



STUDY VISIT: PROCEEDINGS

Supporting local public service, subnational finances and regional development: Insights from Flanders

24-27 April 2017
Flanders, Belgium

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www.oecd.org/globalrelations/eurasia.htm

■ OECD REGIONAL DEVELOPMENT POLICY COMMITTEE

The Regional Development Policy Committee (RDPC) was created in 1999 with the goal of identifying the nature of territorial challenges and assisting governments in the assessment and improvement of their territorial policies. Through its mandate today, the Committee aims to serve as the premier international forum for senior-level policy makers to identify, discuss, develop, and disseminate a vision of regional development policy that is place-based, multi-level, multi-sector, evidence-based and innovative. The Committee also seeks to enhance well-being and living standards in all region types, from cities to rural areas, and improve their contribution to national performance and more inclusive and resilient societies.

www.oecd.org/regional

■ THE PROJECT: SUPPORTING DECENTRALISATION IN UKRAINE

The project will run until 2018 with the aim of helping the Ukrainian authorities implement their decentralisation reforms and strengthen the institutions of public governance at national and sub-national levels across the country. It is jointly implemented by the OECD Regional Development Policy Committee and the Eurasia Competitiveness Programme, in close collaboration with the Government of Ukraine. The project is **co-financed by the European Union, and the governments of the Czech Republic, Flanders (Belgium), and Poland.**

STUDY VISIT – PROCEEDINGS

■ Overview

This three-day study visit to Flanders and the city of Brussels was organised to get first-hand experience of practices put in place in the Flemish Region in terms of public service delivery and regional development, as well as to visit the European Union institutions dealing with regional policy and decentralisation.

The Flemish Region is responsible for territorial issues in a broad sense, including economy, employment, agriculture, water policy, housing, public works, energy, transport, the environment, town and country planning, nature conservation, tourism, foreign trade, and provinces and municipalities. Although the institutional framework is very different to that of Ukraine, the delegation was able to learn from the Flemish Region's experience in managing local public services, regional development and innovation policies, as the Flemish region has strong track records in all of these fields.

The study visit included bilateral meetings with regional and municipal authorities, and visits to EU and Flemish institutions to discuss regional and city planning, regional development, service delivery and public finance management at sub-national level. The discussions focused in particular on administrative, investment and service delivery capacity. In addition, Ukrainian participants had the opportunity to discuss the "pros and cons" of local authority amalgamation with the Flemish authorities, and their objectives for sector decentralisation looking at the concrete example of two specific sectors, transport and education.

■ Key findings

- Multi-year strategic planning offers an efficient framework within which to measure performance, to monitor progress and to link policy objectives and financial needs.
- The autonomy of municipalities is a guiding principle for local governance and should be enshrined in legislation and duly enforced.
- Inter-municipal co-operation should be further promoted by providing incentives (e.g. reduction of debt) by strengthening capacities and by clarifying roles at city and municipal levels.
- Strengthening the capacity of local governments to manage and implement projects is particularly important, and proper management and control systems should be put in place to ensure the appropriate selection and implementation of projects.
- Public-private partnerships are useful mechanisms to increase private participation in public projects and investments.
- Regional development agencies can be a strong partner in designing regional development strategies, in ensuring continuity of projects beyond political cycles, and in promoting entrepreneurship and innovation at local levels.
- Public service delivery is very much affected by the quality of institutions at the local level, their empowerment and their capacity to streamline processes.
- The central government has an important role to play in empowering the local level, in equalising local budgets and in monitoring the performance of cities and provinces.
- The main driver for amalgamation in Flanders is the increase in the capacity to deliver quality services. If effectively implemented, amalgamation could result in more efficiency, transparency and accountability of local governments.
- In Europe, cities are the drivers of productivity growth and economic development.
- Good governance is directly connected with the problem of corruption, which undermines the efficiency of public service delivery and the business climate at sub-national levels.

MONDAY 24 APRIL 2017

■ **Meeting with the Flemish Agency for Home Affairs (Agentschap voor Binnenlands Bestuur)**

The meeting focused on two main issues: Flemish local government (organisation, functioning, local finances, supervision mechanisms, policy and management cycle) and the distribution of competences across levels of government in Flanders (slimming down provincial competences, voluntary amalgamation of municipalities, inter-municipal co-operation). **Mr. Edwin Lefebre, Deputy Director of the Flemish Agency of Home Affairs**, presented the territorial and administrative organisation of Belgium and the distribution of competences between the federal, regional and municipal levels of government. The competences of Flanders include culture, sports, media, use of languages, education, health care (prevention, elderly, disabled persons,...), family policy (family allowances, youth protection + policy, child care, integration, ...), tourism, agriculture and fisheries, environment and water policy, public works, mobility and traffic safety, employment (labour market policy), energy, economy, housing, town and country planning, energy policy and provinces and municipalities. The region of Flanders comprises five provinces. They are responsible for the implementation of supra-local tasks (exceeds the local municipal interest, is region-oriented and remains within the boundaries of the provincial territory) and they support tasks at the request of other authorities. Flanders' 308 municipalities have a high level of autonomy and are in charge of local policies and the sustainable development of the territory (youth, sport, libraries, culture, local roads, traffic and public spaces, day-care centres, pre-school, elementary schools, social assistance and benefits, housing benefits and assistance, hospital services, specialised homes and care for the elderly and people with disabilities, nursing homes, premises and payment of staff).

Mr. Lefebre explained the *administrative supervision* at the municipal level. The administrative supervision is the counterweight for the local autonomy and must ensure that the municipalities act in accordance with the law and the general interest, i.e. which is of wider importance than the municipal interest itself. This supervision is organized on two levels: the provincial governor can suspend the decisions of the municipal authority. He or she has a general suspension jurisdiction and acts as Commissioner of the Flemish government. The jurisdiction to annul these decisions rests with the Flemish government, which has a general power of annulment. The supervisory authority can ask the municipal authority for all the necessary documents and information or can consult these documents or information on site. The system of *municipal financing* is based on the principle of fiscal autonomy of municipalities (fixing taxes on all matters of municipal interest, autonomy in fixing tax rates and exemptions). It includes redistributive allocations from the municipal fund of at least EUR 2.4 billion (with the amount increasing on an annual basis). Since 2016, specific grants of EUR 280 million have been integrated into the fund, covering the areas of sport, culture, youth, education, development co-operation and subsidies for regional cities. Mr. Lefebre pointed to the fact that the taxes collected by municipalities (income and property tax being key elements) make up 48% of municipal finances. The general tendency towards less supervision and reduction of the regulatory framework for local authorities has resulted in the *policy and management cycle (BBC) budgeting method*. It provides for a performance-oriented six year strategic planning cycle (coinciding with local governments' mandates) and establishes a direct link between policy objectives and financial consequences. The digital reporting that is used by the BBC facilitates co-ordination between the Flemish government and local authorities and assures transparency and accessibility of the statistical information. The Flemish region uses a two-level *control and audit system* consisting of internal audit (separation of roles, e.g. approbation of due payments vs. actual payments) and external audit (by an independent agency that mostly includes process and thematic audits, and forensic audits on suspicion of fraud).

The issue of the amalgamation of municipalities was of particular interest to the Ukrainian participants. Mr. Lefebre and his colleague, **Mr. Leander Price**, explained that a big top-down amalgamation process took place in the 1970's in Belgium, which resulted in the reduction of the number of municipalities from 2359 to 596. In 1983, a number of municipalities adjacent to the city of Antwerp were amalgamated with Antwerp.

As a result, there are now 589 municipalities in Belgium, of which 308 are in Flanders. This top-down municipal amalgamation process was the result of a political decision in the context of a highly-fragmented territory and the inability of municipalities to deal with complex issues such as infrastructure development. Since then, the competence for the amalgamation of municipalities has been devolved to the Regions. The current Flemish government, as well as its predecessor, is very much in favour of the voluntary amalgamation of municipalities. The Flemish Governance Agreement 2014-2019 stimulates the voluntary amalgamation process through a financial bonus: the Flemish Government takes over the debts of the municipalities, which have decided to amalgamate on the 1 January 2019 and which have submitted their proposals to amalgamate to the Flemish government before 31 December 2017, for a maximal amount of EUR 500 per inhabitant, with a maximum amount of EUR 20,000,000 per amalgamation and in as far as the maximum amount of EUR 200,000,000 on the Flemish budget is not exceeded. The amalgamation process is a part of the Flemish regional policy that also aims to reduce the competences of the provinces. The provinces lose their competences related to the so-called cultural and personal matters (education, culture, youth, healthcare, etc.). These competences are transferred either to the Flemish Region or the municipality. This results in a transfer of staff and means, and also in a modification of the financing and tax-raising capacities of these levels of government.

The financial stimulus of EUR 500 per inhabitant debt reduction for the municipality in case of the amalgamation is not the main criteria for amalgamation, according to Mr. Price. Rather, it is the increase in the capacity to deliver services that drives the amalgamation process in Flanders. When discussing inter-municipal co-operation as another important issue in the context of the Ukrainian decentralisation reform, Mr. Price pointed out that the explosion of inter-municipal co-operation observed in Flanders since the 2000s is perceived by some as an indication of the weakness of municipalities.

TUESDAY 25 APRIL 2017

■ Meeting with the Directorate General for Regional and Urban Policy (DG Regio), European Commission

This meeting focused on the relevance of EU regional development policy for Ukraine and its impact with respect to administrative, investment and service delivery capacity in Europe. **Mr. Lewis Dijkstra, Deputy Head of the Analysis Unit**, presented the key findings of the EU Report on Economic, Social and Territorial Cohesion, and outlined some of the challenges for Ukraine in terms of its regional development policy. He stressed the importance of cities in driving productivity growth and economic development in countries across Europe. He also presented an interactive map illustrating the degree of urbanisation across Ukraine, highlighting that cities hold the bulk of the productivity and therefore one of the main goals of regional economic development should be the promotion of cities' productivity through good governance, fostering education, improving infrastructure and strengthening the business environment.

Link to the Global Human Settlement website: <http://ghsl.jrc.ec.europa.eu/visualisation.php#>

Mr. Dijkstra suggested that the decentralisation process in Ukraine should focus on connecting cities to the settlements around them so as to foster metropolitan regions and avoid territorial and economic fragmentation. However, efficient decentralisation is not achievable if the level of governance is poor. The example of investments made under EU Cohesion Policy proves that funding provided to European regions with poor public governance didn't have a positive impact on regional development and reduced the expected multiplier effect. Effective decentralisation policy at regional and municipal levels also includes the principle of funded mandates, so as to avoid situations where responsibilities to deliver public services at the local level are not matched with adequate financial resources.

The local autonomy index used by DG Regio could help Ukrainian policy makers to monitor regional development. It assesses the overall capacity of local government to conduct policy independently from the central government through the local government's control over its budget and the possibility to collect its own taxes. Mr. Dijkstra stressed that the problem of good governance is directly connected with the problem of corruption, which is of particularly high importance in big cities and has an impact on the efficiency of public service delivery and the business climate at sub-national levels. Monitoring of the efficiency of public services through public surveys reflecting the experiences and impressions of citizens can help to counter corruption and considerably improve local public service delivery. E-government is also an effective way to counter corruption and improve transparency. Regular monitoring of regional development policy through the collection of territorial statistics is another efficient way to foster transparency and allow for a better understanding of the trends and particularities of the decentralisation process, taking into account regional disparities and good practices from other countries in this area. In conclusion, Mr. Dijkstra highlighted the importance of monitoring the decentralisation process in Ukraine, tackling corruption at local levels, conducting an analysis of the factors that could deter its successful implementation, and publishing the results of the monitoring in order to demonstrate the long-term commitment from the central government to foster a positive business climate.

Mr. Michael Ralph, Adviser to the Deputy Director General, Co-ordination and Policy Dialogue Eastern Partnership and Russia, took the floor in the second part of the meeting. He discussed the horizontal and vertical co-ordination mechanisms put in place by the EU to ensure regional policy coherence and presented the framework of Ukraine-EU co-operation in terms of regional development policy. Ukraine is currently taking part in several programmes funded by DG Regio, including cross-border co-operation in the Danube area and technical assistance programmes provided under EU neighbourhood policy. In addition, policy dialogue on regional development is conducted with the Ministry of Regional Development of Ukraine, and support is being provided to enhance the efficiency of the State Fund for Regional Development and the public procurement system.

Mr. Ralph emphasised that the Strategy for Regional Development 2014-2020 adopted by the Ukrainian government has common goals with the EU regional strategy for the same period, including the reduction of regional disparities, support for regional competitiveness and the implementation of essential public administration reforms. The basic principles applied by the EU to achieve these goals include multi-level governance (providing for effective co-ordination mechanisms), the partnership principle (allowing for the right decisions to be made through the involvement of relevant stakeholders), and strengthening the capacity of local governments to manage and implement projects. The last component presents a particular challenge in the context of decentralisation in Ukraine, as proper management and control systems should be put in place to ensure the appropriate selection and implementation of projects.

Mr. Olexandr Bondar, Chief Expert, Local Government Development Division, Ministry of Regional Development, highlighted the need to improve the system of public procurement in terms of the process of project selection at regional and national levels. The regional commission has a purely procedural role, while the national commission is fully in charge of the design and development of projects. This results in an overload of the ministry's national commission and its inability to deliver the necessary decisions on time to allow for the disbursement of project funding. He also pointed out an imbalance between the subventions for local socio-economic development and the funding of the State Fund for Regional Development (SFRD), the first being significantly higher than the last, with no explicit requirements for project co-financing. This results in a high demand for the subvention from local governments and a lack of interest in the SFRD funding process due to the obligations of co-financing and long bureaucratic procedures.

The problem of financing multi-year projects and implementing projects at regional and municipal levels was highlighted by **Ms. Olena Machulna, Deputy Head of the Department of Local Budgets, Ministry of Finance**. Mr. Ralph commented that long-term projects require a multi-year budgetary cycle that can guarantee project sustainability and correctly assess their impact on regional development. **Mr. Sergii Trusov, Head of**

the Department of Southern Regions, Directorate for Regional Policy, Presidential Administration, expressed his interest in learning about good practices of multi-level governance and co-ordination that could be implemented in the Ukrainian context.

■ Meeting with the Association of Flemish Cities and Municipalities (VVSG)

This meeting focused on public service delivery in a decentralised context and illustrated how cities and municipalities in Flanders are organised in terms of capacities, powers and finances to deliver public services at the local level. **Mr. Christof Delatter, Chairman of VVSG**, presented the association and its role as a major actor in promoting the interests of the municipalities at the provincial and regional levels and supporting the municipalities through the provision of legal consulting, dissemination of information on good practices, capacity building, workshops and seminars for members. He explained the importance of the municipality as pillar of territorial organisation of Flanders, pre-dating the creation of the Belgian state.

Mr. Delatter touched upon the issue of municipal mergers, which cannot be considered a universal remedy to improve local capacity as larger municipalities do not always lead to higher efficiency and may entail longer distances to access public services. Municipal mergers are encouraged at the level of Flanders region through the reduction of debt by an amount of EUR 500 per person and an allocation within the Flemish Municipal Fund that amounts to EUR 2 million and grows annually by 3.5 %. The Municipal Fund plays the role of balancing the budgets to compensate for social disparities and tax poverty of municipalities. The Municipal Fund attributes 40% of its resources to the large cities and almost 60% to the municipalities. Mr. Delatter explained the municipal financing system in detail, pointing to municipal autonomy in tax collection. Under the current system, 48.9% of municipal income comes from local tax revenues, 23.8% from the general fund, and 13.9% from earmarked grants. The two main municipal taxes that make up the bulk of the municipal budget are the tax on property/housing of (47.7% of municipal tax income) and the income tax (36.3%); other local taxes that vary from one municipality to another constitute 16% of the budget.

Commenting on the financial autonomy of municipalities in Flanders, the participants noted that Ukrainian municipalities have only ten taxes available at the municipal level, compared with around 100 available for the Flemish municipalities. Mr. Delatter explained that the presence of 100 different local taxes is really just a reflection of the strong financial autonomy given to municipalities in Flanders. In practice, personal income tax and property tax on real estate accounts for about 85% of local tax revenues. The budget cycle at the municipal level in Flanders is linked to the policy cycle and is approved every six years following the municipal elections. The six-year strategy, which includes policy and long-term budget planning, is decided upon by the city council and is published on the e-platform for review by the Government of Flanders. The members of the delegation pointed out that in Ukraine, municipal elections must be held immediately after a municipal merger for a new budget to be approved.

The issue of reporting and monitoring budget implementation was discussed, as well. Mr. Delatter explained that the demands of municipalities for less control and more autonomy have resulted in the Government of Flanders decision to exercise control through one integrated system of strategic planning, basing their relations with municipalities on trust and partnership. The digital system BBC was designed for the reporting of the local authorities to the Government of Flanders and is used to report on the six-year strategy and the annual report of the local government on the strategy's implementation. As for inter-municipal cooperation, the Government of Flanders has developed five specific models (inter-local association, project association, service-providing association, association with a clear assignment and association with a clear assignment and private sector participation). Inter-municipal co-operation can take place in any of the following policy fields: wastewater collection and treatment, drinking water provision, distribution of gas and electricity, communication (internet, TV), IT support of local authorities, economic development, sports infrastructure, and waste management. The Ukrainian delegates discussed in detail the procedures for formulating tariffs

for electricity, water and waste management, and the possibilities for public-private partnerships in the framework of the inter-municipal co-operation.

The presentation by Mr. Delatter gave a full understanding of the local financing and budgeting systems as well as a broader perspective on local public service delivery. Mr. Delatter's recommendations based on the Flemish experience of the amalgamation of municipalities include the focus on the capacities of the municipalities and not their size as a criterion for merger, and the importance of open debate at the local level in the process of the amalgamation with the consideration of economic, social and political peculiarities of the municipality.

WEDNESDAY 26 APRIL 2017: DAY TRIP TO THE CITY OF GHENT

■ Meeting with the Regional Development Agency of East Flanders

The meeting began with a presentation of the East Flanders Province – an innovative knowledge-based region with a well-developed education infrastructure, well-established partnerships between universities and the private sector, and a highly developed multi-modal logistics infrastructure. East Flanders benefits from a strategic location at the heart of Europe and has a total population of 1.5 million inhabitants, of which 60% are at working age (20-64 years). The region hosts over 70 000 students and includes an active biotech cluster as well as a strong IT and multimedia sector. There are two seaports, the Port of Ghent and Waasland Port, as well as a 300 km network of inland waterways.

The governmental institutions of East Flanders include the provincial council, the members of the provincial government, and the governor. The provincial council includes 72 representatives elected for a period of five years. In addition, there are six members of the provincial government who take responsibility for day-to-day management of provincial-focused tasks, such as stimulating provincial co-operation between local authorities and social and economic organisations. The provincial government includes internal divisions (communication, ICT, legal affairs, quality assurance, logistics, finance, human resources) and policy departments (sport and recreation, culture and welfare, education, spatial planning, mobility, environment, economics, agriculture and rural development, European and international co-operation). It also acts as an intermediary between local authorities and the Government of Flanders. The governor is appointed by the Government of Flanders and has no voting rights. The governor's role is to see that provincial administrations don't do anything in conflict with their existing mandate and responsibilities, to ensure peace and order, and to manage disasters.

East Flanders has developed a Provincial Policy Plan, which includes a number of strategic goals and policy actions aimed at positioning the province as a top performer in logistics. The strategic plan is reviewed and updated on a regular basis, and a budget plan and forecasts are prepared each year. The target beneficiaries include local governments, SMEs, social and economic organisations, and educational and research institutions. The provincial government aims to analyse and study the factors contributing to regional economic development, and aims to foster social entrepreneurship, the creative economy and sustainable development. They also collaborate extensively with the European Union through various EU programmes, including the European Agricultural Fund for Rural Development (EAFRD), the European Fund for Regional Development (EFRD), provincial subsidies, and Europe Direct.

Mr. Filip Laureyns, General Manager of the Regional Development Agency (RDA) of East Flanders, delivered a presentation on how the RDA works to stimulate entrepreneurship and encourage partnerships in the region. They have supported a number of development projects where the private sector is less interested, such as Tech Lane Ghent, the greenhouse cluster, and revitalising brownfield investment projects. Tech Lane Ghent is a 57 hectare industrial zone, with three distinct areas: logistics, workspace and campus. The project is a public-private partnership (the RDA has a 22% stake), and they maintain a strong

focus on sustainability. The greenhouse cluster is another example of a project developed to support agricultural innovation through greenhouse farming. The project is situated in the north of East Flanders, and provides 60 hectares of land for 3-4 farmers close to the city of Antwerp. The RDA also operates a number of business incubators and innovation centres, which aims to support the development of innovative clusters in areas such as biotechnology and new materials.

A key factor driving the RDA's activities is the need to generate a return on investments. The RDA gets subsidies from EU projects and the Government of Flanders, and invests in projects with a strong likelihood of generating a return. Public funding is usually provided for about 60% of the costs, with the private investor required to co-finance the remaining 40%. The RDA continuously looks for interesting projects that will help to position East Flanders as a strong knowledge-based and innovative region. They present the business case to the provincial government, and are required to calculate a rate of return and demonstrate that the funds will be used well. The participants expressed an interest in obtaining relevant legislation on the organisation of the RDA and co-operation arrangements with the private sector.

Strategic planning is conducted on a five-year basis, and includes a participatory approach with all relevant stakeholders involved in the process. During the first five months of the year, the RDA makes a forecast of its financial needs and discusses this with the Department of Economy of the Provincial Government, before the provincial budget is presented to the Provincial Council. The participants also expressed a strong interest in understanding how spatial planning is conducted, and were given a short demonstration of the main government website that is used to manage land use and spatial planning (<http://www.gisoost.be/gwp/>). There is one spatial plan for the province, one main policy plan, and a series of municipal-level action plans that are co-ordinated between them. Spatial planning requires three levels of approval: at the level of the municipality, at the provincial level, and at the level of the Flemish region. Municipalities approve individual housing and small construction works with limited environmental impact. Approval from the provincial government is required for cycling paths, recreation centres and parks, wastewater constructions, small shopping malls, subsoil exploration projects, and construction projects with considerable environmental impact. Finally, the Flemish region is responsible for approving large-scale projects such as nuclear plants, railroads, big shopping malls and major roads.

More about the legislation regulating the local development agencies in Flanders:

www.pomov.be/wp-content/uploads/2017/03/volledig-beknopt-institutioneel-dossier_maart-2017.pdf

■ Presentation of the educational system in East Flanders and Mobility Plan 2030 for Ghent

The afternoon session included a series of presentations by school directors on the educational system in East Flanders. The various types of education networks subsidised by the government were presented, including free education (VKO), official education of cities and communities (OVSG), and official education of the province (POV). In addition to the standard primary, secondary and tertiary education, the system provides education for students with special needs, alternating learning and working models, and opportunities for lifelong learning. The province is in charge of technical and vocational education, and municipalities tend to provide primary and secondary education.

Freedom of education and school choice, as well as school autonomy, are key tenets of the educational system in Flanders. Ensuring the inclusion of every pupil in regular education is a key priority for Flanders. Specialised education for students with special needs helps to facilitate social adaptation, prepares the student for a job in a sheltered environment, provides certificates upon completion of the course, and supports full integration in the job market. The budget for education comes from the central government, and funding is distributed according to the type of education. Funding varies depending on the type of school, e.g. vocational schools receive more per student than schools providing technical or general education. Inspectors perform checks on school quality, and schools perform self-evaluations in parallel.

This was followed by a presentation of the Mobility Plan 2030 for the city of Ghent by **Mr. Yves De Baet, Deputy Director of the Department of Mobility and Transport of City of Ghent**. There are 2000 km of roads in East Flanders, of which 200 km are under the responsibility of the region. Local roads are administered using own funds. Financing is sourced from a combination of passenger transport fares (25%) and a yearly infrastructure budget of EUR 4 billion provided by the Government of Flanders. Local governments are elected for a period of six years, and the planning cycle for public transport follows the electoral mandates. Most road works are contracted out to private companies through a tender process, and local authorities might only take care of minor maintenance work. The Flemish agency 'De Lijn' is in charge of providing the services of local transportation with buses and trams in Flanders. It is financed by the Government of Flanders and evaluated upon the objectives met as per its service. A question on training and education of the mobility staff arose during the discussion, and Mr. De Baet answered that a specific Higher School of Mobility Management prepares specialists to work exclusively in this field. Furthermore, there is limited construction of new roads due to space constraints. As a result, a key focus is on re-organising road networks to make them more efficient. The Flemish Agency for Roads and Traffic has a yearly report and figures about taxes and budgets for transport.

More information about the organisation 'De Lijn':

- Core figures: <https://www.delijn.be/en/overdelijn/organisatie/organisatie/>
- The governing bodies: www.delijn.be/en/overdelijn/organisatie/organisatie/bestuursorganen.html
- The board of directors: www.delijn.be/en/overdelijn/organisatie/organisatie/raad-van-directeuren.html
- Mobility vision: www.delijn.be/en/mobiliteitsvisie2020/
- Structure of the Mobility vision: <https://www.delijn.be/en/mobiliteitsvisie2020/mobiliteitsvisie-vlaanderen/opbouw-mobiliteitsvisie.html>
- Desired network: <https://www.delijn.be/en/mobiliteitsvisie2020/mobiliteitsvisie-vlaanderen/wensnet.html>

THURSDAY 27 APRIL 2017

■ Meeting with the Chamber of Commerce and Industry (VOKA) of Antwerp-Waasland

Mr. Dirk Bulteel, Director of the Chamber of Commerce and Industry of Antwerp-Waasland (VOKA), delivered a presentation on the functioning and role of local business support organisations in fostering economic and social development in Flanders. With a population of 6.4 million people and GDP per capita of EUR 30 000, Flanders is home to a dynamic and vibrant business community that accounts for 83.1% of Belgium's total exports. The Antwerp-Waasland region is a key driver of the Flemish economy. The Port of Antwerp is the second largest port in Europe and is home to the world's second-largest petrochemical cluster, as well as a large wholesale centre with EUR 48 billion turnover and 84% of the world's trade in rough diamonds.

VOKA is a private institution with voluntary membership of 18 000 firms (altogether accounting for two thirds of value added in Flanders). Its mission is to provide support to entrepreneurs and foster the development the region. VOKA is well connected with international networks, including Eurochambres, the International Chamber of Commerce, Belgian Chambers, and the Belgian-Chinese Chamber of Commerce. VOKA supports its members through lobbying, networking and services. In addition, VOKA acts as a local fiscal watchdog, by monitoring the share of local tax revenues paid by companies across municipalities and generating heat maps to illustrate how property tax and personal income tax rates vary across municipalities. One example of a tax that VOKA strongly opposes is a tax on motors, as it is seen to

discourage capital investment in machinery. It is also lobbying the government to improve transport infrastructure as commuters in the province of Antwerp spend around 78 hours per year in traffic jams.

In recent years, VOKA has taken action to address such issues as the creation of an industry platform with 18 key industrial players in 2005, the integration of the Alfaport cluster with 11 key maritime players in 2014, and the establishment of the Alliance Antwerp World Diamond Centre with over 1 400 diamond companies in 2016. They also established an academy for maintenance engineers, to address important skills shortages in the labour market.

VOKA helps to foster an attractive investment climate in Flanders, by organising groups of local communities to co-operate on the development of local sites for industrial projects. They have established informal contacts with all ministers in the region, and regularly organise trade missions and business clubs. The autonomy of municipalities is a guiding principle for local governance in Flanders. However, there is a minimum threshold size (of approximately 20 000 inhabitants) for municipalities to achieve sufficient economies of scale and be able to operate independently. Inter-municipal co-operation is often used as a tool to support smaller municipalities in ensuring the effective delivery of local public services.

ANNEX A: AGENDA

SUPPORTING LOCAL PUBLIC SERVICE, SUBNATIONAL FINANCES AND REGIONAL DEVELOPMENT: INSIGHTS FROM FLANDERS

Study Visit to Flanders, Belgium

24-27 April 2017

MONDAY, 24 APRIL 2017 (BRUSSELS)

Travel to Brussels: Ukraine Intl Air KBP 10:55 → BRU 12:55

12:55	Arrival in Brussels and transfer to the city centre
14:30-15:30	Lunch hosted by the Flanders Department of Foreign Affairs, with Mr. Stijn Bertrand, Department of Public Governance and the Chancellery <i>Flemish Parliament, Rue de Louvain 86, 1000 Brussels</i>
15:30-18:00	Presentation of the Flemish Agency for Home Affairs (Agentschap voor Binnenlands Bestuur, ABB) <i>Flemish Parliament, Rue de Louvain 86, 1000 Bruxelles (room Jeroen Boschzaal)</i> This meeting was organised in two parts: <ol style="list-style-type: none">1. Local government: organization, functioning, local finances, local funding, supervision mechanisms, policy- and management cycle.2. Issues related to less powers on the intermediate level: slimming down of the provincial competences, the voluntary amalgamation of municipalities. Discuss the transformation of the provinces into the inter-municipal co-operation institutions.
18:30	Arrival to the Hotel and Check-in <i>Hôtel Marivaux, 98 Boulevard Adolphe Maxlaan, 1000 Brussels</i>
20:30	Dinner hosted by the Flanders Department of Foreign Affairs with Sam Vandenabeele, Director at the Department of Foreign Affairs, Government of Flanders <i>Hôtel Le Plaza, 118-126 Boulevard Adolphe Maxlaan, 1000 Brussels</i>

TUESDAY, 25 APRIL 2017 (BRUSSELS)

9:00	Meeting at the hotel lobby. Transfer to meeting.
10:00-12:30	<p>Meeting with Mr. Lewis Dijkstra, Deputy Head of the Analysis Unit, and Mr. Michael Ralph, Adviser to Deputy Director General, Coordination and Policy Dialogue Eastern Partnership and Russia, Directorate General for Regional and Urban Policy (DG Regio), European Commission</p> <p><i>Avenue de Beaulieu 5, B-1160 Brussels - meeting room (REGIO BU-29 00/022)</i></p> <p>Participants to the meeting discussed the relevance of the EU regional development policy for Ukraine and its impact with respect to administrative, investment and service delivery capacity in Europe. The discussion covered such issues as horizontal and vertical co-ordination mechanisms that are put in place in Europe to ensure regional policy coherence, monitor regional performance and stimulate co-operation at local/regional levels. Discussions focused on challenges in the effective implementation of regional development policies such as lack of co-ordination mechanisms and poor empowerment of the local levels. The meeting also highlighted the need to enhance the rule of law for effective economic development.</p>
13:00-14:30	<p>Lunch</p> <p><i>Boston Steak House, 6 place Rogier, 1210 Brussels</i></p>
15:00-17:30	<p>Meeting with Association of Cities and Municipalities (VVSG)</p> <p><i>Flemish Government Building, Boudewijnlaan 30, 1000 Brussels</i></p> <p>This meeting focused on public service delivery in a decentralized context and illustrated how cities and municipalities in Flanders are organized in terms of capacities, powers and finances to deliver public services at the local level. The meeting addressed some of the following issues:</p> <ul style="list-style-type: none">• What are the types of public service delivery in cities and municipalities?• What are the main challenges and approaches to overcome difficulties?• How are cities/municipalities empowered to deliver quality public services?• How is inter-municipal co-operation used to foster public service delivery and ensure a good quality of life for everyone?
20:00	<p>Dinner</p> <p><i>Brasserie de l'Ommegang, Grand'Place 9, 1000 Brussels</i></p>

WEDNESDAY, 26 APRIL 2017 (GHENT)***Day trip to the city of Ghent***

The aim of this day trip was to discuss with authorities of the Province of East Flanders and the City of Ghent how the main services are delivered at the local level. The visit illustrated how the public services are organised in Ghent and across the province, how the budgets are decided and how the horizontal co-ordination (e.g. inter-municipal or inter-regional) is structured in order to deliver quality and efficient public services to the population, focusing on regional economic development and the organisation of education and the public transport.

8:30	Meeting at the hotel lobby. Departure to Ghent
10:00-12:30	Meeting on regional economic development in East Flanders <i>Provincial House of East Flanders - Gouvernementstraat 1, 9000 Ghent</i> This meeting focused on the East Flanders' economic development strategy in terms of innovative technology and infrastructure. It addressed the following issues: <ul style="list-style-type: none">• The East Flanders as a logistic region and region of know how;• Strategy for the development of industrial areas, stimulation of entrepreneurship, and smart logistics link with the higher Flemish level.
12:30-14:00	Lunch <i>Pakhuis Brasserie, Schuurkenstraat 4, 9000 Ghent</i>
14:00-16:30	Meeting on service delivery in East Flanders; focus on education and mobility policy in the city of Ghent <i>Provincial House of East Flanders, Gouvernementstraat 1, 9000 Ghent</i> During the meeting, local representatives of the education sector presented the organisation of the education system (Flemish, provincial, city level), and how the quality of education is guaranteed (procedures to guarantee quality, recruitment of teachers). Participants also discussed the issues of Ghent City new mobility plan, how it was defined, how were different actors (city, civil society, businesses, etc.) consulted, and what has been the impact in terms of regional development, how was the impact measured, etc.
16:30-18:00	City visit
18:00	Return to Brussels
20:00	Dinner <i>Restaurant of Hotel Marivaux, 98 Boulevard Adolphe Maxlaan, 1000 Brussels</i>

THURSDAY, 27 APRIL 2017 (BRUSSELS)

8:30

Meeting at the hotel lobby. Drive to the meeting.

9:00-11:00

Flanders' Chamber of Commerce and Industry (VOKA)

Arenberggebouw, Arenbergstraat 9, 1000 Brussels (Meeting Room: Arenberg - 2C2)

This meeting focused on the role of local business support organizations in fostering economic and social development at the local levels by promoting urban infrastructure projects, developing so-called lead companies; creating learning networks between groups of enterprises; establishing fruitful relationships with universities and other educational and research institutions; supporting innovation at enterprises; etc. The meeting covered some of the following issues:

- What is the role of local authorities and businesses in shaping up the local economic development plans?
- How are the competences of the local authorities strengthened?
- What changes to economic development and well-being of citizens have you noted with decentralised powers?

11:00-12:00

Transfer to the airport

Travel to Kyiv: Ukraine Intl Air BRU 13:55 → KBP 17:50

ANNEX B: PARTICIPANTS' LIST

Flanders					
Mr.	Lewis	DIJKSTRA	DG Regio	Deputy Head of Analysis Unit	Lewis.DIJKSTRA@ec.europa.eu
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Mr.	Yves	DE BAETS	Department of Mobility and Transport of City of Ghent	Deputy Director	Yves.DeBaets@stad.gent
Ukraine					
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Mr.	Denys	CHERNIKOV	Cabinet of Ministers of Ukraine	Senior National Consultant, Council of Europe Programme "Decentralisation and Territorial Consolidation in Ukraine", Consultant to the Cabinet of Ministers of Ukraine.	denys.chernikov@gmail.com
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OECD					
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