

**LOCAL ECONOMIC DEVELOPMENT
PLAN**

**of Smolinska amalgamated territorial community
Malovyskivskiyi district Kirovohrad oblast**

The local economic development of Smolinska community allows each of its residents to see a future here for themselves and for their children and brings a sense of pride for the community

Foreword



DEAR RESIDENTS OF THE COMMUNITY, CURRENT AND FUTURE PARTNERS,

Smolinska amalgamated territorial community is a community of sincere and friendly people, cozy and comfortable for living, business and recreation. Like every community, we have strengths that need to be developed and weaknesses that need to be turned into opportunities. Therefore, in an effort to gain knowledge and experience to move in the direction of modern municipal trends and innovations, as well as to establish direct contacts with international financial organizations and potential investors, understanding the common responsibility for the future of the community on the part of local authorities, business and the public Smolinska Settlement Council joined the EU "Mayors for Economic Growth" Initiative and created a local economic development plan.

This Plan is a new tool for planning local economic development and creating local partnerships.

This document is aimed primarily at developing the private sector of the local economy, stimulating business activity of

local residents and creating jobs. The development of the Plan was based on the principles of public-private dialogue, public participation, partnership of the Settlement Council with the private sector, civil society organizations and experts, considering public opinion through public consultations. Therefore, thanks to the involvement of a wide range of stakeholders in the Plan development process, they feel the ownership of this document.

I thank the members of the Working Group on the development of the Local Economic Development Plan and all the residents of the community who participated in this strategically important work. Your comfort is our main objective. Whether we will build a community of happy people depends only on ourselves, our activity, efficiency, openness, sociability, our will, faith, hope and competence.

By joining the "Mayors for Economic Growth" Initiative, we have committed ourselves to strengthening the competitive position of the community and boosting its economic growth, creating jobs, attracting investment and improving the well-being of its residents through strategic partnership between government, business and civil society organizations.

Now, together with our partners, we intend to implement these commitments: to ensure economic growth, effective use of the community's potential and improve the life quality of its residents.

Yours sincerely,

Settlement Head

MYKOLA MAZURA

To get a hard copy of this plan, please, contact:

Liudmyla Tkhorzhevskya

Position: specialist in investment and socio-economic issues of Smolinska Settlement Council

Address: Kozakova vul, 39 Smoline settl.

Phone: +380961963213,

Email address: investsmolino@gmail.com

Website: <https://smolino-rada.gov.ua/>

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1. Summary

The Local Economic Development Plan of Smolinska amalgamated territorial community was developed in accordance with the methodology and principles of the European Union "Mayors for Economic Growth" Initiative.

As a result of the elections held on October 29, 2017, the process of amalgamation of two communities – Smolinska (urban-type settlement) and Berezivska (rural community) with a total number of 10.7 thousand residents was completed. The community is located in the central part of Ukraine, in the Kirovohrad oblast, in the Maloviskovskyi district, on the banks of the Kilten river. The area of the community is 47.09 km². The M12 international road runs 2 km from the administrative center of the ATC. A railway (freight) line runs through the territory of the community. The distance to the district center is 44 km, to the oblast centre – 80 km, to the capital of the country – 300 km.

Smolinska Settlement Council joined "Mayors for Economic Growth" Initiative, seeking to acquire the experience and knowledge offered by it and move in the direction of modern municipal trends and innovations, as well as take advantage of the opportunities offered by the Initiative, in particular, to establish direct contacts with international financial organizations and potential investors, actively participate in events within the Initiative, etc.

During the Plan development, an analysis of the local economic structure and a SWOT analysis were carried out.

The conducted SWOT analysis showed that the strengths of the community are: favorable geographical location, fertile soils, availability of minerals, significant water resources, free areas or objects for industrial activities. The weaknesses, to eliminate the negative impact of which the measures of the plan are aimed, are a significant proportion of the population older than working age, natural population decline, low recognition of Smolinska ATC, worn-out social and engineering infrastructure, the monopoly nature of the economy, high unemployment, a small number of small and medium-sized enterprises, low level of public activity. The community sees certain opportunities in establishing international and inter-municipal cooperation, increasing global demand for agricultural products, etc. Threats are typical for any community in Ukraine. These are, first of all, political instability, the risk of curtailing key reforms, the military actions in the East of the country, and the deterioration of demographic situation.

As a result of the process of Local Economic Development planning, a vision of the overall result of such development was elaborated and agreed upon – Smolinska ATC is a flourishing, active, attractive for investments and at the same time environmentally friendly community in the center of the Kirovohrad oblast. A community of economically active people, entrepreneurs and farmers, where it is easy to start and run your own business. A community of sincere and friendly people, cozy and comfortable for living, business and recreation. Social responsibility of business, the activity of residents and the effectiveness of the authorities have become the key to comfortable living conditions and development of the community, its openness to the world, clean environment, cultural, political and religious tolerance.

In addition, the main three objectives of local economic development are defined, each providing for appropriate actions to achieve them. Such objectives are: obtaining a new quality of entrepreneurship and developing infrastructure in the community; supporting and stimulating the creation of value-added chains in the agro-industrial complex; increasing external visibility of the community in order to activate investment and business processes. The costs of implementing the Plan will be co-financed by the settlement budget, as well as by business and partners of Smolinska ATC. Implementation of the Plan and monitoring of its implementation will be carried out in constant close cooperation of the Settlement Council with representatives of the private sector and civil society organizations.

2. List of tables and diagrams

Table 1. Action Plan

Table 2. Financing scheme

Table 3. Monitoring indicators and mechanisms

3. List of abbreviations

Ha – hectare

NGO – non-government organisation

CSO – civil society organisation

EU – European Union

the Initiative - "Mayors for Economic Growth" Initiative

sq. km - square kilometer

km. - kilometer

CMU - The Cabinet of Ministers of Ukraine

SAF - small architectural form

JFO - Joint Forces operation

SOP - Self-organization of the population

DED – design and estimate documentation

the Plan - Local Economic Development Plan of Smolinska Settlement Council

Smolinska ATC – Smolinska amalgamated territorial community

settl. – urban-type settlement

PMC – Paramedic and Midwifery Centre

min. – minute

4. Introduction to the Plan

Smolinska community joined "Mayors for Economic Growth" Initiative on 21.01.2020.

Smolinska ATC includes 2 localities (the total area of the community is 47.09 square kilometers). The center of the community – Smoline settl., is located at a distance of 44 km from the district center of Mala Vyska and at a distance of 80 km from the oblast centre – Kropyvnytskyi, where the airport is located (travel time by car 40 min. and 1 hour 20 min. accordingly). The distance to one of the largest ports of Ukraine – Mykolaiv is 260 km (about 3 hours by car). The distance from Smoline settl. to Kyiv is 300 km (about 4 hours by car).

As of January 1, 2020, the community had 10,701 residents, including 5,351 women and 5,350 men. The share of the population of working age is 65.7% (7030 people), – 51.35% men and 48.65% women.

Smolinska Settlement Council recognizes local economic development as a crucial factor in preserving and increasing the potential, establishing the viability and self-sufficiency of the community. As part of this process, local authorities, business and society are called upon to work together.

Smolinska Settlement Council sees the main benefit of participating in the "Mayors for Economic Growth" Initiative in promoting proper planning, predictability and manageability of local economic development. We strive to acquire the experience and knowledge offered by it and move in the direction of modern municipal trends and innovations, as well as take advantage of the opportunities offered by the Initiative, in particular, to establish direct contacts with international financial organizations and potential investors, actively participate in personnel exchange events, trainings, seminars and study visits and receive grant support in the implementation of specific activities of this Plan. We hope that the result of our participation in the Initiative will be a successful practice of planning local economic development in the community, which will be valuable both for the Settlement Council and for the Initiative.

This Plan is a new tool for planning local economic development and creating local partnerships. It is aimed primarily at developing the private sector of the local economy, stimulating business activity of local residents and creating jobs.

This plan was developed on the basis of good governance and public-private dialogue.

The local economic development plan is based on other program documents, in particular the strategy for the development of Smolinska amalgamated territorial community until 2028 and annual programs of socio-economic development. It does not replace them, but logically complements and deepens them.

The set of measures provided for in this Plan will be implemented during 2020-2021 and will allow using the main drivers of local economic growth.

The costs of implementing the Plan will be co-financed by the settlement budget, higher-level budget as well as by business and partners of Smolinska ATC. Implementation and monitoring of its implementation will be carried out in constant close cooperation of the Settlement Council with representatives of the private sector and civil society organizations.

5. The Process of Preparing a Local Economic Development Plan

The development of the Plan was based on the principles of public-private dialogue, public participation, partnership of the Settlement Council with the private sector, civil society organizations and experts, consideration of public opinion and public consultation.

To comply with these principles at the Initial stage after the Settlement Council joined the Initiative, by order of the Settlement Head of 06.04.2020, a working group was created to prepare the Local Economic Development Plan of Smolinska amalgamated territorial community, which included representatives of the local self-government bodies, business, Council members and the public. The gender aspect is taken into account.

The Working Group's activities were carried out publicly, with the involvement of other representatives of the community, business and experts in accordance with a pre-developed calendar plan.

During April 2020 – June 2020, 6 meetings of the Working Group were held together with representatives of the advisory body on Local Economic Development

When developing this Plan, a comprehensive study and analysis of the local economic situation was carried out, which included, in particular, the collection and processing of analytical and statistical information and the creation of an economic profile of the community, studying the opinion of representatives of the community and business through interviews, working in focus groups on SWOT analysis of priority industries in possible areas, within which the main problems (obstacles) and challenges for the development of the local economy were identified.

Participants in the planning process took part in the meetings and seminars within the framework of the Initiative.

The process of the document development was covered on the official website of the community and on Facebook.

6. Local Economic Analysis

6.1. Analysis of Local Economic Structure

The economic situation of the community is specific in comparison with other territories of Ukraine, since it depends on the operation of the uranium mine, which employs about 1 thousand people. According to geological exploration calculations, the mine's resources come to an end. The company is in a recession, production is declining and employees are being cut. According to the management of the state-owned "Skhid ore mining and processing enterprise" Smolinska mine will proceed to the stage of conservation and reclamation of the surrounding territories in 2-3 years.

Small and medium-sized businesses operate primarily in the field of trade (mainly food and industrial stores) and services (car service workshops, banking system, telecommunications services). There is no production.

If we are talking about agricultural production, then the cultivation of traditional crops (wheat, corn, sunflower, soy) dominates. The quality of the land is high (blacksoil). There are no processing plants in the community. The level of livestock is decreasing.

The development of the cooperatives is gradually beginning. The community has a cooperative that grows paulownia seedlings and sells them.

The ATC management is working intensively to attract investment. Today, a branch of "Mriia Ye" garment factory has already been opened, which has provided jobs for more than 20 women. Work is underway to build an asphalt and concrete plant on the territory of the community, where about 50 jobs will be created. Now work has begun on clearing the territory and connecting communications.

The labor market is characterized by a limited number of jobs, monoculture (working in a mine, school, hospital, or administration), low wages, and high unemployment, especially among women. The consequence is a large-scale migration. On the other hand, there are no specialists in other industries, such as doctors.

Analyzing the situation in the community, it can be noted that the consequences of the monofunctionality of the settlement and insufficient communication and cooperation of the authorities, society and business are an imperfect market for providing services for business, a low level of interest in starting own economic activities, and narrow specialization of existing enterprises. The single profile of the industry combined with the risk of mine closure is a key threat to the local economy, and entrepreneurship is actually the only way to economic development of the community.

The agriculture is developing gradually. There are 4 agricultural enterprises, 6 farms and 49 sole proprietors on the territory of the community. However, the community completely lacks processing of agricultural products and, as a result, has a weak export orientation.

The main task that we set for ourselves is to create conditions and promote the development of production and processing enterprises with the involvement of a significant number of the population in the process (growing raw materials, working at enterprises, etc.) and using innovative energy-efficient solutions (using renewable energy in processes or using energy-saving and environmental capacities).

Equally important for us is overcoming the mono-profile of the community through the development of small businesses. This work is quite painstaking and large-scale, but its results in a few years will allow us to reorient (repurpose) without significant damage to society.

It is very important to establish cooperation between agricultural producers/farmers and facilitate the creation of processing cooperatives. This will allow them to get a higher price, share experience, make joint purchases, or share equipment.

At the same time, the community continues to build a strategic vision for development, identifying strengthening investment activity and external visibility among its priorities.

Infrastructure facilities and vacant non-agricultural land plots of the community can be offered to investors. We have a developed infrastructure and free land plots suitable for the construction of any industrial facilities that are supplied or have the opportunity to supply all the necessary communications, namely gas supply (medium pressure gas pipeline), electricity, supply of technical water in large volumes, organized drainage.

Taking into account the gradual improvement of the Ukrainian investment climate, in the short and medium term, we can expect an increase in the interest of domestic and foreign investors in creating new enterprises in our country. The greatest benefits from this process will be available to those communities that will soon make efforts to properly prepare investment facilities, ensure high-quality promotion of their investment opportunities, simplify the licensing system, and ensure the prerequisites for the introduction of energy-saving technologies. The development of entrepreneurial activity in the community, the promotion of cooperation, farming, small business is important for the ATC. This direction should be considered both as an additional source of filling the budget and as an opportunity to create new jobs in the ATC, thus keeping residents from leaving for temporary or permanent earnings, or immigration.

6.2. Cross-sectoral cooperation and interaction at the local level

When establishing cross-sectoral cooperation, Smolinska community is guided by the approaches that are cost-effective and efficient. Trust and honesty between our partners are important to us.

Intersectoral cooperation in Smolinska community is non-systemic and situational, that is, it involves interaction not on a permanent basis and certain principles, but to solve individual, unrelated tasks. The real institutions of intersectoral cooperation are 3 bodies of self-organization of the population (SOP) and a working group coordinating the development of this Plan (established by the order of the Settlement Head No. 26-AG dated 06.04.2020). In general, local cooperation is mainly aimed not at achieving the goals of local economic development, but at solving certain current issues of community life, such as improving and developing local infrastructure, landscaping, maintaining and developing engineering networks, etc., through combining public and private resources. The facilitator of this cooperation is the local government, while the initiators of the projects' implementation are various participants. A characteristic feature of the community is also the active role of the church in most areas of public life, where it acts as a full-fledged subject of intersectoral interaction, sometimes performing roles inherent in other sectors.

Participation in the "Decentralization Offering Better Results and Efficiency" (DOBRE) program is important for the community, because it pays considerable attention to establishing

cooperation between the government, society and business, organizes study visits, seminars, etc. This project supports the activities of public organizations that conduct joint activities with the authorities (implementation of joint projects, organization of events).

Examples (results) of intersectoral cooperation in Smolinska community, in particular, are the improvement of the community's territory, the construction of platforms with outdoor exercise equipment; the organization of solid waste removal; lighting of almost 100% of the community's streets. A good example is the introduction of a participatory budget in Smolinska community. Despite the fact that these measures were not directly related to the economic development of the community, there is a real opportunity to use the already established cooperation mechanisms for the implementation of this plan, giving them a systematic character.

An important form of intersectoral cooperation that will help overcome distrust between business, the public and the government and will serve as a tool for attracting external resources to achieve local economic development goals in the next two years is the joint implementation of projects, including with the involvement of international technical assistance, in particular, the organization and support of the activities of serving agricultural cooperatives provided for in this Plan. The creation of an Investment Council under the community head and the establishment of round tables with business will also help increase confidence in the authorities. We plan to participate in the activities of other international technical assistance projects that are implemented at other levels, but geographically cover the community, in particular for the implementation of the tasks of this Plan related to the promotion and marketing of the community, goods and services that are produced here. The task of the authorities is to identify and implement such opportunities.

This Plan, with further consolidation (amalgamation), plays an important role in the economic development of the community and defines Smolinska Settlement Council as a facilitator (coordinator) of such partnership, contains a common vision for further economic development, clearly distributes roles and defines mechanisms of interaction in the near future.

6.3. Business-friendly, Transparent and Corruption Free Administration

The guiding principles of Smolinska Settlement Council are transparency, non-acceptance of corruption, and focus on the needs of residents and businesses as service consumers and taxpayers. These principles are specified in the Charter of the community, the Development Strategy (decision of the Settlement Council No. 327 of 30.08.2019) and the Anti-Corruption Program (decision of the Settlement Council No. 311 of 27.06.2019), anti-corruption work is being carried out in accordance with the state program for preventing and combating corruption and, accordingly, the plan for implementing the anti-corruption program of Smolinska Settlement Council.

Smolinska community provides a wide range of administrative and public services. Channels for informing the public and businesses about the services provided by the local authorities are the official website of the community (<https://smolino-rada.gov.ua/>), information stands, oral informing. You can also find information about the services on Facebook page (https://www.facebook.com/smolinatorada/?epa=SEARCH_BOX).

A positive example of ensuring transparency of local authorities' actions and dialogue is the systematic public hearings and meetings of the residents, in particular, on local tax and fee rates, infrastructure development and socio-economic development. Therefore, as part of the implementation of this Plan, the authorities plan to support and improve these and other practices of direct democracy, in particular through the use of social networks. In addition meetings of the Standing Committees and sessions of the Council are open to visitors and are broadcast online and are freely available (https://www.youtube.com/channel/UCn7Er_Gw9Y6k1Bhci03uX_A). Decisions of the sessions, Executive Committee, and orders of the Settlement Head are published on the official website of the community. The site also has an electronic petitions tool, and public

budgeting (participatory budget) has been introduced. The "Smolinskyi Visnyk" newsletter is distributed free of charge in the community.

In addition to the administrative services provided by Smolinska Settlement Council in accordance with the law, this plan for the next two years provides for the performance of a number of functions that are determined by the needs of local economic development. In particular:

- inventory and identification of vacant land plots and communal real estate that can be allocated for business needs;
- Organization of service agricultural cooperatives' activities;
- promotion of the community and the goods and services that are produced here in foreign markets;
- training of young people and entrepreneurs (identifying the need for knowledge and skills and organizing trainings, searching for and participating in grant and educational programs), providing research results to local businesses to make the right decisions;
- preparation of municipal real estate objects for business needs (land plots with the appropriate purpose, or buildings suitable for commercial use);
- facilitating dialogue with external sectors that are not present in the community (for example, banks and financial institutions);
- involvement of external experts/expert organizations in cooperation, etc.

Local authorities also plan to cooperate constructively with other beneficiary partners (for example, Kirovohrad oblast state administration, the Kirovohrad Chamber of Commerce and Industry, U-LEAD, DOBRE, etc.).

At the moment, the community does not have effective mechanisms and institutions aimed at business promotion. This is especially true for small businesses, which, unlike medium and large ones, do not have the opportunity to receive up-to-date information. However, small businesses are passive, which greatly hinders the implementation of effective changes. The local self-government body is trying to change the situation. That is why one of the most priority areas of development of our community is the creation of a Business Development and Project Management Agency. In order to improve communication with the business community, it is planned to introduce quarterly "round tables", where business problems, ways to establish partnerships at the local level will be discussed. It is also advisable to introduce in the near future informing business entities about current opportunities of grant financing on a separate page of the Settlement Council website.

6.4. Access to Finance

The main source of business financing for local entrepreneurs, in particular manufacturers, is their own savings and borrowed funds. Local entrepreneurs do not actually use funds from existing and widely used government programs of state support for various sectors of agriculture (farms and agricultural cooperation, grapes, fruit and hop growing, animal husbandry, etc.), as well as the possibility of state assistance for creating new jobs. Today, the lack of finances (poor access to finance) is a problem for about one third of entrepreneurs in Smolinska community. At the same time, this can become a significant problem for the further development of the private sector – when new businesses are created or existing ones are expanded. A concomitant problem is the insufficient level of financial literacy, which does not allow effective management of funds.

Given the insignificant revenue of the Settlement budget, financial support from its funds was not and won't be provided in the future, and there is no financial sector in the community. So, the main potential sources of attracting financing for local businesses are existing state support programs and external financial institutions – both domestic (banks, credit unions, Entrepreneurship Support Funds) and international (European Bank for Reconstruction and

Development, international technical assistance programs, etc.), information about which the authorities plan to provide to entrepreneurs.

Therefore, it is assumed that local authorities will be facilitating access of local businesses to finance, identify opportunities to support businesses and relevant entities in the financial services market, work out the conditions for providing financing and disseminate relevant information among local businesses.

6.5. Land and Infrastructure

Smolinska community has enough land plots and buildings to conduct economic activities. After the amalgamation of the community, the amount of land will increase significantly.

Thanks to the transfer of state-owned agricultural land plots to the municipal ownership of Smolinska Settlement Council and obtaining the authority to dispose of these lands, there is a great potential to attract funds to the budget from the provision of land plots for rent by holding land auctions and attracting investors. Accordingly, at the moment, there is a task for the Executive Committee of the Settlement Council to use this resource as efficiently as possible to increase income and expand opportunities for the community development.

On the territory of the community there are land plots that can be leased/purchased, and can also be used as investment platforms for the implementation of local economic development projects, but this requires the production of appropriate land management documents, changes in the purpose, implementation of appropriate competitive procedures, and in some cases also work on land reclamation and restoration. The Settlement Council will assist in the preparation of relevant documents. Now, by the decision of the session of Smolinska Settlement Council, two land plots of 7 and 2 hectares were reserved in the industrial part of the settlement. A gas pipeline, water supply, sewerage and electrical substation run close to these plots. Also, on the official website of the community there is an investment passport of the community and a catalog of land plots (<http://invest.smolino-rada.gov.ua/>)

As for municipal infrastructure, local entrepreneurs are generally satisfied with the level of services associated with it, but the waste management system needs to be improved.

Taking into account the importance of infrastructure aspects of doing business, one of the main goals of this Plan is to modernize the municipal infrastructure and ensure the openness and accessibility of municipal resources for businesses. Accordingly, the activities of the plan include inventory of communal land and real estate, preparation of necessary land management and urban planning documentation, assistance in laying roads and engineering networks, organization and holding competitions for investment projects for their further implementation on the territory of the community, etc.

6.6. Regulatory and Institutional Framework

Smolinska Settlement Council exercises its powers in accordance with the current legislation. Decisions of the Settlement Council are usually made according to the procedures provided for by the legislation on regulatory activities, with the preparation of an analysis of regulatory impact and public discussion, and, as a rule, ensure that the position of both local authorities, business and society is taken into account.

At the same time, the problems of local entrepreneurs that negatively affect their economic activities or may negatively affect them in the future are mainly beyond the influence of local authorities (providing documents of a permissive nature, licensing, tax policy, etc.), since the relevant rules and procedures are determined at the national level by the laws of Ukraine and other regulatory legal acts. At the same time, entrepreneurs consider a stable business climate and better legal protection to be one of the important positive factors for their business, which partly depends on the activities of local authorities. In their opinion, the role of local self-government in economic development and business promotion is primarily to provide (disseminate) the necessary

information. At the same time, local entrepreneurs practically do not feel the need for direct support and preferential provision of land plots.

Based on the above, local authorities through the mechanism of intersectoral cooperation (in particular, SOP, the Youth Council, the consultative and advisory body on the LED issues, public hearings, etc.) plan to promote the change or cancellation of unjustified regulations at the regional or national level by analyzing their impact on the local economic situation (collecting facts, analyzing statistics), formulating problems and preparing reasonable proposals for central state authorities to solve them.

The local legal framework is almost absolutely effective, and it is planned to improve internal procedures and regulations, expand services, publicly discuss draft decisions, simplify administrative procedures, etc.

6.7. Qualified workforce, inclusivity.

Coordination of the development and effective functioning of the labor market is a relatively new task for the authorities. Analysis of labor resources in the community showed that the share of the working-age population is 49% (5,250 people), of which only 40% are employed. Female unemployment is very common, but the Settlement Council is working to create jobs specifically for women.

The local male population is mainly employed at the city-forming state-owned "Skhid ore mining and processing enterprise" Smolinska mine –1186 people. The number of residents registered and working within the community is 2,070, including 73 in agriculture, 258 in the private sector, 252 in education and culture, 133 in healthcare and social assistance, 12 in transport and communications, 60 in the civil service (local self-government bodies), 185 as private entrepreneurs, 114 in public utilities. Other residents work outside the locality.

Since the education sector is represented in the community exclusively by general secondary schools, local residents receive professional education outside the community, mainly in large cities of Ukraine, and many of them do not return to the community. The reason for this is both the choice of professions that are not in demand in the community, and the lack of proper working and development conditions. To overcome these problems, local entrepreneurs plan to attract young specialists, in particular, through the organization of practical training at their premises and point out the need for appropriate assistance by Smolinska Settlement Council. Therefore, one of the activities of this Plan, in particular, is assistance in cooperation between institutions of higher and vocational education and business entities to attract students to undergo practical training on their basis.

Given the direct link between the need to preserve human capital and provide local businesses with qualified labor resources, the first priority is to create appropriate conditions for people from the community to return and work in the community after receiving vocational or higher education, seeing prospects for themselves and their children. This is reflected in the formulated vision of local economic development.

6.8. External Positioning and Marketing

The goal of achieving an appropriate level of visibility of Smolinska community is to attract the attention of entrepreneurs and investors to the community as a place to start or move a business, open or move production facilities, as well as to preserve and increase the human capital of Smolinska community as its most valuable resource.

Local entrepreneurs assess Smolinska community as a place of doing business and investing mainly positively, pointing out its favorable geographical location, logistics and transparent decision-making by the authorities. Despite this, the number of registered and operating business entities in the community is decreasing, which is also affected by the lack of visible prospects for local economic development and the weak positioning of the community as a place of doing business and living.

Today, positioning and marketing activities at the community level are not actually carried out. The image of the community is formed outside of its influence and despite its will. At the same time, in the context of growing competition among the communities for attention, investment, customers and resources in an oversaturated information space, such neglect of the image-making and marketing is dangerous and can lead to significant expenditures and lost benefits.

With this in mind, one of the strategic directions of this Plan is the positioning and promotion of the community at the regional, national and international levels. These activities should include an active presence of the community in the information field, in particular on the Internet. It is also advisable to participate in target events of different levels, prepare presentation materials etc.

To promote the community, we plan to hold festivals, work on expanding the cooperatives, participate in forums, presentations, experience exchange, publications in books and newspapers, which can promote the community, making it widely known. In October 2020, Smolinska community was presented at "AgroExpo" International Exhibition in Kropyvnytskyi.

6.9. Analysis of the COVID-19 impact on the local economy

For several years now, Smolinska community has been working basing on the new inter-budgetary relations and is waiting for the completion of the Decentralization Reform. The ATC budget is one of the most vulnerable among local budgets. The law of Ukraine "On amendments to the tax code of Ukraine and other laws of Ukraine regarding taxpayer support for the period of implementation of measures aimed at preventing the occurrence and spread of Coronavirus disease (COVID-19)" directly affects the ATC budget. In particular, from March 1 to April 30, 2020, no land fees are charged, and non-residential real estate objects are not taxed. Significant potential losses of Smolinska ATC are associated with the dependence of the community budget on large payer – "Skhid ore mining and processing enterprise" Smolinska mine.

If compensatory mechanisms are not provided for amalgamated territorial communities, provision of the delegated functions for the population will be problematic. Under such conditions, Smolinska ATC will finance only protected items of expenditure and medicine, and all capital expenditures will be suspended. This means that there will be no development projects, there may be a reduction in staff, etc. The situation is further aggravated by the expected subsidence of the budget revenue due to the impact of quarantine measures, in particular on personal income tax revenues, if business entities start cutting down the staff.

Micro and small businesses make up the majority of the community's entrepreneurs. They are the most susceptible to the negative effects of quarantine. Their incomes are dropping which negatively affects the community's economy.

The most vulnerable groups need the greatest protection during the pandemic: the homeless, the elderly, low-income people, and the informally employed. Switching to remote work for individual residents of the community can also lead to a deterioration in mental well-being. Due to the introduction of quarantine in schools and kindergartens, the volume of unpaid reproductive labour, which in most families women have to perform in addition to paid work, has increased. It is important for the community to prevent an increase in the share of people employed in the informal sector, as well as an increase in the number of "working poor". These are people who are employed but have an income below the poverty line due to insufficient working hours or low wages. The economic crisis will hit workers below or close to the poverty line faster and harder.

7. SWOT analysis

In the following SWOT analysis, based on the results of focus groups, strengths and weaknesses are identified, the main directions of opportunities for community development and possible threats are clarified.

As part of the implementation of this Plan, actions and steps will be taken to turn these weaknesses into advantages in close cooperation with SOP and expert organizations, to attract volunteers and participate in international programs available to the community and other programs aimed at local economic development.

Strengths	Weaknesses
<p>Location of the community almost in the centre of Ukraine</p> <p>Fertile soils – agricultural potential</p> <p>Availability of minerals – uranium, thorium, lithium, clay, sand</p> <p>Vacant land plots or objects for industrial activities or doing business</p> <p>The vast majority of the community's population is of working age</p> <p>An up-to-date Master Plan of the settlement</p>	<p>Worn out social and engineering infrastructure</p> <p>Mono-profile of the settlement, low level of economic diversification and narrow specialization</p> <p>Imperfect market of services for business</p> <p>Weak links between education, science and business</p> <p>Weak export orientation of SMEs</p> <p>Lack of communication and cooperation between the government, society and business</p>
Opportunities	Threats
<p>EU integration</p> <p>Entry into force of the FTA agreement with the EU and Canada</p> <p>Implementation of reforms and decentralization of power</p> <p>Development of alternative energy</p> <p>Increased international technical assistance and availability of external financial resources</p> <p>Increase in the number of human resources in case of internal migration from the nearest regions</p>	<p>Lack of readiness of small and medium-sized businesses to meet export standards in the markets of the EU, North America, the Middle East and other regions</p> <p>Instability and lack of transparency of the current legislation</p> <p>Further increase in energy prices</p> <p>Lack of necessary reforms in the field of regional development</p> <p>Instability of the political situation and growing distrust in the state authorities. Corrupted authorities</p> <p>National currency instability and inflation</p>

8. Vision and Objectives

Smolinska ATC – blooming, active, investment-attractive and at the same time environmentally friendly community in the center of the Kirovohrad oblast. A community of economically active people, entrepreneurs and farmers, where it is easy to start and run your own business. A community of sincere and friendly people, cozy and comfortable for living, business and recreation. Social responsibility of business, the activity of residents and the effectiveness of the authorities have become the key to comfortable living conditions and development of the community, its openness to the world, clean environment, cultural, political and religious tolerance.

Main objectives:

1. Getting a new quality of entrepreneurship and developing infrastructure in the community;

2. Support and encourage the creation of value chains in the agro-industrial complex;
3. Increasing the external visibility of the community in order to activate its investment and business processes.

9. Action Plan

The Action Plan is presented in the context of the main goals of local economic development and contains a description of the activities of certain duration, the partners who will be involved in the activity, the estimated costs for its implementation, the expected results and indicators according to which the implementation of the activity (event) of the Plan will be monitored.

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Table 1. ACTION PLAN

<i>Thematic blocks</i>	<i>Main objectives</i>	<i>Tasks</i>	<i>Duration (start-end)</i>	<i>Involved partners</i>	<i>Planned expenses, thous. UAH/ EURO</i>	<i>Results</i>	<i>Indicators for monitoring</i>
Cooperation and interaction at the local level; Business-friendly, Transparent and Corruption Free Administration; Land and Infrastructure	1. Getting a new quality of entrepreneurship and developing infrastructure in the community	1.1 Creating a web-based information resource for business development and attracting investment	December 2020-December 2021	Smolinska Settlement Council	120/3636	<ul style="list-style-type: none"> An information web resource for business development and investment has been created Free consulting assistance to entrepreneurs has been organized 	<p>The number of people using the information web resource is 50 people per month</p> <p>The number of entrepreneurs who have used free consulting services is 25 people per month</p>
		1.2 Implementation of a roadmap for developing own business	April 2021-April 2022	Smolinska Settlement Council	100/3030	<ul style="list-style-type: none"> A roadmap for developing own business for aspiring entrepreneurs has been created 	Increase in the number of entrepreneurs by at least 2% per year
		1.3 Arrangement of the settlement market with public space	February 2021-October 2022	Smolinska Settlement Council, donors, local entrepreneurs, Municipal Enterprise "Smolinskyi Rynok"	18000/545455	<ul style="list-style-type: none"> The territory of the settlement market is equipped in accordance with the DED The public space in the settlement market is arranged according to the design project 	<p>DED prepared -1 PC.</p> <p>Meat and dairy pavilion - 1 built</p> <p>5 open rows of shopping stalls were built</p> <p>1200 sq.m. of hard surface (paving slabs) is arranged)</p> <p>A stage is installed in a public space</p> <p>A children's area is organized</p> <p>200 paulownia trees were planted in accordance with the design project</p> <p>A toilet was arranged taking into account the needs of people with limited mobility</p>

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							Parking is organised
		1.4 Establishment of a local Development and Project Management Agency	May-August 2021	Smolinska Settlement Council, donors	7000/212121	<ul style="list-style-type: none"> Local development agency established by September 2021 	Decision of the Settlement Council to establish the Agency, Charter
		1.5 Creation of a Public Council	June 2021	Smolinska Settlement Council, civil society, business	10/303	<ul style="list-style-type: none"> A Public Council has been established 	Decision of the Settlement Council on the establishment of the Public Council, regulations
		1.6 Development and implementation of mini-grants for SMEs	December 2021-February 2022	Smolinska Settlement Council	300/9090	<ul style="list-style-type: none"> Mini-grant mechanism created 	Decision of the Settlement Council on the introduction of mini-grants, program or regulations
Cooperation and interaction at the local level; Business-friendly, Transparent and Corruption Free Administration; Land and Infrastructure	2. Supporting and encouraging the creation of value chains in the agro-industrial complex;	2.1 Creation of a register of free production areas and land plots	June 2021-December 2021	Smolinska Settlement Council	100/3030	<ul style="list-style-type: none"> A register of free production areas and land plots has been created 	The register contains at least 35 objects. At least 3 contracts were concluded per year with entities that used the register
		2.2 Study of the successful cooperatives experience	2021	Smolinska Settlement Council, donors	100/3030	<ul style="list-style-type: none"> The experience of successfully operating cooperatives in the surrounding territories is studied 	3 study visits to the existing cooperatives. Three publications on the Settlement Council's page about the results of the visits
		2.3 Introduction of the annual fair "Products of my community" dedicated to the miner's day with the aim of presenting a wide range of agricultural and food	April 2021 - 2022	Smolinska Settlement Council Municipal Enterprise "Smolinskyi Rynok"	300/9090	Two fairs were held	Number of entrepreneurs who took part – at least 50 in one fair

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		products produced in the community					
		2.4 Support for existing cooperatives	February-October 2021	Smolinska Settlement Council, donors, business	100/3030	<ul style="list-style-type: none"> • Together with the cooperative a project was written for participation in the grant competition • A competition was held to select agricultural service cooperatives or family farms to provide them with financial support 	<p>The necessary equipment for the cooperative received from the donor</p> <p>Based on the results of the competition financial support was provided to one agricultural service cooperative or farm</p>
		2.5 Creation of an Information section on the cooperatives	June 2021	Smolinska Settlement Council	50/1515	<ul style="list-style-type: none"> • An Information section has been created on the community's website, which contains comprehensive information about the creation and existence of cooperatives, information about programs to support the cooperatives and foreign grants for cooperatives 	<p>A section on the site with information about grants and support programs is updated every month</p>
External Positioning and Marketing	3. Increasing the external visibility of the community in order to activate its investment	3.1 Development of the community's brand book	September 2021	Smolinska Settlement Council, donors	100/3030	<ul style="list-style-type: none"> • A community brand book has been developed, which is a community identifier and reflects competitive positions 	<p>Brand Book of the Community – 1 PC Decision of the session on its approval</p>

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	and business processes.	3.2 A promo video about the community was created	July 2021	Smolinska Settlement Council, donors	100/3030	<ul style="list-style-type: none"> A 5-minute promo video was created in two languages (Ukrainian and English) 	Quantity - 1 promo video
		3.3 The investment passport was updated	April 2021	Smolinska Settlement Council	100/3030	<ul style="list-style-type: none"> The existing investment passport is updated 	The investment passport is posted on the investment portal 200 copies of the investment passport were printed
		3.4 Promotion of the community investment opportunities	December 2020-March 2021	Smolinska Settlement Council, NGO, business	140/4242	<ul style="list-style-type: none"> Bilingual (Ukrainian and English) marketing materials for investors (booklets) were created to promote the community. The community's investment proposals are available in databases of the investment objects at various levels (regional, state) 	Marketing materials - 100 copies Number of investment offers –at least 10 New interest from 2 potential investors
		3.5 Presentation of the community at the "AgroExpo" 2021 International Exhibition	September – October 2021	Smolinska Settlement Council, NGO, business	100/3030	<ul style="list-style-type: none"> A presentation concept was created 	The community is presented at the "AgroExpo" 2021 International Exhibition
					26720/809697		

10. Financing Scheme

The implementation of the tasks and activities of this Plan requires UAH 26720 thousand (EUR 809 thousand) Financing will be carried out at the expense of the settlement budget, as well as funds from local economic development partners and other sources, including funds from other budgets of other levels provided within the framework of the implementation of relevant programs, resources of business entities and CSOs, resources of international technical assistance (donors), borrowed funds, etc. The estimated amount of funding for the tasks and activities provided for in the Action Plan is shown in the table below. However, these data do not take into account the intangible resources that will be attracted by the Settlement Council and other local economic development partners to implement this Plan. At the NBU exchange rate as of 29.10.2020, it is UAH 33 per 1 euro.

Table 2. Financing scheme

Project(s) activities	Planned expenditures, thousand UAH / euro	Sources of financing, thousand UAH / euro				Lack of funding	Notes
		Local budget	Top-level budgets	Private sector	Donors		
1.1 Creating a web-based information resource for business development and attracting investment	120/3636	120/3636	-	-	-	-	-
1.2 Implementation of a roadmap for developing own business	100/3030	50/1515	-	-	50/1515	-	-
1.3 Arrangement of the settlement market with public space	18000/545455	2000/60606	-	1000	15000	-	-
1.4 Establishment of a local Development and Project Management Agency	7000/212121	1000/30303	1000/30303	1000/30303	4000/121212	-	-
1.5 Creation of a Public Council	10/303	10/303	-	-	-	-	-
1.6 Development and implementation of mini-grants for SMEs	300/9090	100/3030	-	100/3030	100/3030	-	-
2.1 Creation of a register of free production areas and land plots	100/3030	100/3030	-	-	-	-	-
2.2 Study of the successful cooperatives experience	100/3030	50/1515	-	100/3030	-	-	-
2.3 Introduction of the annual fair "Products of my community" dedicated to the miner's day with the aim of presenting a wide range of agricultural and food products produced in the community	300/9090	100/3030	-	200/6060	-	-	-

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2.4 Support for existing cooperatives	100/3030	50/1515	-	-	50/1515	-	-
2.5 Creation of an Information section on the cooperatives	50/1515	20/606	-	30/909	-	-	-
3.1 Development of the community's brand book	100/3030	20/606	-	20/606	60/1818	-	-
3.2 A promo video about the community was created	100/3030	20/606	-	-	80/2424	-	-
3.3 The investment passport was updated	100/3030	80/2424	-	20/606	-	-	-
3.4 Promotion of the community investment opportunities	140/4242	120/3636	-	20/606	-	-	-
3.5 Presentation of the community at the "AgroExpo" 2021 International Exhibition	100/3030	30/909	-	70/2121	-	-	-
	26720/809697						

11. Monitoring indicators and mechanisms

The Executive Committee of Smolinska Settlement Council is responsible for the overall implementation of the Plan, the implementation of its goals, objectives and activities.

Table 3. Monitoring indicators and mechanisms

Project(s) activities / ideas	Duration (beginning dd.mm.yyyy - completion dd.mm.yyyy)	Expected results			
		1st to 6th month	7th to 12th month	13th to 18th month	19th to 24th month
1.1 Creating a web-based information resource for business development and attracting investment	December 2020- December 2021	An information web resource for business development and investment has been created, which is used by 50 people per month	Free consulting assistance to entrepreneurs is organized, which is used by at least 25 entrepreneurs per month		
1.2 Implementation of a roadmap for developing own business	April 2021-2022		A roadmap for developing own business for aspiring entrepreneurs has been created		The number of new entrepreneurs increased by 2% per year
1.3 Arrangement of the settlement market with public space	February 2021- October 2022	DED prepared -1 PC. 5 open rows of shopping stalls were built 200 paulownia trees were planted in accordance with the design project	1200 sq.m. of hard surface (paving slabs) is arranged) A stage is installed in a public space	Meat and dairy pavilion - 1 built A children's area is organised A toilet was arranged taking into account the needs of people with limited mobility Parking is organised	The territory of the village market is equipped in accordance with the DED. The public space in the settlement market is arranged according to the design project
1.4 Establishment of a local Development and Project Management Agency	May-August 2021		By the decision of the Settlement Council, agencies were created,		

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			and the Charter was approved		
1.5 Creation of a Public Council	June 2021		By the decision of the Settlement Council, a Public Council was established, and the regulations on the Public Council were approved		
1.6 Development and implementation of mini-grants for SMEs	December 2021-February 2022			Development of a program or regulations on mini-grants	By the decision of the Settlement Council a mini grants were introduced and the program or regulations were approved
2.1 Creation of a register of free production areas and land plots	June 2021-December 2021		A register of free production areas and land plots has been created, which includes at least 35 objects	At least 3 contracts were concluded per year with entities that used the register	
2.2 Study of the successful cooperatives experience	January-December 2021	3 study visits were conducted to the existing cooperatives.	Three publications on the Settlement Council's page about the results of the visits		
2.3 Introduction of the annual fair "Products of my community" dedicated to the miner's day with the aim of presenting a wide range of agricultural and food products produced in the community	April 2021-2022	A fair was held with the participation of at least 50 entrepreneurs		A fair was held with the participation of at least 50 entrepreneurs	
2.4 Support for existing cooperatives	February-October 2021	Together with the cooperative a project was written for participation in the grant competition	The necessary equipment for the cooperative received from the donor	A competition was held to select agricultural service cooperatives or family farms to provide them with financial support	Based on the results of the competition financial support was provided to one agricultural service cooperative or farm

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2.5 Creation of an Information section on the cooperatives	June 2021	An Information section has been created on the community's website, which contains comprehensive information about the creation and existence of cooperatives, information about programs to support the cooperatives and foreign grants, which is updated monthly			
3.1 Development of the community's brand book	September 2021		The community's brand book was developed and approved by the session decision		
3.2 A promo video about the community was created	July 2021		A 5-minute promo video was created in two languages (Ukrainian and English)		
3.3 The investment passport was updated	April 2021	The investment passport was updated and posted on the investment portal 200 copies of the investment passport were printed			
3.4 Promotion of the community investment opportunities	December 2020- March 2021	100 copies of bilingual (Ukrainian and English) materials for investors (booklets) were created to promote the community. Number of investment offers –at least 10	The community's investment proposals are available in databases of the investment objects at various levels (regional, state) New interest from 2 potential investors		

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3.5 Presentation of the community at the «AgroExpo" 2021 International Exhibition	September-October 2021		Creating a presentation concept The community is presented at the "AgroExpo" 2021 International Exhibition		
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Annexes

Annex 1. Order on the establishment of a working group to develop a local economic development program of Smolinska amalgamated territorial community

ORDER

by the Settlement Head

from April 06, 2020

No. 26-AG

settl. Smoline

On the creation of a working group to develop
Local economic development program
of Smolinska amalgamated territorial community

In order to solve the needs of the community, implement tasks, measures for socio-economic growth, increase the competitiveness of the community, investment attractiveness, quality of life in the community through the effective use of resources, the implementation of the common interests of the government, society and business, taking into account the development strategy of Smolinska amalgamated territorial community for 2019-2028 and the recommendations of the "Mayors for Economic Growth" Initiative, guided by Paragraph 20 of Part 4 of Article 42 of the Law of Ukraine "On local self-government in Ukraine" I hereby order:

1. to create a working group to develop the local economic development program of Smolinska amalgamated territorial community
2. The staffing of the working group to develop a local economic development program of Smolinska amalgamated territorial community is approved as follows:
 1. Mykola Mazura - Head of Smolinska Settlement Council
 2. Volodymyr Boiko - Deputy Head of Smolinska Settlement Council
 3. Ievheniia Hordienko - Secretary of Smolinska Settlement Council
 4. Olena Revenko - specialist of the Finance Department of Smolinska Settlement Council
 5. Yanina Bulanenko – communications specialist of Smolinska Settlement Council
 6. Liudmyla Tkhorzhevskva – specialist in investment and socio-economic issues of Smolinska Settlement Council
 7. Anna Shevchenko - Head of the NGO "Smolinskyi aktive plus»
 8. Oleksandra Soroka – person responsible for the territory of the Berezivka village of Smolinska ATC, Council member
 9. Vasyl Dovgyi – private entrepreneur, head of a management company
 10. Serhii Saulenko – Council member, member of the Permanent Commission on land use, architecture, construction and ecology, private entrepreneur
 11. Oleksandr Brezitskyi – Council member, private entrepreneur
 12. Oleksandra Maistrenko - Council member
 13. Nataliia Tuchkova - private entrepreneur, member of the Executive Committee of Smolinska Settlement Council
3. The schedule of a working group meetings to develop a local economic development program of Smolinska amalgamated territorial community will be approved separately.
4. I will personally control implementation of this order.

Settlement Head

M. Mazura