



Mayors for
Economic Growth

Мери за Економічне
Зростання



Sumy
City Council

Сумська
міська рада

LOCAL ECONOMIC DEVELOPMENT PLAN

Municipality: Sumy
Country: Ukraine

JULY 2019

*“The definition of insanity is doing the same thing over and over again,
but expecting different results.”
(Albert Einstein)*

Dear community residents and partners!



Sumy city community with its long-lasting history and powerful economic potential is committed to introducing positive changes. Like any community we have both - advantages which we should develop and shortcomings which we must turn into opportunities. We are the ones who are better than anybody from outside aware of the challenges that are facing us, the needs that we have, and the values and expectations that drive us forward.

What inspired us to sign up to the European Union initiative “Mayors for Economic Growth” and work out the Local Economic Development Plan is deep understanding that the future of our territorial community depends on shared responsibility of local government, business community, educational and research institutions and civil society.

The Plan reflects our community’s ambition to live in the prosperous European city, which is investment-friendly and attractive for tourists. We can build this type of the city by ensuring equal access to municipal resources and opportunities, creating infrastructure to facilitate growth of business and tourism, developing city marketing policies.

This document is the result of dedicated work of our Local Economic Development Partnership which, on an equal footing, involved a broad scope of various partners in the process of this Plan development.

I express my sincere acknowledgements to the Plan development working group as well as all the community members who have contributed to the development of this strategically important document.

It is your opinion that is our crucial goalpost. Our success in building the city of happy people depends solely upon us, our will and commitment, our trust, our expertise.

Sumy city Mayor

A stylized handwritten signature in blue ink, consisting of a large 'O' and 'L' followed by a cursive 'ysenko'.

Oleksandr Lysenko

To request a copy of this Plan, please contact:

Name: Andriy Baranov (Volodymyrovych)

Title: Secretary of Sumy City Council

Address: 2 Maidan Nezalezhnosti, 40030 Sumy, Ukraine

Телефон: +38(0542)700-568

Email: andrii.baranov@smr.gov.ua

Website: <https://smr.gov.ua/>

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1. Executive Summary

Sumy united territorial community (UTC) is formed in accordance with the Law of Ukraine "On the voluntary association of territorial communities", following the resolutions of Sumy City Council (SCC) and Pishchane village council. The administrative center of the UTC is Sumy, the city of regional importance located in the northeastern part of Ukraine in the historical and geographical region "Slobozhanshchyna". The city lies on the banks of the river Psyol at the confluence of the river Sumka. With its total area of 95.38 km², Sumy is divided into two districts: Kovpakivsky and Zarichny. The distance from Sumy to the capital city of Kyiv is 370 km, from Sumy to Kharkiv – 185 km. Sumy region borders on Chernihiv, Poltava and Kharkiv regions.

The UTC includes the villages of Pishchane, Verkhne Pishchane, Zahirske, Trokhimenkove, Zhyteiske, Kyriyakiivshchyna of Pishchane village council, Kovpakivsky district, Sumy. The population of Sumy UTC amounts to 265,500 people.

Following the Sumy Municipal Council's resolution of July 25, 2018, the city of Sumy signed up to the EU Initiative "Mayors for Economic Growth", pledging a number of measures to ensure sustainable economic development. During 2018 local businesses, scientists, representatives of city authorities and the city community collaborated on working out the plan of Sumy local economic development. This collaboration resulted in a generalized SWOT analysis which identified strengths and weaknesses, as well as major opportunities and threats. The main strengths of the community are its historical and cultural heritage coupled with low tax rate for entrepreneurs, significant share of small businesses (up to 25% of total sales) in the manufacturing sector, local self-government commitment to collaborate with SMBs. The weaknesses of the city are as follows: insufficient level of entrepreneurs' awareness of how to start and run a business, complex processes entrepreneurs and investors face obtaining necessary data, absence of systemic approach to city promotion. Proximity to the border with Russian Federation as well as insufficient funding from higher-level budgets constitute key threats for SCTC.

Based on the obtained information, the following vision of community economic development was worked out: "An investor-friendly community where one can start and run a business easily and effectively due to favorable business environment that enhances development of all forms of entrepreneurship. The community facilitates development of its citizens, supports them in realizing their creative potential and launching their own businesses, provides opportunities for decent life. Sumy UTC is the community that attracts tourists, follows all modern tendencies, starts new trends and disseminates them".

The key objectives of Sumy UTC are as follows:

1. To ensure provision of support services for business and establish basic infrastructure for its development by the end of 2021.
2. To work out the SCC marketing strategy by the end of 2021.
3. To create conditions for development of tourism by the end of 2021.

To reach the above objectives, it is planned to take the following actions: to design an information portal for entrepreneurs and extend the scope of Sumy Business Hub functions to a Centre for Sustainable Business Support; to develop and launch information-analytical system of regulatory framework database; to reconsider SCC credit policy to support SMEs; to establish School of City Ambassadors.

The funds necessary to implement the above measures are estimated at **UAH 46,174,250**, which equals **EUR 1,629,917** at the NBU exchange rate of July 26, 2019. Of these, **UAH 10,106,750 (EUR 356,763)** are costed in the Sumy municipal budget, which constitutes **21.9%** of the total amount. **UAH 33,567,500 (EUR 1,184,908)** are planned to be raised from the state budget, **UAH 1,600,000 (EUR 56,476)** – from the private sector. Funds deficit is estimated at **UAH 900,000 (EUR 31,770 EUR)**.

2. List of Tables and Figures

Table 1. Action plan

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3. Abbreviations

AR – augmented reality
 ATO – anti-terrorist operation
 BE – business entity
 CIPE – Center for International Private Entrepreneurship
 CPAS – Centre for Providing Administrative Services
 CSBS – Center for Sustainable Business Support
 DFEI – Department of Finance, Economy and Investment of Sumy City Council
 DRPP – Department of resource payments provision of Sumy City Council

EB SCC – executive bodies of Sumy City Council
 EC – Executive Committee of Sumy City Council
 EU – European Union
 HEI – higher education institutions
 IDP – internally displaced people
 ITA – international technical assistance
 LED – local economic development
 LEDP – Local Economic Development Plan
 LSG – local self-government
 MDETAU – Ministry for Development of Economy, Trade and Agriculture of Ukraine

NGO – non-governmental organization
OJF – operation of the joint forces
PE – private entrepreneur
RA – regulatory acts
SCC – Sumy City Council
SFSU – State Fiscal Service of Ukraine

SMB – small and medium-sized business
SME – small and medium-sized enterprise
SSU – Sumy State University
TIC – Tourist Information Centre
UTC – united territorial community
VRU – Verkhovna Rada of Ukraine

4. Introduction to the Plan

The Sumy municipality signed up to the EU Initiative “Mayors for Economic Growth” following the resolution of the Sumy City Council №3670-MP of July 25, 2018.

Sumy city, the administrative center of the community, is located in the northeastern part of Ukraine with highways H07, H12, P44, P45, P61, T1901, and the Southern Railway of Ukraine branch passing through it. The city has its own airport which at the moment serves private flights only. The nearest international airport is in Kharkiv at the distance of 200 km. Proximity to cities such as Kyiv (370 km), Kharkiv (185 km) and Poltava (175 km) gives the city its logistics advantage. As of May 1, 2019, the community population stands at the point of approximately 265,500 people, about 85% of them being Ukrainians. The average age of the population is 37 years. The average age of men is 3.6 years less than that of women (35.0 and 38.6 respectively). 18.8% of population are under working age, 60.9% are in working age, and 20.2% are above working age

The demographic situation analysis for the years 2000-2017 revealed the following trends:

- average annual decrease of the city population is 0.6% per year, which is caused by negative natural and migration growth;
- predominance of negative migration outflows of the city population (as of 2017 – 106 people), which results mainly from internal and external regional migration;
- growth of international migration indicator in the recent years (371 people in 2017), which is caused by the tough economic situation both in the country as a whole and in the region.

Considering employment issues, one should not forget that significant part of the population works under “shadow employment” conditions (estimated by various experts at the level of 25-30% of the total employed population).

Sumy municipality participation in the EU Initiative “Mayors for Economic Growth” is considered to be an effective resource that will enhance the city's competitive advantage at the country level and stimulate its economic growth; create the most favorable environment for business and help attract investments; increase employment rate; improve citizens' living standards and quality of life, all the above being based upon strategic partnership of the local government, businesses, public sector and other vital sections of the community.

The Plan has been designed by the working group in close collaboration of local authorities, the private sector, scientific and educational community. It relies on the data obtained from statistic reports, results of sociological studies, workshops and strategic sessions on working out the Strategy for Sumy UTC Development. The Local Economic Development Plan (LEDP) is a special purpose document of step-by-step economic development, the activities and objectives of which relate to the draft of the above Strategy.

5. Process of Local Economic Development Plan Development

The composition of the working group for the LEDP development was approved by the order of the Mayor. The team consisted of 26 people (including 11 females), of whom 50% represented local government, 12% were business representatives, 19% – representatives of NGOs, 19% – academics and scholars. Two drafting teams collaborated on the LEDP development: one worked on the project “Program of SME support in Sumy UTC for 2020-2022”, while another developed the concept of the Sumy city marketing policy.

Work on the LEDP development began in the fall of 2018, when five meetings of the working group were held. The Plan took into account the proposals made during the working group regular meetings as well as the ones that resulted from 13 sectoral strategic sessions held to develop the Sumy UTC Development Strategy. Overall, about 900 people participated in the consultations, with 21% of them representing local government, 28% being professionals with expertise in socially important for the city fields, 9% representing business and 16% – educational and research community, 26% being members of the general public sector.

The discussions were attended by the Mayor, the Sumy city council Secretary, the First Deputy Mayor, the Mayor deputies for the executive bodies activities, SCC deputies and heads of structural divisions, representatives of municipal enterprises, as well as representatives of business, public organizations, active citizens.

The LEDP relies on the following four scientific and technical documents: “Study of Values and Life Priorities of the Sumy city Residents”, “Research of the Quality of Services Provided to the Sumy city citizens”, “Middle-term Forecast of the Sumy city Economic and Social Development” and “Community Profile, SWOT-analysis, Scenario Analysis and the Sumy city Competitive Advantage analysis (updated and supplemented by the results of sociological surveys and sectoral strategic sessions)”. This allowed to thoroughly and objectively analyze the retrospective, current state and forecast trends of the Sumy UTC socio-economic development, particularly its natural resources potential,

economy and business environment, demographic and political situation, logistics, the city ecological and industrial infrastructure, business and social activism of the citizens, financial and budgetary provision, investment climate, local development management.

6. Local Economic Analysis

6.1. Analysis of Local Economic Structure

Sumy is an administrative, economic and cultural center of Sumy region. The leading sector of economy (one of the major budget revenue-generating ones) is industry. The main types of economic activities are the processing industry as well as supply of electricity, gas, steam and conditioned air. Pumps and compressor machinery production enterprises, baby food packaging companies, manufacturers of packaging corks and printing products, producers of chemicals and chemical products account for the biggest share of exported products volumes: in 2018 the share of Sumy industrial enterprises producing chemicals and chemical products stood at 4% of the total turnover of Ukrainian enterprises in this field. There is a significant proportion of small businesses (up to 25%) in the community manufacturing sector.

As of July 1, 2019, the number of registered taxpayers who conduct business operations in Sumy was 25,045, including legal entities (9,980 people) and private entrepreneurs (15,065 people). Around 52,000 people are employed in large, small and medium-sized enterprises (SMEs) of the city, with 53.9% and 28.7% respectively being SMEs employees. In 2018 the SMEs total volume of sales amounted to 83.3% of the city economy total turnover. The above indicators are shown in Table 1 (Annex A).

Entrepreneurship plays a significant role in generating revenues for the city budget and ensuring employment. As of January 1, 2019, the share of small and medium-sized business entities registered in Sumy was 99.95% of the total number of taxpayers. Despite increase in personal income tax generated revenues in the first half of 2019 compared to the same period of 2018 for all sectors of economy, in the above period city budget revenues decreased by 14.8%, which resulted from re-registration of part of enterprises from Sumy to the Sumy region (growth was observed in such sectors as production and distribution of electricity, gas, water – by 36.6%; construction – by 25.5%; trade as well as car, household goods and personal consumption items repair – by 23.3%; transport and communication activities – by 15.4%; activities of hotels and restaurants – by 11.2%; real estate operations, rent, engineering, providing services to entrepreneurs - by 10.4%). Therefore, creating favorable conditions to support small and medium-sized businesses will contribute to enhancing the overall economic potential of the city and meeting the demand of its citizens for goods and services.

The major constraints for entrepreneurship development are scarce business-oriented information, lack of fully functioning infrastructure to support the development of SMBs, insufficient quality level of consultancy and educational services in the field of small business. The expansion of centres for information and legal support as well as financial consultancy services for business will give a powerful impetus for small businesses active development in the city.

Sumy UTC possesses rich cultural heritage – architectural monuments and historical sites related to famous writers, artists and public figures. Favorable environmental and climatic conditions, location of the city, availability of such recreational resources as water area and floodplain areas, complexes of nature reserves and natural landscapes, parks, squares and forest parks contribute significantly to the community potential and its competitive advantage in creating and developing opportunities for recreation and rehabilitation. SCTC has a well-developed network of catering, recreation and entertainment facilities.

The major constraints for the proper-level tourism functioning are as follows: mismatch between the community tourist infrastructure and the demand for creating a tourist-attractive image of the SCTC; lack of information on the community tourist attractions in the media; inconsistency of brand promotional campaigns; insufficient number of thematic museums (such as the Museum of sports glory of Sumy and Sumy region, the Museum of history of philanthropy in Sumy region, the Museum of sugar manufacturing etc.) related to the Sumy city famous people and events; insufficient level of organizational work on the part of regional ethnographers on systematizing data about works of art, and objects of historical and cultural heritage.

Possible ways to solve the above problems are as follows: development and implementation of business support measures, creation of new infrastructure, facilitating processes that will increase the community tourist attractiveness, use of modern and innovative technologies in the process of improving the image of the SCTC.

What can contribute to enhanced economic and industrial development is functioning of the “Sumy” Industrial Park. Industrial Park “Sumy” provides potential investors with significant economic benefits through ensuring a simplified procedure for obtaining authorization documents from Centre for Providing Administrative Services (CPAS).

6.2. Local cooperation and networking

Sumy is a city of creative and hardworking people. More than 200 NGOs are active in the city. NGOs engaged in business development are developing productively. The city authorities cooperate extensively with local business associations, the Chamber of Commerce, the business school at Sumy State University, and the employers' union. The

City Council actively cooperates with the above organizations, participates in activities initiated by them, and, where possible, provides financial assistance from the city budget to support the most vulnerable sections of the population.

Local government supports and facilitates participation of Sumy business representatives in trade missions, international fairs, forums, seminars, webinars, competitions, exhibitions (in 2018 issues of participation in 22 events were approved). In 2018, entrepreneurs and authorities of Sumy UTC attended international economic forums in Ukraine (Lviv, Odessa) and Poland (Kraków and Krynica Zdrój).

Co-financed within the framework of the "IES Platform – Investments, Entrepreneurship and Start-ups" project implementation, the Sumy Business Hub was founded in 2019. This open space for cooperation, training and exchange of ideas between the Sumy region business community representatives provides a qualitatively new approach to information and consultancy support for SMBs development. The project was carried out jointly by the Sumy Municipal Council, the Center for International Private Entrepreneurship Sumy State University (SSU) on the basis of SMART specialization, thus presenting the result of fruitful cooperation between the local government, business, science and the public.

Sumy City Council brings to the attention of potential investors the updated 2018 Investment Passport of Sumy. The document is prepared in two languages: Ukrainian and English, and the document is focused on attracting both domestic and foreign investments, as well as provides comprehensive information for potential investors about natural-geographical characteristics, city management system, labor, industrial, tourist and recreational potentials, environmental state. In addition, its content includes updated information on investment proposals: investment projects of enterprises; industrial park; vacant land.

Aiming to provide information support for starting a business and developing a small business, and due to collaboration with the Ministry for Development of Economy, Trade and Agriculture of Ukraine, the city of Sumy participated in the #StartBusinessChallenge project, having adapted local regulatory framework to the needs of localized services. This initiative resulted in designing an online platform through which entrepreneurs can obtain step-by-step instructions on how to start a business, register their business online, familiarize with authorization (permitting and approval) procedures, calculate compliance costs, etc.

The following collaboration patterns within the community have proved to be effective: the Coordinating Council meetings, working groups activities, participation of business and non-governmental organizations (NGOs) representatives in strategic sessions, the work of the LEDP development working group, international fairs, forums, etc. (See Table 3 Annex C).

The City Council always takes measures to publicize and develop joint decisions with the community (public discussions, hearings, consultations, etc.) to take into account the public opinion on various issues of city life.

6.3. Business-friendly, Transparent and Corruption-Free Administration

The major tool for enhancing SMEs development at the local level is implementation of an appropriate SME Support Program in the Sumy united territorial community. The Program mission is to address the key business support issues, particularly financial support measures, assistance in forming infrastructure for SME support, information support of entrepreneurial activity, ensuring favorable conditions for business entities activities in the priority areas.

Sumy City Council information portal in 2018 was ranked first among regional centers' web resources by the results of monitoring access to public information of city councils. To build a service-oriented public management system, procedures are described and management regulations are developed using a process approach.

For the second year running, Sumy UTC holds leading positions in transparency rating of the 50 largest cities in Ukraine. At the meetings of the Executive Committee, plenary sessions of city council sessions are free access to representatives of civil society institutions, residents of the community, who are actively involved in discussing and considering issues of community life, business, and implementation of local politics.

The Center for Providing Administrative Services (CPAS), a division of SCC, operates in Sumy providing administrative services to the Sumy UTC residents. The CPAS official website contains up-to-date information on the procedures of providing administrative services, the Centre working hours, schedule of specialists' office hours, innovations in legislation. Citizens and business entities sign up to visits to CPAS through an electronic queue system. The CPAS provides free access to the WI-FI zone. The Center provides 216 types of administrative services for Sumy and Sumy Region residents.

To better inform SME representatives on attracting financial resources, the SCC has created a sector of grant activity in the Department of the city strategic development, which posts information about current competitions and grants for business, potential donors and partners on social networks, provides methodological assistance to organizations of UTC in applying for different grant programs. It is planned to develop a single information portal for entrepreneurs "Sumy Business Portal" and create an information-analytical system "Regulatory Framework Database", which can significantly improve interaction with entrepreneurs. The Program also envisages the following measures to inform SMEs representatives: "Organization of series of training sessions, seminars, consultations for SMEs of Sumy UTC," "Organizational support and dissemination of information on forthcoming forums, exhibitions, working trips, trainings, conferences, etc."

The wide consultation identified a number of problems in the functioning of the business community in the city of Sumy, which can be partially solved by the local government: lack of knowledge and business skills; low level of awareness of market and industry trends; lack of qualified consulting support in the first stages of doing business; misunderstanding of strategic planning when starting your own business. That is why it was decided to create a Permanent Business Support Center and provide training for employees of executive bodies of Sumy City Council on issues of interaction with business representatives, and consultations, seminars, trainings for SMEs on the above topics.

6.4. Access to Finance

In recent years, due to economic, political and military circumstances, the status of small and medium-sized enterprises has deteriorated significantly. Equity holds an increasing share of the capital of the enterprise each year. The need for credit is increasing every time, but credit availability remains limited due to tough conditions and high bank rates. Equally important is the development of alternative means of securing credit in Ukraine, such as financial risk insurance, the establishment of guarantee funds or the provision of government guarantees. At the level of banks, greater attention should be paid to the development and implementation of new credit technologies for innovative projects, the development of new banking products for small businesses. Businesses, in turn, need to trust banks more, present truthful and truthful information about their operations, as this influences a bank's positive decision.

In Sumy UTC the most favorable lending terms for entrepreneurs are offered by 5 Ukrainian banks represented by 2 state and 3 commercial banks. (Table 4, Annex D).

To establish favorable conditions for business development, the procedure for providing financial support to SMEs from the Sumy UTC budget was approved. These are the funds intended for partial compensation of the sums spent by SMEs on interest payments to the banks that provided short- and medium-term loans for their business plans implementation at an annual interest rate of no more than 30 % (subject to these funds are SMEs with proven record of successful implementation of the business plan or its part). The entities registered in Sumy UTC and operate in the community may entitle to compensation. For the three-year period of 2020-2022, it is planned to allocate UAH 1,000,000 annually to support SMEs under this Program.

The low level of entrepreneurs' awareness of the above measures significantly reduces the indicators of SMBs development. Therefore, it is advisable to train SMEs on the opportunities to use non-monetary and financial assistance from international funds and organizations and to create, with the participation of business, urban targeted programs that will facilitate both development of SMEs and conditions for their development. The SCC Program of the loans interest rate repayment for SMEs is considered an excellent opportunity for business development. A possible threat may be lack of willingness on the part of SMEs to conduct business in Sumy UTC because of its geographical location.

6.5. Land and Infrastructure

Sumy total area is 95.38 km². As noted in the previous paragraphs, the city borders on three regions, but transport connection between them is of poor quality. The city also has the airport, but it serves private flights only and needs modernization. Unfortunately, the process of decentralization is proceeding very slowly because higher-level administrative bodies block extension of the Sumy UTC boundaries, which can cause emergence of corruption component in solving land issues.

During 2019, 9 applications were submitted to SCC with proposals to consider the possibility to sell land plots or attain rights for them at the auction. To use the land more effectively, SCC structural subdivisions have started the procedure of inventorying the land plots of the residential areas of apartment buildings, and gradually the information on restrictions in the use is added to the State Land Cadastre.

As of October 2019, there were 1,781 existing leases of land for a total area of 633.5 ha. During 2019, 169 land lease agreements were concluded and renewed, 182 lease agreements were amended, 3 land easement contracts were concluded. The mechanisms and terms of their implementation in the provision of land plots are defined by the regulatory legal acts of Ukraine, which are the SCC uses in its work as guidelines.

The involvement of the community in the process of land allocation is envisaged through publishing relevant draft decisions on the SCC Information Portal. The competitive approach to the land allocation procedure can be applied only through land bidding procedures.

The ECSCC resolution № 45 of January 16, 2018 approved the Integrated scheme of placement of temporary structures for carrying out business activities on the territory of Sumy and their architectural type. In 2018, a geo-portal of the municipal geoinformation system "Sumy City Planning Cadastre" was developed, which provides free access to open cadastral information and allows the community to obtain initial data on the conditions of use and development of the city territories.

Non-residential premises of community property that can be rented are maintained. As of June 24, 2019, the list of vacant non-residential premises for rent amounted to 40 items (See Table 5, Annex E). In the field of land relations land leases, land of permanent use and land ownership are maintained. As of February 6, 2019, the number of land plots that can be transferred to use was 20 units (Table 6, Annex F). All the above-mentioned communal property belong to non-residential. This fully meets the demand of SME representatives for the use of communal land and communal premises. However, it should be noted that communal premises do not meet the demand of those

entrepreneurs who wish to place their office or other premises in the city center. At the moment, all such objects are already occupied. The rent for individuals who rent their own premises is often too high. Demand for industrial sites has increased, which is why it was decided to create an industrial park, which is currently under construction.

The city analyzes quantitative and qualitative indicators of the efficiency of municipal property sale (See Table 7, Annex G) as well as quantitative and qualitative indicators of the efficiency of land sale (See Table 8, Annex H). This gives the ground to claim that community property and leased land are used effectively and generate income for business.

6.6. Regulatory and Institutional Framework

The table “Legal and Institutional Conditions” identifies the major issues, the extent of their importance and opportunities to be solved at the local level (Table 9, Annex J). Of the problem areas that need to be addressed at the national level, the most crucial ones are as follows: limited access of SMEs to financial and credit resources (in particular, microfinance and micro-credit) for starting a business, supporting innovative start-ups, business initiatives in rural areas and areas with high unemployment rate, etc; current punitive and repressive model of tax control, first and foremost, in terms of risk orientation and transparency of tax planning and tax audit procedures.

All the decisions that are made by SCC concerning SMBs are discussed in advance at coordination councils, meetings of entrepreneurs, associations meetings. The city's policy on this issue is that no major decisions can be made without public discussion.

Problems with local regulatory issues can be solved by means of a series of organizational issues aimed at auditing and reconsidering existing regulatory frameworks to eliminate administrative barriers and enhance monitoring of how regulatory framework impacts business environment. The following events which engage SMEs representatives in participation are planned in 2020-2022 within the framework of the program of SME support in Sumy UTC.

Recognising practical perspective of this level of issues, the SCC constantly addresses the Cabinet of Ministers of Ukraine, the Verkhovna Rada of Ukraine, and other competent authorities with relevant specific proposals on how to resolve the problem issues that arise in the field of SMEs. During 2018-2019, 10 petitions to the state authorities on these issues were initiated, received and sent by the SCC. However, this did not produce any visible results.

Considering all of the above, we can claim that the strength in the discussed field is the SCC's commitment to enhancing the SMEs development through providing training opportunities and facilitating exchange of positive experience. At the same time, certain irrelevance of the regulatory framework for business development constitutes weakness. An opportunity for development in this area is to improve legislation at the national level as well as continuous work on improving regulatory acts. Limited access of SMEs to cheap financial resources poses a threat to their development.

6.7. Skills and Human Capital, Inclusiveness

2,521 workplaces were created in the city in the first half of 2019, of which 1,020 – in legal entities and 1,501 – in small businesses, 695 workplaces being supplied by 806 individual entrepreneurs. The dynamics of change of load per one workplace by different sectors is traced (See Table 10, Appendix K). There is a decrease in the number of applicants for one vacancy in all sectors except temporary lodging and catering (compared to the previous year, the load per 1 workplace has doubled from 2 to 4).

Shortage of skilled workforce is currently an issue (See Table 11, Annex L). As of October 1, 2019 the number of officially registered unemployed stood at the point of 2,083 people, 63% of whom used to occupy office positions, 8% are the unskilled staff or the ones who did the jobs that don't require any specialised qualification.

In January-May 2019, 4,683 unemployed people took advantage of employment services, 2,625 persons were employed, which is 49.1% of the target indicator. Of those who were employed 682 persons had additional employment guarantees, 38 were disabled people, 18 – anti-terrorist operation participants, 8 – internally displaced people. 25.0% were employed in industrial sector, 16.0% – in trade.

At the same time, there remains qualification gap between the demand for workforce and its supply. Thus, 58.2% of the unemployed (1,402 persons) require employment in the office staff positions (accountants, economists, lawyers), whereas only 32.7% of the vacancies available on 01.06.2019 were offered to office workers (387 positions) and 67, 3% – to the workers who have no job qualifications (mainly electromechanics, electrical engineers, electric welders, locksmiths).

With all the data considered, systemic analysis of the ways to balance the demand for skilled labor forces and employment opportunities in municipal education was conducted, which showed that retraining in working professions did not prove effective, as there exists high risk of workforce migratory flows to other localities. Job fairs, trainings on job search and job training at the employers' request appeared most productive (See Table 12, Annex M).

To reduce the level of qualification imbalance, 115 unemployed persons were trained and retrained in manual jobs or the jobs that facilitate self-employment. 22 people were granted capital to start their own business, and flat rate payments were reimbursed to 2 employers for hiring 4 citizens in need for additional guarantees. 87 seminars on job search techniques were held, having engaged 1,556 people.

There also exist memoranda on cooperation between higher education institutions and the city enterprises regarding employment prospects for graduates whose specialisms are in top demand. Such programs operate at Sumy State University and Sumy National Agrarian University, which accounts for intra-regional, inter-regional, and international youth inflows.

The SCC resolution № 4332-MR of December 19, 2018 “On approval of the Sumy Employment Program for 2019-2020” determined the following key measures to facilitate employment in the municipality: career advice, vocational guidance and training; enhancing employers’ initiatives targeting creation of new workplaces; establishing conditions for self-employment and support of entrepreneurial initiative; enhancing employment of disabled people; ensuring participation of the unemployed in community service and other part-time activities.

Therefore, lack of specialists to start new businesses, shortage of highly skilled workers/employees, and the level of salaries that is below the average figures for other regional centers are seen as weakness. However, gradual increase in youth numbers is being traced due to the activities of universities, which, together with business, design educational programs to provide training in the specialisms that are in demand with entrepreneurs. Opportunities for development in this field are found in retraining employees to fill vacancies at various enterprises and institutions with qualified professionals, as well as in increasing the level of employers’ responsibility for improper working conditions. At the same time, there exists the threat of skilled workers outflow and labor migration processes. Also, worsening of working conditions and low level of remuneration can produce negative effect on labour market situation.

6.8. External Positioning and Marketing

Sumy is the tourist center of Sumy region, the city of unique architecture with overall 97 monuments, including the Resurrection Church, the 18th-century building. The historical and cultural heritage is the pearl of the city, but it partly needs restoration.

To implement the marketing policy the municipal executive bodies are currently working out the City Marketing Policy Conception which defines the necessary steps, approaches, methodology, formats of information processing and other factors essential for the development of marketing policy that will complement the Community Development Strategy. A tourist portal of the Sumy UTC “Visit Sumy” (visit.sumy.ua) has been designed, which provides local residents and tourists with comprehensive and useful information about the community.

Work in the field of marketing communications is underway: Facebook, Instagram, Telegram pages have been created. Digital marketing tools are used to better engage the target audience and enhance the city's tourism industry. Cooperation with hotel, restaurant and tourism businesses has been established.

Following the SCC initiative, within the framework of the “Municipal Infrastructure Development” project technical support worth EUR 220,000 was attracted to implement the “Energy Efficiency Project in Sumy Primary Schools”, and the “Partnership for Modernization: Hospital Energy Efficiency” grant project worth EUR 3 m was administered. These projects not only increase the tourist attractiveness of the city, but also indicate that the city is ready to implement large investment projects and to cooperate with donors.

The Sumy UTC positions itself as a reliable business partner and an active member of the Association of Ukrainian Cities. In 2018 it was the winner of the All-Ukrainian contest “Best Practices of Local Self-Government”. It collaborates with the Association “Energy Efficient Cities of Ukraine” and has signed up to the EU Initiatives “Global Covenant of Mayors for Climate and Energy” and “Mayors for Economic Growth”.

The Sumy UTC develops cooperation on various projects with its partners: Association of Ukrainian Cities, Covenant of Mayors, Mayors for Economic Growth, USAID, European Investment Bank, NEFCO, GIZ, SES.

The Sumy UTC develops its effective partnerships and is continually searching for new collaboration prospects. It keeps close cooperation with twin cities Lublin (Republic of Poland) and Celle (Germany). Below is the list of Sumy partner cities: Banska Bystrica, Slovakia; Vratsa, Bulgaria; Gorzow-Wielkopolski, Poland; Kutaisi, Georgia; Lublin, Poland; Xinxian, China; Celle, Germany; Zhuji, China.

However, this is not enough for SME development in the city. That is why, during one of the meetings of the working group on the development of this Plan, it was decided to create a portal on which to publish relevant information for business: how to start a business, about national legislation, about regulations in the city, about interesting startup projects of local business representatives.

7. SWOT Analysis

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Openness and transparency of municipal government in the field of information policy. 2. Low tax rate for entrepreneurs (the weakest in Ukraine since 2017). 3. Increase in the employment of the Sumy working-age population. 	<ol style="list-style-type: none"> 1. Insufficient level of entrepreneurs' awareness on how to start and run a business. 2. "Shadow" economy processes. 3. Inconsistencies in local regulatory framework.

<ol style="list-style-type: none"> 4. The intra-regional, inter-regional, and international youth inflow due to the Universities' activities. 5. Proximity to the cities of Kyiv, Kharkiv, Poltava. 6. Significant proportion of small businesses (up to 25% of total sales) in the manufacturing sector. 7. Functioning of the Sumy Industrial Park as a new platform for business development. 8. City's historical and cultural heritage who are related to the Sumy region historical development. 	<ol style="list-style-type: none"> 4. Discrepancy between the structure of labor force demand and its supply by types of economic activities and professions. 5. Insufficient level of local businesses involvement in the network of international trade and cooperation. 6. Labor shortages in some manual jobs. 7. Lack of high-quality rail and road connections, poor quality of inter-regional roads. 8. Low level of tourist ecosystem development. 9. Absence of systemic approach to city promotion. 10. Poor access to finance and poor business infrastructure.
Opportunities	Threats
<ol style="list-style-type: none"> 1. Facilitating small business support programs involving both international donors and local programs. 2. Enhancing entrepreneurs' competencies in conducting business which will lead to increased profits of enterprises and more systemic understanding of their businesses and markets. 3. Building entrepreneurial capacity of community residents seeking to start their businesses in sectoral opportunities and market trends. 4. Retraining employees to match skilled labour to the vacancies available at different enterprises and institutions. 5. Increasing municipal budget revenues through creation of new businesses in the Industrial Park. 6. Increasing share of self-employed persons through development of an effective lifelong education system and the introduction of dual education programs. 7. Facilitating employers' involvement in development of training programs for workers in compliance with labor market demand. 8. Improvement of business support infrastructure. 9. Enhancing enterprises' cooperation with the city scientific and educational institutions on implementing inventions and innovative technologies in production processes. 	<ol style="list-style-type: none"> 1. Ongoing migration of skilled workforce from Ukraine. 2. Deterioration of economic situation in Ukraine. 3. Politicalization of Ukrainian business sphere. 4. Escalation of conflict with Russian Federation. 5. Community reputational risks. 6. Reduced demand for lifelong learning, retraining of middle-aged and elderly people due to people's scarce financial resources and scarce funding from other stakeholders (business, trade unions, city government). 7. Growth of labor shortages in some manual jobs resulting from lack of carefully considered policy regarding formation of regional demand for staff training. 8. Underfunding of certain expenditure powers due to possible growth of mismatch between municipal budget expenditures and revenues. 9. Holding back decentralization reform and reducing subventions to the municipal budget.

8. Vision and Objectives

Vision:

Sumy is an investor-friendly city where one can start and run a business smoothly and efficiently due to favorable business environment that facilitates development of any form of entrepreneurship. The city supports its residents to develop and exercise their creative abilities to the full, start their own business and enjoy decent life.

Sumy is the city that attracts tourists, follows all modern tendencies, starts and disseminates new trends.

The main goals of Sumy local economic development:

1. To provide business support services and create the necessary infrastructure for business development by the end of 2021
2. To develop effective marketing policy of SCC by the end of 2021
3. To provide conditions for tourism development by the end of 202

9. Action Plan

To provide the link between the stated objectives and delivering results, Action Plan for the Local Economic Development Plan implementation includes 28 events.

Table 1. Action Plan

Building blocks	Key objectives	Actions / Project ideas	Duration (Start/Finish)	Partners involved	Estimated Costs, UAH (Equivalent in EUR ¹)	Results	Monitoring indicators
Regulatory and institutional framework Business-friendly, transparent and corruption-free administration Local Cooperation and Networking	1. To provide business support services and create necessary infrastructure for business development by the end of 2021	Creating Center for Sustainable Business Support based on “Sumy” Business Hub	2020-2021	SSU; NGOs; business associations, SCC	UAH 1,299,000 / EUR 45,851	Centre for Sustainable Business Support has been established	A Permanent Business Support Center has been established and operates on an ongoing basis
		Organizing training sessions for Sumy City Council executives and training for SMEs	2020-2021	SCC DRPP; NGOs; business associations, “Sumy” Business Hub	UAH 190,000 / EUR 6,706	Conducted trainings - 2. Training and consultancy sessions and workshops for SMBs of Sumy UTC have been conducted	Proportion of draft regulatory acts approved unmodified by the corresponding bodies of the total amount directed for approval – not less than 130 items. Reduced the number of hits.
		Carrying out monitoring and survey of business entities to identify problem issues they face collaborating with SCC executive bodies and elicit proposals for their solution	2020-2021	SCC DRPP	UAH 40,000 / EUR 1,434	Business entities have been monitored and surveyed. Proposals to solve them have been made.	Number of SMEs involved in the survey - 350
		Providing organizational and information support for SMBs, co-organizing and participating in roundtables on topical issues; holding forums, conferences, etc. on the development of entrepreneurship, investment, cluster initiatives in Sumy UTG	2020-2021	SCC DRPP	UAH 500,000 / EUR 17,650	The series of forums, conferences, roundtables on business development, cluster initiatives, investment have been conducted. Information on holding forums, exhibitions, business trips, training sessions, conferences, etc. has been spread via all informatioli resources of SCC	Number of SMEs involved – 1,000 Number of events – 4 Dynamics of the number of registered SMEs compared to previous years – 110.1%. Number of advertisements published – no less than 100.
		Analyzing business environment in Sumy UTC	2020-2021	SCC DRPP; NGOs; business associations; international donor organizations	UAH 300,000 / EUR 10,589	Analysis of business environment in Sumy UTC has been conducted.	Number of focus groups conducted with SMEs – 11; Number of SMEs covered – 650.
		Organizing participation of Sumy delegations (representatives of enterprises, sole traders, public associations representatives, organizations, business coalitions) in national and international economic and investment events to study the other cities’ best practices as well as international experience of supporting SMEs.	2020-2021	SCC DRPP; NGOs; business associations	UAH 500,000 / EUR 17,650	Participation of the Sumy UTC representatives has been ensured	Number of people involved in the experience study – 12 . Number of business trips – 5
		Developing information portal for entrepreneurs (Sumy Business Portal)	01.01.2020-31.12.2021	SSU; NGOs; business associations	UAH 200,000 / EUR 7,060	Information portal for entrepreneurs has been developed, its continuous upgrade has been provided.	Annual number of the portal unique visitors – no less than 10,000. Portal update frequency – weekly
		Streamlining regulatory framework of SMEs	2020-2021	SCC DFEI;	UAH 100,000 / EUR 3,530	Statutory regulation of SMEs activities has been streamlined	External audit of all local regulatory acts has been carried out

¹ According to the National Bank of Ukraine exchange rate of 26/07/2019 (UAH 2832.92 per EUR 100)

				SCC executive bodies in charge of developing regulatory acts; NGOs; business associations			
		Providing UTC Budget financial support to SMEs by reimbursing part of their interest payments on loans for SMBs	2020-2021	SCC DRPP; SCC DFEI; NGOs; business associations	UAH 2,000,000 / EUR 70,599	Financial support to SMEs has been provided according to the Program	The program of providing financial and credit support to SMEs has been adopted Number of implemented projects – 2
		Developing and approving the detailed Plan of the “Sumy” industrial park territory settlement	2020	SCC DFEI	UAH 180,000 / EUR 6,354 EUR	The Detailed plan of the “Sumy” industrial park territory has been developed and approved	The Detailed plan of the “Sumy” industrial park territory will have been completed by the end of 2020
		Developing the design and budget documentation for industrial park construction and running its expertise	2021	SCC DFEI	UAH 850,000 / EUR 30,004	Text and graphic materials that regulate city planning, spatial plan-construction, architectural, structural, technical and technological solutions have been approved, as well as construction objects estimated budgets	Design and budget documentation for the industrial park construction with expertise
		Installing engineering infrastructure objects within the boundaries of the industrial park	2020-2021	SCC DFEI	UAH 37,297,200 / EUR 1,316,564	Engineering and transport infrastructure has been settled within the industrial park boundaries with outsourced organizations having been involved	1) Electric networks have been set; complex transmission electric station has been installed 2) External lightening (150 pillars, lights, cable networks) has been set 3) Water supply pipelines have been set 4) Drainage system have been set; 5) Gas supply pipelines have been set
		Launching the “Sumy” Industrial Park promotional campaign	2020-2021	SCC DFEI	UAH 300,000 / EUR 10,590	Sumy Industrial Park promotional campaign has been carried out	1) Conception of the “Sumy” Industrial Park promotional campaign has been developed, communication channels have been selected
		Creating information-analytical system “Regulatory acts base” (electronic system of monitoring regulatory acts versions)	2020-2021	SCC Executive Committee; SSU; business associations; NGOs	UAH 600,000 / EUR 21,180	An open web resource has been created, where current local regulatory framework is displayed online with all the changes	1) The portal for work with the regulatory acts has been created and launched 2) Training of SCC relevant executives has been provided
External positioning and marketing	2. To develop SCC marketing strategy by the end of 2021	Developing the plan of city brand promotion and facilitating its perception as a sign of city’s reliable and positive image	2020	SCC DFEI; SCC EC; Municipal institution ““Sumy” Promotion Agency”	UAH 150,000 / EUR 5,295	The plan of Sumy UTC promotion has been approved	List of proposals on brand promotion activities schedule in Sumy UTC has been developed
	3. Creating conditions for tourism development	School of City Ambassadors	2020-2021	Municipal institution ““Sumy” Promotion Agency”; SSU; NGO “Centre for Life-long Learning”; business associations	UAH 32,670 / EUR 1,153	Ambassadors School has been established; the ambassadors (taxi drivers, waiters, hotel employees) have been trained in the city marketing component	The ambassadors who meet the city marketing strategy requirements have been trained – no less than 100 people throughout 2 years
		Holding Street Food Festivals	2020-2021	SCC EC	UAH 120,000 / EUR 4,236	Two street food festivals have been hosted	Number of festivals participants – 300 in 2020, 400 – in 2021. Number of SMEs involved in the festivals – 15 in 2020, 20 – in 2021

		Organizing participation of Sumy UTC representatives in national and international specialized exhibitions and other business events	2020-2021	SCC DRPP; NGOs; business associations	UAH 200,000 / EUR 7,060	Participation of Sumy UTC representatives in national and international specialized exhibitions and other business events has been organized.	Number of SMEs participating in national and international specialized exhibitions and other business events – 60 in 2020, 80 – in 2021
		Organizing press tours in Sumy UTC	1.04.2020-31.05.2021	Municipal institution “Sumy” Promotion Agency”	UAH 57,080 / EUR 2,015	Press materials about the SMUTC have been published	The number of tourists in Sumy UTC has increased by 30%
		Promoting the city brand via various communication channels	2020-2021	SCC DFEI; SCC EC; Executive Committee of Sumy Municipal Council (EC SMC) (accounting, reporting, and management department of city strategic development), MI “Sumy Promotion Agency”	UAH 150,000 / EUR 5,295	Social nets have been used to promote city brand	5 channels of communication were used.
		“City Night” Festival	2020-2021	Municipal institution “Sumy” Promotion Agency”	UAH 302,830 / EUR 10,690	Cultural event to commemorate the Day of the City has been arranged.	Maximum number of Sumy UTC residents and guests have been involved – no less than 120,000 people.
		“Museums Night” Festival	May 2020, May 2021	Municipal institution “Sumy” Promotion Agency”	UAH 130,470 / EUR 4,605	The city event aimed at presenting and promoting cultural initiatives in the city	Number of participants and locations has increased – no less than 40 sites
		Arranging photo zone with the city brand idea in the central part of Sumy	2020-2021	SCC DFEI, SCC EC (Department of Accounting, Reporting and Management of the City Strategic Development Division); Municipal institution “Sumy” Promotion Agency”	UAH 200,000 / EUR 7,060	Photo zone of the new Sumy UTC brand	Developed and installed 1 photozone.
		Developing tourist navigation	2020-2021	SCC DFEI; SCC EC (Department of Accounting, Reporting and Management of the City Strategic Development Division); Municipal institution “Sumy” Promotion Agency”	UAH 50,000 / EUR 1,765	Comfortable environment for tourists has been created	1) 2 tourist information boards have been installed 2) 3 tourist boards have been installed 3) 8 street signs of architectural monuments have been installed. 4) 1 street sensory tourist booth has been installed
		Developing additional content for Sumy virtual guide with augmented reality technology	2020	SCC DFEI; SCC EC (Department of Accounting, Reporting and Management of the City Strategic Development Division); Municipal institution “Sumy” Promotion Agency”	UAH 150,000 / EUR 5,295	Modern innovative tool for promoting architectural monuments has been created	1) The new character for the tour guide has been developed 2) 31 new locations (architectural monuments) for the route have been processed
		Developing the city tourist routes	2020-2021	SCC DFEI; SCC EC (Department of Accounting, Reporting and Management of the City Strategic Development Division); Municipal institution “Sumy” Promotion Agency”	UAH 25,000 / EUR 883	The new routes for the Sumy UTC tourist attractions have been created	1) 2 tourist routes have been developed 2) The new routes have been presented 3) No less than 60 guided tours have been held
		Carrying out tourist industry research to define the major tourist flows to the city	2020-2021	SCC DFEI; SCC EC (Department of Accounting, Reporting and Management of the City Strategic Development Division); Municipal institution “Sumy” Promotion Agency”	UAH 50,000 / EUR 1,765	Analysis of the tourism industry has been carried out	1) Research methodology has been developed 2) Sampling has been conducted 3) Study has been conducted, the target audience enrolling 1,000 respondents 4) Research results have been analyzed
		Creating photo and video content about Sumy UTC to increase brand awareness in various communication channels	2020-2021	SCC DFEI; SCC EC (Department of Accounting, Reporting and Management of the City Strategic Development Division); Municipal institution “Sumy” Promotion Agency”	UAH 200,000 / EUR 7,060	Photo and video content created	Brand awareness increased by 20%

10. Financing scheme

Projects and activities within the framework of Local Economic Development Plan are expected to generate financing from both traditional (local and higher-order budgets) and new funding sources (donor and private funds/businesses). The estimated project implementation costs and the overall financing scheme for the Plan implementation are presented in Table 2.

Table 2. Financing scheme

Actions	Estimated costs, UAH/ EUR	Source of financing, UAH/ EUR				Funding gaps, UAH/ EUR	Remarks
		Local budget	Higher-order budgets	Businesses	Donors		
Creating Center for Sustainable Business Support based on Sumy Business Hub	UAH 1,299,000 / EUR 45,851	UAH 299,000 / EUR 10,555	-	UAH 1,000,000 / EUR 35,296	-	-	
Organizing training sessions for Sumy City Council executives and training for SMEs	UAH 190,000 / EUR 6,706	UAH 190,000 / EUR 6,706	-	-	-	-	
Carrying out monitoring and survey of business entities to identify problem issues they face collaborating with SCC executive bodies and elicit proposals for their solution	UAH 40,000 / EUR 1,412	UAH 40,000 / EUR 1,412	-	-	-	-	
Providing organizational and information support for SMBs, co-organizing and participating in roundtables on topical issues; holding forums, conferences, etc. on the development of entrepreneurship, investment, cluster initiatives in Sumy UTG	UAH 500,000 / EUR 17,650	UAH 300,000 / EUR 10,590	-	UAH 200,000 / EUR 7,168	-	-	
Analyzing business environment in Sumy UTC	UAH 300,000 / EUR 10,753	UAH 100,000 / EUR 3,585	-	UAH 200,000 / EUR 7,060	-	-	
Organizing participation of Sumy delegations (representatives of enterprises, sole traders, public associations representatives, organizations, business coalitions) in national and international economic and investment events to study the other cities best practices as well as international experience of supporting SMEs.	UAH 500,000 / EUR 17,650	UAH 300,000 / EUR 10,590	-	UAH 200,000 / EUR 7,060	-	-	
Developing information portal for entrepreneurs (Sumy Business Portal)	UAH 200,000 / EUR 7,060	-	-	-	-	UAH 200,000 / EUR 7,060	
Streamlining regulatory framework of SMEs	UAH 100,000 / EUR 3,530	-	-	-	-	UAH 100,000 / EUR 3,530	
Providing UTC Budget financial support to SMEs by reimbursing part of their interest payments on loans for SMBs	UAH 2,000,000 / EUR 70,599	UAH 2,000,000 / EUR 70,599	-	-	-	-	

Developing and approving the detailed Plan of the “Sumy” industrial park territory settlement	UAH 180,000 / EUR 6,354	UAH 180,000 / EUR 6,354	-	-	-	-	
Developing the design and budget documentation for industrial park construction and running its expertise	UAH 850,000 / EUR 30,4004	UAH 850,000 / EUR 30,004	-	-	-	-	
Installing engineering infrastructure objects within the boundaries of the industrial park	UAH 37,297,200 / EUR 1,316,564	UAH 3,729,700 / EUR 131,656	UAH 33,567,500 / EUR 1,184,908	-	-	-	
Launching the “Sumy” Industrial Park promotional campaign	UAH 300,000 / EUR 10,590	UAH 300,000 / EUR 10,590	-	-	-	-	
Creating information-analytical system “Regulatory acts base” (electronic system of monitoring regulatory acts versions)	UAH 600,000 / EUR 21,180	-	-	-	-	UAH 600,000 / EUR 21,180	
Developing the plan of city brand promotion and facilitating its perception as a sign of city’s reliable and positive image	UAH 150,000 / EUR 5,295	UAH 150,000 / EUR 5,295	-	-	-	-	
City Ambassadors School	UAH 32,670 / EUR 1,153	UAH 32,670 / EUR 1,153	-	-	-	-	
Holding Street Food Festivals	UAH 120,000 / EUR 4,236	UAH 120,000 / EUR 4,236	-	-	-	-	
Organizing participation of Sumy UTC representatives in national and international specialized exhibitions and other business events	UAH 200,000 / EUR 7,060	UAH 200,000/ EUR 7,060	-	-	-	-	
Organizing press tours in Sumy UTC	UAH 57,080 / EUR 2,015	UAH 57,080 / EUR 2,015	-	-	-	-	
Promoting the city brand in various communication channels	UAH 150,000 / EUR 5,295	UAH 150,000 / EUR 5,295	-	-	-	-	
“City Night” Festival	UAH 302,830 / EUR 10,690	UAH 302,830 / EUR 10,690	-	-	-	-	
“Museums Night” Festival	UAH 130,470 / EUR 4,605	UAH 130,470 / EUR 4,605	-	-	-	-	
Arranging photo zone with the city brand idea in the central part of Sumy	UAH 200,000 / EUR 7,060	UAH 200,000 / EUR 7,060	-	-	-	-	
Developing tourist navigation	UAH 50,000 / EUR 1,765	UAH 50,000 / EUR 1,765	-	-	-	-	

Developing additional content for Sumy virtual guide with augmented reality technology	UAH 150,000 / EUR 5,295	UAH 150,000 / EUR 5,295	-	-	-	-	
Developing the city tourist routes	UAH 25,000 / EUR 883	UAH 25,000 / EUR 883	-	-	-	-	
Carrying out tourist industry research to define the major tourist flows to the city	UAH 50,000 / EUR 1,765	UAH 50,000 / EUR 1,765	-	-	-	-	
Creating photo and video content about Sumy UTC to increase brand awareness in various communication channels	UAH 200,000 / EUR 7,060	UAH 200,000 / EUR 7,060	-	-	-	-	
Total	UAH 46,174 250/ EUR 1,629,917	UAH 10,106,750/ EUR 356,763	UAH 33,567,500/ EUR 1,184,908	UAH 1,600,000 / EUR 56,476	-	UAH 900,000 / EUR 31,770	-

11. Monitoring Indicators and Mechanisms

Implementation of the Local Economic Development Plan actions and project ideas implies monitoring of the delivering results for the period of 2019-2021. The state of the LEDP implementation is monitored once every six months. On this basis, annual and final reports on the state of the LEDP implementation are prepared and made public.

Table 3. Monitoring indicators for the LESP implementation (in compliance with Table 1)

Actions / Project ideas	Duration	Delivering results			
		Months 1-6	Months 7-12	Months 13-18	Months 19-24
Creating Centre for Sustainable Business Support based on “Sumy” Business Hub	2020-2021	CSBS educational events – 2 units; Consulting services – 70 units; Business meetings – 20 units; Marketing activities – 2 units Approximate number of program participants – 30 units. Number of newly registered entrepreneurs – 10.	CSBS educational events - 3 units; Consulting services – 80 units; Business meetings – 20 units; Marketing activities – 2 units Approximate number of program participants – 40 units. Number of newly registered entrepreneurs – 20.	CSBS educational events – 3 units; Consulting services – 80 units; Business meetings – 20 units; Marketing activities – 2 units Approximate number of program participants – 40 units. Number of newly registered entrepreneurs – 20.	CSBS educational events – 3 units; Consulting services – 90 units; Business meetings – 30 units; Marketing activities – 2 units Approximate number of program participants – 50 units. Number of newly registered entrepreneurs – 30.
Organizing training sessions for Sumy City Council executives and training for SMEs	2020-2021	Training plan has been developed. Number of trainings, workshops, consultations conducted – 2. Number of SMEs – 208.	Number of conducted training sessions – 1. Number of SCC executives who underwent training – 30. Number of trainings, workshops, consultations conducted – 3. Number of SMEs – 416.	Number of conducted training sessions – 1. Number of SCC executives who underwent training – 30. Number of trainings, workshops, consultations conducted – 2. Number of SMEs – 208.	Proportion of draft regulatory acts approved unmodified by the corresponding bodies of the total amount directed for approval – not less than 130 items. Number of trainings, workshops, consultations conducted – 3. Number of SMEs – 416.
Carrying out monitoring and survey of business entities to identify problem issues they face collaborating with SCC executive bodies and elicit proposals for their solution	2020-2021	The questionnaires for monitoring business entities have been developed and the proposals for their solution have been made.	The survey has been conducted with business entities. Number of SMEs involved in the survey – 350.	Number of responses received – 900. Action plan for eliminating the problem issues in business entities interaction with SCC executive bodies has been developed.	Ratio of resolved issues to the spotted ones – up to 80%.
Providing organizational and information support for SMBs, co-organizing and participating in roundtables on topical issues; holding forums, conferences, etc. on the development of entrepreneurship, investment, cluster initiatives in Sumy UTC	2020-2021	The series of forums, conferences, roundtables on business development, cluster initiatives, investment have been conducted. Advertisements published – not less than 25.	Number of events – 2. Number of SMEs involved – 400. Advertisements published – not less than 25.	Number of events – 1. Number of SMEs involved – 200. Advertisements published – not less than 25.	Number of events – 2. Number of SMEs involved – 400. Advertisements published – not less than 25.
Analyzing business environment in Sumy UTC	2020-2021	The research methodology has been developed.	Analysis of business environment in Sumy UTC has been conducted. Number of focus groups conducted with SMEs – 11. Number of SMEs covered – 650. Number of interviews conducted – 25.	Number of reviewed procedural regulatory acts – 45. Number of analyzed regulatory acts in terms of content – 12. The roadmap for eliminating obstacles that hinder business development in the city has been developed.	The barriers to business development have been eliminated, and the business environment in the city has been improved.
Organizing participation of Sumy delegations (representatives of enterprises, sole traders, public associations representatives, organizations, business coalitions) in national and international economic and investment events to study the other cities best practices as well as international experience of supporting SMEs.	2020-2021	Number of people involved in the experience study – 2 Number of business trips – 1.	Number of people involved in the experience study – 3. Number of business trips – 2.	Number of people involved in the experience study – 3. Number of business trips – 1.	Number of people involved in the experience study – 4. Number of business trips – 2.

Developing information portal for entrepreneurs (Sumy Business Portal)	2020-2021	Information portal for entrepreneurs has been developed, its continuous upgrade has been provided. Number of the portal unique visitors – no less than 1000.	Information portal for entrepreneurs has been developed, its continuous upgrade has been provided. Number of the portal unique visitors – no less than 2000. Portal update frequency – weekly	Information portal for entrepreneurs has been developed, its continuous upgrade has been provided. Number of the portal unique visitors – no less than 3000. Portal update frequency – weekly.	Information portal for entrepreneurs has been developed, its continuous upgrade has been provided. Number of the portal unique visitors – no less than 4000. Portal update frequency – weekly.
Streamlining regulatory framework of SMEs	2020-2021	External audit of all local regulatory acts has been carried out.	Statutory regulation of SMEs activities has been streamlined.	External audit of all local regulatory acts has been carried out.	Annual monitoring of ineffective regulatory acts and repealling them has been established.
Providing UTC Budget financial support to SMEs by reimbursing part of their interest payments on loans for SMBs	2020-2021	The program of providing financial and credit support to SMEs has been adopted	Financial support to SMEs has been provided according to the Program.	Number of implemented projects – 1.	Number of implemented projects – 1.
Developing and approving the Detailed plan of the “Sumy” industrial park territory settlement	2020	The Detailed plan of the “Sumy” industrial park territory settlement has been developed and approved.	City planning documentation The Detailed plan of the “Sumy” industrial park territory settlement will have been completed by the end of 2020.	-	-
Developing the design and budget documentation for industrial park construction and running its expertise	2021	-	-	Text and graphic materials that regulate city planning, spatial plan-construction, architectural, structural, technical and technological solutions have been approved, as well as construction objects estimated budgets.	Design and budget documentation for the industrial park construction with expertise has been approved.
Installing engineering infrastructure objects within the boundaries of the industrial park	2021	-	-	Engineering and transport infrastructure has been settled within the industrial park boundaries with outsourced organizations having been involved Electric networks have been set; complex transmission electric station has been installed. External lightening (150 pillars, lights, cable networks) has been set. Water supply pipelines have been set – 500 m Drainage system have been set – 500 m Gas supply pipelines have been set – 900 m	Water supply pipelines have been set – 500 m Drainage system have been set – 500 m Gas supply pipelines have been set – 900 m
Launching the “Sumy” Industrial Park promotional campaign	2021	-	-	Conception of the “Sumy” Industrial Park promotional campaign has been developed, communication channels have been selected.	Number of participants engaged in “Sumy” Industrial Park – 3.
Creating information-analytical system “Regulatory acts base” (electronic system of monitoring regulatory acts versions)	2020-2021	An open web resource has been created, where current local regulatory framework is displayed online with all the changes.	Training of SCC relevant executives has been provided.	An open web resource has been created, where current local regulatory framework is displayed online with all the changes.	Follow-up post-project study of the portal efficiency and user-friendliness has been conducted.
Developing the plan of city brand promotion and facilitating its perception as a sign of city’s reliable and positive image	2020	Communication channels have been selected Budget has been estimated Advertising messages for selected communication channels have been generated Brand visualization for the selected media has been adapted Calendar of events for brand promotion has been developed	The series of short video clips and posters, web banners, boards have been designed and created List of proposals on brand promotion activities schedule in Sumy UTC has been developed	-	-

3.1. School of City Ambassadors	2020-2021	The persons who comply with the requirements for the ‘ambassador’ category have been selected.	Ambassadors School has been established.	The ambassadors who meet the city's marketing strategy requirements have been trained – not less than 100	Quarterly appraisal of the ambassadors' qualifications by the ‘secret agents’ has been provided
3.2. Holding Street Food Festivals	2020-2021	Hosting the festival has been arranged	Number of festivals participants – 300. Number of SMEs involved in the festivals – 15.	Hosting the festival has been arranged	Number of festivals participants – 400. Number of SMEs involved in the festival – 20.
3.3. Organizing participation of Sumy UTC representatives in national and international specialized exhibitions and other business events	2020-2021	Number of SMEs participating in national and international specialized exhibitions and other business events – 30.	Number of SMEs participating in national and international specialized exhibitions and other business events – 30.	Number of SMEs participating in national and international specialized exhibitions and other business events – 40.	Number of SMEs participating in national and international specialized exhibitions and other business events – 40.
3.4. Establishing Tourist Information Centre	2020	Tourist information center has been created and has started working (equipment has been purchased; training of TIC has been provided; major tourists’ attractions in the city have been spotted and studied; set of electronic copies of promotional materials has been developed).	Percentage of tourists visits to TIC has been brought to the average in Ukraine.	-	-
3.5. Organizing press tours in Sumy UTC	1.04.2020-31.05.2021	Promotional materials about Sumy UTC have been published – not less than 4 sets	Promotional materials about Sumy UTC have been published – not less than 4 sets	The number of Sumy tourists has increased by 30%	-
3.7. Promoting the city brand via various communication channels	2020-2021	1) Contextual advertising has been placed on social networks (Facebook, Instagram, Youtube); 2) Number of TV commercials – 2; 3) Advertising on boards has been placed – 10 units; 4) Advertising on citylights has been set – 10 units.	1) Contextual advertising has been placed on social networks (Facebook, Instagram, Youtube); 2) Number of TV commercials – 2; 3) Advertising on boards has been placed – 10 units; 4) Advertising on citylights has been set – 10 units.	1) Contextual advertising has been placed on social networks (Facebook, Instagram, Youtube); 2) Number of TV commercials – 2; 3) Advertising on boards has been placed – 10 units; 4) Advertising on citylights has been set – 15 units.	1) Contextual advertising has been placed on social networks (Facebook, Instagram, Youtube); 2) Number of TV commercials – 2; 3) Advertising on boards has been placed – 10 units; 4) Advertising on citylights has been set – 15 units.
“City Night” Festival	2020-2021	Cultural event to commemorate the Day of the City has been arranged.	Maximum number of Sumy UTC residents and guests have been involved – not less than 50,000 people. Number of participants and locations has increased – no less than 50 sites.	Cultural event to commemorate the Day of the City has been arranged.	Maximum number of Sumy UTC residents and guests have been involved – no less than 70,000 people. Number of participants and locations has increased – no less than 60 sites.
“Museums Night” Festival	May 2020, May 2021	1) Maximum number of Sumy UTC residents and guests have been involved – not less than 30,000 people 2) Number of participants and locations has increased – no less than 20 sites	-	1) Maximum number of Sumy UTC residents and guests have been involved – not less than 30,000 people 2) Number of participants and locations has increased – no less than 20 sites	-
Arranging photo zone with the city brand idea in the central part of Sumy	2020-2021	1) Photo zone has been created – 1 2) Photo zone opening ceremony was held – no less than 1,000 people attracted.	Promotion of the new photo zone in the (social) media – no less than 30 mentions.	1) Photo zone has been created – 1. 2) Photo zone opening ceremony was held – no less than 1,000 people attracted.	Promotion of the new photo zone in the (social) media – no less than 35 mentions.
Development of tourist navigation	2020-2021	1) 1 tourist board has been installed (Model 2) 2) 2 street signs of architectural monuments have been installed. 3) 1 street sensory tourist booth has been installed.	1) 2 tourist boards have been installed (Model 2) 2) 2 street signs of architectural monuments have been installed. 3) 1 street sensory tourist booth has been installed.	1) 1 tourist board has been installed (Model 2) 2) 2 street signs of architectural monuments have been installed.	1) 1 tourist board has been installed (Model 2) 2) 2 street signs of architectural monuments have been installed.
Developing additional content for Sumy virtual guide with augmented reality technology	2020	1) The new character for the tour guide has been developed 2) 20 new locations (architectural monuments) for the route have been processed 3) Signs of architectural monuments have been settled	1) 11 new locations (architectural monuments) for the route have been processed 2) Signs of architectural monuments have been settled.	-	-

Developing the city tourist routes	2020-2021	1) 1 new tourist route has been developed 2) The new routes have been presented 3) No less than 10 guided tours have been held	No less than 20 guided tours have been held	1) 1new tourist route has been developed 2) The new routes have been presented 3) No less than 10 guided tours have been held	No less than 20 guided tours have been held
Carrying out tourist industry research to define the major tourist flows to the city	2020-2021	1) Analysis of the tourism industry has been carried out 2) Research methodology has been developed	Sampling has been conducted	Study has been conducted, with the target audience enrolling	Research results have been analyzed
Creating photo and video content about Sumy UTC to increase brand awareness in various communication channels	2020-2021	1) Photo content has been produced – 1,000 items 2) Video content has been created – 2 items	1) Photo content has been produced – 1,000 items 2) Video content has been created – 2 items	1) Photo content has been produced – 1,000 items 2) Video content has been created – 2 items	1) Photo content has been produced – 1,000 items 2) Video content has been created – 2 items

Annex A

Table 1: The classification of enterprises by size (according to the Commercial Code of Ukraine)

Type	The number of employees	The annual turnover, EUR
Small business	<50	Less than 10 million
Medium-sized business	50 – 250	From 10 to 50 million
Big business	Over 250	Over 50 million
Micro business (A private entrepreneur)	<10	Less than 2 million

Annex B

Table 2: The key performance indicators of enterprises by size * in 2016, 2017 and 2018

	Large enterprises			Medium-sized enterprises			Small enterprises					
	2016	2017	2018	2016	2017	2018	2016	2017	2018	including micro-enterprises		
The number of enterprises, units /	4	4	4	130	139	136	2538	2772	2910	2138	2372	2486
of the total number of enterprises in the city	0,1	0,1	0,1	4,9	4,8	4,5	95	95,1	95,4	80	81,4	81,5
The number of employees, persons employed /	16124	14227	9030	22835	25054	27985	14585	14350	14934	5836	5417	5795
in % to the total number of employees employed at enterprises of the city	30,4	26,5	17,4	42,7	46,2	53,9	27,2	27,6	28,7	10,9	11,1	11,2
The number of employees, persons hired /	16124	14227	9030	22830	25052	27978	14009	14350	14405	5289	5417	5299
in % to the total number of employees hired at enterprises of the city	30,4	26,5	17,6	43,1	46,7	54,4	26,5	26,8	28	10	10,1	10,3
The labor costs, million UAH /	1015,7	1180,7	1201	1449,2	2021,6	2626,8	455,3	687,8	858,4	143500	212200	252,3
in % to the total expenses of city enterprises on labor remuneration	34,8	30,3	25,6	49,6	52	56,1	15,6	17,7	18,3	4,9	5,5	5,4
The volume of products sold (goods, services), million UAH /	6272,5	7031,4	8573,257	19708,4	25486,9	30713,645	8376,5	10193	12052,217	2802,1	3275,9	4146,7
in % to the total volume of products sold (goods, services) by the city economy as a whole	18,2	16,4	16,7	57,4	59,7	59,8	24,4	23,9	23,5	8,2	7,7	8,1
The financial result (balance) before tax, million UAH	-262,3	-407,7	781,6	723	950,8	-1645,8	250,3	-301,7	472,4	-1,3	-585,8	154,2
The level of profitability of operating activities, %	14,7	5,5	9,5	8,6	7,7	-4,2	9,9	8,9	8,1	7,3	7,2	6,8

*The data are presented without taking into account the results of activity of banks and budgetary institutions and without taking into account the change of the main type of economic activity by enterprises

Annex C

Table 3: An evaluation of local cooperation

The name and / or function (scope / topic of which it relates)	Institutions / persons involved	Achievements (during planning, projects implementation, service delivery, on a continuous basis or periodically / once)	Rating: useful or not useful
Ensuring public participation in the formation and implementation of local policies	Public Council at the Executive Committee (advisory body), Youth Council at the Sumy Mayor (advisory body)	Periodically, at least once a quarter	Partially useful
Consultations of local government and public organizations of entrepreneurs on issues of local regulatory policy.	Entrepreneurship Coordination Council	Periodically, at least once a quarter	Partially useful
Consideration of projects of urban programs of development of small and medium-sized enterprises and control over the course of implementation of their measures	Entrepreneurship Coordination Council	Periodically, at least once a quarter	Partially useful
Consideration of controversial issues that arise in the field of entrepreneurship and preparation of recommendations for their resolution	Entrepreneurship Coordination Council	If necessary	Partially useful
Promoting the development of entrepreneurial initiative	Entrepreneurship Coordination Council	On a regular basis	Partially useful

Popularization of effective socially responsible entrepreneurial activity	Entrepreneurship Coordination Council	On a regular basis	Partially useful
Support for local business and entrepreneurship development	Center for International Private Enterprise, CIPE, Sumy State University	On a regular basis	Useful
Carrying out the "Golden Pearl" rating (encouraging the development of small and medium-sized enterprises)	The subjects of the small and medium-sized business of the city	Annually	Partially useful
Information support for starting your own business	Ministry of Economic Development and Trade of Ukraine	On a regular basis	Useful
Promoting the participation of Sumy business representatives in trade missions, international fairs, forums, seminars, webinars, competitions, exhibitions	Sumy Business Information Support Center, Sumy Chamber of Commerce and Industry, High-Tech Office Ukraine, Association of Industrial Automation of Ukraine, public organization "Council of Young Scientists", Sumy State University	On a regular basis	Partially useful

Annex D

Table 4: The offers of credit lines from Ukrainian banks for starting / expanding a business

Bank	Interest rate	Additional commission	Amount	Loan term	Pledge
PrivatBank	19%		From 500 thousand UAH to 10 million UAH.	From 1 to 5 years	Real estate, equipment, motor transport, additionally - a power of attorney from an individual - a business owner
Oschadbank	from 18,2%	A commission for issuance from 0.2%	Up to 10 million UAH.	up to 3 years	Real estate and movable property, property rights, surety
Alfa Bank	A fixed-rate loan	One-time commission 0.9% of the loan amount, min. 2000 UAH	Up to 7.5 million UAH	12 months	No collateral
			Up to 100 million UAH	36 months	Collateral (real estate, transport, equipment)
TAS24 Business	0,00%	1,99% monthly	Up to 1 million UAH	36 months	No collateral
OTP Bank	36%	0,85% monthly	Up to 300 thousand UAH	up to 60 months	No collateral

Annex E

Table 5: The list of unused non-residential premises of a communal form of ownership that can be transferred for use (as of June 24, 2019)

No	Object address	An approximate area requires clarification, sq.m	Note
1	Ivana Sirka St. (D.Korotchenka), 25	8,9	non-residential premises
2	Ivana Sirka St. (D.Korotchenka), 25	14,7	non-residential premises
3	Romana Atamaniuka St. (40r.Zhovtnya), 49a	17	non-residential premises
4	Herasima Kondratieva St., 122 (basement)	540,3	non-residential premises
5	Kirovohrads'ka St., 4	298,3	non-residential premises
6	Voskresenska St., 12	251,1	non-residential premises
7	Kurs'kyi Ave., 127 (basement)	47,7	non-residential premises
8	Nekrasova St., 2	43,6	non-residential premises
9	Supruna St, 13,	46,7	non-residential premises
10	Sudzhans'kyi Ln., 8 (basement)	113	non-residential premises
11	Petropavlivs'ka St., 72 (basement)	297,2	non-residential premises
12	Ryms'koho-Korsakova St., 5	188	non-residential premises
13	Kotlyarevs'koho St., 1/1	247,4	non-residential premises
14	Mykhaila Lushpy Ave., 12 (inclgd. basement)	649,1	non-residential premises
15	Kotlyarevs'koho St., 2/7	151,9	non-residential premises
16	Kotlyarevs'koho St., 2/7 (basement)	240,1	non-residential premises
17	Mykhaila Koshchiya St., 27	57,6	non-residential premises
18	Kholodnohirs'ka St., 35 (it is possible to rent individual offices in the building of KUT)	1759,2	non-residential premises
19	Nyzhn'okholodnohirs'ka St., 10	348,7	non-residential premises
20	Yuriia Vietrova St., 4/2	24,1	non-residential premises
21	Dr Ivan Derevyanko Ln., 6	89,8	non-residential premises
22	Nyzhn'okholodnohirs'ka St., 8	116,4	non-residential premises
23	Petropavlivs'ka St., 123	108,9	protective structure
24	Petropavlivs'ka St., 60	170,4	protective structure
25	Bohuna St., 15	75	protective structure
26	Proletarska St., 40	79,1	protective structure
27	Proletarska St., 61	124,5	protective structure
28	Nyzhn'osyrovats'ka St., 59	115	protective structure
29	Nyzhn'osyrovats'ka St., 61	77	protective structure
30	Oleksandra Olesia St. (Radyans'ka), 1	114,5	protective structure
31	Soborna St., 32-b	160,5	protective structure
32	Soborna St., 38	93,4	protective structure

33	Herasima Kondratieva St., 46	104,3	protective structure
34	Okhtyrs'ka St., 8	114,6	protective structure
35	Okhtyrs'ka St., 10	120	protective structure
36	Tarasa Shevchenka Ave., 3	96,6	protective structure
37	Tarasa Shevchenka Ave., 3	100,6	protective structure
38	Tarasa Shevchenka Ave., 4	100,7	protective structure
39	Tarasa Shevchenka Ave., 4	100,5	protective structure
40	Bilopil's'kyi Shlyakh St., 26	160	protective structure

Annex F**Table 6: The list of unused land plots of communal ownership that can be transferred to use (as of 02/06/19)**

№	Address and cadastral number of the land plot	Area, ha
1	Sumy, Prikordonna St., 5910136300:15:002:0033	1,8201
2	Sumy, Bryans'ka St., 1, 5910136600:03:006:0067	1,2726
3	Sumy, Bryans'ka St., 1, 5910136600:03:006:0068	1,3845
4	Sumy, Bryans'ka St., 1, 5910136600:03:006:0069	2,8063
5	Sumy, Bryans'ka St., 1, 5910136600:03:006:0071	0,133
6	Sumy, Bryans'ka St., 1, 5910136600:03:006:0072	9,4614
7	Sumy, Bryans'ka St., 1, 5910136600:03:006:0040	0,6938
8	Sumy, Bryans'ka St., 1, 5910136600:03:006:0043	12,9723
9	Sumy, Centrolit plant area, 5910136600:03:006:0035	1,9928
10	Sumy, Centrolit plant area, 5910136600:03:006:0030	3,9362
11	Sumy, Centrolit plant area, 5910136600:03:006:0036	17,5284
12	Sumy, Ivana Piddubnoho St., 5910136300:15:003:0068	0,1898
13	Sumy, Ivana Piddubnoho St., 5910136300:15:003:0067	0,7466
14	Sumy, Ivana Piddubnoho St., 5910136300:15:003:0069	0,48
15	Sumy, Kosmichna St., 5910136600:03:002:0227	0,1805
16	Sumy, Kurs'kyi Ave., 6, 5910136600:03:002:0194	0,2326
17	Sumy, Prikordonna St., 47, 5910136300:15:002:0056	10,0237
18	Sumy, Kovpaka St., 93, 5910136600:05:001:0042	0,8931
19	Sumy, Kovpaka St, 95, 5910136600:05:001:0044	0,8206
20	Sumy, Kovpaka St, 97, 5910136600:05:001:0043	0,8029

Annex G

Table 7: Quantitative and qualitative indicators of implementation efficiency (communal property)

Indicators	A unit of measurement	2017 report	2018 waiting	2019 project	2019/2018,%
The number of privatized objects of communal property	object	23	15	5	33,3
Total area of privatized objects of communal property	thousand sq. m.	3	1,9	0,44	23,2
The number of municipal property lease agreements / incl. with an annual rent of 1 UAH	units	487/60	470/57	470/57	100,0/100,0
including the data on Pishchane Village Council	units	3/0	3/0	3/0	100
Total area of objects of communal property that are rented by the end of the reporting period / incl. with an annual rent of 1 UAH	thousand sq. m.	288,3/ 19,9	282,1/ 19,4	282,1/ 19,4	100,0/100,0
including the data on Pishchane Village Council	thousand sq. m.	168,8/0	168,8/0	168,8/0	100
The amount of revenues to the city budget from the privatization of communal property	mln. UAH	4,9	5,4	1	18,5
The amount of revenues to the city budget from the payment for rent of communal property	mln. UAH	20,5	21,5	20	93

Annex H

Table 8: Quantitative and qualitative indicators of implementation efficiency (land plots)

Indicators	A unit of measurement	2017 report	2018 waiting	2019 project	2019/2018,%
The number of concluded land lease agreements with land users at the end of the period, total	units	1691	1804	1825	101,2
including the data on Pishchane Village Council	units	19	19	19	100
An area of land covered by lease agreements at the end of the period, total	ha	755,7	769	774,2	100,7
including the data on Pishchane Village Council	ha	147,8	147,8	147,8	100
The revenues of land rent to the city budget	mln. UAH	108,9	105,6	108,7	102,9
The revenues of land tax to the city budget	mln. UAH	54,2	65,9	71,3	108,2
The land fee (total) to the city budget	mln. UAH	163,1	171,5	180	105
Number / area of land sold	units / sq. m.	5/11700	-	-	x
including through auctions	units / sq. m.	-	-	-	x
The revenues of the proceeds from the sale of land to the city budget	mln. UAH	1,1	0,006	0,95	x
including through auctions	thousand UAH	-	-	-	-

Annex J

Table 9: The legal and institutional conditions

	The identified problems in the regulation of sphere	High / low negative impact	The main regulatory authority	The possibility of mitigation / improvement at the local level
No	The limited access of SMEs to financial and credit resources (in particular, microfinance and microcredit) for starting a business, supporting innovative start-ups, business initiatives in rural areas, high unemployment areas, etc.	High	National Bank of Ukraine, state banks, Ministry of Economic Development and Trade of Ukraine	National level city level
1	The current punitive and repressive model of tax control, especially in terms of the risk orientation and transparency of tax planning and tax audit procedures.	High	State Fiscal Service of Ukraine	National level
2	The existence of bills that provide for the elimination of the simplified system of taxation, accounting and reporting.	Low	The Verkhovna Rada of Ukraine	National level
3	The lack of a bill on the exit capital tax.	High	The Verkhovna Rada of Ukraine	National level
4	The currency and financial barriers to the production (in particular, export) activity of SMEs in accordance with Ukraine's obligations under the Association Agreement with the European Union in terms of free movement of capital.	Low	National Bank of Ukraine	National level
5	A significant amount of administrative fines, which have the nature of criminal penalties (Articles 8, 24 and 44 of the Law of Ukraine "On State Market Supervision and Control of Non-Food Products"), non-determination of penalties in the non-taxable minimum incomes of citizens	High	State Fiscal Service of Ukraine	National level
6	An absence of a clear mechanism for the relationship between SMEs and subjects of the natural monopolies and access to the engineering networks (power-, gas-, water-,	High	Anti-Monopoly Committee of Ukraine	National level

7	The lack of a highly professional, highly specialized structure of financial and analytical monitoring of risk-oriented operations	Low	The Verkhovna Rada of Ukraine, The Cabinet of Ministers	National level
8	An absence of a well-functioning mechanism for applying sanctions to economic entities: - limitation periods for applying financial sanctions to economic entities (within 6-18 months); - the maximum permissible (marginal) amount of financial and administrative sanctions for infringements in the field of economic activity (except for customs and tax violations), if no harm was caused to individuals or the environment; - uniform procedure for the application of sanctions (in particular, by a decision of a state supervisory authority (control) or a court decision), taking into account the extent of actually existing risks and negative consequences of violation of the law;	High	State Fiscal Service of Ukraine	National level
9	The presence of the amount of penalties in the activity plans and indicators for evaluating the activities of the state authorities, their officials (in particular, state supervision (control) authorities, tax control authorities, etc.).	High	State Fiscal Service of Ukraine, regulatory authorities	National level

Annex K

Table 10: The dynamics of change of loading* on one vacancy in different fields of activity

Branch	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
The processing industry	7	6	11	12	9	7	27	26	18	12	12	18	17	14	8	7
The mining industry	67	5	54	1	5	3	4	8	24	13	23	73	72	83	21	19
Wholesale and retail trade	6	6	8	11	12	11	28	54	50	30	32	22	25	21	10	8
Healthcare	4	4	3	3	3	2	2	2	5	4	5	3	6	6	3	3
Education	9	9	7	8	10	16	14	33	25	49	27	9	11	13	5	4
The electric power industry	6	8	6	7	3	4	4	10	9	17	15	9	39	24	10	9
Temporary accommodation and catering	1	3	2	3	4	9	10	7	11	15	11	9	13	1	2	4
Transport	8	6	3	9	10	6	12	17	16	24	10	10	10	11	5	5

*loading - the number of applicants per vacancy

Annex L

Table 11: Qualified workforce situation

Branch	The current situation with a qualified workforce (for example, a significant number / slight shortage / mismatch / excess demand)	Forecasted situation in the future (for example, a significant number / slight shortage / mismatch / excess demand)	Possible directions of action
agriculture, forestry and fisheries	slight shortage	slight shortage	The fluctuation in the number of employed workers in the industry is explained by the seasonality of work, the improvement of the situation is possible due to the employment of workers in other ancillary types of work, expanding the range of services without reduction of staff and transfer to a reduced mode of work of enterprises.
industry	slight shortage	slight shortage	The downward trend in workers in this area is caused by general problems in the country's economy. The situation is complicated by bankruptcy of enterprises (JSC "Selmi", JSC "Sumy meat processing plant", JSC "Sumy porcelain plant", JSC "Centrolit", JSC "Sumy refinery", JSC "Silicate concrete", etc.) and the existence of wage arrears in budget-forming enterprise of PJSC "Sumy Machine-Building Research and Production Association" and related companies. Improvement of the situation is possible due to stabilization of production activity of PJSC "Sumy Machine-Building Research and Production Association", creation of attractive conditions for investments in the industrial sector, expansion and increase of production capacities of existing enterprises.
construction	slight shortage	slight shortage	The industry is characterized by seasonal fluctuations in the work performed; accordingly, the number of employed workers changes. The outflow of workers is also caused by insufficient wages, which makes jobs unattractive. A possible solution to the problem is to revise the level of wages paid by employers, provide additional social guarantees, reduce staff turnover and their employment abroad.

wholesale and retail trade; repair of motor vehicles and motorcycles	slight shortage	slight shortage	The shortage of employees is caused by the low level of remuneration. More than 8.0 thousand workers are employed in the industry, one-third of them receive minimum wage. A possible solution to the problem is to revise the level of wages paid by employers, to provide additional social guarantees, which will reduce the turnover of staff and their employment abroad.
transport, storage facilities, postal and courier activities	slight shortage	slight shortage	The industry has a tendency to develop due to the ability to provide postal services to private firms, and transport companies require the employment of drivers. A possible solution to the problem is to revise the level of wages paid by employers, to provide additional social guarantees, which will reduce the turnover of staff and their employment abroad.
temporary accommodation and catering	slight shortage	slight shortage	Enterprises in this industry depend on the seasonality of services. In the summer, the employers needs for labor increase sharply, but with the end of the season there is a problem of further employment of workers who, for example, worked on summer and remote sites. A possible solution is the employment of students for the summer holidays, which will stimulate them to earn their own money.
financial and insurance activities	slight shortage	slight shortage	The financial servicing of the city's enterprises is carried out mainly by branches of banking institutions, so the number of employees in this field is rather small. The use of electronic technology in servicing bank customers has reduced the number of employees to a minimum. Insurance activity is associated with the risks of financial losses that exceed the potential benefits. Improving the situation is possible by creating an attractive business space in the city, the interest of legal entities and individuals in insurance services through the use of new areas of work (medical insurance) and a flexible guarantee system in the event of insured events.
real estate operations	slight shortage	slight shortage	The industry is sensitive to fluctuations in the financial market, complications with credit services of banks. Stabilization with employment and development of the industry is possible provided that the hryvnia as a currency grows and consolidates, the creation of attractive credit services of banking institutions, which can give impetus to the development of the real estate market.

public administration and defense; compulsory social insurance	slight shortage	slight shortage	The number of employees in the industry is regulated by regulatory legal acts of the government and line ministries. The fluctuation in the number of employees is caused by the reform of the administrative management system. Changes in salaries of employees can encourage young people to find employment in this field.
compulsory social insurance	slight shortage	slight shortage	The decrease of workers in educational institutions is caused by the low level of remuneration. Improving the situation is possible subject to reform of the industry, including modernization of salaries for teachers.
healthcare and social assistance	slight shortage	slight shortage	The reform of the healthcare system and the provision of medical services has led to a decrease in employed workers. The number of doctors providing services in private firms is growing. Improving the situation is possible provided that the salary is modernized.
provision of other types of services	slight shortage	slight shortage	This area includes the provision of housing maintenance services, engineering, design, security services and more. The fluctuation in the number of employees in these industries has different reasons, but the main one is the low level of remuneration. Of the nearly 16 thousand workers, every second employee receives a minimum wage and is 12.3% lower than the minimum wage. A possible solution to the problem is to revise the level of wages paid by employers, to provide additional social guarantees, which will reduce the turnover of staff and their employment abroad.

Annex M

Table 12: The ways to achieve a balance between the demand for skilled labor and the employment opportunities in the municipal education - System Analysis

Advantages of current methods	Importance ratings (1-5)	Disadvantages of existing methods of work	Importance ratings (1-5)
Training and retraining for labour professions and professions that promote self-employment	3	After receiving a labour specialty, workers do not get a job at the city enterprises, seek employment opportunities in major cities of Ukraine, in particular in Kharkiv, Kyiv, or generally outside the country.	5
Starting your own business	3	The lack of any reporting or control over the further existence of private enterprise.	3
Training for the unemployed in response to employers' order	4	The risk of a possible dismissal of an employee if the employer does not comply with the conditions under which the employee has been employed	4
Holding the job fairs, seminars on job search techniques	5	The risk of a possible dismissal of an employee if the employer does not comply with the conditions under which the employee has been employed	4
Increasing the prestige of labour professions as a result of increasing the number of students in vocational education institutions	5	After receiving a labour specialty, workers do not get a job at the city enterprises, seek employment opportunities in major cities of Ukraine, in particular in Kharkiv, Kyiv, or generally outside the country.	5

Annex N

Table 13: How the locality is perceived by its inhabitants

Positive aspects, obvious strengths of our locality according to the residents	Degree of importance (1-5)	Negative aspects, obvious WEAK sides of our locality according to the residents	Degree of importance (1-5)	Possible actions, easy to implement	
The city is located in the basin of the river Psel and its tributaries	5	The availability of high-quality rail and road connections	5	Updating of town planning documentation: master plan, zoning scheme, detailed territory plan	Department of Architecture and Town Planning
The proximity to accommodate cities such as Kiev, Kharkiv and Poltava gives the city logistical advantages	5	The lack of analysis of all town planning documentation (Sumy)	5	Introduction of the principle of "Architectural hyperdemocracy" (Habitat is a comfortable urban planning)	Department of Architecture and Town Planning
The fertile soil area around the city forms the potential for development of the processing industry in the city	5	The insufficient consideration of public opinion in the planning and development of the territory	4	Community motivation to participate in the instrumentation of complicity	Department of Communications and Information Policy
The presence of stable sources of an artesian drinking water	5	The inconsistency of wages to the level of education of specialists	4	Installation of a comprehensive video surveillance system in public and high-risk areas	Information Technology and Computer Services Department
The high recreational potential	4	The insufficient consideration of public opinion in the planning and development of the territory	4	Introduction of business education courses (marketing, taxation and regulatory environment)	Department for Provision of Resource Payments

The relatively low level of air pollution	4	The insufficient number of sites for educational, sports, cultural and artistic events, coworking centers and business incubators	5
The presence of a natural reserve fund	4	The lack of video surveillance in crowded places, public places	5
The presence of a fund of the authentic architectural historical monuments and sights of the monumental art	4	The lack of proper emergency road infrastructure	5
There are historic buildings located in the central part of the city	4	The contamination of coastal stripes of water bodies, pollution of the Psel and Sumka rivers, poor status of reservoirs in Sumy.	4

Comprehensive training of the city's residents on cultural and historical heritage and understanding of the directions of the city's development	Department of strategic development of the city
Creating new photographic zones in the city	Department of Infrastructure of the City
Creation of a tourist center	Department of strategic development of the city
Creation of infrastructure for local business development (Business Support Center)	Department for Provision of Resource Payments

The presence of museums of various thematic directions, which are connected with architectural historical heritage	4	The high degree of deterioration of the city's drainage and sewerage system	4
The introduction of innovations in a excursion service	5	Lack of incentive mechanisms for existing and newly established enterprises	5
The powerful scientific potential of the city's local historians	5	An insufficient quality of service of tourist facilities	5
A wide network of educational institutions and centres for refresher training	4	An untimely compliance with the standards for the improvement of the city (caring for plants, flower beds)	4
The presence of modern enterprises with the latest technology of production of finished products	5	The lack of specialists and infrastructure for advice on doing business and projects	5
The city's district heating system is in operation	4	An absence of a marketing strategy of the city	5

Encouraging the creation of new enterprises and jobs	Department for Provision of Resource Payments
Translation of the tourist information site into English and Polish	Department of strategic development of the city
Developing and implementing a marketing strategy within the city's strategy	Department of strategic development of the city
The program for the comprehensive modernization of the water supply, water disposal and wastewater treatment and reuse systems for technical purposes of the city, watering the lawns of the city streets, collecting associated gases at the treatment facilities	Department of Infrastructure of the City
Developing and implementing a mechanism, providing preferential credits for innovative manufacturers	Department for Provision of Resource Payments

The city has an extensive water supply network	4	The lack of the tourist centers	5
A three-stage gas supply system is involved in providing the city with natural gas	4		
An average of 23 m2 of living space per inhabitant of Sumy that is almost three times more than the average in Ukraine.	4		
The city has a sports-training Center of Olympic training in athletics	5		



РОЗПОРЯДЖЕННЯ
МІСЬКОГО ГОЛОВИ
м. Суми

від 18.06.19 № 213-Р

Щодо створення робочої групи із розробки плану місцевого економічного розвитку в рамках ініціативи “Мери за економічне зростання”

На виконання рішення Сумської міської ради №3670-МР від 25 липня 2018 року “Про приєднання до ініціативи Європейського Союзу “Мери за економічне зростання” місто Суми стало “Молодшим членом ініціативи”, яка спрямована на підтримку місцевого економічного розвитку шляхом сприяння економічному зростанню і створенню робочих місць, налагодженню партнерських відносин між муніципалітетами, громадянським суспільством та приватним сектором. Наступним кроком впровадження даної ініціативи є розробка Плану місцевого економічного розвитку міста Суми, керуючись пунктом 20 частини 4 статті 42 Закону України “Про місцеве самоврядування в Україні”:

1. Створити **робочу групу** з розробки плану місцевого економічного розвитку в рамках ініціативи “Мери за економічне зростання” згідно з Додатком 1.
2. Дозволити голові робочої групи у разі необхідності залучати до роботи керівників та спеціалістів (за згодою їх керівників) виконавчих органів Сумської міської ради та представників органів виконавчої влади, громадськості, науковців та експертів (за їх згодою).
3. Виконавчим органам Сумської міської ради опрацювати та надати управлінню стратегічного розвитку міста Сумської міської ради

(pmo@smr.gov.ua) в термін до **25 червня 2019 року** інформацію згідно з додатками:

3.1. Департаменту забезпечення ресурсних платежів та департаменту фінансів, економіки та інвестицій Сумської міської ради надати інформацію згідно з Додатком 2 до цього розпорядження.

3.2. Департаменту забезпечення ресурсних платежів та правовому управлінню Сумської міської ради надати інформацію згідно з Додатком 3 до цього розпорядження.

3.3. Департаменту соціального захисту населення та управлінню з питань праці Сумської міської ради надати інформацію згідно з Додатком 4 до цього розпорядження.

3.4. Управлінню стратегічного розвитку міста Сумської міської ради підготувати інформацію згідно з Додатком 5 до цього розпорядження.

4. Робочій групі до 27.07.2019 розробити та затвердити План місцевого економічного розвитку міста Суми.

5. Організаційне забезпечення діяльності робочої групи покласти на її секретаря.

6. Організацію виконання даного розпорядження покласти на Секретаря Сумської міської ради.

7. Контроль за виконанням даного розпорядження залишаю за собою.

Міський голова

Кубрак О.М

701- 575



О.М. Лисенко

Розіслати: згідно зі списком розсилки

Додаток 1
до розпорядження міського
голови від 18.06.19 № 213-р

**Склад робочої групи
з розробки Плану місцевого економічного розвитку**

- | | |
|--|---|
| Лисенко
Олександр Миколайович | - міський голова міста Суми, голова робочої групи; |
| Войтенко
Володимир Володимирович | - перший заступник міського голови, заступник робочої групи; |
| Баранов
Андрій Володимирович | - секретар Сумської міської ради, заступник робочої групи; |
| Кубрак
Оксана Миколаївна | - начальник управління стратегічного розвитку міста Сумської міської ради, секретар робочої групи; |

Члени робочої групи:

- | | |
|--|---|
| Боженко
Катерина Володимирівна | - начальник відділу підприємництва, промисловості та організаційно-аналітичного забезпечення департаменту забезпечення ресурсних платежів; |
| Никоненко
Володимир Вікторович | - начальник відділу маркетингу, промоції та туризму управління стратегічного розвитку міста; |
| Беспалов
Олексій Володимирович | - заступник начальника відділу аналізу, прогнозування та регуляторної політики управління економіки, інвестицій та фінансів програм соціального захисту департаменту фінансів, економіки та інвестицій; |
| Чепік
Катерина Михайлівна | - головний спеціаліст відділу комплексних правових завдань та |

Кохан Антоніна Іванівна	аналізу правового управління; - директор департаменту комунікацій та інформаційної політики Сумської міської ради;
Скрипняк Андрій Петрович	- начальник відділу проектного управління та методологічного забезпечення управління стратегічного розвитку міста;
Басанець Марина Олександрівна	- завідувач сектору адміністрування ініціатив стратегічних змін відділу проектного управління та методологічного забезпечення управління стратегічного розвитку міста;
Терещенко Юлія Анатоліївна	- завідувач сектору грантової діяльності управління стратегічного розвитку міста;
Левченко Юлія Олексіївна	- директор КУ “Агенція промоції “Суми” Сумської міської ради;
Савченко Тарас Григорович	- керівник Центру інформаційної підтримки бізнесу м. Суми (за згодою);
Іченська Світлана Анатоліївна	- голова спілки підприємців, орендарів та власників Сумської області (за згодою);
Мосунов Богдан Олександрович	- голова Сумської міської молодіжної організації “Молодь та підприємництво” (за згодою);
Дворниченко Володимир Миколайович	- громадський діяч (за згодою);
Резниченко Данил Миколайович	- підприємець (за згодою);
Лежненко Алла Анатоліївна	- виконавчий директор Сумського об'єднання роботодавців(за згодою);

Дубинський
Сергій Сергійович

- приватний підприємець (за згодою);

Теліженко
Олександр Михайлович

- завідувач кафедри управління Сумського державного університету, доктор економічних наук, професор кафедри управління (за згодою);

Демура
Володимир Олексійович

- директор ТОВ “Горобина” (за згодою);

Жулавський
Аркадій Юрійович

- заступник завідувача кафедри управління Сумського державного університету, кандидат економічних наук, професор, професор кафедри управління (за згодою);

Пшенична
Любов Василівна

- перший проректор Сумського державного педагогічного університету імені А. С. Макаренка, кандидат наук з державного управління, професор (за згодою);

Петрушенко
Юрій Миколайович

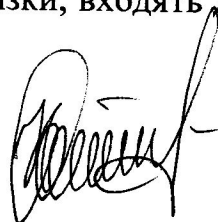
- завідувач кафедрою міжнародних економічних відносин Сумського державного університету, голова правління ГО “Центр освіти впродовж життя” (за згодою);

Винниченко
Наталія Володимирівна

- доцент кафедри бухгалтерського обліку та оподаткування ННІ БТ УАБС, доктор економічних наук, член ГО “Освітньо-правозахисний координаційний центр” (за згодою);

Примітка. У разі персональних змін у складі робочої групи або відсутності осіб, які входять до її складу, у зв'язку з відпусткою, хворобою чи з інших причин, особи, які виконують їх обов'язки, входять до складу робочої групи за посадами.

Начальник управління
стратегічного розвитку міста



О.М. Кубрак