- To support Public-Private partnership or the financial autonomy of heritage sites or large cultural institutions:

In **Italy**, a recent law (DL. No. 91/2013) allows for co-operatives of young Italian and foreign artists resident in Italy to turn any state-owned property into a house studio for the creation of art productions, music, dance or contemporary theatre. The properties identified are assigned for a period of not less than ten years, at a symbolic monthly fee not exceeding €150, with ordinary maintenance costs charged to the tenant. The law is intended to promote, with the utmost speed, the realisation of spaces of creation and production of contemporary art.

In **Italy**, on the site of Paestum, the new director focuses heavily on the promotion of the archaeological area for residents, not just for tourists. A ticket, which costs €15 per year, allows residents to access the archaeological park and museum all year round and attend events. The opportunity is reserved to residents. The management organises re-enactment events like the "Roman days of Paestum" revival and reconstruction of life during the Roman time. In Paestum, over the last year, there was an increase of 27 % of visitors and an increase of 46 % of the revenue from ticket sales with increased business donations.

Private management of cultural sites: The example of Culturespace – France

Culturespace (CE) is a limited company, a subsidiary of the GDF-Suez Group. CE develops and manages 11 heritage sites including: Orange antique theatre, Jacquemart-André museum in Paris, the Arènes of Nîmes, the Maison Carrée and Tour Magne also in Nîmes and the Villa and Gardens Ephrussi de Rothschild in the French Riviera. Created in 1991, CE manages cultural sites in the framework of public service delegation contract with an annual turnover in excess of €20 million for 1.7 million visitors in 2015.

The duration of the public service delegation may vary. In Orange as an example, the duration of delegation is 15 years. According to the terms of the delegation, CE pays the public owner an annual fixed fee. CE remuneration is only ensured by resources generated by the monuments (entrance fee, exhibitions and cultural events, space rental for private events, souvenir and bookshop...) within the framework of the public delegation specifications. The main missions entrusted to CE principally concern the management of the cultural sites, the interpretation of heritage, its communication and animation, including temporary exhibitions, the management and quality of visitor reception, ticketing policy and control. CE mission may include, depending on the content of the delegated mission, the heritage site conservation.

In **Austria** Federal museums, the National Library and Federal theatre management structures have been decentralised. They are state owned but the government gave them, by law, full autonomy. In accordance with law, the institutions receive substantial funding from the federal budget (€12 million for the federal museums and the National Library and €156 million for the federal theatres) so that they can continue providing their services to the public. The budget they receive is a lump sum to cover costs of staff and rent.

Giving autonomy to federal museums was certainly a step in the right direction. Full legal and economic capacity have given a strong impulse to the museum landscape at large, an impulse (which was previously largely limited to renovating the museum infrastructure in terms of space and technical equipment), and to an increased offer in the area of special exhibitions. Buzzwords such as “professionalisation”, “autonomisation”, “new developments” and “service” were the hallmarks of this trend. Evaluations are done from time to time to find out in which fields changes are necessary. In recent years, a set of measures for establishing effective public corporate governance has been implemented.

In **Spain** the Spanish public company, *Paradores Nacionales*, manages an important number of heritage sites (castles, monasteries, etc) as hotels www.parador.es/. PN has been a successful approach for the preservation of many heritage sites, a great number of them in small villages or the countryside. The Paradores get financial resources by themselves (as hotels) and have contributed to fostering of tourism and the economy in many places, creating new touristic routes.

- With a view to stimulate private investment or to fund culture policy:

In **Italy**, the law provides for the possibility of deducting from the total cost of an amount equal to 19% of the costs incurred by the private owner against obligations of maintenance, protection or restoration of the cultural goods. For businesses, the law provides the deduction, without limit, from profits, of the costs for maintenance, restoration and safeguarding.

The Art bonus is a 2014 law that grants a tax credit of 65% of the amount given to private people who make donations in support of the Italian public cultural heritage, including institutions for the performing arts. In 2015 the law has allowed an income of €7 million and €1 million in 2016.

The law has mostly worked out for the local authorities (about 50% of the funds raised).

Since 1996, a law has also provided that a share of the income of the National Lottery is granted to Ministry of Culture. Since 1997, and every three years thereafter, about €500 million has been allocated to projects of restoration and recovery of cultural and artistic heritage.

ANNEX 1 Programme of the Ukraine Policy Peer Review

<i>Date and time</i>	
12 March 2017 (Sunday)	Arrival in Kyiv (Boryspil airport) Transfer to the Ukraina hotel (4 Instytutska Str., http://www.ukraine-hotel.kiev.ua/en)
13 March 2017 (Monday)	
9.30	Transfer from the Ukraina hotel to the Ministry of Culture of Ukraine (<i>Ivana Franka street, 19</i>)
10.00 – 11.00	<p>Meeting with the policy-makers:</p> <ul style="list-style-type: none"> - Yevhen Nyschuk, Minister / Svitlana Fomenko, First Deputy Minister; - Mykola Knyazhytskyi, a People’s Deputy, Head of the Parliament Committee on Culture and Spirituality; - Iryna Podolyak, a People’s Deputy, First Deputy Head of the Parliament Committee on Culture and Spirituality; - Pavlo Khobzey, Deputy Minister of Science and Education of Ukraine; - Tamara Mazur, Deputy Minister (responsible for heritage). <p><i>Issues discussed:</i> Cultural and educational policy in the context of decentralisation (challenges and priorities). Optimisation of the local cultural infrastructure in the context of decentralisation.</p>
11.00 – 12.30	<p>Meeting with representatives of the Ministry of Culture of Ukraine, national cultural institutions, NGOs on cultural infrastructure:</p> <ul style="list-style-type: none"> - Oleksandr Butsenko, Acting Director of the Ukrainian Centre for Cultural Studies; - Yevhen Lavro, Head of the Strategic Planning and Development Department; - Larysa Nikiforenko, Head of the Language Policy and Literature; - Mykhaylo Shved, Deputy Head of the Performance and Visual Arts Department; - Tetyana Kolos, Head of the Artistic Education Division; - Tamara Vylegzhanina, Director of National Public Library; - Bohdan Strutynskyi, Head of the National Union for theatrical actors of Ukraine, Director of National Operetta Theatre; - Irma Vitovska, Deputy Head of the National Union for theatrical actors of Ukraine (non-government theatrical sector); - Bohdan Khovzun, a Member of the Artistic Education Council under the Ministry of Culture of Ukraine, Director of Lviv music school #4; - Natalia Koptienkova, Vice-president of NGO “ESTA-Ukraine”, a teacher in Kyiv Artistic School #8. <p><i>Issues discussed:</i> Optimisation of the local cultural infrastructure in the context of decentralisation. Minimum bundle of cultural services. Reform of primary artistic education.</p>

13.00 – 14.00	Lunch courtesy of the Ministry of Culture of Ukraine
14.30 – 15.50	<p>Meeting at the Ministry for Regional Development, Building and Housing of Ukraine on sectoral decentralisation (<i>Velyka Zhytomyrska Street, 9</i>):</p> <ul style="list-style-type: none"> - Vyacheslav Negoda, First Deputy Minister; - Representatives of the Department for local Self-Government and Territorial Administration; - Yaroslav Ryaboshuk, Director of the Analytical Centre, the Association of Ukrainian Cities; - Iryna Krysina, Deputy Head of Culture Unit, Ministry of Finance of Ukraine; - Representatives of the Project Office on Sectoral Decentralisation under the Ministry of Regional Development of Ukraine. <p><i>Issues discussed: allocation of authorities and resources in the context of decentralisation.</i></p>
16.15 – 17.30	<p>Meeting with the Ministry of Culture, NGO, experts and external partners on state-private partnership and cultural heritage protection (<i>National Preserve “Sophia of Kyiv”, Sofiyska sq.</i>):</p> <ul style="list-style-type: none"> - Oleksandr Yepifanov, Head of Heritage Protection Department, MoC; - Nelia Kukovalska, Director of National Preserve “Sophia of Kyiv”; - Larysa Savostina, Deputy Director of National Heritage Research Institute; - Olesia Ostrovska-Lyuta, Director of Mystetskyi Arsenal; - Olena Titova, NGO “Ukrainian organisation for cultural and historic heritage protection”(UTOPIK); - Vlad Pioro, Head of Board of the NGO “Centre for museology development”; - Pavlo Gudimov, independent expert, founder of “I-gallery”. <p><i>Issues discussed: state-private partnership managing cultural heritage.</i></p>
17.30 - 18.30	Excursion to National Preserve “Sophia of Kyiv” (inscribed on the UNESCO World Heritage List)
19.00 – 20.00	Dinner courtesy of the Ministry of Culture of Ukraine

14 March 2017 (Tuesday)	
06.20	Departure from the Ukraina hotel to Vinnytsia (by minivan)
09.50 – 10.30	Morning Coffee
10.30 – 12.00	<p>Meeting with regional and local authorities in Vinnytsia region:</p> <ul style="list-style-type: none"> - Valeriy Koroviy, Head of the Vinnytsia Region State Administration; - Igor Ivasyuk, Deputy Head – Director of Education and Science Department; - Oleksandr Gizhko, Deputy Head (Decentralisation issues); - Stanislav Horodynsky, Head of Culture and Arts Department; - Oleksandr Zarenko, Head of City Planning and Architecture Department; - Serhiy Morgunov, Vinnytsia City Mayor - Anatoliy Kushnir, Zhmerinka Town Mayor - Mr. Vesnyansky, Head of Tulchyn United Territorial Community <p><i>Issues to be discussed: allocation of authorities and resources in the context of decentralisation; modernisation of local cultural infrastructure; managing cultural heritage on regional level.</i></p>
12.15 – 13.30	Lunch courtesy of the Vinnytsia Regional State Administration
13.45 – 17.30	<p>On-site visit:</p> <ul style="list-style-type: none"> - The Dominican monastery of XVII-XVIII centuries, a complex of architecture and urban planning monuments of national significance (Vinnytsia); - The Pototski Palace of XVIII century (Tulchin); - The Tulchin house of culture (Tulchin); - The complex of monuments of architecture and urban planning "Manor von Meck» of XIX century. (Brailiv);
17.30 – 18.30	Lunch courtesy of the Vinnytsia Region State Administration
18.45	Departure from Vinnytsia to Kyiv
22.00	Arrival at the Ukraina hotel
15 March 2017 (Wednesday) departure	

Annex 2 Peer Review – List of Experts

Peer Countries	Experts	Contact details
Austria	Mrs Doris KARNER	Federal Chancellery of Austria Head of Department for Governance and Public Sector Management Concordiaplatz 2 A-1014 Vienna +43153115203403 doris.karner@bka.gv.at
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