



PLAN OF LOCAL ECONOMIC DEVELOPMENT OF THE OBUKHIV TERRITORIAL COMMUNITY

**EXECUTIVE COMMITTEE
OF OBUKHIV CITY COUNCIL
OF KYIV PROVINCE**

**Ukraine
2018**

In order to get a copy of this Plan, please turn to:

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The Mayor's Foreword



In order to support local economic development through furthering economic growth and job creation, establishing partnership relations between municipalities and the private sector and civil society, pursuant to the decision of the Obukhiv City Council No. 689-31-VII dated January 25, 2018, the Obukhiv Territorial Community has joined the initiative of the European Union “Mayors for Economic Growth”.

By signing the cooperation agreement with the Mayors for Economic Growth initiative, the Obukhiv community has committed itself to implementing a number of measures to ensure sustainable economic development, and, in close cooperation with the private sector, non-governmental organizations and other actors, supported by the EU initiative “Mayors for Economic Growth”, has developed a corresponding plan.

To ensure the collective nature of the work on the plan, the Obukhiv city mayor with his order approved the composition of the Committee for the Development of the Local Economic Development Plan of the Obukhiv Territorial Community for the years 2019-2020” (see Annex A.4), which includes representatives of the executive committee of the city council, deputy corps, local business and the public.

**City Mayor –
(signature)
Oleksandr Levchenko**

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1. Summary

In January 2018, the Obukhiv City Council decided to join the initiative of the European Union “Mayors for Economic Growth”, aimed at supporting local economic development through furthering economic growth and job creation, establishing partnership relations between municipalities and the private sector and civil society.

One of the commitments in the cooperation with the initiative of the European Union “Mayors for Economic Growth” is the development of the Local Economic Development Plan of the Obukhiv Community in close cooperation with the private sector and non-governmental organizations.

In the course of meetings of the Committee for the Development of the Local Economic Development Plan of the Obukhiv Community within the framework of the EU initiative “Mayors for Economic Growth” for the years 2019-2020”, meetings with representatives of local business and the public, holding of focus groups, a SWOT analysis was conducted that made it possible to carry out a detailed study of the external and internal environment, namely: weaknesses and strengths, opportunities and threats.

The key strengths include: favorable geographical and transport position of the city; growth of the sector of small and medium enterprises; the presence of a developed complex of industrial enterprises, investment attractiveness; a high degree of implementation of the programs and plans

for socio-economic development adopted by the City Council and well-developed engineering and transport infrastructure. The weaknesses include: limited resources of land, communal property for business development; lack of the business support infrastructure; there is no funding of support programs, development of small business from local budgets. Among the opportunities there are: access to European markets; creation of modern elements of the entrepreneurship support infrastructure; financial support of enterprises and granting tax incentives to them; tourism development. Threats include: lack of confidence of small and medium-sized businesses in the stability of business conditions; increase of the financial burden on business entities; instability of legislation; low purchasing power of the population.

The vision of the community's future has been formed: *Obukhiv is a European city with a competitive economy and powerful investment potential. The city will use its industrial potential for sustainable economic development; build the touristically attractive environment; encourage the development of innovative technologies; attraction of investments.*

In order to achieve the developed vision, the following key objectives have been formed:

1. Promotion of entrepreneurship.
2. Development of the tourism potential of the municipality.
3. Creation of a favorable investment environment by supporting the development of information technology.

The key measures / actions of the plan are aimed at furthering the development of entrepreneurship in the community, the development of tourism and creation of favorable conditions for the development of the IT sector by expanding the domestic consumer and investment demand, increasing the efficiency of the use of productive resources and scientific and technological potential; improvement of the infrastructure; creating favorable conditions for doing business and investing capital in the economy of the community by business entities of all forms of ownership; supporting the creation of innovative projects.

- *The actions under the plan will be financed at the expense of the city budget (25%), private investors, national and international development programs. In order to raise funds for construction / reconstruction of infrastructure facilities of the city, we submit applications to the State Fund for Regional Development.*

2. List of tables, diagrams

Table 1. Economic development action plan
Table 2. Financing scheme
Table 3 Monitoring indicators
Table 4 (Annex A). Order of the Obukhiv City Mayor No. 47 dated February 16, 2018 “On Approval of the Committee for Development of the Local Economic Development Plan of the Obukhiv Community Within the Framework of the EU Initiative “Mayors for Economic Development”
Table 5. (Annex A) List of actions, the results of which were taken into account in the course of development of the economic development plan.
Table 6. (Annex B) List of the key industrial enterprises located in the territory of the community
Table 7.(Annex B) Classification of enterprises by size (according to the Commercial Code of Ukraine)
Table 8. (Annex B) Classification according to the economic activity types
Table 9. (Annex B) Distribution of private sector companies by number and types of activities
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3. List of abbreviations

- EU – European Union
- SMB – small and medium business
- IE – individual entrepreneurs
- UTC – united territorial communities
- GDP – gross domestic product
- SWOT – Strength Weaknesses Opportunities and Threats Analysis
- MM – mass media
- MTF – material and technical facilities
- IT – information technology
- LED – local economic development

4. Introduction to the plan

At the beginning of the year 2017, the European Union launched a new initiative for local self-government authorities, namely “Mayors for Economic Growth”, which focuses on sustainable economic development. The purpose of said initiative is to support local self-government bodies for cooperation of their business sectors and civil society to strengthen local economic growth, development and job creation.

In January 2018, the Obukhiv City Council decided to join the initiative of the European Union “Mayors for Economic Growth” and authorized the mayor on behalf of the city’s territorial community to sign an application for participation in the Mayors for Economic Growth Initiative.

In Ukraine, the process of decentralization is under way, what prompts the city of Obukhiv and other local self-government bodies to search for ways to ensure financial sufficiency and stability for the economic development of their own territories and improvement of the well-being of the population.

The developed and approved Economic Development Strategic Plan of Obukhiv for the period up to 2020 has become the basis for the development of the local economic development plan of the Obukhiv Territorial Community. While the Economic Development Strategic Plan of the city is focused rather on addressing socially significant issues of the community, the Local Economic Development Plan focuses on the private sector development in order to stimulate the development growth and boost employment.

The LED Plan aims to support local economic development through furthering economic growth and job creation, establishing partnership relations between municipalities and the private sector and civil society. Having signed the cooperation agreement with the Mayor for Economic Growth Initiative, the Obukhiv Community committed itself, in close cooperation with the private sector and non-governmental organizations, to implement a number of measures of the Plan to ensure sustainable economic development.

In the course of development of the LED Plan, a committee was established to coordinate the whole process of developing the Plan in order to really understand the problems and needs of the private sector and the public, and not simply to analyze statistical documents. It includes not only representatives of local self-government, but also a large part of local business and public activists.

- *Financial support for the implementation of the LED plan will be carried out at the expense of private funds, international technical assistance, and at the expense of the own funds of the Obukhiv Territorial Community.*

Obukhiv is located in the central part of Ukraine - 45 km south of Kyiv and belongs to the group of investment attractive cities of Ukraine. The bus connection is regular and operates satisfactorily. Due to its location and access to roads of national importance, the municipality is in the best conditions in terms of accessibility, compared with other municipalities.

The population of the community is 33,547 people, which makes up 1.9% of the population of the Kyiv province. The able-bodied population amounts to 20,464 people or 61%, including men - 11,296 (55.2), women - 9,168 (44.8%). The average age is 38, including among women - 40, men - 36 years.

Between 2011 and 2015, an increase in the population of the community by 1.3% was observed, but in 2016 - 2017 it decreased by 0.5%. The slow decrease trend has been observed over the last two years. The negative trend is the aging of the population. The group of the population aged 64 and older has increased by 6.4%. But at the same time, there is an increase in the population aged 0 to 14 years by almost 6.0%.

One of the important factors that determine the change in the population of the city is both external migration and migration of the population within the region, especially among young people, caused by devaluation of hryvnia, low wages.

Modern Obukhiv is a city of regional significance with stable social and economic development, with a strong industry, which needs active action to attract additional external investments, which will create new jobs and fill the city budget, construction and transport base, financial and credit institutions, developed network of trade, foodservice and consumer services enterprises.

Economic development is a multi-faceted process that should involve all representatives of the triple spiral of development: authorities, business, and the public sector. Joint efforts aimed at ensuring economic soundness can provide a basis for the long-term development of the Obukhiv community. Guided by the principles of the initiative, the Executive Committee of the Obukhiv City Council is planning to achieve qualitatively new results in the planning of the territory and its development. The support that can be obtained within the framework of the Initiative, including grant and consultancy one, will make it possible to use the most advanced international practices of local economic development.

In order to understand the problems and needs of the private sector and the public, a Committee was created which coordinated the entire process of developing the Plan. Apart from representatives of local self-government, it also includes representatives of local business (hereinafter “SMB”), public organizations. The measures and goals of this plan correlate with the strategy of development of Obukhiv and the villages of the city council: Tatsenky, Lendy until 2030. For implementation of the plan, a program of local SMB development and investment raising will be formed that will be financed from the local budget and through raising external resources, including grant funds.¹

6. Process of development of the Local Economic Development Plan

In the course of development of the Local Economic Development Plan of the Obukhiv City Council, the committee followed the following principles of:

Equality: In February of 2018, the Committee for Development of the LED Plan was created, which included entrepreneurs, NGOs, representatives of local self-government. The committee included 16 representatives of business, the public and the local self-government body. The members of the committee created a drafting group to form the LED Plan consisting of 6 people (3 persons representing private business).

A number of measures were taken with the involvement of small and medium-sized businesses of the city and the public for development of measures to encourage economic development, in particular: a joint meeting of the Committee Managing Implementation of the Economic Development Strategic Plan within the framework of the project “Local Economic Development of Ukrainian Cities” and the Committee for the Development of the Local Economic Development Plan of the Obukhiv Community within the framework of the EU initiative “Mayors for Economic Growth”, a meeting of the Coordination Council for Entrepreneurship Development, the Council of Entrepreneurs under the Executive Committee of the City Council.

In addition, for better planning of activities, the city council held a sociological survey of the city’s residents and representatives of small and medium business, in total 225 questionnaires were analyzed.

During 2018, five focus groups and 6 meetings of the Committee were held. The meetings were held by directions, and everyone willing to had the opportunity to participate in the

¹ The UAH/EUR rate in this plan is calculated according to the official exchange rate of the National Bank of Ukraine as of August 01, 2018 – EUR 1 = UAH 31.53.

development of the Plan. All meetings of the committee, meetings, focus groups were held regularly with adoption of decisions.

Transparency: Information on the progress of the development of the LED plan was covered on the site of the Obukhiv City Council, the media.

Reliability: The compilation of statistical data was checked for reliability of information.

The list of actions, the results of which were taken into account in the course of development of the economic development plan, is shown in Annex A.5.

6. Local economic situation analysis

6.1. Local economic structure analysis

Sustainable economic development of Obukhiv depends on the production activity of enterprises working in the city and represented by the following industries of the economy, namely: pulp and paper production, chemical industry, construction materials production, repair and installation of machinery and equipment, processing of dairy products.

The production infrastructure of the city of Obukhiv is represented by 23 major industrial enterprises producing a variety of products. Information is given in Annex B.6.

According to statistics, the main industrial enterprises of the city for the year 2017 produced products for the amount of UAH 8,258.9 million or by 41.2% more as compared to the year 2016. Across branches of the economy, the growth of production is observed, namely: in the food industry and processing of agricultural products by 30.2%, in the pulp and paper production by 49.6%, in the chemical and oil processing industry by 51.6%, in the textile industry by 8.0% The production of other non-metallic mineral products (construction materials and glassware) decreased by 8.1% due to low consumer demand.

Export-oriented enterprises of the city carrying out foreign trade transactions with partners in more than 37 countries of the world are developing.

The basis of the commodity structure of export of industrial enterprises of the city of the total export is made up of goods: of the pulp and paper production – 89%, goods of the chemical and petrochemical production (foam rubber, plastics and products thereof) – 9.0%, products of the food industry and processing of agricultural products – 2.0%.

The city produces 7.9% of industrial products of the province and generates 2.8% of the export potential of the region.

During the year, all industrial enterprises of the city experienced an increase in industrial production, but due to changes in the market situation, in particular due to the reduction of trade with the northeastern neighbors of Ukraine, enterprises are experiencing difficulties with the sale of finished products. They, therefore, need methodological and organizational support in finding new markets and developing partnership relations in the markets of the EU and Eastern Partnership Countries. In addition, due to rising energy costs, companies need to implement energy-efficient technologies; introduce the latest innovative technologies.

Small and medium entrepreneurship is a powerful resource for the development of the city and significantly influences volumes of production, the state of the labor market, and the formation of the revenue part of the city budget. Under conditions of economic instability, it can quickly reorient itself to the production of competitive products, ensure self-employment.

According to the state register, 4,203 business entities are registered in the city, of which 1,768 are legal entities and 2,435 are individual entrepreneurs.

The number of economically active population in Obukhiv is 27.5 thousand people, of which 7,550 (28%) are salaried employees. 4,050 people (14%) work in the industry, and 3,500 people (12%) work at small enterprises. Over the last two years, 70% of new jobs have been created at small and micro enterprises. Classification of enterprises by size (according to the Commercial Code of Ukraine) is given in Annex B.7, and by economic activity types in Annex B.8.

Analyzing the structure of enterprises by activity types, it should be noted that the dominant areas are industrial sector, construction and transport.

In the structure of enterprises, the ratio of large, medium and small enterprises in the territory of the Obukhiv City Council remains unchanged. As before, 0.1 per cent of all enterprises is represented by big business (PJSC “Kyiv Cardboard and Paper Mill”), medium-sized enterprises account for 3.9 percent and, accordingly, small businesses account for 96.0 percent, of which almost 83.0 percent have the status of microenterprises. This speaks of the introduction of relatively more attractive business conditions for micro-enterprises, which are mainly determined by the application of a differentiated approach to the application of the simplified taxation system. The distribution of private sector companies by number and types of activities is presented in Annex B.9.

Despite the positive results in the development of small and medium-sized businesses, there remain problem issues that need to be addressed both at the state and regional levels.

Lack of financial resources for investment development, and hence the slow development of investment processes, which are the driving force of economic growth; working capital for technical re-equipment, which hinders the development of enterprises.

Small and medium-sized businesses are short of working capital because of the high cost of credit resources and the level of inflation risks.

High interest rates for bank loans for small and medium-sized businesses, limited long-term lending. The main source of investment for enterprises is their own financial resources. Access to alternative sources of funding remains limited for business entities.

The imperfect taxation system also remains a problem issue today.

In the community there are vacant prospective niches for conducting entrepreneurial activities that are of interest to existing and potential enterprises. One of those niches is tourism.

6.2. Intersectoral collaboration and cooperation at the local level

In order to create favorable conditions for the development of intersectoral collaboration in the Obukhiv City Council, the work on the Development Strategy of the city of Obukhiv and the villages of the city council: Tatsenky, Lendy until 2030 was launched with the mandatory involvement of all stakeholders in the process, primarily local business and representatives of the public sector. In order to coordinate the development of the city, to ensure and support the interests of business in the city, the Council of Entrepreneurs, the Coordination Council for Business Development under the Executive Committee of the City Council, the Obukhiv Organization of Employers, the Obukhiv Regional Organization the All-Ukrainian Association of Women – Entrepreneurs “Women's Alliance” work actively, with whom urban projects and development programs, regulatory legal documents, problem issues in business development are constantly discussed.

Information on important events of the economic life of the city of Obukhiv, the events taking place in the city, the activities of the City Council and its executive bodies were widely covered in the media, the public-political newspaper “Obukhivski Visti”, the TV studio “Bard” and the site of the City Council.

Based on the results of the conducted actions (survey), the level of involvement of local businesses in solving local problems of socio-economic development was found to be quite low. The reason for this is:

- Lack of funding and as a result the relatively low effectiveness of business development programs;
- Lack of a system of strategic planning of business activity, as a result there is no interest in long-term results;
- Orientation of development measures on infrastructure transformation (construction of roads, pipelines and other engineering infrastructure).
- Low level of trust to authorities, as a result of operation of central bodies in the field of regulation of entrepreneurial activity.

Representatives of small and medium-sized businesses and non-governmental organizations note a high interest in organizing joint events that will improve the business conditions in the city, will facilitate the access to quality administrative services.

The main example of cooperation of business, public sector and government is the organization of public cultural events for the city residents.

A prerequisite for the establishment of cooperation is activation of the population of the community, involvement to intersectoral cooperation and awareness of their responsibilities and the possibility to influence the decisions made.

One of the important components of intersectoral cooperation is also the involvement of entrepreneurs in the formation of socially responsible business. Such forms as sponsorship, charity, patronage can significantly improve the socio-economic status in the community and increase the level of trust to local producers.

A priority area for cooperation at the local level is the introduction of a public-private partnership, as a system of relations between government and business, which brings together joint resources with the distribution of risks, responsibilities and rewards, for the mutually beneficial cooperation on a long-term basis in the creation or renewal of new and / or modernization or reconstruction of existing urban facilities that require investment attraction and in use or operation thereof. An assessment of the cooperation at the local level is provided in Annex B.10.

6.3. Transparent, corruption-free administration furthering business development

Transparency of government authorities is one of the prerequisites for the development of local business.

Thus, in order to ensure publicity, transparency and openness of the activity of the Obukhiv City Council, online broadcasting on the Internet of meetings of the executive committee of the city council and sessions with the possibility of re-viewing has been introduced.

Draft regulations are constantly published in mass media, on the website in order to receive comments and suggestions from individuals and legal entities, their open discussions with the participation of representatives of the public are also held.

For the purpose of resource support of small and medium enterprises, they are informed about communal property facilities, which are provided for lease; transparent transfer of communal property to small and medium enterprises on the terms of lease or purchase is performed (media, website, list of communal property, investment passport).

Sale of communal property, land plots through auctions. The Regulations on the procedure for holding investment tenders for construction, reconstruction, restoration, etc. of residential and non-residential facilities, construction in progress, engineering and transport infrastructure of the city of Obukhiv, Lendy and Tatsenky villages have been approved. An investment tender for investment facilities is held.

The Program for the Prevention and Counteraction of Corruption in the territory of the Obukhiv City Council has been adopted and is in place.

Since August 1, 2016, the Obukhiv City Council has implemented Prozorro Electronic Public Procurement System.

The Public Budget has been introduced, that is, the community gets an opportunity to participate in the distribution of a part of the financial resources of the city budget.

Electronic applications of citizens are considered by structural subdivisions of the executive committee of the Obukhiv City Council.

Work of the Center of Administrative Services has been organized. Specialists of the Center provide 118 types of different services, including 23 - for entrepreneurs. In electronic form - 9.

Work is underway on the possibility of registering and obtaining approval documents in electronic form and receiving administrative services in electronic form. Information on the growth areas (sub-areas) and their problems is given in Annex Д.11.

6.4. Access to funding

In Obukhiv there are 9 branches of banks and 11 non-bank financial and credit institutions.

Almost all representatives of small and medium-sized businesses in one way or another point access to cheap financial resources – loans, investments, working capital, as one of the main problems of business development. At the same time, it is deemed expedient to raise the awareness of small and medium-sized business representatives, of both existing financial instruments that are currently being given due attention and traditional instruments – attracting investment resources, both private and public. An interesting direction for working out can also be the attraction of international technical assistance (including expert) for the development of business projects.

In order to increase the access of small and medium enterprises to credit resources, in November the Cooperation Agreement between the Executive Committee of the Obukhiv City Council and the Public Joint-Stock Company “State Savings Bank of Ukraine” was signed. Within their competence, the parties plan to develop cooperation for more effective assistance to small and medium-sized enterprises in the use of financial instruments for supporting innovation activities, investment projects, grants, provision of financial services for updating the material and technical facilities of production and services. For this purpose, the parties undertook to develop and implement new financial instruments supporting the activities of small and medium enterprises, including compensation of interest on loans and partial repayment of loans at the expense of the city budget.

In addition, with the assistance of the municipal and regional employment center, the unemployed are given the opportunity to undergo a professional training under the program “Entrepreneurship Administration” and build a business of their own by obtaining a one-time payment from the Unemployment Fund.

In the territory of the community there is no fund for financial support for the development of entrepreneurship, where at the initial stage entrepreneurs - beginners could receive financial assistance for the development of their business. The SME Development Program does not provide for financial support of entrepreneurship development actions. There is no strategy for the development of small and medium-sized enterprises for a long-term period.

Banking institutions give credits to small and medium-sized businesses at rates: 16.9 - 24.0%, which make it impossible for small and medium businesses to return such a loan under such conditions. Information on access to funding is provided in Annex K.12.

6.5. Land resources and infrastructure

In order to create investment conditions in the territory of the Obukhiv City Council to attract investments for development of the city, an inventory of the investment opportunities of the city (determination of free land plots of greenfields, brownfields and industrial areas, inventory of property complexes of non-operating enterprises or facilities of the city's social sphere) was carried out, based on the results of which an item-by-item list of assets that could be brought in for the implementation of national projects (212,000.0 m² of the area of the property and 34.2 hectares of land plots owned by “Obukhivske” PJSC can be used for production activities) has been determined.

The decision of the executive committee of the city council approved the List of communal property facilities (including land plots), which require attraction of investments, shown on the website of the city council.

However, for effective attraction of anchor investors it is not enough to have free land plots, but it is also necessary to prepare land plots, providing them with the primary investment infrastructure, in particular, to ensure the electrification of plots, to build access roads to investment sites, gas, heat and water supply and sewage networks.

Communal property premises for microenterprises and IEs are in demand.

Property of the community includes premises that meet the needs of entrepreneurs, but the demand exceeds the supply and the municipality is not able to satisfy the needs of entrepreneurs. A part of the premises is in unsatisfactory condition and needs investment.

Office premises for rent are offered by private owners, but the prices for them are too high and microbusinesses are therefore not able to rent such premises and use them for their own needs.

In the territory of the community (Yablunevyi neighborhood, center of Obukhiv) there are free premises of communal property, the areas of which are not used or are used unreasonably (not all area of the premises is used) because of the remoteness of the neighborhood from the city center and absence of those willing to use a large area of the premises in said neighborhood, as well as because of the unsatisfactory condition of the premises.

The municipality intends to repair the buildings and provide them for use to business under partnership conditions in order to create new jobs.

It is planned to develop land management technical documentation for the inventory of communal land, and works on the development of the zoning plan for the territory of Obukhiv city have been started. Public hearings are held.

There is cooperation between the structural divisions of the executive committee.

The needs of the private sector in the sphere of land resources and infrastructure are given in Annex JI.13.

6.6. External positioning and marketing

The Obukhiv Community is considered an attractive place to live, work, rest and invest. The good location of the municipality is important for the growth of existing and the creation of new businesses and companies. During the period (since 2011), since the city of Obukhiv acquired the status of regional significance, the local self-government body has invested heavily in the community development.

In recent years, the community has good roads, sidewalks, pedestrian zones. In the territory of the city there are recreation areas for residents and guests. For the purposes of development of the recreation areas, cultural development of the city, works are under way to reconstruct the city's central square and discussions on the construction of an amphitheater are held.

Many children's and sports grounds were built in the territory of the city.

The municipality has a sports complex named after V. Melnyk, where events of city, regional, republican and international importance are held.

A primary health care center has been set up and operates.

Obukhiv is the city of Malysenko land. In the territory of the community there is a museum - the house of A.S. Malysenko, school No. 1, where the poet studied, has his name and at the premises of the school a museum was opened. In the territory of the community there are many places connected with the poet.

As for the development of the tourism potential of the city, 3 projects of bicycle routes that can be offered to tourists for visiting the city have been developed. For sightseeing, the following places are offered: Recreation Park "Heavenly Hundred Heroes Memory Lane", Recreation Park "Dzherelo", Skate Park, Upper Lake, Lower Lake, Obukhiv Region Historical Museum, Museum-House of Andriy Malysenko, Museum of the Cardboard and Paper Mill, a museum in school No. 1, etc.

But it should be noted that tourists do not come to the city with a long visit, but combine a trip with visiting another area ("Kievan Rus" Park in Kopachiv village). This requires proper information support and advertising about the attractiveness of the city and development of the infrastructure to attract tourists.

Today, the image of the goods, services in many respects depend on the brand and the image of the territory, on the positioning of the city. From the economic point of view, it is the formation of a clear image of the city that is a powerful tool for attracting a large inflow of investors and partners. The city becomes a commodity in the territory market.

But the municipality does not have its own brand. The city is mainly known through the production of cardboard and paper products (Kyiv Cardboard and Paper Mill).

The Economic Department of the Executive Committee of the Obukhiv City Council is pursuing a policy of promotion of local products through the developed investment passport, which is one of the mechanisms for promoting an attractive investment climate and image of the city to ensure sustainable economic growth and create new, highly paid, skilled jobs. The website of the city council (Section "Information for entrepreneurs") provides information on promoting the city as an attractive place for investment and information for entrepreneurs. Materials on the investment opportunities of the city are provided to the provincial level; they are invited to participate in forums, exhibitions, etc. to discuss issues relating to the conditions of business activity and benefits for businesses working in this territory.

In order to create an attractive image, the municipality is studying the issue of developing a city brand.

Our city is seen by its residents as a city with attractive appearance, namely: parks, lanes, streets, monuments; availability of places for spending leisure time, cultural and active recreation and a convenient transport interchange.

Details are shown in Annex M.14.

7. SWOT Analysis: internal strengths and weaknesses, external opportunities and threats

After combining the results of various analyzes, including individual SWOT analyses for each thematic unit, a generalized SWOT analysis is as follows:

Strengths	Weaknesses
1. Favorable geographical and transport position of the city.	1. Limited resources of land, communal property for business development.
2. Growth of the sector of small and medium-	2. Lack of business support infrastructure.

<p>sized enterprises.</p> <p>3. Availability of a developed complex of industrial enterprises.</p> <p>4. New opportunities, new ideas.</p> <p>5. Investment attractiveness.</p> <p>6. High degree of implementation of the programs and plans for socio-economic development adopted by the City Council.</p> <p>7. A sustainable balance of political forces that can unite in order to make important decisions.</p> <p>8. Well-developed engineering and transport infrastructure.</p> <p>9. Developed civil society, what is shown in local patriotism, self-confidence of residents and entrepreneurs, resolution to defend their own interests.</p>	<p>3. Lack of cheap financial and credit resources for business.</p> <p>4. There is no funding of support programs, development of small business from local budgets.</p> <p>5. Weak active position of representatives of non-governmental organizations, associations of entrepreneurs in discussing draft regulatory legal acts on business regulation.</p> <p>6. Lack of start-up capital for starting a business and lack of working capital for business development.</p> <p>7. Presence of the shadow sector of employment.</p> <p>8. Absence of own brand, what causes low attractiveness of the city.</p> <p>9. Inadequate information support and advertising about the attractiveness of the city and development of the infrastructure to attract tourists.</p>
Opportunities	Threats
<p>1. Access to European markets.</p> <p>2. Creation of modern elements of the business support infrastructure.</p> <p>3. Systemic actions of the authorities aimed at supporting small and medium-sized businesses.</p> <p>4. Simplification and improvement of services of approval procedures.</p> <p>5. Conducting a policy of development of business support centers.</p> <p>6. Financial support of enterprises and providing them with tax incentives.</p> <p>7. Development of tourism potential.</p> <p>8. Extending the powers of local self-government bodies as a result of the reform of the local self-government as a result of the administrative-territorial reform.</p>	<p>1. Uncertainty of small and medium-sized businesses about the stability of business conditions.</p> <p>2. Increase of the financial burden on business entities.</p> <p>3. Lack of effective protection of the domestic producer against unfair competition.</p> <p>4. Instability of legislation, the possibility of its negative changes.</p> <p>5. Shadowing of business.</p> <p>6. The presence of barriers to the entry of small and medium enterprises into innovative processes (including due to the high cost and duration of the payback of innovations, high economic risks, organizational problems, underdeveloped technology market, weaknesses of the regulatory framework of innovation activity, low demand for domestic innovative products, insufficient level of training of technical and managerial personnel).</p> <p>7. Further increase in energy prices.</p>

8. Vision and objectives

Strategic vision:

Obukhiv is a European city with a competitive economy and powerful investment potential. The city will use its industrial potential for sustainable economic development; build the touristically

attractive environment; encourage the development of innovative technologies; attraction of investments.

The following **key objectives** have been formed in order to achieve the formed vision:

1. Maintenance of the GDP growth rates in all areas of the municipality's economy.

To this end, it is planned that in 2019-2020 measures will be implemented based on expanding domestic consumer and investment demand, strengthening the competitiveness of the economy, improving the efficiency of the use of productive resources and scientific and technological potential.

2. Development of the tourist potential of the municipality.

The city is mostly known for the production of cardboard and paper products (Kyiv Cardboard and Paper Mill), although Obukhiv is a city of Malyshevo land with beautiful traditions, cultural heritage, natural resources that can attract tourists and develop the municipality. And this can be a good source of revenue for the community. The community has a large, but unfortunately, unfulfilled tourism potential. Among the measures to fulfill this objective, it is necessary to improve the infrastructure in 2019-2020 by creating attractive places; to use the cultural heritage to set up the processes that would contribute to the city's creative economic development.

3. Creation of a favorable investment environment by supporting the development of information technologies, namely:

- creation of a positive investment image of the community and its popularization among potential investors;

- creation of favorable conditions for doing business and investing capital in the economy of the community by business entities of all forms of ownership:

- encouraging the development of investment activity and growth of business activity;

- spreading information on the economic and investment potential of the municipality.

Table 1

9. Action plan

The Economic Development Action Plan includes the priority activities and measures that should be taken to achieve results of economic development as soon as possible:

Thematic unit	Key objectives	Actions under the project(s)	Duration (start - completion)	Involved partners	Planned expenses	Results	Indicators for monitoring²
1. Intersectoral collaboration and cooperation at the local level 2. External positioning and marketing 3. Access to funding	1. Promotion of entrepreneurship	1.1. Furthering the participation of SMB representatives in regional, national and international exhibitions, forums, etc.	01 January 2019-01 January 2021	Municipality, business, MM	UAH 60 ths./ EUR 1,902.9	Business representatives actively participate in exhibitions, forums.	The number of exhibitions and contests (minimum 5). Number of participants involved and product promotion (at least 10 participants per event)
		1.2. Creation of a catalogue of products of enterprises of the community on the web-site of the municipality	01 February 2019 - 01 April 2019	Municipality, business, MM	UAH 25 ths./EUR 792.9	A catalogue of products of enterprises of the community has been created and is regularly updated	Creation of one catalogue showing products of the leading enterprises of the city (at least 25 enterprises)
		1.3. Creation of a credit mechanism for small business	01 January 2019 – 01 August 2019	Municipality, business, banking institutions	UAH 50 ths./ EUR 1,585.8	The credit mechanism has been developed and the program of small business	Credit program; reimbursement amount up to UAH 50.0 thousand; at least 5 entrepreneurs will

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						development has been adopted.	receive loans
1. Transparent, corruption-free administration furthering business development 2. Land resources and infrastructure 3. External positioning and marketing	2. Development of the municipality's tourism potential	2.1. Organization of registration and receipt of approval documents in electronic form	01 October 2020- 01 January 2021	Municipality	UAH110 ths./ EUR 3,488.7	An electronic system for obtaining approval documents has been created	Creation of an electronic system. The number of approval documents has been reduced to 25.
		2.2. Organization of execution of administrative services in electronic form	01 October 2020- 01 January 2021	Municipality	UAH 120 ths./ EUR 3,805.9	An electronic system for providing and receiving administrative services has been created	Creation of an electronic system. Number of services received (up to 60 services)
		2.3. Creation of the tourist information center "Tourist Obukhiv"	01 January 2019- 01 January 2021	Municipality, investors, donor programs	UAH 600 ths./ EUR 19,029.4	The tourist information center has been created in order to develop the tourism industry in the community	One center. Number of respondents who contacted the center and received information
		2.4. Development of tourist opportunities of Obukhiv region: 2.4.1. Organization of tours "Obukhiv - City Break", "Walking the Paths of	01 January 2019-01 January 2020	Municipality, business, donor programs	UAH 35 ths./ EUR 1,110.1	Travel itineraries have been organized and opened to three destinations	Three itineraries. Number of visitors.

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		Malyshko”, “Malyshko Museum - Estate - Inspiring Place”					
		2.4.2. Development and creation of a map of pieces of art	01 January 2019-01 July 2020	Municipality, business, donor programs	UAH 9 ths./ EUR 285.4	A map of pieces of art has been developed and created	Creation of the map and number of visitors.
		2.4.3. Development and creation of “Malyshko-art- kvartal”	01 January 2019- 01 January 2021	Municipality, business, donor programs	UAH 85 ths./ EUR 2,695.8	“Malyshko-art- kvartal” has been developed and created	Creation of “Malyshko-art- kvartal”, number of visitors.
		2.4.4. Development and creation of the city brand	01 January 2019- 01 January 2021	Municipality, business, donor programs	UAH 30 ths./ EUR 951.5	City brand has been developed and created	City brand. Getting a powerful tool for attracting investors, partners and consumers. Instrument for trust formation
		2.4.5. Development and updating of the tourist data base	01 April 2020 -01 October 2020	Municipality, business, donor programs	UAH 30 ths./ EUR 951.5	A tourist data base has been developed for the purposes of development of the tourism industry	Tourist opportunities data base. Number of visitors to the database and the amount of information received.
		2.4.6. Publishing information materials, guides, maps and their distribution	01 October 2020-01 January 2021	Municipality, business, donor programs	UAH 100 ths./ EUR 3,171.6	Information materials, guides, maps have been published and distributed.	The quantity of published material (up to 10.0 thousand copies) and the number of recipients of the information (up

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							to 10.0 thousand recipients)
		2.4.7. Creation of a cross-platform mobile application	01 January 2019-01 September 2019	Municipality, business, donor programs	UAH 35 ths./ EUR 1,110.1	A cross-platform mobile application has been created	Creation of the mobile application. The number of users is up to 5.0 thousand people
1. External positioning and marketing 2. Intersectoral collaboration and cooperation at the local level	3. Creation of a favorable investment environment by supporting the development of information technology	3.1. Develop a package of documents for investors on the rights of private partnership in the field of information technology	01 March 2019 – 01 May 2019	Municipality	UAH 10 ths./ EUR 317.2	A package of documents for investors on the rights of private partnership in the field of information technology has been developed	The number of developed documents and concluded contracts, taking into account the interests of individuals
		3.2. Update the page on Obukhiv in Wikipedia	15 September 2019 – 01.11.2019	Municipality	UAH 2 ths./ EUR 63.4	The page on Obukhiv in Wikipedia has been updated	Information material and the number of visitors and informed persons
		3.3. Make an investment passport of the Obukhiv community	01 March 2020 – 01.06.2020	Municipality	UAH 10 ths./ EUR 317.2	Investment passport of the Obukhiv community has been made	Investment passport (up to 100 copies); increase in the number of investors
		3.4. Coverage of information on the opportunities of the municipality on investment portals	01 July 2020 – 01 August 2020	Municipality	UAH 12 ths./ EUR 380.6	Constant coverage of information on opportunities of Municipality on investment portals	Information material up to 5 units; increase in the number of visitors, investors

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		3.5. Development and creation of an investment promotional video about entrepreneurship	01 May 2020 – 15 June 2020	Municipality	UAH 10 ths./ EUR 317.2	An investment promotional video about entrepreneurship has been developed and created. Constant coverage of information on business development opportunities	One promotional video. Increase of the information material on the SMB and the number of people aware of the city's entrepreneurship
		3.6. Implementation of a remote data collection system for measuring devices	01 July 2019 – 01 July 2020	Municipality, investors, donor programs	UAH 2,580.8 ths./ EUR 81,852.2	A remote data collection system for measuring devices has been implemented.	Remote data collection system for measuring devices. The number of those involved in the system - 23 enterprises, institutions, organizations.
Total					UAH 3,913.8 thousand/EUR 124,129.4		

In fact, the search for funding sources can (and should) be one of the necessary measures of the Action Plan. Active partnership relations between the public and private sectors should be actively promoted and maintained.

10. Financing scheme

The sources of funding for the measures of the Local Economic Development Plan of the Obukhiv Territorial Community are: the city budget; State Fund for Regional Development; EU funds under the Sectoral Support Program; funds of private investors; grant and donor organizations; attraction of funds on the conditions of public-private partnership.

According to measures of the plan, development programs will be prepared that will be submitted to international donor and grant organizations.

The use of funds will be based on the method of special-purpose programs, which has already been implemented in the Municipality, in terms of using the city budget funds.

Table 2

Actions under the project(s)	Planned expenses, (UAH/EUR)	Sources of funding				Lack of funding (UAH/EUR)	Notes
		Local budget (UAH/EUR)	Top level budgets (UAH/EUR)	Private sector (UAH/EUR)	Donors (UAH/EUR)		
1.1. Furthering the participation of SMB representatives in regional, national and international exhibitions, forums, etc.	60,000.0 /1,902.9	15000.0/475.7	-	15000.0/475.7	-	30,000.0/ 951.5	
1.2. Creation of a catalogue of products of enterprises of the community on the web-site of the municipality	25,000.0 /792.9	25000.0/792.9	-	-	-	-	
1.3. Creation of a credit mechanism for small business	50,000.0 ./,1585.8	50000.0/ 1585.8	-	-	-	-	
2.1. Organization of registration and receipt of approval documents in electronic form	110,000.0 /3,488.7	30000.0/951.5	-	-	-	80,000.0/ 2,537.2	
2.2. Organization of execution of administrative services in electronic form	120,000.0 /3,805.9	30000.0/951.5	-	-	-	90,000.0/ 2,854.4	
2.3. Creation of the tourist information center "Tourist Obukhiv"	600,000.0/ 19,029.4	150000.0/ 4757.2	-	-	-	450,000.0/14, 272.2	

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2.4. Development of tourist opportunities of Obukhiv region: 2.4.1. Organization of tours “Obukhiv - City Break”, “Walking the Paths of Malyshko”, “Malyshko Museum - Estate - Inspiring Place”	35,000.0/ 1,110.1	35000.0/ 1110.1	-	-	-	-	
2.4.2. Development and creation of a map of pieces of art	9,000.0/285.4	9000.0/285.4	-	-	-	-	
2.4.3. Development and creation of “Malyshko-art-kvartal”	85,000.0/ 2,695.8	22000.0/697.7	-	-	-	63,000.0/ 1,998.1	
2.4.4. Development and creation of the city brand	30,000.0/ 951.5	20000.0/634.3	-	10000.0/317.2	-	-	
2.4.5. Development and updating of the tourist data base	30,000.0/ 951.5	10000.0/317.2	-	-	-	20,000.0/ 634.3	
2.4.6. Publishing information materials, guides, maps and their distribution	100,000.0/ 3,171.6	30000.0/ 951.5	-	-	-	70,000.0/ 2,220.1	
2.4.7. Creation of a cross-platform mobile application	35,000.0/ 1,110.1	35000.0/ 1110.1	-	-	-	-	
3.1. Develop a package of documents for investors on the rights of private partnership in the field of information technology	10,000.0/ 317.2	10000.0/ 317.2	-	-	-	-	
3.2. Update the page on Obukhiv in Wikipedia	2,000.0/63.4	2000.0/63.4	-	-	-	-	
3.3. Make an investment passport of the Obukhiv community (Objective 1)	10,000.0/ 317.2	10000.0/ 317.2	-	-	-	-	
3.4. Coverage of information on the opportunities of the municipality on investment portals (Objective 1)	12,000.0/ 380.6	5000.0/158.6	-	-	-	7,000.0/ 222.0	
3.5. Development and creation of an investment promotional video about entrepreneurship	10,000.0/ 317.2	10000.0/ 317.2	-	-	-	-	
3.6. Implementation of a remote data collection system for measuring devices	2,580,800.0/ 81,852.2					2,580,800.0/ 81,852.2	
Total	3,913,800.0/ 124,129.4	498,000.0/ 15,794.5	-	25,000.0/792.9	-	3,390,800.0 /107,542.0	

11. Monitoring indicators and mechanisms

In order to monitor the implementation of the Local Economic Development Plan, a working group for monitoring will be created, which will include members of the plan development committee. The Committee will prepare a plan for monitoring and assessment by achievement indicators in accordance with the Plan, which is an important tool for planning, managing and documenting how performance data is collected and used, as well as for assessing and reporting progress.

The monitoring of implementation of measures will be carried out on a quarterly basis, and a general summarizing one will be carried out every six months. The monitoring results will be submitted for consideration and approval of the city council.

In order to study the public opinion on the effectiveness of the Local Economic Development Plan, public monitoring will be performed once a year, which will be conducted through surveys of different population groups (according to the statistical sample).

Table 3. Monitoring indicators

Actions / Ideas of the project(s) ³	Duration (commencement of the action ⁴ dd.mm.yyyy – completion dd.mm.yyyy)	Expected results			
		from the 1st to the 6th month	from the 7th to the 12th month	from the 13th to the 18th month	from the 19th to the 24th month
1.1. Furthering the participation of SMB representatives in regional, national and international exhibitions, forums, etc.	01.01.2019-01.01.2021	Material about participation in exhibitions, tenders has been gathered and brought to the notice of business	Material about participation in exhibitions, tenders has been gathered and brought to the notice of business	Material about participation in exhibitions, tenders has been gathered and brought to the notice of business	Material about participation in exhibitions, tenders has been gathered and brought to the notice of business. Completed on 01.01.2021
1.2. Creation of a catalogue of products of enterprises of the community on the web-site of the municipality	01.02.2019 - 01.04.2019	Information material for the catalogue has been prepared. A catalogue of products has been prepared and shown on			

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		the site. Completed on 01.04.2019			
1.3. Creation of a credit mechanism for small business	01.01.2019 – 01.08.2019	Cooperation with banking institutions has been established. Credit Program has been developed.	Approved Program. Completed on 01.08.2019		
2.1. Organization of registration and receipt of approval documents in electronic form	01.10.2020- 01.01.2021				The staff has been recruited and the list of approval documents has been defined. Completed on 01.01.2021
2.2. Organization of execution of administrative services in electronic form	01.01.2020- 01.01.2021			The list of approval documents has been defined	The staff has been recruited and the list of approval documents has been defined. Completed on 01.01.2021
2.3. Creation of the tourist information center "Tourist Obukhiv"	01.01.2019- 01.01.2021	Public discussions have been held, the opinion of the community on the location of the center has been considered	Premises for creation of the tourist information center "Tourist Obukhiv" have been allocated	A major repair of the premises has been made and the relevant MTF have been provided	The tourist information center "Tourist Obukhiv" has been created. Advertizing has been performed. Completed on 01.01.2021
2.4. Development of tourist opportunities of Obukhiv region: 2.4.1. Organization of routes "Obukhiv - City Break", "Walking the Paths of Malyshko", "Malyshko Museum - Estate - Inspiring Place"	01.01.2019- 01.01.2021	Materials have been studied. A discussion has been held. One tour has been developed and approved "Obukhiv - City Break"	Materials have been studied. A discussion has been held. One tour has been developed and approved "Walking the Paths of Malyshko"	Materials have been studied. A discussion has been held. One tour has been developed and approved "Malyshko Museum - Estate - Inspiring Place"	Video material about the tours has been prepared and covered in social media. Completed on 01.08.2021

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2.4.2. Development and creation of a map of pieces of art	01.01.2019-01.07.2020	A discussion has been held. Pieces of art have been found and identified	A map of pieces of art has been created.	The map of pieces of art has been made and uploaded. Completed on 01.07.2020	
2.4.3. Development and creation of “Malyshko-art-kvartal”;	01.01.2019-01.01.2021	The elements of connection of objects into the art quarter have been found and determined.	A discussion has been held. An itinerary through the art quarter has been developed	The art quarter has been created.	Advertising has been performed through printed media and video. Completed on 01.01.2021
2.4.4. Development and creation of the city brand	01.01.2019-01.01.2021	The historical background of the region has been studied with the involvement of specialists.	3 public hearings have been held to determine and create the city brand	The city brand has been created. Presentation of the brand.	The public has been informed of the creation of the city brand. Completed on 01.01.2021
2.4.5. Development and updating of the tourist data base	01.04.2020 - 01.10.2020	New attractions for the tourist base have been determined	The base of tourist attractions has been updated. Advertizing has been performed. Completed on 01.10.2020		
2.4.6. Publishing information materials, guides, maps and their distribution	01.10.2020-01.01.2021				1,000 copies of materials have been published. Completed on 01.01.2021
2.4.7. Creation of a cross-platform mobile application	01.01.2019-01.09.2019	Round table meetings and focus groups (4) have been held. The concept of the task has been developed and the tender has been announced	The mobile application has been created and its promotion has been performed. Completed on 01.09.2019		
3.1. Develop a package of documents for investors on the rights of private partnership in the field of information technology	01.03.2019 – 01.05.2019	A package of documents for investors has been developed. Their coverage on the website of the city council. Completed on 01.05.2019			

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3.2. Update the page on Obukhiv in Wikipedia	15.09.2019 – 01.11.2019		Material has been gathered and the page has been updated. Completed on 01.11.2019		
3.3. Make an investment passport of the Obukhiv community (Objective 1)	01.03.2020 – 01.06.2020			Material has been gathered and the investment passport has been made (at least 100 copies). Completed on 01.06.2020	
3.4. Coverage of information on the opportunities of the municipality on portals	01.07.2019 – 01.01.2021		Material on the opportunities of the municipality has been prepared. The information material has been published on 3 portals.	Material on the opportunities of the municipality has been prepared. The information material has been published on 3 portals.	Material on the opportunities of the municipality has been prepared. The information material has been published on 3 portals. Completed on 01.01.2021
3.5. Development and creation of an investment promotional video about entrepreneurship	01.05.2020 – 15.06.2020			Material on the municipality has been gathered. A promotional video has been created.	Advertising has been performed. Completed on 15.06.2020
3.6. Implementation of a remote data collection system for measuring devices	01.07.2019 – 01.07.2020		Preparing of design and estimate documentation. Demounting of old meters of heat, water, electricity	Installation of new meters of heat, water, electricity and other measuring devices	The remote data collection system for measuring devices has been implemented and the monitoring of metering of heat, water, electricity has been performed. Completed on 01.07.2020
% of the total budget on all measures of the LED Plan (approximately)	UAH 3,913,800.0/ EUR 124,129.4 (100%)	20%	25%	30%	25%

ANNEXES TO THE PLAN

- A.4. Order of the Obukhiv City Mayor No. 47 dated February 16, 2018 “On Approval of the Committee for Development of the Local Economic Development Plan of the Obukhiv Community within the Framework of the EU Initiative “Mayors for Economic Development”.
- A.5. List of actions, the results of which were taken into account in the course of development of the economic development plan.
- Б.6. List of the key industrial enterprises located in the territory of the community.
- Б.7. Classification of enterprises by size (according to the Commercial Code of Ukraine).
- Б.8. Classification according to the economic activity types.
- Б.9. Distribution of private sector companies by number and types of activities.
- Б.10. Assessment of cooperation at the local level.
- Д.11. Growth areas (sub-areas) and their problems.
- К.12. Access to funding.
- Л.13. Needs of the private sector in the sphere of land resources and infrastructure.
- М.14. How our city is seen by its residents.