

The European Partnership Principle: The key to public involvement in Ukraine's reconstruction



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Transparent, effective and participatory restoration

As the massive financing proposals and recovery plans for Ukraine take shape, the participation of the wider public in the decision-making and scrutiny of these documents is urgently needed. The application of these democratic principles will ensure that Ukrainian civil society and communities get to co-own the reconstruction plans and comprehensive recovery programs, and reap the long-term benefits. This becomes even more relevant with the decision by the European Council on 14–15 December 2023 to open accession negotiations with Ukraine, followed by the approval by the Council of the Negotiating Framework for the negotiations with Ukraine on 21 June 2024. On its way to the EU, Ukraine needs to develop a mature and well-developed civil society organisation ecosystem to be better equipped to cope with the potential complexities of future national reforms supported by international and EU financing. Evidence-based policymaking

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¹ Decentralization, <u>How not to lose the chance. The comprehensive recovery program is a road map of the priority steps for the recovery of Ukraine</u>, *decentralization.ua*, 2 March 2023.

² European Council, <u>EU Opens Negotiations with Ukraine</u>, *European Council*, 25 June 2024.



requires authorities to **co-design policies with the people affected by the rules and decisions arising from these policies.** This approach strengthens civic engagement, promotes democracy, and mobilises citizens to tackle complex policies related to issues such as climate change and investment decisions.³

The EU Commissions Ukraine 2023 report⁴ stated: 'On administrative capacity, a formal coordination framework involving authorities at central and sub-national level needs to be set up to prepare for the effective programming and management of EU funds. Regional and local stakeholders should be engaged in a more systematic way in designing, implementing and monitoring these processes.'

To maintain a stronger sense of community ownership and enhance how project proposals are formulated, delivered, and monitored, robust public participation is essential. It will help establish a shared vision, direct resources towards transformative projects, and future-proof investments. Thus, it is imperative for Ukraine to incorporate into the national legislation and commence implementation of EU's best practices from the Cohesion policy and the European code of conduct on partnership, thereby ensuring active participation of civil society in the reform and recovery processes. The preparedness of Ukraine for accession means the adoption of the EU legislation within the relevant Chapter 22 'Regional Policy' with no delay.

Meaningful partnership is accelerating transformative projects

The EU partnership principle is the guiding model for ensuring that best practices on public participation are applied to the EU's cohesion policy and financial instruments. To help improve the quality of project planning and programming, EU Member States and the European Commission use public participation in line with the European code of conduct on partnership, which is obligatory for all EU Member States according to the Common Provision Regulation.

The code of conduct defines how governments and managing authorities must engage with stakeholders to prepare, implement, and monitor partnership agreements and operational programmes in order to create a structured and open space for exchange with partners.

Partnership principle and monitoring committees

The European code of conduct on partnership defines partnership as 'close cooperation between public authorities, economic and social partners and bodies **representing** civil society at national, regional and local levels throughout the whole programme cycle consisting of preparation, implementation, monitoring and evaluation'. The partners should be represented on the monitoring committees of programmes and

³ European Commission, <u>Commission recommendation of 12.12.2023 on promoting the engagement and effective participation of citizens and civil society organisations in policy-making processes, *European Commission*, 2023.</u>

⁴ European Commission, <u>COMMISSION STAFF WORKING DOCUMENT Ukraine 2023 Report</u>, *European Commission*, 8 November 2023.

⁵ CEE Bankwatch Network, <u>Applying Best Practices from EU Funds to the Reconstruction of Ukraine</u>, *CEE Bankwatch Network*, 2022.

⁶ European Commission, <u>Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds, European Commission, 1, 7 January 2014.</u>

⁷ Ibid.

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are primarily tasked with assessing the effectiveness and quality of programmes, approving evaluation criteria, reviewing programmes and progress, and proposing revisions and changes.

A monitoring committee is a body that oversees the implementation of a programme; in this context, one that uses cohesion policy funding. This committee usually consists of representatives of Member State managing authorities, regional and local bodies, economic and social partners, and relevant civil society organisations. For example, articles 2, 3 and 4 include criteria for identifying the relevant partners to consult⁸. Articles 10 and 11 set the rules of membership and procedures for the monitoring committees, the bodies whose objective it is to oversee the implementation of operational programmes once they are approved.

The code also emphasises the importance of including environmental civil society organisations and the representatives of vulnerable groups with limited access to decision-making. These include environmental partners, community-based organisations, and volunteer groups that have the potential to significantly influence or be significantly affected by the implementation of partnership agreements and their programmes.

Programmes and funding schemes designed in isolation, without involving potential beneficiaries, civil society representatives, and citizens, also have low impact. As a result, the level of absorption and quality suffers. Additionally, public discontent increases because citizens and small businesses are not meaningfully engaged.

Ensuring donor funding accountability

Provisions for accountable and transparent restoration, reconstruction and modernisation of the country are incorporated into the Ukraine Facility, the financial EU instrument, and must be applied to the Ukraine Plan (the basis for the disbursement of the funds) for the benefit of both national and international stakeholders. The stakeholders are incorporated into the Ukraine Plan (the basis for the disbursement of the funds) for the benefit of both national and international stakeholders.

(20)[...] The Union should recognise and support the multiple roles played by the local and regional authorities as promoters of an inclusive territorial approach to local development, including decentralisation processes, participation of civil society organisations and local communities, transparency and accountability,[...]

(36) [...] In accordance with the **principle of participatory democracy and for the purpose of strengthening checks and balances**, the Union should encourage the strengthening of parliamentary capacities, parliamentary oversight, democratic procedures and fair representation in Ukraine as well as **meaningful participation** by regions and municipalities and civil society **at all stages of the democratic process**, thereby allowing for enhanced democratic scrutiny. The Ukraine Plan should demonstrate how meaningful participation of stakeholders was planned and conducted via consultations, allowing for sufficient timeframes and transparency and clear follow-up procedures to address the input given.[...]

⁸ Ibid.

⁹ European Parliament, <u>REGULATION (EU) 2024/792 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Ukraine Facility</u>, <u>EUR-Lex</u>, 29 February 2024.

¹⁰ Ibid.



Article 3 **Objectives of the Facility** (i) [...] **encouraging access to information and the participation of civil society** in decision making processes and public scrutiny, and supporting transparency, structural reforms and good governance at all levels, including in the areas of public financial management and public procurement, competition and state aid; supporting initiatives and bodies and organisations involved in supporting and enforcing democracy, international justice and anti-corruption efforts in Ukraine;

Article 4 **General principles** 6. In line with the principle of inclusive partnership, the Commission shall strive to ensure, as appropriate, democratic scrutiny in the form of consultation by the Ukrainian government of the Verkhovna Rada in accordance with the constitutional order of Ukraine, as well as of relevant stakeholders, including local and regional authorities, social partners and civil society, including vulnerable groups, so as to allow them to participate in shaping the design and implementation of activities eligible for funding under the Facility and in the related monitoring, scrutiny and evaluation processes, as relevant.[...]

Article 14 **Preparation and submission of the Ukraine Plan** 4. The preparation and implementation of the Ukraine Plan shall be done in consultation with regional, local, urban and other public authorities, as well as with social partners and civil society organisations, in accordance with the multi-level governance principle, and taking into account a bottom-up approach. In addition, in accordance with its national legal framework, $\lceil ... \rceil$

Article 17 **Content of the Ukraine Plan** [...] (g) an explanation of the methodology and processes used for the **selection and implementation of projects**, and the mechanisms to involve sub-national authorities, in particular municipalities, as well as **civil society organisations**, in decision-making on the use of support in the reconstruction process at local level and in the democratic scrutiny process, in particular timely and equal access to information and funds for the relevant sub-national authorities, including the methodology used to track related expenditure;

Article 18 Commission assessment of the Ukraine Plan [...] (d) whether the Ukraine Plan corresponds to the recovery, restoration, reconstruction and modernisation needs stemming from Russia's war of aggression in Ukraine's regions and municipalities and thereby enhances their inclusive and sustainable economic, social, environmental and territorial development, reinforces social cohesion, and supports the decentralisation reform across Ukraine and convergence towards the Union's standards; whether it takes into account the powers, tasks and responsibilities assigned to different levels of government; whether the methodology and processes used for the selection and implementation of projects, and the mechanisms to involve subnational authorities, in particular municipalities as well as civil society organisations, in decision-making on the use of support in the reconstruction process at local level and in the democratic scrutiny process, in particular timely and equal access to information and funds for the relevant sub-national authorities are appropriate;

Article 39 Monitoring and reporting 2. The financing agreements referred to in Article 10 and the loan agreement referred to in Article 22 shall set out rules and procedures for Ukraine to report to the Commission for the purpose of paragraph 1 of this Article. For the purpose of such reporting, Ukrainian competent authorities should draw on regular consultation with the Verkhovna Rada, and other stakeholders including regional, local, urban and other public authorities, as well as with social partners and civil society organisations

The responsibility to ensure meaningful public participation especially within the Ukraine Facility mostly relies on the Government of Ukraine, with oversight from the EU Commission. Thus, incorporating the provision on the partnership principle into Ukrainian legislation will ensure that accountability and transparency are incorporated into the Ukraine Plan (the basis for the disbursement of the funds) and the Investment Framework for the benefit of both national and international stakeholders.



Why involve partners?

- 1. On a broader scale, in addition to the challenges of wartimes, efforts are needed to identify ways of addressing the major environmental and societal challenges of our time, including climate change, biodiversity loss, and the ever-increasing gap between the rich and poor. The financing of Ukraine's reconstruction will have to be aligned with the goals of the European Green Deal, the economic development programme that aims to make Europe climate-neutral by 2050.
- 2. In the spirit of the Treaty on European Union, the partnership principle empowers citizens to have a greater say in the decision-making process. It also unlocks the vast **stores of knowledge and talent within civil society**, builds trust in institutions, and equips policymakers to manage complex challenges.
- 3. By applying these principles to EU cohesion policy funds, partners, particularly civil society organisations, can lead the way in **ensuring policies and programmes remain relevant to the changing times** and in orchestrating transformative impacts on society.
- 4. The well-functioning committees can unlock significant strategic gains. Monitoring committees that meaningfully involve relevant civil society organisations build public trust and rally citizen support. They also serve as a financial safeguard, effectively pre-screening ineligible projects that might otherwise cost millions. Additionally, committees that actively engage civil society can tap into a wealth of knowledge and experience, which managing authorities can harness to enhance programme design.
- 5. They also demonstrate how **civil society organisations find resourceful ways** to finance their activities and make impactful changes.
- 6. Broader cooperation serves as a strategic motivation intended to **counterbalance the tendencies of governments** to exert greater **centralised control** over cohesion policy spending.¹¹
- 7. **Monitoring committees enable more robust projects.** Including more partners in monitoring committees aims to create a feedback loop that ensures projects are better aligned with real-world needs, provides a reality check for managing authorities, and increases the eligibility of projects. The monitoring committees not only provide oversight and social input but also ensure more stringent programming criteria and the favouring of future-ready projects.¹²

EU Member states partnership practices:

Poland

Monitoring committees in Poland have demonstrated their ability to tackle complex issues and come up with impactful solutions. As part of their monitoring committee work, the Polish Green Network (PGN) NGO

¹¹ Agnes Batory, Andrew Cartwright, <u>Re-visiting the Partnership Principle in Cohesion Policy: The Role of Civil Society Organizations in Structural Funds Monitoring</u>, *Journal of Common Market Studies*, 698, July 2011.

¹² Laura Mai, Navigating transformations: Climate change and international law, Leiden Journal of International Law, 25 March 2024.



recently established the first working group on the principle of 'do no significant harm'. The group aims to promote the adoption of this horizontal principle by collecting and discussing good and bad practices, drafting ministerial guidelines, and organising workshops for implementing institutions.

Inclusive monitoring committees comprising relevant members of civil society lead to enhanced project criteria that better reflect the needs of potential beneficiaries. PGN identified the inclusion of non-compliant waste incinerators in the draft of one operational programme, saving valuable time and resources, and administrative burdens.

Slovakia

While the concept of public participation is a relatively new phenomenon in post-socialist countries, Slovakia is making strides in consolidating its approach. The Office of the Plenipotentiary of the Government for the Development of Civil Society has been instrumental in encouraging greater participation, recognising its potential to unlock expert knowledge and the unique perspectives of local stakeholders. In particular, the office has advocated heavily for a more participatory approach to preparing calls for proposals.

In tandem, the role of civil society in monitoring committees has become increasingly important. Slovakia's state administration, which typically lacks expert capacity, has come to view regional stakeholders and civil society as useful partners for implementing policy decisions.

For many years, experts from civil society were not recognised or compensated for their active involvement in the programming and monitoring of EU funds. Since 2017, coordination capacity has increased thanks to the establishment of various partnership projects throughout Slovakia, which support official engagements with the country's state authorities. These activities include participatory monitoring, working groups, research, and surveys aimed at improving calls for proposals, rules and criteria, and the nomination mechanism of civil society representatives within the EU funds system.

Czech Republic

The Czech Republic offers a prime example of successful public participation. One non-governmental organisation was awarded a grant to create a talent pool and networking instrument to facilitate the selection and appointment of civil society representatives to monitoring committees.

Government ministries can now seek out qualified candidates for relevant platforms or monitoring committees through public tenders published on the website of the governmental office responsible for civil society relations. The facility works as a two-way channel, fulfilling the technical needs of governing bodies by ensuring a pool of qualified candidates for monitoring committees and serving as a support facility for civil society organisations, helping them secure financial support to participate in these committees.

The facility also allocates resources for contracting specialists and experts that are not readily available within the talent pool of participating civil society organisations.



Public participation in Ukraine

Ukraine has made some progress in improving public participation in decision-making that can be applied to recovery and reconstruction.

At the community level, the following legislative acts provide for the basic principles of citizen participation:

- Law of Ukraine On Local Self-Government in Ukraine;
- Law of Ukraine On the Bodies of Self-Organisation of the Population;
- Law of Ukraine On Citizens' Appeals;
- Law of Ukraine On the Status of Members of Local Councils;
- Law of Ukraine On Public Consultations.

Increasing involvement of citizens in decision-making processes at the local level is enshrined in the Ukrainian Plan as part of the continuation of the decentralisation reform through the adoption and implementation of amendments to the Law of Ukraine 'On Local Self-Government in Ukraine' and the Law of Ukraine 'On Public Consultations' (2.1 Reforms to be pursued under the Pillar I of the Ukraine Facility).¹³

In May 2024, the draft law No. 7283 "On Amendments to the Law of Ukraine 'On Local Self-Government in Ukraine' and other laws and regulations of Ukraine on democracy at the local self-government level" was adopted In particular, it provides for the mandatory development and adoption of the Statutes of territorial communities, which will regulate the forms and instruments of citizen participation in any given community.

The robust participation of the residents in local recovery documents is regulated by the CMU Resolution No. 1159 'On Approval of the Procedure for Developing, Conducting Public Discussion, Approving Programmes for Comprehensive Recovery of the Region, Territory of the Territorial Community (Part of it) and Amendments to Them'. 15

At the same time, there are still gaps in institutionalising the meaningful engagement and effective participation of citizens and civil society organisations in public policy-making and partnership of all interested stakeholders in Ukraine's recovery. Inspiration can be taken from partnerships in the implementation of the EU Funds. Partnership implies close cooperation between public authorities, economic and social partners and bodies representing civil society at national, regional and local levels throughout the whole programming cycle consisting of preparation, implementation, monitoring and evaluation.¹⁶

¹³ Ukraine Facility, <u>Ukraine Plan 2024-2027</u>, *Ukraine Facility*, March 2023.

¹⁴ Verkhovna Rada, <u>Draft law No. 7283 "On Amendments to the Law of Ukraine 'On Local Self-Government in Ukraine' - Картка законопроекту - Законотворчість. *Verkhovna Rada*, accessed 10 October 2024.</u>

¹⁵ Cabinet of Ministers of Ukraine, <u>Resolution No. 1159 'On Approval of the Procedure for Developing, Conducting Public Discussion, Approving Programmes for Comprehensive Recovery of the Region, Territory of the Territorial Community (Part of it) and Amendments to Them', Cabinet of Ministers of Ukraine, accessed 10 October 2024.</u>

¹⁶ European Commission, <u>Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds, European Commission, 1, 7 January 2014.</u>



The Digital Restoration Ecosystem for Accountable Management (DREAM) was set up to provide a single digital pipeline for all reconstruction projects. It is important that the prioritisation methodology for the projects becomes obligatory so that the selection is done transparently and involves all interested partners.

There is an urgent need to implement EU-standard norms for public participation in decision-making regarding restoration efforts, both during martial law and afterwards. This will ensure the true ownership of policies and projects, as well as promote transparency and accountability throughout the recovery and reconstruction process – from planning and initiation to selection, monitoring, and evaluation. The implementation should be done through the monitoring committees at Ukraine's national and regional levels. With technical assistance from international partners, the Secretary of the Cabinet of Ministers can facilitate, organise, and provide the space for independent, participatory structures.

Broader engagement through monitoring committees is the path forward – recommendations

Civil society organisations are vital to monitoring committees, guiding transformative projects that lower consensus costs and foster strategic visions for future change. Achieving climate targets on time requires broader and deeper engagement. All levels of government will need to leverage every ounce of expertise to recover, adapt to post-war and global challenges, and address the climate emergency.

The participation of civil society in monitoring committees also provides benefits beyond formal monitoring. They play an active role in identifying and preventing harmful projects, coordinating capacity-building efforts, refining selection criteria to enhance project quality, supporting other non-governmental organisations, and improving processes and system knowledge.

- 1. A legislative national framework¹⁷ to institutionalise the role of monitoring committees and civil society engagement in reconstruction projects should be pursued to the greatest extent possible, considering the challenges of legislative reform and the need for technical support.
- 2. To institutionalise and provide organisational support, the Secretariate to the Cabinet of the Ministers and the focal point for the Open Government should be involved as the competent authority for the partnership principle and as the party responsible for facilitating the establishment and supporting the work of monitoring committees.
- 3. Implementation of the partnership principle through monitoring committees must be reinforced and supported by technical assistance from international institutions and donors both at national and regional levels. Civil society organisations that adopt the principles of partnership early on should have technical assistance to increase their capacity to understand and participate in relevant state reforms and policymaking.

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¹⁷ Ecoaction, Comments and proposals to the draft Law 'On reconstruction of Ukraine', Ecoaction, August 2024.