



# 2028 TRUSKAVETS SUB-REGION DEVELOPMENT STRATEGY



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# Dear COMMUNITY OF THE TRUSKAVETS SUB-REGION,



*The Truskavets Sub-region is a scenic, naturally rich area and Ukraine's beautiful tourist gem.*

*Our ambition is to become a rich and the nation's leader sub-region, unlock new tourist opportunities, and improve the quality of life of the residents of the Truskavets Sub-region.*

*The 2028 Truskavets Sub-region Development Strategy arose as a result of close cooperation between our sub-region's community and top strategic planning professionals.*

*In order to achieve the goals and objectives set in the 2028 Truskavets Sub-Region Development Strategy, the relevant 2019-2021 Implementation Action Plan was developed.*

*The Truskavets Sub-region is a place where beautiful nature, fertile land, medicinal springs, and great people converge. Thus, we have every opportunity to become a competitive region of Ukraine with a developed tourism infrastructure and a high standard of living.*

*Our future is the result of teamwork.*

**Mayor**

A blue ink signature of Andriy Kulchynskyi, written in a stylized, cursive script.

**Andriy Kulchynskyi**

# Introduction

The Strategy was developed in compliance with the Law of Ukraine On Stimulation of Regional Development, the Law of Ukraine On the Principles of the National Regional Policies, the Law of Ukraine On Local Self-Government in Ukraine, with reference to the Decree of the Cabinet of Ministers of Ukraine On Approval of the Procedure for the Preparation of Regional Development Strategies and Their Implementation Action Plans and Ukraine-2020 Sustainable Development Strategy, Ukraine 2030 Balanced Development Doctrine, and 2020 National Regional Development Strategy of Ukraine.

The Truskavets Sub-region Development Strategy is designed to improve the living standards of both the residents of Truskavets and the sub-region's rural communities, as well as guests, tourists, and investors, by improving business and investment climate, its tourist and cultural appeal, the quality of life of its residents, and the system of public services. The Strategy relies on the competitive advantages of the area and the opportunities unlocked as a result of changes in its external environment.

The Strategy is the main document of the Truskavets sub-region long-term development, which sets its development priorities and areas by 2028. The Strategy is expected to be implemented as part of the partnership of the authorities, the community and businesses, where each partner will be able to find its place and interests and make its relevant contribution to the development.

The Strategy is developed in a period that is very important for the Ukrainian society: time of reform of all the social life areas, primarily reforms of the administrative and territorial system and local self-government, as a result of which powers and resources are transferred to the local level as consistent with the European Charter of Local Self-Government, which means a right and capacity of local self-government agencies to regulate and manage a considerable share of public affairs within the legislative framework at their risk and in the best interest of the local community.

The structure of the Strategy document includes two components: a "strategic" one, i.e. a system of strategic and operational objectives, achievement of which shall constitute a basis for a strategic vision of the development of the Truskavets Sub-region, and an "operational" one as separate programmes for each strategic area, which comprise local development projects involving realistic goals, specific events, potential performers and financial resources required to implement the project. The document concludes with a set of technical sheets for local development projects in a format specified in the recommendations of the Ministry for Regional Development, Construction and Housing of Ukraine.

In the process of preparation of the research and analytical sections for the Strategy, we used the data of the Ministry of Economy of Ukraine, other ministries and agencies, the Lviv Regional Public Administration, research organisations, the National Statistics Committee of Ukraine, the Central Statistics Office in Lviv Region, the Truskavets Town Council and its executive agencies, as well as information provided by the representatives of the village councils in the sub-region.

In the process of development of the Truskavets Sub-region Development Strategy, external strategic planning professionals provided technical support, conducted an expert analysis of data and research results obtained in the planning process, provided consultations on matters pertaining to all the strategic planning aspects.

# Strategy Methodology and Development Procedure

Strategic planning is a consistent way of managing changes and achieving a consensus in the entire community and formation of a common vision of the economic future of the community (or several communities working together), a creative process of identifying problems and approving realistic goals, tasks, and strategies, achievement and implementation of which will solve these problems. Strategic planning is an efficient tool for bringing business leaders and officials of local authorities together to create public and private partnerships, which has a positive impact on the local business climate and the community's competitive environment, as well as solution of other issues associated with the living standards of the residents.

The Strategy development methodology covers several levels, including the method of strategic management of the territorial community's development as a territorial social and economic system, the entirety of processes (phases, steps) in the course of the development of the Strategy, and applied methods and techniques used in a specific process.

In the process of practical preparation of the Community Development Strategy, the strategic management method was used through a logically consistent sequence of processes as shown in Figure 1.

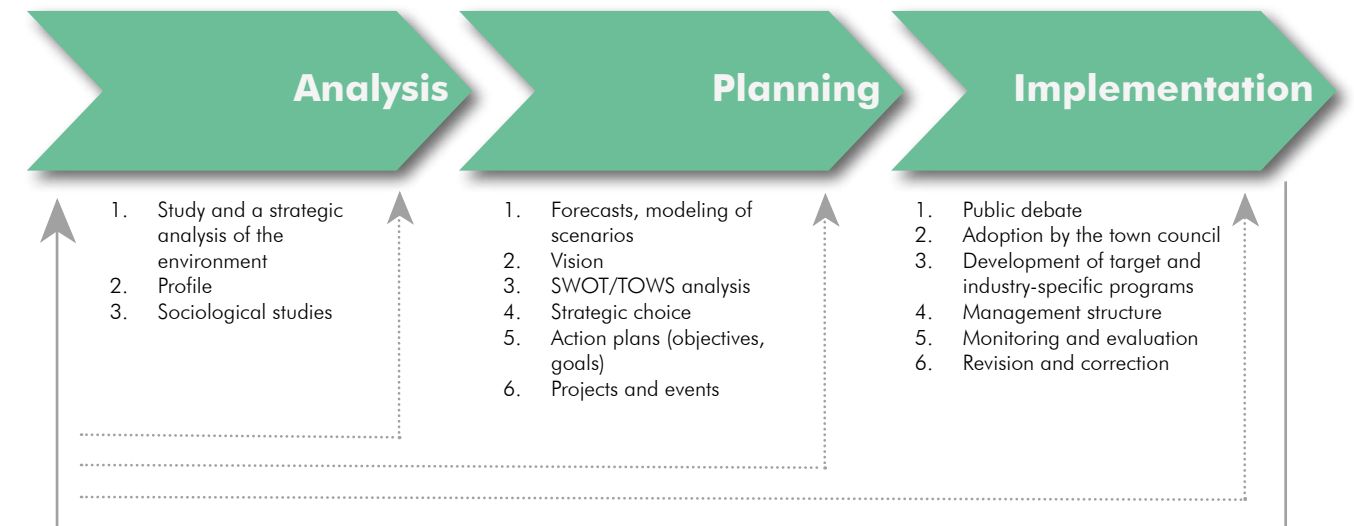


Figure 1

The Strategy is hierarchical by nature, i.e. it consists of a system of objectives where the inferior objectives are subordinated to the superior ones and are consistently interrelated. Figure 2 illustrates the system of objectives of the Strategy.

Strategy Development Chart



Figure 2

The methodology of the preparation and implementation of the Strategy is based on the premise that the Strategy will be successfully implemented only if the parties implementing the plan and all the stakeholders bring together their efforts. This work will help achieve the determined objectives, implement common projects, which will result into the sustainable development of the area common for all of its stakeholders.

The document consists of modules: some of its sections are self-contained, standalone and developed with the purpose of further execution through implementation of projects, each of which is a separate element of the implementation of the Strategy, but will have an impact on the general result. If necessary, other development areas may be added to the document, which will be determined as the key ones for the sub-region in the future.

Preparation of the Sub-region Development Strategy has its specifics as the sub-region is not an administrative and territorial unit, but rather “a territorial cluster” of the territorial communities, which see their development in a community united around the natural centre (Truskavets) and which is more than a simple sum of territorial communities, being a new consistent entity where a new identity, new common values and common development objectives are created.

The fact that the Strategy development involves all the stakeholders (territorial communities) of the sub-region, such as the representatives of administrations, public and municipal companies, businesses, and a wide range of residents, makes it possible to identify and find acceptable ways of solving the sub-region’s problems and launch a dialogue between the public and the authorities. The Strategy developed in this way represents the interests of all the communities and residents and, thus, is viewed by the communities and residents as “their very own.” Regardless of the individual qualities of officials or political situation, the Strategy so developed is designed to improve the living standards, strengthen the local economy and the system provision system. A Task Force in charge of the preparation of the 2028 Truskavets Sub-Region Development Strategy was set up in compliance with Order No. \_\_\_\_ dated \_\_\_\_\_ 2018 of the Mayor of Truskavets. In total, \_\_\_\_ persons took part in the meetings of the Task Force in the development process.

**Members of the Task Force:**

1. ....

2. ....

**Strategy Preparation Process**

A preliminary meeting of the Task Force with the participation of the project experts was held in Truskavets on May 14, 2018. At the meeting, the strategic planning methodology, the specifics of preparation of the territory development strategy in light of the state’s new regional policies and decentralisation were presented to the attendees and the schedule of preparing the Truskavets Sub-region Development Strategy was approved. Before the second meeting of the Task Force members, the group experts conducted a strategic analysis, which covered:

- a study of the core trends of the social and economic development of the Truskavets Sub-region in the previous period and the (external) environment and the evaluation of the sub-region’s development capacities;
- interviews with the representatives of businesses, residents and guests of the sub-region in May – June 2018.
- The first meeting of the Task Force was held on July 02, 2018 and included:
- presentation and discussion of the results of the sub-region’s strategic analysis;
- presentation and discussion of the results of interviews with the representatives of businesses, residents and guests of the sub-region;
- strategic vision development;
- SWOT analysis: identification of the SWOT factors.

A draft SWOT matrix was prepared based on the results of the Task Force’s meetings: an analysis of the interrelations of the SWOT factors was conducted using the SWOT/TOWS matrix and the basic analytical conclusions were prepared with respect to comparative advantages, challenges and risks of the Truskavets Sub-region.

At the second meeting of the Task Force’s members, held in Truskavets on August 1, 2018:

- strategic objectives (priorities), and
- strategic problems associated with each selected priority.
- were identified
- At the third meeting of the Task Force’s members, held in Truskavets on August 22, 2018, strategic problems were ranked on the basis of pre-determined criteria.
- At the fourth meeting of the Task Force’s members, held in Truskavets on September 18, 2018:
- the strategic, operational objectives and goals of the Strategy were determined;
- the areas (fields) to implement goals were identified;
- the forms of terms of reference for the development projects, which align with the goals of the Strategy were determined and approved in the run-up to a call for proposals for project development concepts.

The terms of reference for the development projects consistent with the Strategy’s goals were prepared in September – October 2018. Over that period, the stakeholders interested in the sub-region development, the representatives of the territorial communities, local governmental authorities, businesses, non-governmental organisations prepared more than \_\_\_\_ concepts of the local development projects in total.

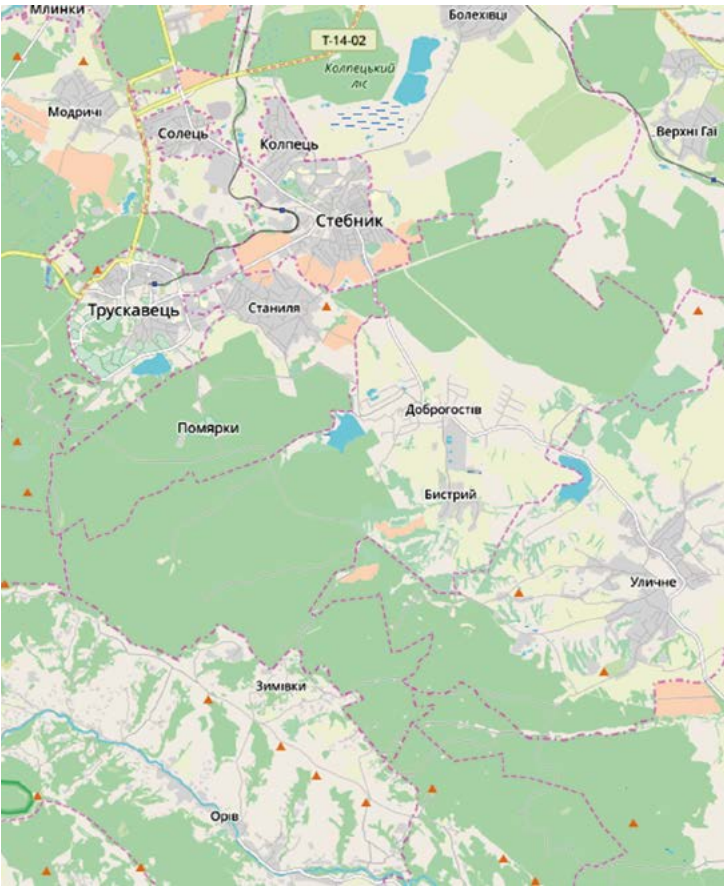
The fifth meeting of the Task Force’s members was held in Truskavets on \_\_\_\_\_, 2018, at which the terms of reference for the Strategy Implementation Plan were selected and adjusted.

All the meetings of the Task Force were held publicly so that everyone could take part in the development of the Strategic Plan. The Strategy development process was regularly covered by the local and regional media.



# 2 Brief Description of the Social and Economic Development of the Sub-Region

## 2.1. General Sub-Region Description



The territory of the Truskavets Sub-Region (hereinafter referred to as the “sub-region”) covers the area of the Truskavets City Council, four village councils (Dobrohostiv, Modrychi, Stanylia, Ulychne Councils) of Drohobych District and Oriv Village Council of Skole District. The City of Truskavets and seven villages: Dobrohostiv, Bystry, Modrychi, Stanylia, Ulychne, Oriv, and Zymivky are located in the area of the sub-region with the above villages situated near the towns of Truskavets, Drohobych, Boryslav and having good local transport connections, except for the villages of Oriv and Zymivky, which are located in the neighbouring Skole District and, despite the fact that a direct distance from those to Truskavets is 8 km, the relevant distance by road is 69 km. The choice of the sub-region can be explained by the factor of a possible amalgamation of the aforesaid administrative and territorial units into one territorial community in compliance with the Prospective Plan of the Formation of Territories of the Lviv Region Communities as approved by the Decree of the Cabinet of Ministers of Ukraine dated December 4, 2015. Image 1 shows the location of the Truskavets Sub-region.

Image 1

All the sub-region’s villages have a developed social infrastructure (pre-school and educational institutions, culture centres, libraries, paramedic and midwife centres and outpatient clinics). There are explored deposits of fresh and mineral water practically in all the villages. There are sanatoriums and their facilities in the area of the Stanylia and Modrychi village councils. The Hirne-Drohobych water main passes through the villages of Dobrohostiv and Ulychne. The Ulychne Village Council has farming land, explored oil and gas deposits and the operating oil fields. The Oriv Village Council is located in the Skole Beskids Mountains and has considerable supplies of medicinal and fresh water and forest resources. There are tourist centres and oil fields in its territory, as well as a site for a wind power plant.

Truskavets, the world famous balneological resort, is worth a special mention. The Lviv Airport and the railway network connect it to Ukraine’s major cities and European countries. This resort is one of Europe’s oldest ones. Huge supplies of mineral water with 14 natural sources and mineral wax deposits are located in its area.

The territory of Drohobych and Skole Districts includes the territory of the Truskavets Sub-region and is part of the mountainous area of the Ukrainian Carpathians experiencing a set of structural problems, particularly in terms of economic development, the labour market, and the social situation of residents, the environment protection and use of natural resources. As a result, the living standards of the residents of these territories is low and the social and demographic problems, such as depopulation, intellectual potential decline and a threatened loss the unique cultural heritage of the highlander communities are exacerbating. The region faces a number of complicated environmental problems: massive deforestation and degrading landscape structure; high flood risks, soil erosion, discharge of contaminated flows into bodies of water, chaotic accumulation of domestic and industrial waste.

Table 1 presents the core data of the sub-region.

Regions	Surface area, km <sup>2</sup>	Distance to Truskavets	Surface area in % of the total surface area/district/region	Population	Population in % of the total population/district/region	Population density*
Community, incl.	198.3		16.34/0.91	39,990	53.56/1.58	201.1
Truskavets	7.7		0.63/0.04	28,867	38.67/1.14	3,608.4
Dobrohostiv V/C	51.5		4.23/0.24	3,268	4.38/0.13	63.5
Dobrohostiv		10.8		2,977		
Bystry		11.9		291		
Modrychi V/C	26.1		2.14/0.12	1,363	1.83/0.05	52.2
Modrychi		5.4		1,363		
Stanylia VC	16.1		1.32/0.07	949	1.27/0.04	58.9
Stanylia		3.8		949		
Ulychne V/C	36.9		3.03/0.17	3,699	4.95/0.15	100.2
Ulychne		13.6		3,699		
Oriv V/C	60.0		4.93/0.27	1,844	2.47/0.07	30.7

Oriv		8.0		1,620		
Zymivky		11.5		224		
Drohobych District	1,217.0			74,656		61.9
Lviv Region	21,831.0			2,533,384		116.1

.....  
\* population density = (current population / surface area, sq. m.)  
.....

Table 2

Information on the Local Self-government Agencies

**Truskavets City Council**

- Number of deputies – 26 persons
- Executive Committee – 17 persons

**Dobrohostiv Village Council of Drohobych District**

- Number of deputies – 14 persons
- Executive Committee – 10 persons

**Modrychi Village Council of Drohobych District**

- Number of deputies – 14 persons
- Executive Committee – 9 persons

**Stanylia Village Council of Drohobych District**

- Number of deputies – 14 persons
- Executive Committee – 9 persons

**Ulychne Village Council of Drohobych District**

- Number of deputies – 14 persons
- Executive Committee – 11 persons

**Oriv Village Council of Skole District**

- Number of deputies – 14 persons
- Executive Committee – 17 persons

**Information on Non-governmental Organisations and Media**

There are active non-governmental organisations (NGOs) and media in the sub-region, which have a considerable influence on the public opinion and decisions taken by the local self-government agencies. They have quite a wide range of interests and cover all the areas of social life: tourism, sports, culture, youth education, environmental issues, and local development. In total, there are 120 non-governmental organisations registered with the Truskavets Town Council and 8 NGOs in the territory of the village councils. Both formal and informal associations of representatives of businesses have become more and more active over the last few years. Most NGOs deal with social issues in the territory

of most village councils.

The range of the media outlets operating in Truskavets is quite wide: local television, radio, newspapers, and a large number of online media outlets. The Truskavets resort brand is actively present on all top websites of hotel and tourist operators and information portals. The City Council maintains an operational official website; apart from posting statutory official information, it runs special sections to inform the residents of and involve them into governance decision-making processes. There are no media outlets operating in the territory of the village councils, including village councils’ official websites.

**Historical Background**

**Truskavets.** A balneotherapeutic health resort in Truskavets was initially established in 1827, becoming one of Europe’s oldest resorts. Truskavets experienced an intensive development since the 2nd half of the 19th century, while its popularity continued growing from year to year and its mineral water drew hundreds of thousands of people. Truskavets owes its worldwide fame to its Naftusia mineral water, which was mentioned in historical records for the first time in 1469. The city’s housing pattern was formed in the 19th century: wooden villas and boarding houses perfectly match the original solutions of brick sanatoriums and boarding houses built in the early 20th century functionalism style. The city’s monuments (to Taras Shevchenko, Roman Rizniak, Stepan Bandera) and museums (Truskavets History, Art Museum, Diocesan Museum) contain references to the history, life and activities of Ukrainian national and local prominent personalities.

**Dobrohostiv.** Year of foundation: 1653. An original monument to Pysanka, a Ukrainian Easter egg, was installed in the village. Famous people born in Dobrohostiv include: Ivan Bobersky, a prominent teacher, founder of the Sokil-Sich Movement, author of the Plast name.

**Modrychi.** Year of foundation: 1200. The 1901 St. Demetrius wooden church, Carpathian Stars and Precarpathian Naftusia sanatoriums are located in the village.

Ulychne. The village was mentioned for the first time in historical sources in 1443. During the national liberation uprising led by Bohdan Khmelnytsky. The village witnessed the events of the World War One (1914 – 1918). Organisations, such as Dobrobut, Sokil, Prosvita, Ridna Shkola, were active in the village in the 1930s. The Makivka military district of the Ukrainian Insurgent Army operated in the village area during World War Two (1939 – 1945).

**Oriv.** Oriv was mentioned for the first time in the historical records in 1589. Being a mountain village closest to Truskavets and having sources of Naftusia mineral water, in the early 20th century, it held an important position in the development plans of Truskavets as a resort location. In particular, it was planned to build several villas in line with the “small resort network” concept and a cableway from Truskavets to Tsiukhiv Dil Area.

**Brief Description of the Competing Communities**

The sub-region was compared to the Ukrainian resort places (Khmilnyk, Myrhorod), which currently plan their development along with the adjacent village councils and which developed their development strategies with due consideration for the interests of all the stakeholders located in the relevant area (sub-region). Table 2 and Diagrams 1 – 8 show crucial comparative parameters.



Truskavets Sub-region in comparison to compatitive resorts

Parameters	2016			
	Truskavets sub-region*		Khmilnyk**	Myrhorod***
	Truskavets and village councils	Truskavets City of regional significance		
			City of regional significance, district centre	District centre
National resort			yes	yes
Demography				
Population, people	39,988	28,867	28,300	40,600
Average growth, people	-76	-35	-52	-453
Migration balance	16	-8	-38	142
Territory				
Territory, ha, including:	19,830	820	2,049	2,859
• farmland	19,100	55	834	1,387
• forests	7,700	36	487	142
Employment and unemployment rate (2015)				
Employed population, people	10,400	9,900	5,008	7,577
Registered unemployed, people	432	299	752	607
Average salary	2,504	2,322	2,664	3,617
Economy (for 2015)				
Number of business entities	2,161	1,820	1,320	985
Number of health centres (without hotels and villas)	38	30	8	8
Capital investments per person, UAH	1,592	12,279	5,597	not available
Direct foreign investments, USD’000	33,887	33,356	497	not available
Finance				
Own revenues, UAH mln	145	134	70	141

Expenses, UAH mln	276	205	120	316
Migration balance	2,702	2,702	11	36
Infrastructure (as of 2015)				
Specific weight of the total surface area, developed, %				
• with a water supply pipeline	69	97	59	59
• with a sewage system		97	57	59
• gas supply pipeline	67	97	74	99
Social infrastructure				
Number of pre-school educational institutions	9	5	4	6
Number of secondary schools and educational centres	9	3	4	7
Number of healthcare institutions	6	2	2 (district hospital and polyclinic )	1 (district hospital)
Number of culture centres	32	21	10	9
Number of sports facilities	42	32	85	6
Other				
Number of NGOs	128	120	51	126
Number of media outlets		12	5	3
A strong side providing an advantage in the development	Famous resort with an ancient history and Naftusia mineral water		Resort, mineral radon water	Resort, mineral water, National Velyki Sorochyntsi Fair

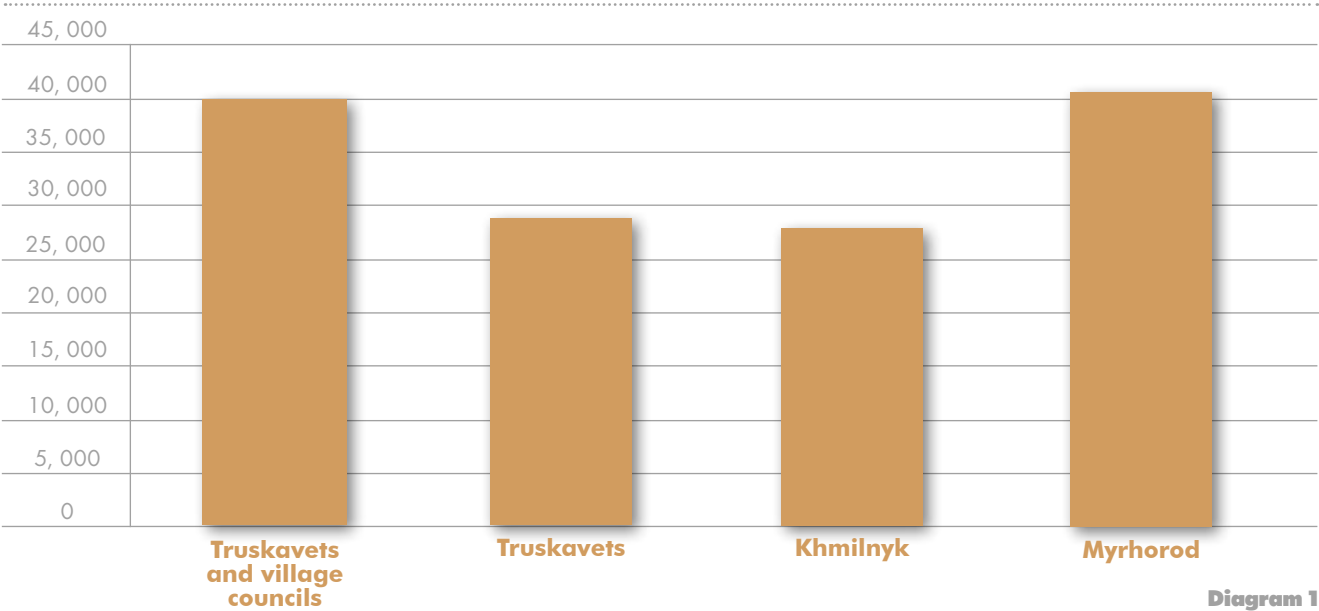
\*The Truskavets sub-region includes Truskavets City Council and 5 adjacent village councils: Dobrohostiv, Modrychi, Stanylia, Ulychne, and Oriv Village Councils with a population of 11,131

\*\*The Khmilnyk sub-region, formalised under a cooperation agreement expected to boost the development of local tourism potential, includes Khmilnyk City Council and 7 adjacent village councils: Ulaniv, Berezna, Holodky, Sokolova, Lozova, Poryk, and Shyroka Hreblia Village Councils with a population of 12,678.

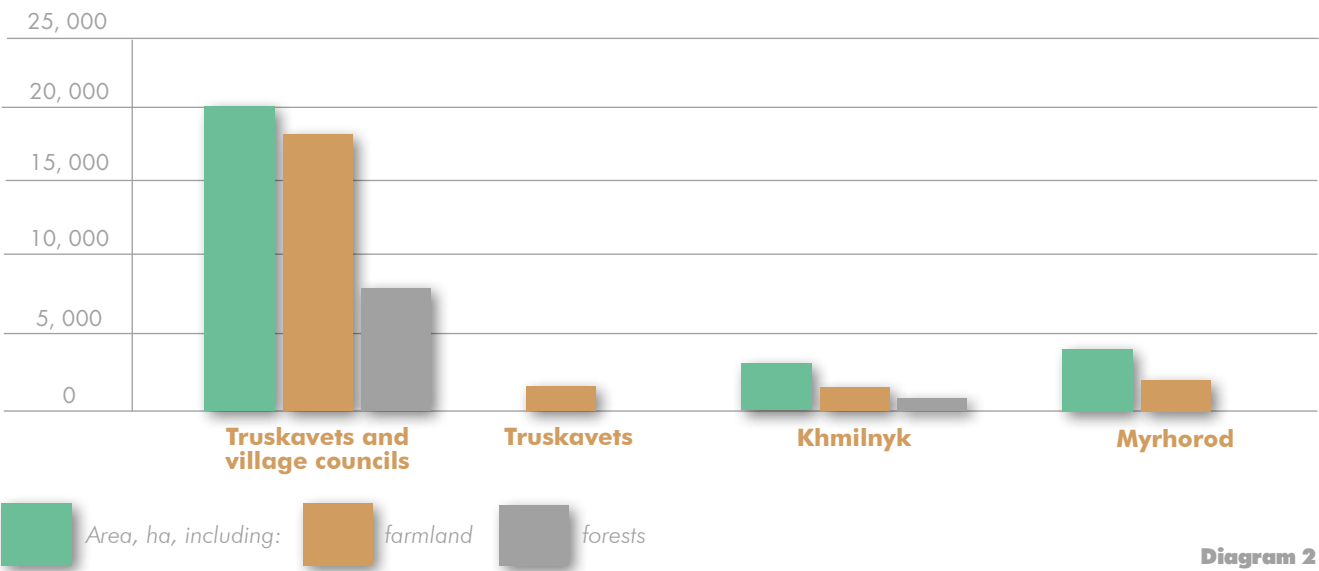
\*\*\*The Myrhorod sub-region includes Myrhorod City Council and 10 village councils: Bilyky, Vovnianka, Harkushyntsi, Zubivka, Petrivtsi, Popivka, Slobidka, Khomutets, Shakhvorostivka, and Yarmaky Village Councils with a population of 14,918.

Table 2

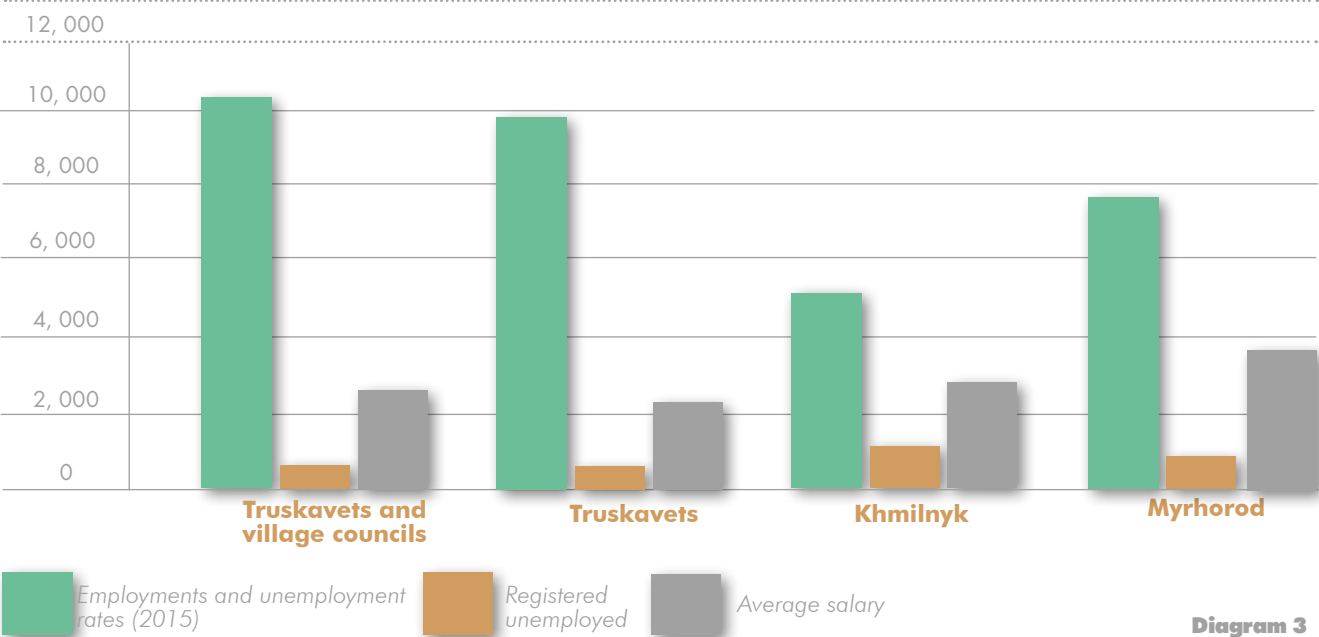
Population, people



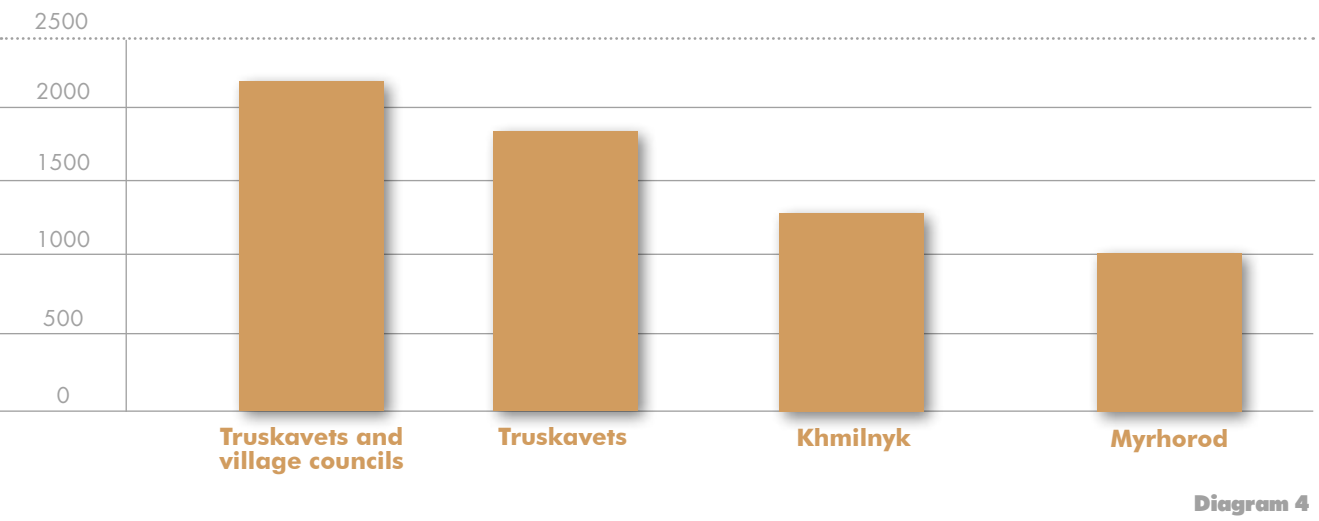
Area, ha

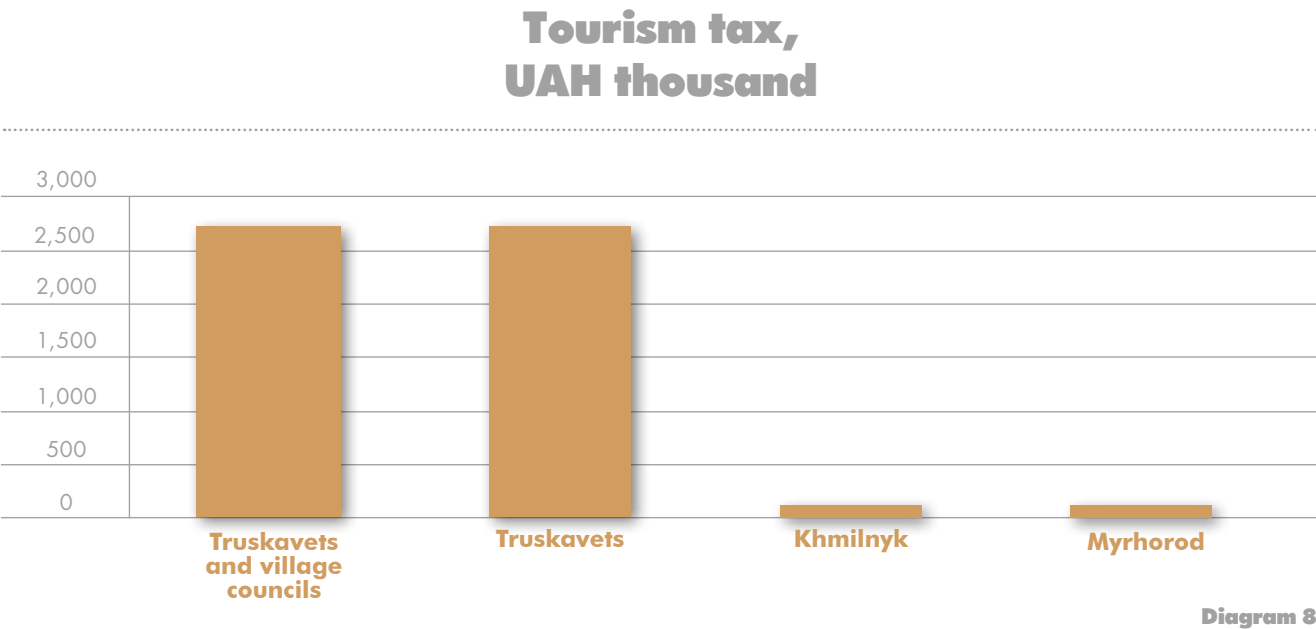
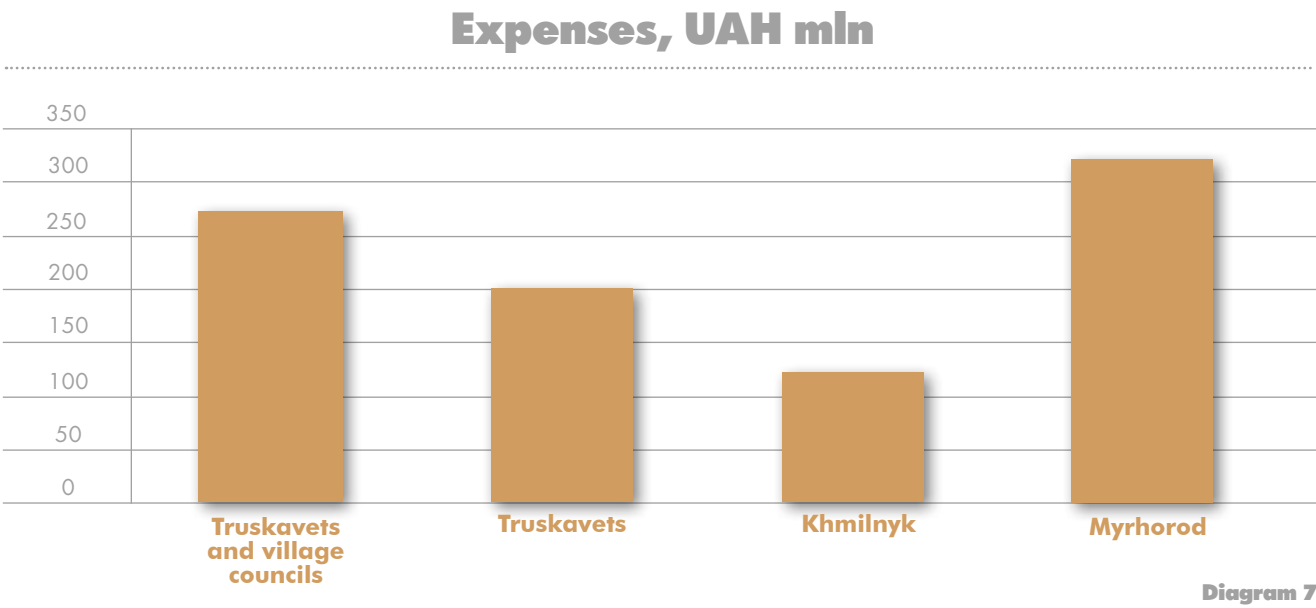
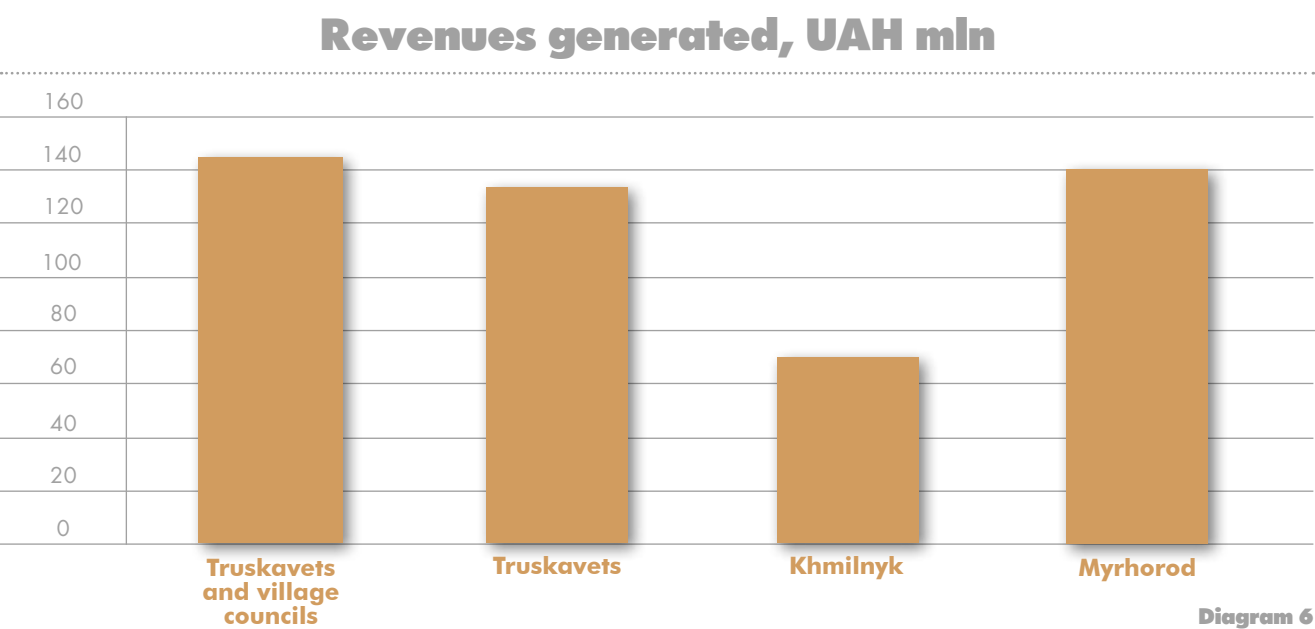
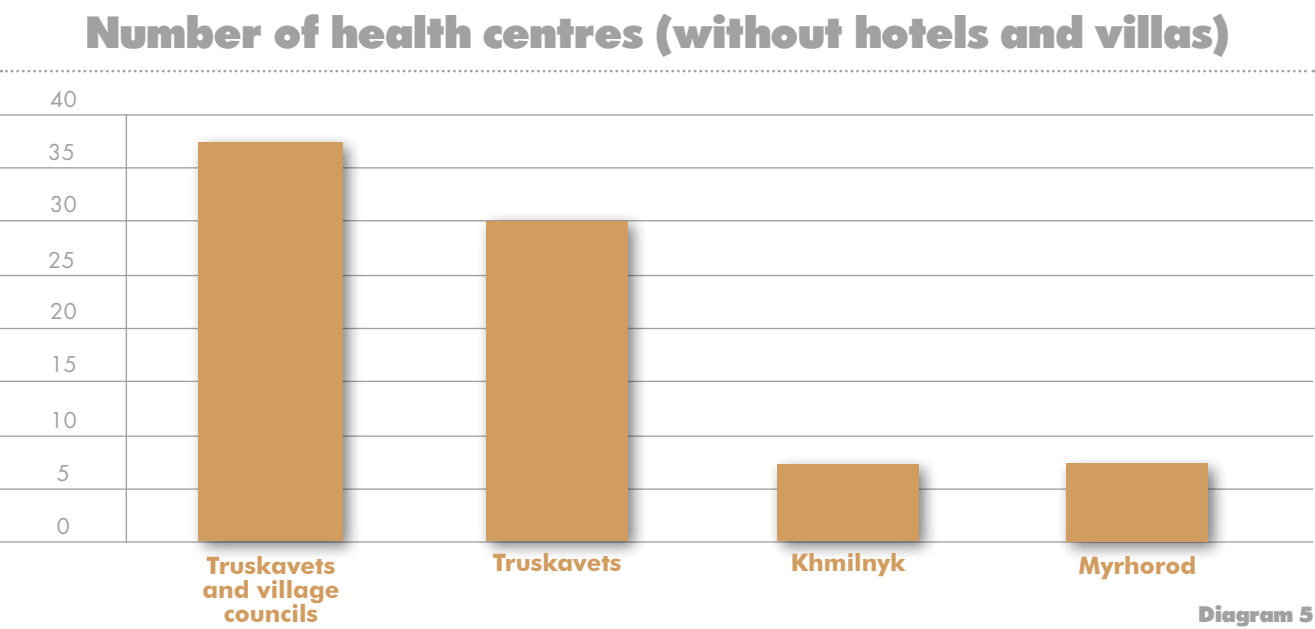


Employments and unemployment rates (2015)



Number of business entities





2.2. Land and Natural Resources

Community’s Land Resources and Area

The distribution of lands, broken down by their intended purpose and functional use as of January 1, 2018, is shown in Table 3.

Land types	Surface area, ha		
	Truskavets	RC*	Total
Total land surface area	820	18 280	19 100
Farmland	55	7 645	7 700
Forest land	36	10 264	10 300
Developed land	602	112	714
Water land	65	135	200
Other (water-logged land, land without plants)	63	237	300

\*RC – averaged data for the 5 (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 3

City and Village Planning Documents

Information about the city and village planning documents of the communities included in the sub-region:

- **Truskavets City Council:** the adjusted Truskavets Master Plan and the Truskavets Zonal Plan were approved (Resolution No. 233 of the Truskavets City Council “On Approval of the City Planning Documents – Truskavets Resort City Master Plan Adjustment” dated December 21, 2011 and Resolution No. 693 “On Approval of the City Planning Documentation – Truskavets Zonal Plan” dated October 12, 2017);
- **Dobrohostiv Village Council:** the Dobrohostiv Village Master Plan was approved (Resolution No. 255 of the Village Council meeting dated March 9, 2017). The village boundaries are expected to be approved by the end of 2018;
- **Modrychi Village Council:** the Modrychi Village Master Plan was approved (Resolution No. 178 of the Village Council meeting dated March 7, 2012);
- **Stanylia Village Council:** the Stanylia Village Master Plan was approved (Resolution No. 316 of the Village Council meeting dated October 02, 2015). Land inventory was carried out and approved by Resolution No. 316 of the Village Council dated December 27, 2016);

- **Ulychne Village Council:** the Ulychne Village Master Plan was approved (Resolution No. 259 of the Village Council meeting dated April 24, 2017). Land inventory is scheduled for August 2018. The village boundaries were approved by Resolution No. 312 of the Village Council meeting dated August 2, 2017.
- **Oriv Village Council:** the Oriv Village Master Plan was approved in 1986; the Zymivky Village Master Plan was approved in 1979. The master plans of these villages need to be updated.

Natural Resources

The sub-region is situated in the Precarpathian Dip where oil and gas fields, rock and potassium salt resources are concentrated. However, these fields aren’t located directly in the sub-region area. Mineral water is the important natural wealth of the sub-region. Image 2 shows the existence and location of mineral resources in the sub-region area and in Lviv Region in general.

Map of the mineral resources located in the sub-region

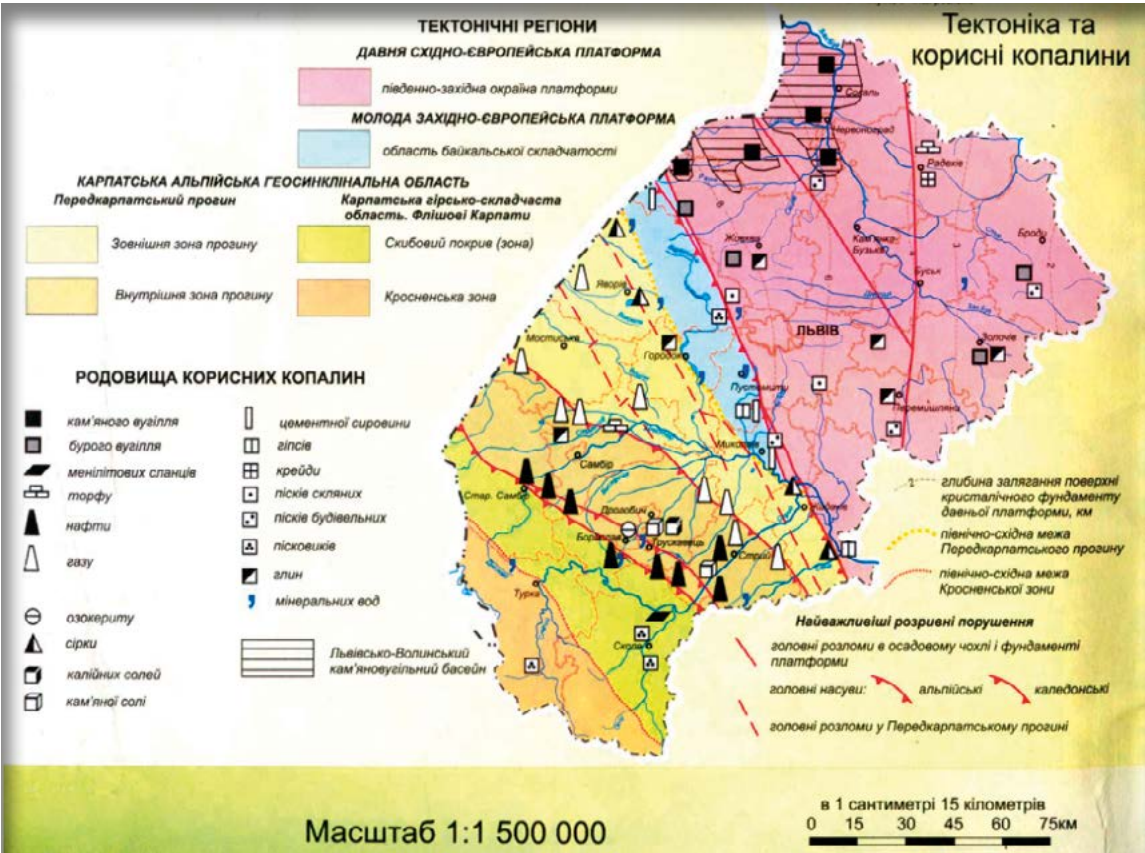


Image 2

Resource Base of the Sub-region’s Mineral water

The Truskavets Field covering an area of about 9 km2, with its many types of mineral water, specifically, the Naftusia Field, the bioactive water from which is extracted in central Truskavets, is the best known and most used field. The water intake area is one of the largest of its kind and includes Naftusia source No. 1 and 10 more wells; Maria, Sophia, Bronislava, Yuzia sources. Other explored resources include brine water and strong brine water with various chemical compounds and mineralisation. Brine water is extracted through 14 wells, primarily in the Vorotyshche Area in the southern part of Truskavets.

Table 4 contains information on approved reserves and the current extraction and use level of mineral resources.

Mineral water type	Explored resources, sq.m/day	Scope of extraction/ use, sq.m/day	Percentage of use
Naftusia	25	6-10 (13 max)	20-40
Sulphate chloride natrium water	32.8	3-5 (7 max)	9.1-15.2
Sulphate chloride magnesium natrium brine water	463	15-50	3.2-10.8

Table 4

Sub-region’s Hydrographic Network

It is represented by streams such as Vyshnytsia, Katochy, Vorotyshche; the small Kolodnytsia River, bodies of water and wells (over 200). Some of them are potable, while others can be used only for technical purposes due to their taste properties and hydrogen-sulphide odour.

Plants

Truskavets is situated in an area of forested piedmont hills extending along the slopes of the Carpathians. The resort city is surrounded by large forests from all sides and its development area is almost fully covered with various plants, which creates exceptionally good conditions for a sanatorium and resort regimen. The Central Resort Park with a surface area of 42 ha is a pearl of Truskavets. Plants in the park include more than 20 species of 2,200 trees. Captation structures with relevant enclosures are installed above the mineral water sources; the main pedestrian paths and alleys are paved or asphalted with benches being installed on their sides. Well Room No. 1 operates in the resort park near the main entrance.

2.3. Population and Labour Resources

Population and Demographic Situation

Over the last few years, the demographic situation in Lviv Region has been showing negative indicators. It holds true the sub-region’s population as well: the natural growth has been steadily declining. The situation is mitigated to a certain extent by the population migration, which is positive in the rural communities, unlike Truskavets, where the migration balance is regularly negative, and the highest population outflow was recorded in 2015.

It is important to note that the number of actual and resident population is quite different in Truskavets and the sub-region’s rural communities. If the difference between actual and resident number of the rural population is low, in Truskavets it reaches 8,400 people (30%). It is important to take this fact into account when planning the local development as the number of resident population is used to estimate demand for housing development, school and pre-school institutions, demand for the number of privatisation documents. Information on the numbers of actual population serves as a basis to estimate the required scope of housing and utility, trade network, transport and communication, domestic and travel, healthcare and cultural services, etc. Tables 5 – 6 and Diagrams 9 – 10 show the parameters of the sub-region’s actual and resident population.

Regions	2013	2014	2015	2016	2017
Community, including	40,316	40,191	40,072	39,811	39,699
Truskavets	29,516	29,386	29,256	28,982	28,867
Sub-region’s rural communities*	10,800	10,805	10,816	10,829	10,832
Drohobych District	74,477	74,520	74,592	74,681	74,704
Lviv Region	2,540,938	2,540,702	2,538,436	2,537,799	2,534,174

\*Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils.

Table 5



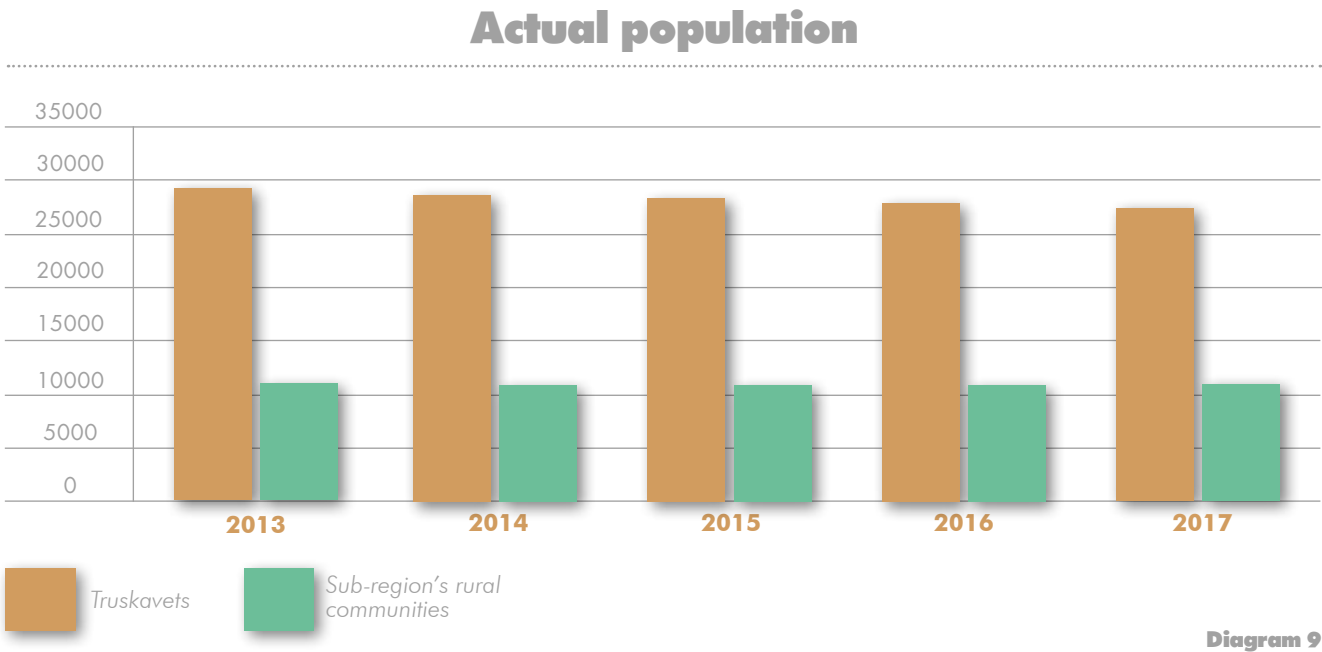


Diagram 9

Regions	2013	2014	2015	2016	2017
Community, including	31,901	31,800	31,681	31,563	31,293
Truskavets	21,092	20,985	20,855	20,725	20,451
Sub-region's rural communities*	10,809	10,815	10,826	10,838	10,842
Drohobych District	74,544	74,587	74,659	74,748	74,771
Lviv Region	2,522,568	2,522,332	2,520,066	2,519,429	2,515,804

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 6

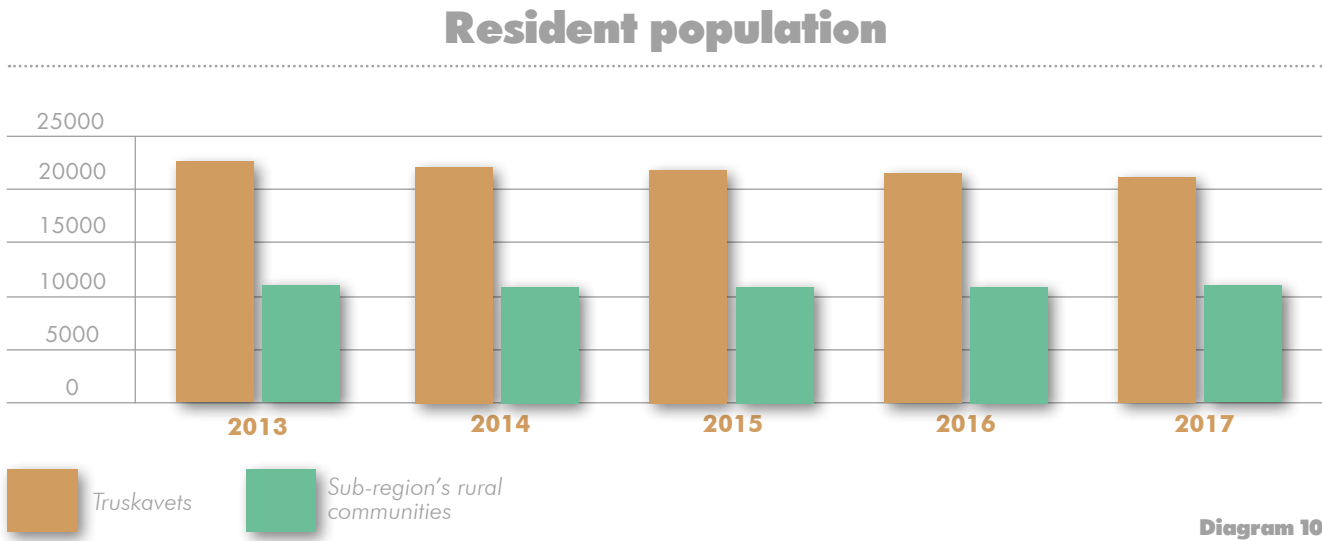


Diagram 10

The general negative demographic trend in the sub-region is, accordingly, reflected in the population age structure: a declining number of children and working age population and an increasing number of retirees.

Employment and Unemployment Rates

The present-day labour market in Ukraine and the sub-region displays overtly negative trends: the number of employed people is plummeting, businesses continue to close down, in particular, due to the shrinking space for business operations, the most active group of the population is migrating abroad. It should be noted that, after the 2014 shock, the situation in the Ukrainian labour market is getting stabilised; specifically, the unemployment figure is decreasing. The registered unemployment rate declined, in part, as a result of the established minimum salary level exceeding the average unemployment allowance level, which urged many registered unemployed people to seek official employment. Moreover, demand for labour has been rising since 2015. Competition in Ukraine's labour market remains at a level of 3 people per vacancy. Against this background, Truskavets shows a positive trend, while the sub-region's rural communities show a negative trend, similarly to Lviv Region in general. Table 7 and Diagram 11 show the above indicators.

Regions	2013	2014	2015	2016
Number of employed people, thousand				
Truskavets	11.3	11.7	9.9	8.9

Rural communities*	0.3	0.6	0.5	0.5
Drohobych District	1.7	4.0	3.7	3.8
Number of registered unemployed people				
Truskavets	200	228	299	163
Rural communities *	140	137	133	65
Drohobych District	963	948	919	447
Number of unemployed people per vacancy				
Truskavets	200	228	299	163
Rural communities *	140	137	133	65
Drohobych District	963	948	919	447

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 7

It is important to note that, in general, the unemployment rate trend largely fails to capture the reality as there exist many problems associated with unemployment statistics, which prevent an objective evaluation of the actual state of affairs: statistics don't include people that went abroad to earn money; rural farmers aren't included in the unemployed group; people working for one fourth of their basic salary, etc.

General employment change trends, thousand

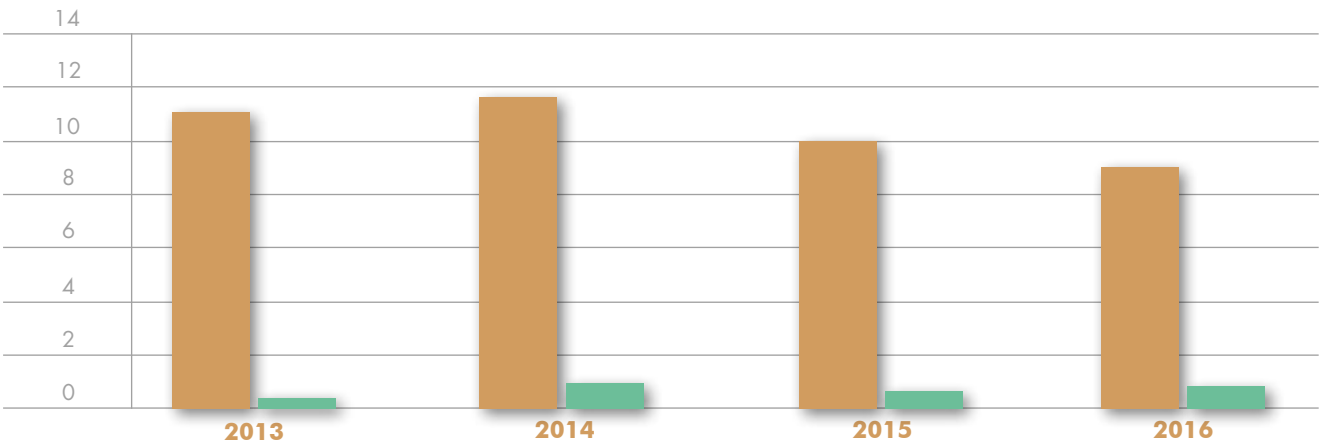
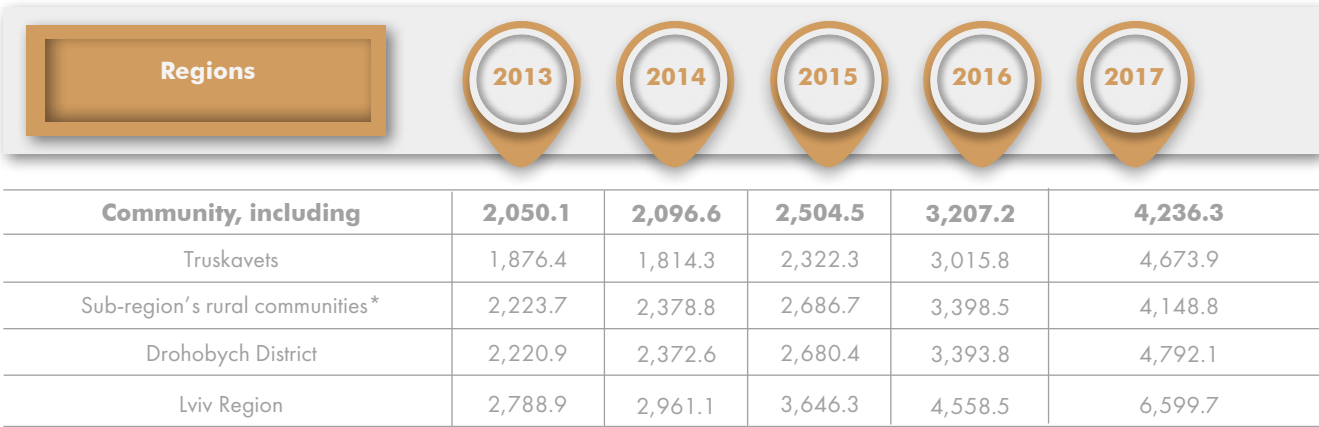


Diagram 9

Personal Income and Salaries

Due to a weak economic base, budget income per capita in Lviv Region's mountainous areas, including the sub-region's rural communities, remain low as compared to the average level across the region. Despite the growing total revenues of the sub-region's entities – Truskavets and the rural communities, the average monthly salary, particularly in Truskavets, remains low as compared to the average regional and district indicators.

The average salary in November 2017 (according to the Lviv Regional Directorate of the National Fiscal Service) amounted to UAH 4,673.9 in Truskavets (71% of the average one in the region) and to UAH 4,792.1 in the sub-region's village councils (73%), respectively. The average salary dynamics in 2013 – 2017 are shown in Table 8.



\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 8

2.4. Economy

The structure of the sub-region's business entities (BEs) is dominated by small companies, including micro-companies, the specific weight of which amounts to 94.6% of the total number of BEs. At the same time, the specific weight of individual entrepreneurs amounts to 85%, although, in terms of sold products, their specific weight accounts for 22%. Most BEs are concentrated in Truskavets; as of January 1, 2017 – 1,820, accounting for 87% of the total number of the sub-region's BEs and is proportionate to the number of BEs in the Drohobych District: 1,848 (except Drohobych and Boryslav).

The sub-region's key economic sector, primarily in Truskavets and the adjacent rural communities (Modrychi and

Stanylia), is represented by sanatorium, resort and hotel services, where the largest number of entities and personnel operate and the volume of products sold amounts to 30% of the total volume of products sold by all business entities combined. However, this sector’s economy tends to grow primarily as a result of increasing tourist numbers. In particular, in 2017, Lviv Region was visited by about 3.0 million tourists, while tourism tax rose by 22% to translate into UAH 10.5 million in revenues, with Lviv accounting for 47% and Truskavets, Boryslav, Morshyn, the Pustomyty and Skole Districts and others accounting for 53%.

Industrial facilities are concentrated in the resort city of Truskavets and represented by the following companies: mineral water extraction and bottling – T.S.B. CJSC, Aqua-Eco LLC; production and calibration of water meters – TAKT SPE; companies generating and distributing electricity, gas, and water are represented by housing and utility service providers (Truskavetsteplo Municipal Company, Truskavets Vodokanal LLC, Truskavetskurort-Teploenergo).

Other rural communities have well-developed trade and agricultural production (medium-sized and small agricultural producers); key business lines: vegetable growing, stock rearing, trade; construction and wood processing are less developed.

Businesses

Table 9 and Diagram 12 (for Truskavets) show the key indicators of the number of business entities operating in the sub-region.



Truskavets	379	357	365	271
Rural communities *	30	29	29	22
Drohobych District	201	195	192	145

including individual entrepreneurs

Community, including	1,116	1,849	1,742	1,782
Truskavets	1115	1,593	1,481	1,527
Rural communities *	1	256	261	255
Drohobych District	5	1,707	1,741	1,698

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 9

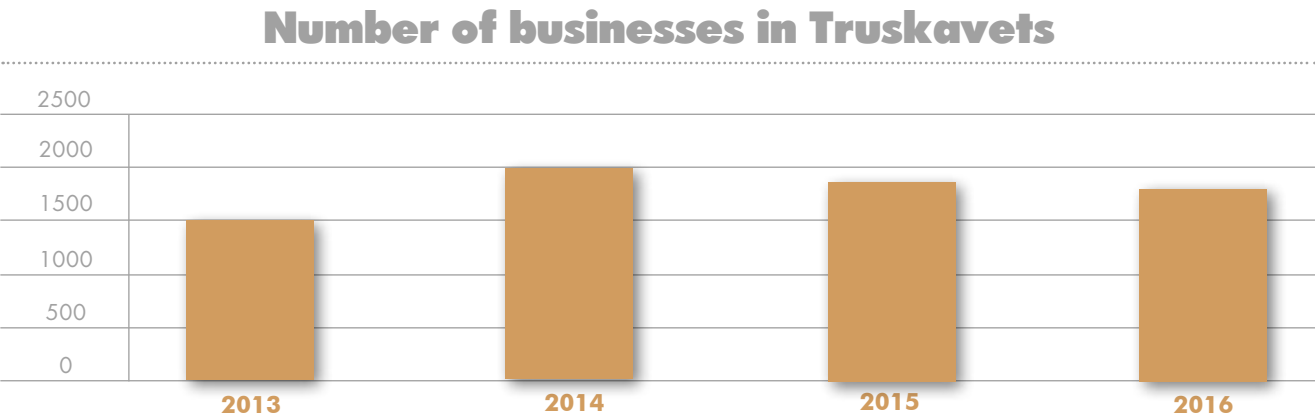


Diagram 12

Economy Structure and Development of the Key Sectors

Table 10 and Diagram 13 show the key indicators of the volume of products sold by the business entities in the sub-region.

Volume of Products (Goods, Services) Sold, UAH mln



Volume of products (works, services) sold by businesses, UAH mln				
Truskavets	1,570.2	1,431.9	1,679.0	2,131.4
Rural communities*	22.7	50.8	66.2	95.9
Drohobych District	151.2	338.8	441.0	639.5
including the volume of products sold by companies, UAH mln				
Truskavets	1,346.9	1,178.0	1,315.2	1,692.5
Rural communities*	22.6	27.3	33.9	49.8
Drohobych District	150.4	182.2	226.3	329.8
including the volume of products sold by small companies, UAH mln				
Truskavets	247.5	283.0	348.1	565.2
Rural communities*	13.6	15.0	18.1	26.1
Drohobych District	90.9	100.3	120.7	174.3
including the volume of products sold by individual entrepreneurs, UAH mln				
Truskavets	221.6	253.9	363.8	438.9
Rural communities*	0.1	22.7	31.1	44.9
Drohobych District	0.8	156.5	214.7	309.7

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 10

Volume of products (goods, services) sold, UAH mln

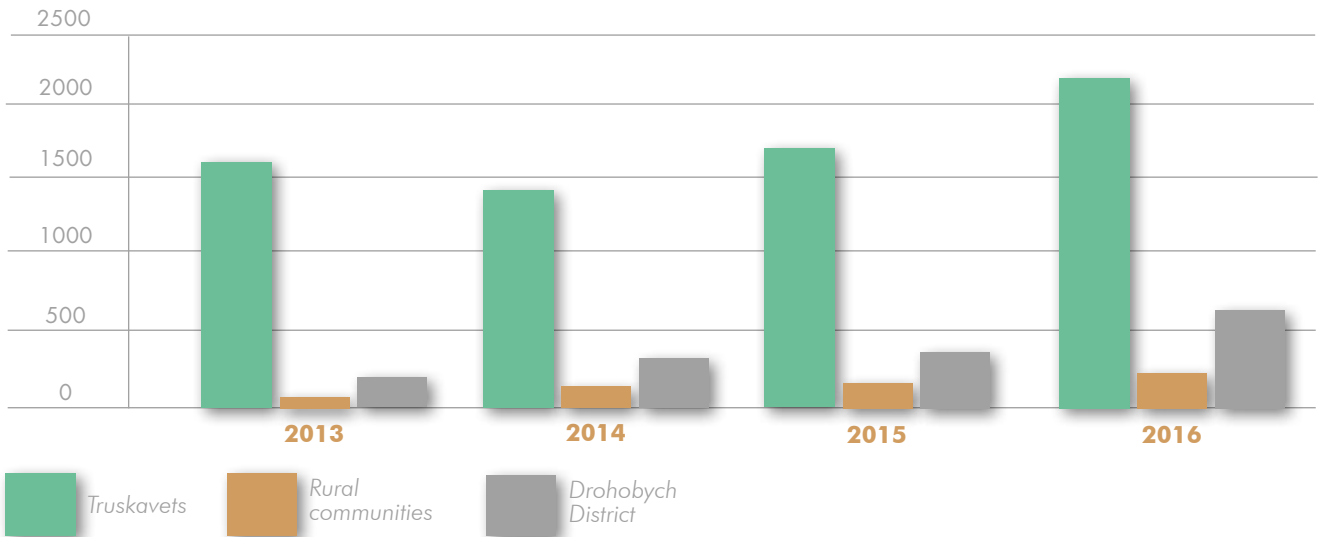


Diagram 13

Apart from the volumes of sold products, the “financial results of businesses before taxes” represent an important indicator of businesses’ performance: if they are positive, businesses can engage in active investing and innovative activities, be competitive, develop dynamically and be a reliable source of contributions to public budget. Table 11 shows that, as opposed to 2014 – 2015, the level of businesses’ economic efficiency rose in 2016 and was mainly characterised by positive return rate and profitability indicators, which means that their performance efficiency reached the pre-crisis level.

Volume of Products (Goods, Services) Sold, UAH mln



Truskavets				
Financial result (balance), UAH’000	-8,160.9	-648,985.4	-872,271.9	-209,866.7
Profitability of businesses’ performance	5.1	-8.6	-10.9	6.7

Rural communities\*

Financial result (balance), UAH'000	-246.6	-9,675.84	-14,321.5	-4,834.7
Profitability of businesses' performance	1.5	-18.6	-16.2	2.1
<b>Drohobych District</b>				
Financial result (balance), UAH'000	-1,644.3	-64,505.2	-95,476.6	-32,231.4
Profitability of businesses' performance	1.2	-23.4	-19.3	-3.2
<b>Lviv Region</b>				
Financial result (balance), UAH'000	2,667,763.6	-8,822,497.8	-7,491,268.3	1,671,427.6
Profitability of businesses' performance	5.5	1.8	3.2	5.7

.....  
\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils  
.....

**Table 11**

The sub-region's major employers include sanatorium and resort centres and municipal institutions of Truskavets. Other businesses lag behind them, although they are well-known in the area. Table 12 presents the sub-region's top 10 employers.

Company, organisation, institution	(Core) activity	Staff in 2017
<b>Companies</b>		
Truskavetskurort PJSC	Healthcare	885
Rixos-Prykarpattia LLC	Healthcare	643
HOTEL MANAGEMENT GROUP LLC (Mirotel, Villa Christina)	Hotels and restaurants	505
State-owned Institution – Specialised (Special) Child Sanatorium DZHERELO administered by the Ministry of Public Health	Healthcare	441
GKK Karpaty LLC (Karpaty Sanatorium)	Healthcare	441
International renewable Treatment Clinic LLC	Healthcare	374
Precarpathian Pearl MRC of the MIA of Ukraine	Healthcare	351

<b>Municipal institutions</b>		
Education Department of the Truskavets City Council	Education	624
Truskavets Municipal Hospital Municipal Company	Healthcare	498
Truskavets Vodokanal LLC	Water supply and water discharge	127

**Table 12**

**Development of Small and Medium-sized Businesses (SMSB)**

The comparative specifications of some SMSB development parameters in the sub-region and Lviv Region show that, in Truskavets, these parameters are proportionate and above the average regional indicators, while, in the rural communities, they are considerably inferior, which serves as a significant idle resource for boosting the population's business activity, raising the scale and efficiency of SMSB performance.

The 2013 – 2016 SMSB dynamics demonstrate the following adverse aspects:

- the number of entities in the SMSB sector declined;
- business activity and the number of SMSB per 10,000 residents was low;
- the number of people employed in the SMSB sector dropped down;
- SMSB demonstrated small scopes and poor efficiency of their financial and economic operations, their intellectual and staffing, material and technical, and resource base was limited.
- Table 13 shows the key performance indicators of the sub-region's SMSB.

Indicators	2013	2014	2015	2016
<b>Number of businesses per 10,000 residents</b>				
<b>Community, including</b>	<b>108</b>	<b>103</b>	<b>105</b>	<b>79</b>
Truskavets	139	132	135	101
Rural communities*	28	27	27	21
Drohobych District	28	27	26	20
Lviv Region	74	73	73	61
<b>Average annual number of people employed by businesses</b>				
<b>Community, including</b>	<b>9,293</b>	<b>9,148</b>	<b>7,719</b>	<b>6,781</b>
Truskavets	9,046	8,910	7,513	6,587



Rural communities *	247	238	206	194
Drohobych District	1,645	1,588	1,374	1,296
Lviv Region	356,316	345,450	331,630	282,249
Average annual number of people employed by small businesses				
Community, including	2,060	1,941	1,846	1,974
Truskavets	1,912	1,807	1,712	1,848
Rural communities *	148	134	134	126
Drohobych District	984	890	894	839
Lviv Region	103,551	99,691	96,564	93,373
Volume of products (works, services) sold by small businesses, UAH mln				
Community, including	261.1	298.0	366.2	591.3
Truskavets	247.5	283.0	348.1	565.2
Rural communities *	13.6	15.0	18.1	26.1
Drohobych District	90.9	100.3	120.7	174.3
Lviv Region	26,017.7	31,141.7	47,259.9	55,048.1
Specific weight of goods produced by small businesses in the total volume of products (works, services) sold, %				
Community, including	16.4	20.1	21.0	26.5
Truskavets	15.8	19.8	20.7	26.5
Rural communities *	59.2	28.7	26.3	26.2
Drohobych District	60.1	29.6	27.4	27.3
Lviv Region	18.0	18.7	22.8	23.3

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 13

Given the important role of SMSB in the regional economy, the 2020 Lviv Region Small and Medium-Sized Business Development Strategy was adopted in 2017, which uses a cluster approach and implies measures aimed at the development of both micro regions (mountain areas) and the specific sectors in some areas. Under this approach, the

sub-region (including Morshyn and Skhidnytsia) belongs to the resort and medical tourism cluster.

Investments and Foreign Economic Operations

The sub-region, primarily due to Truskavets and the adjacent rural communities (Modrychi and Stanylia), is one of Lviv Region’s leaders in terms of capital investments, including direct foreign investments. In Truskavets, capital investment per capita amounts to UAH 11,479, which is higher than the regional average (UAH 9,590) and higher than in Drohobych District (UAH 1,619) by an order of magnitude.

Internal investment resources of businesses and state-owned and local budgets remain the main source of investments. The specific weight of bank loans and foreign capital has risen. At the same time, investments of businesses into accommodation and catering services, similarly to healthcare institutions and social security provision, have plummeted.

The key investment areas include construction and environmental protection. Table 14 and Diagram 14 show key capital investment indicators in the sub-region.

Capital Investment in the Sub-region



Capital investments per 1,000 people (UAH'000)	1,028.0	1,030.0	1,478.6	1,104.1	1,618.8
Direct foreign investments (USD'000)	3,611.2	3,378.7	3,307.0	2,891.0	3,089.9
Direct foreign investments per 1,000 people (USD'000)	48.4	45.3	44.2	38.7	41.4

Capital investment

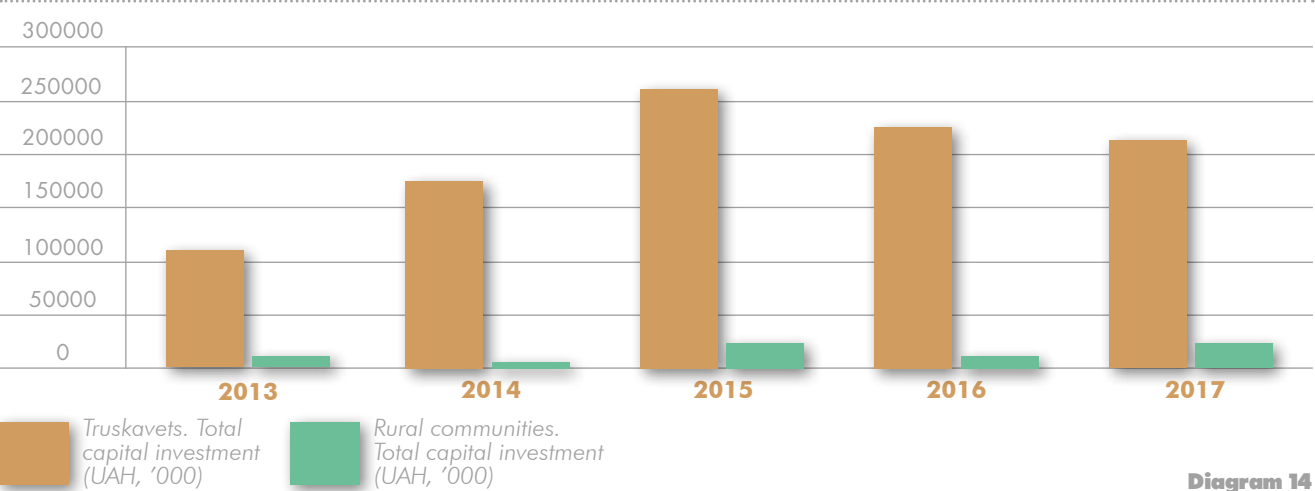


Diagram 14

The amount of direct foreign investments (share capital) per capita totals USD 1,580 thousand in Truskavets, which is higher than the regional average (USD 472) and higher than in the Drohobych District (USD 41) by an order of magnitude. Table 15 shows key indicators of foreign economic activities in the sub-region.

Key Indicators of Foreign Economic Activities in the Sub-region



Imports of goods	2,780.0	2,650.7	1,350.6	1,768.7	2,462.3
Foreign goods trade balance	-1,369.7	1,186.8	1,303.4	1,005.2	1,532.7

<b>Rural communities*</b>					
Total capital investments (UAH'000)	294.5	14.8	15.1	84.2	111.0
Capital investments per 1,000 people (UAH'000)	102.0	36.5	28.7	84.4	255.4
Direct foreign investments (USD'000)	192.5	-21.7	-13.6	-0.2	-144.4

Foreign goods trade (USD, '000)

<b>Truskavets</b>					
Total capital investments (UAH'000)	30,284.0	9,230.5	5,834.2	7,944.0	11,029.8
Capital investments per 1,000 people (UAH'000)	876.6	2,755.0	232.6	246.6	798.8
Direct foreign investments (USD'000)	29,407.5	6,475.5	5,601.6	7,697.4	10,231.0

<b>Rural communities*</b>					
Total capital investments (UAH'000)	86.3	65.9	58.6	56.5	56.0
Capital investments per 1,000 people (UAH'000)	54.9	41.7	39.9	28.9	31.6
Direct foreign investments (USD'000)	31.4	24.1	18.7	27.6	24.4

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 15

2.4. Economy

Financial Condition

An analysis of the financial condition of the sub-region's businesses, particularly their revenues, show that the official transfers from the State Budget of Ukraine are the core source of local budget revenues, ranging from 42% of the total revenues of Truskavets to 90% in the rural communities. Other important sources of revenues in Truskavets include individual income tax: on average 60% of its revenues, and for the rural communities: from 4% (Ulychne Village Council) to 18% (Modrychi and Stanylia Village Councils).

Social and cultural measures are a priority area of budget funding just as in the previous years in Ukraine and in

general. Most funds are spent on social security and social support: on average from 27% for Truskavets to 2% for the rural communities (of the total budget expenditures); on education: from 25% (Truskavets) to 70% (rural communities); on healthcare: on average from 20% for all the entities. Much less funds are allocated to the spiritual and physical development: 1% to 2%.

Budget

Table 16 and Diagram 15 show the key indicators of revenues and expenditures of budgets of the sub-region’s entities, and Tables 17 – 19 show the key items of revenues, subventions/subsidies and expenditures broken down by the sub-region’s entities in 2017.

Regions	2014		2015		2016	
	revenues	expenditures	revenues	expenditures	revenues	expenditures
Community, including	165.7	171.6	225.4	218.9	288.3	275.9
Truskavets	120.9	127.1	167.6	160.8	216.4	204.8
Rural communities*	44.8	44.5	57.8	58.1	71.9	71.1
Drohobych District	298.7	296.9	385.2	387.0	479.3	473.9

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Local budget revenues and expenditures Table 16

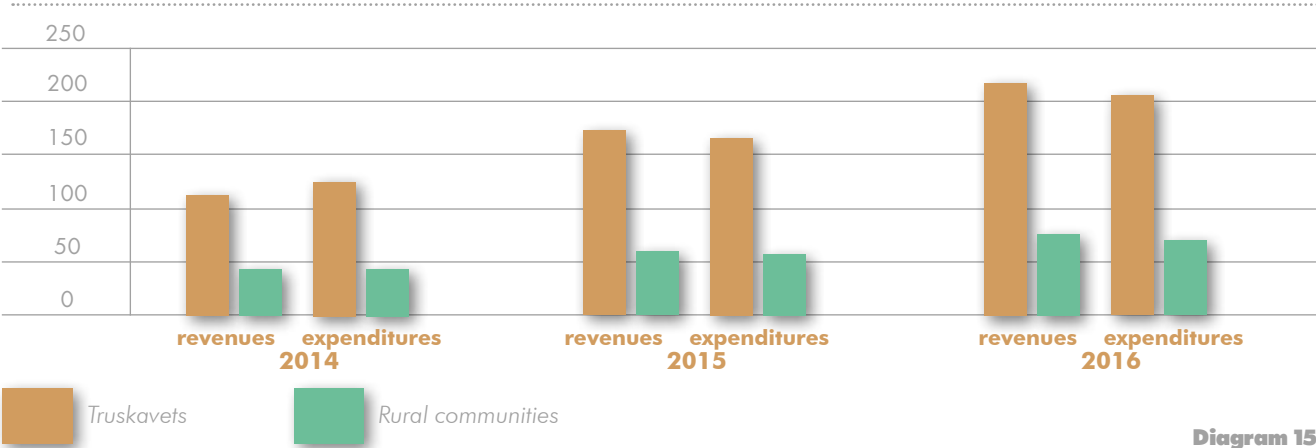


Diagram 15

2017 Community’s Budget Revenues Broken Down by Entities

Revenue types	Community, including	Truskavets	Dobrohostiv V/C	Modrychi V/C	Stanylia V/C	Ulychne V/C	Oriv V/C
Individual income tax	71.04	68.274	0.70	0.78	0.38	0.47	0.44
Single tax (except agricultural producers)	19.87	17.678	0.21	0.96	0.56	0.38	0.08
Single tax from agricultural producers	0.01					0.01	
Revenues from real property and land sales	5.97	5.97					
Tax on profit of municipal companies	0.01	0.01					
Land payments	46.48	43.32	0.10	1.64	0.60	0.55	0.28
Real property tax	9.98	8.94	0.02	0.79	0.14	0.06	0.03
Excise duty	10.57	10.27	0.03	0.05	0.15	0.05	0.03
Revenues from municipal property lease	0.21	0.21					
Other local taxes and levies	6.32	3.42	0.19	0.28	2.26	0.11	0.07
Total	170.46	158.08	1.24	4.49	4.09	1.63	0.93

Table 17

2017 Subventions and Subsidies to the Community Broken Down by Entities

Indicators	Community, including	Truskavets	Dobrohostiv V/C	Modrychi V/C	Stanylia V/C	Ulychne V/C	Oriv V/C
Educational subvention	37.62	21.27	5.63	2.80	0.71	5.56	1.66
Medical subvention	33.41	25.05	2.53	1.06	0.73	2.86	1.18
Basic subsidy	6.45		2.03	0.28	0.55	2.41	1.18
Other revenues	71.23	71.23	0.63	0.30	0.11	0.65	0.21
Total	148.71	115.66	10.81	4.43	2.10	11.48	4.23

Table 18

2017 Structure of the Community’s Budget Expenditures Broken Down by the Sub-region’s Entities

Indicators	Truskavets	Dobrohostiv V/C	Modrychi V/C	Stanylia V/C	Ulychne V/C	Oriv V/C
Local self-government	21.89	0.33	0.70	0.70	0.44	0.90
Education	68.03	8.69	4.30	0.91	7.48	2.85
Culture	16.48	2.77	0.08	0.15	0.20	0.20

Healthcare	42.80	2.52	1.07	0.74	2.88	1.18
Social aid	72.79	0.29	0.12	0.08	0.33	0.00
Physical education and sports	0.44	0.03	0.01	0.01	0.03	
Transport and road maintenance	9.10		0.40	0.37		
Municipal property and infrastructure management	23.46			0.05	0.07	
Other expenditures	23.33		0.70			
Total	278.32	14.64	7.40	3.02	11.43	5.13

Table 19

Financial Infrastructure and Business Support Network  
Existing Business Centres, Business Incubators, Consulting Centres, Local Development Agencies

The sub-region’s business support network remains largely underdeveloped, which also holds true for Lviv Region in general, except Lviv. Institutions associating themselves with regional development and support of small and medium-sized businesses include: Truskavets Development Agency NGO, International Centre European Integration of Ukraine NGO, Council of Elders NGO, Centre for Truskavets SMSB Business Association Support, LLC; as well as information associations: Hotel and Restaurant Owner Club, Beskids Tourist and Economic Cluster.

Financial Infrastructure (Banking Institutions, Credit Unions)

12 out of 660 banking institutions operating in Lviv Region have a presence in the sub-region (1.8%). And all these institutions are based in Truskavets.

2.6. Transport Infrastructure and Communications

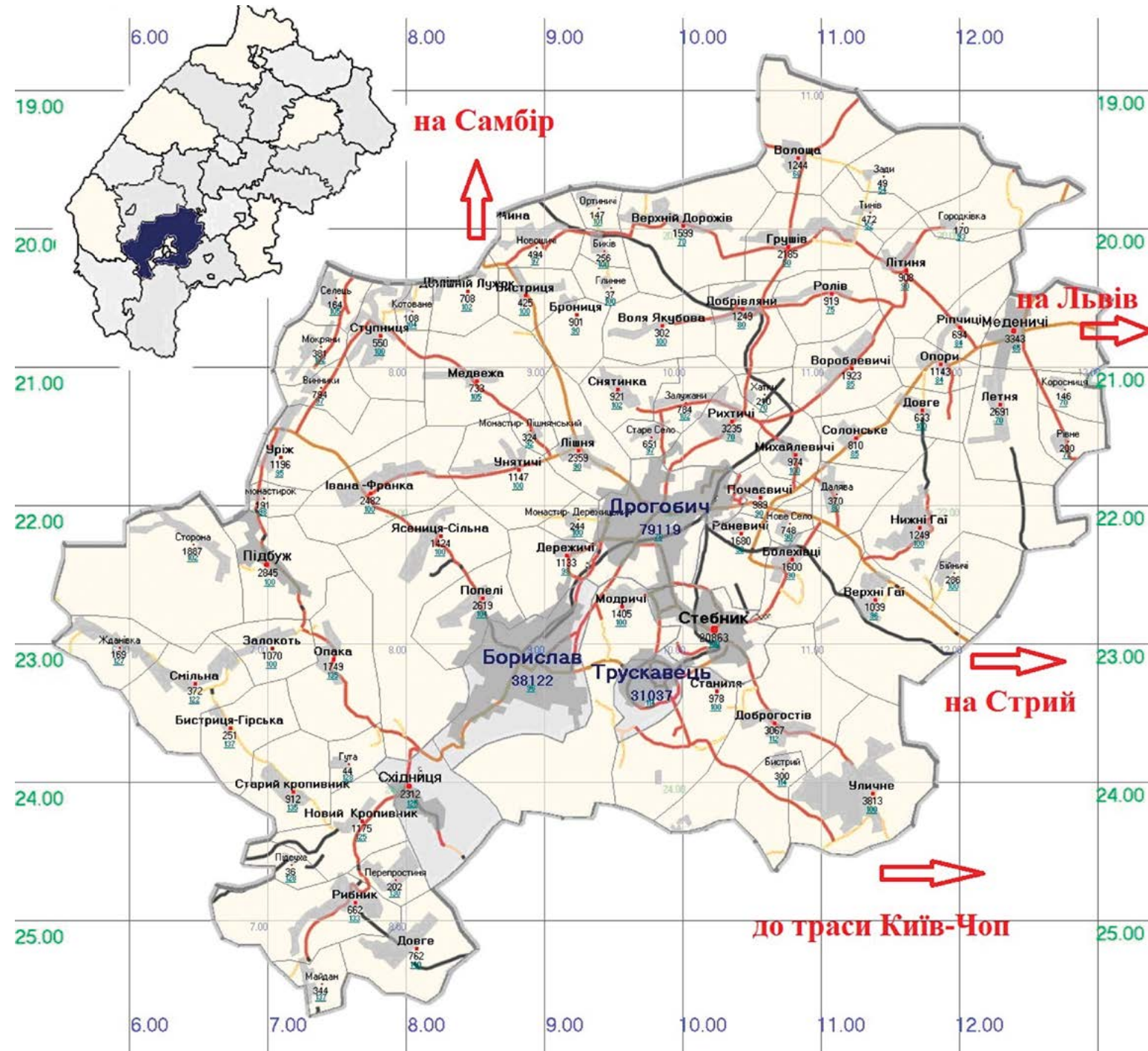
Length and Condition of Roads

The following regional highways pass through the sub-region: T-14-02 Skhidnytsia – Boryslav – Truskavets – Stebnyk – Medenychi – PISOCHNE (total length – 52.8 km), T-14-08 Uhryniv – Khorobriv (8 km.) and district-level roads: Modrychi – Turka – PISOCHNA (1.7 km.), Zymivky – Ulychne (8 km) and Truskavets – Stebnyk – Stanylia (1.8 km). Roads are in a bad shape (similarly to the entire region). Despite considerable financial resources allocated for road repairs in the mountain area and, specifically, in Drohobych District (about half a billion UAH per 100 km of roads annually), the condition of the road infrastructure improves at a much slower pace than in the region’s other districts. The sub-region road map is provided in Image 3.



Map of the mineral resources located in the sub-region

Image 3.



..... Brief Description of the Social and Economic Development of the Sub-Region

### Transport Connections between the Sub-region's Communities

All the inhabited areas of the community, except for Oriv Village Council, have a good bus service within the sub-region, particularly a connection to major cities and towns (Truskavets, Drohobych, Stebnyk, Boryslav). Total number of routes: 23, with transportation services being provided by 9 transportation organisations using 85 buses. The Drohobych – Stebnyk – Truskavets electrified dead-end railway goes to Truskavets. In terms of the volume and nature of operations, the station is a 3rd passenger class station. The passenger station serves some 200 passengers a day.

The station processes seven pairs of trains daily, including three pairs of long-haul passenger trains (Dnipro, Kyiv, Mohyliv) and four pairs of passenger trains (Lviv).

A distance from Truskavets to the Lviv International Airport is 90 km. A sufficient number of air flights makes it possible to reach Truskavets from any part of the world.

### Communication Network Development, Availability and Access to the Internet

Telephone communication services in the sub-region are provided by landline and mobile operators. As of January 1, 2017, there were 105 mobile subscribers and only 36 stationary telephones (as compared to the national average of 44) per 100 residents. The key mobile operators include Kyivstar, Vodafone, MTC Ukraine, and Intertelecom, which provide full coverage of the sub-region. The coverage of the mountain area of the sub-region, particularly Oriv Village Council, is largely insufficient.

With 41 Internet subscribers per 100 residents (as compared to the national average of 36), Lviv Region is an area with the highest penetration rate of broadband Internet access (BBA). However, this indicator is typical of the region's cities and towns. In rural areas, it is much lower, and the gap in "digital inequality" between the rural and urban areas is sizeable. All the village councils and Truskavets City Council are connected to the Internet through two key operators: Ukrtelecom and UARNET. All the sub-region's educational and healthcare institutions have Internet access as well. All Truskavets sanatoriums offer free Internet access to their guests: Wi-Fi. It is important to note that fibre optical lines (FOL) are installed throughout the sub-region as they are able to ensure high quality and high-speed BBA. The fibre optic network map is shown in Image 4.

### Sub-region's Fibber Optic Network Map

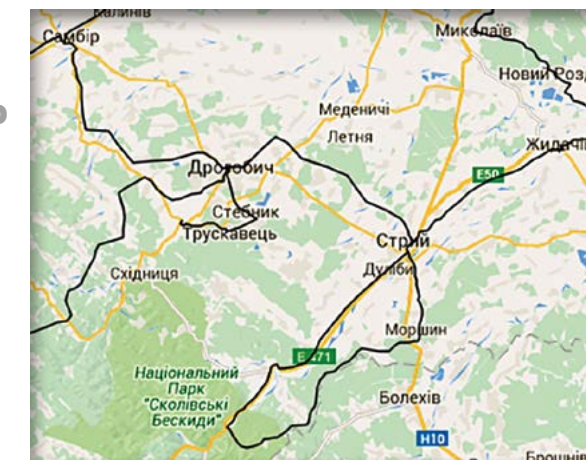


Image 4



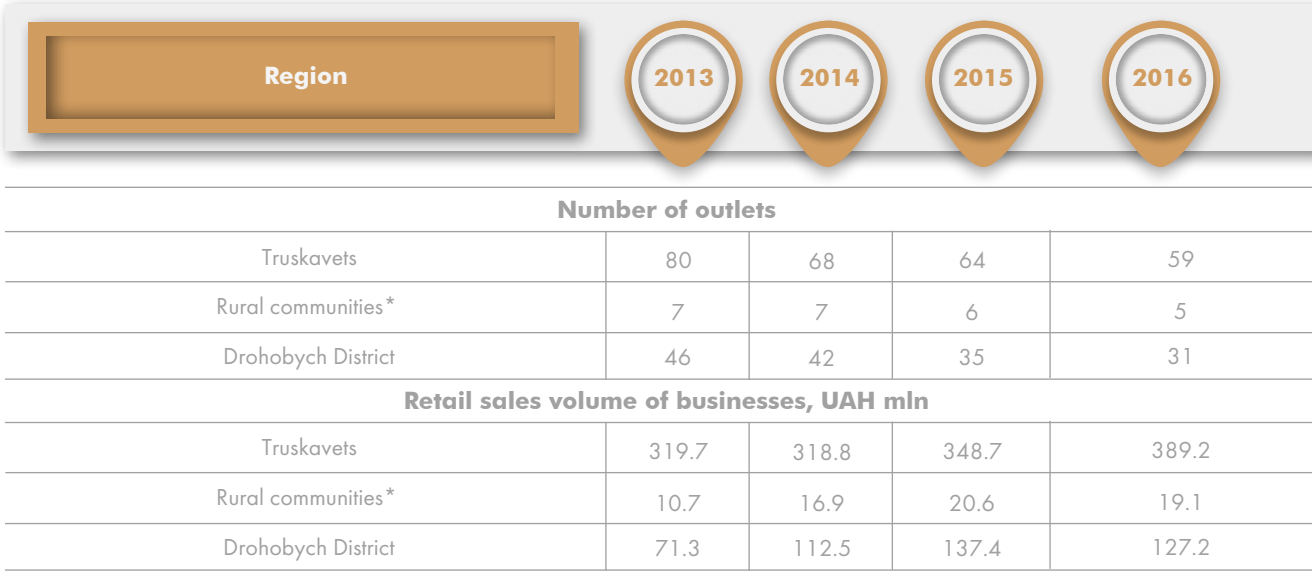
2.7. Trade and Services Infrastructure

The sub-region’s trade and services infrastructure is largely developed, in no small part due to Truskavets where most institutions are concentrated. The service network hasn’t changed considerably for the last few years and in late 2017 included: sales outlets: 244, including in Truskavets: 198 (81%); public catering outlets: 115, including in Truskavets: 98 (85%); personal service facilities: 68 (100% in Truskavets). This area is dominated by individual entrepreneurs (IE), accounting for 90% of all the facilities. The volume of products sold by IEs is much lower than that sold by companies: on average 15% in retail trade and 42% in the public catering area.

Truskavets has three marketplaces: Zodiac LTD LLC, Slavutych LLC, Galician Entrepreneur Private Corporate Company, where 622 stalls with a trading surface area of 7,200 sq. m. are installed.

Retail Facility and Public Catering Chains

Table 20 and Diagram 15 show the main indicators of the number and retail commodity circulation of corporate retailers, excluding retailer chains of individual entrepreneurs.



\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 20

Retail sales volume of businesses, UAH, mln.

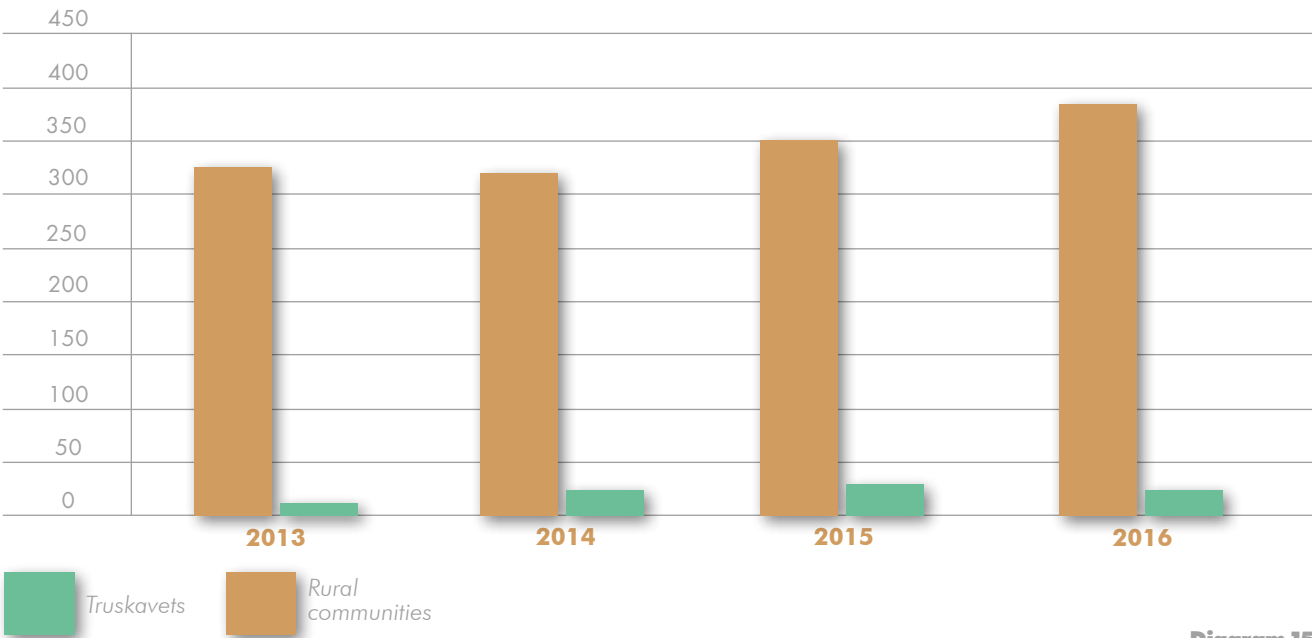


Diagram 15

Network of Public Catering and Personal Service Businesses

In late 2017, the sub-region’s public catering network consisted of 115 outlets, including 98 outlets in Truskavets, 8 in Modrychi, 3 in Ulychne, 2 in Stanylia, 3 in Oriv and 2 in Dobrohostiv.

In late 2017, the sub-region’s personal service network consisted of 68 outlets concentrated in Truskavets.

2.8. Sanatorium and Resort Infrastructure

The sub-region’s sanatorium and resort infrastructure is represented by a wide range of all types of recreation facilities: hotels, villas, boarding guest houses, and sanatoriums. Information on the infrastructure is readily available on dozens of portals and websites with relevant details: a description of recreation facilities, their location, a distance to well rooms, infrastructure, treatment profiles and the medical centre.

The sanatorium and resort and hotel sectors constitute the economic backbone of Truskavets and the adjacent rural communities (Modrychi, Stanylia) and are major employers. Based on data monitoring, more than 210,000 persons underwent treatment at local sanatorium and resort facilities, including over 43,000 foreign nationals, with a specific weight recorded by the nationals of Poland (over 12,000 visitors), Belarus (over 7,000 visitors) and Azerbaijan (over 7,000 visitors). Table 21 shows general information on the sub-region’s sanatorium and resort, and hotel facilities as of January 1, 2018.

Sub-region’s Sanatoriums, Resorts and Hotels

No.		Business name, type	Capacity
		in Truskavets	13,064
		Sanatoriums, total	9,519
		Boarding guest houses, total	247
		Hotels, total	2,771
		Villas, total	527
		in 5 rural communities	
1.		NAFTUSIA PRYKARPATTIA SANATORIUM	250
2.		DZERELNY SANATORIUM	120
3.		VERNYHORA RECREATION AND HEALTHCARE CENTRE	90
4.		CARPATHIAN STARS SANATORIUM, REHABILITATION AND HEALTHCARE CENTRE	80
5.		MODRYCHI HRC	60
6.		SVITANOK CHILDREN SANATORIUM	70

Table 21

2.9. Housing and Utility, Energy Infrastructure

Housing Stock

Whereas housing development was on the rise in 2014 – 2015, in 2016, the commissioned housing stock declined both in the sub-region and across the region in general. Table 22 shows key sub-region’s housing stock figures, and Table 23 shows these indicators broken down by the rural communities as of January 1, 2018. The level of the total housing stock area (%) is shown in Table 24.

Sub-region’s Housing Stock Indicators as of January 1, 2018

Region	2013	2014	2015	2016
Total housing stock area, thousand sq.m.				
Truskavets	495.8	507.1	504.0	618.7
Rural communities*	284.9	287.4	290.0	300.9
Drohobych District	1,965.1	1,982.1	1,999.9	2,013.1
Housing availability (sq.m. of total surface area per resident)				
Truskavets	22.9	24.5	24.6	30.4
Rural communities*	26.5	26.8	26.9	27.2
Drohobych District	26.1	26.3	26.5	26.8

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 22

Sub-region’s Housing Stock Indicators Broken Down by the Rural Communities as of January 1, 2018

Indicators	Dobrohostiv V/C	Modrychi V/C	Stanylia V/C	Ulychne V/C	Oriv V/C
Total number of inhabited buildings, including	965	440	449	1,200	787

- individual houses	961	440	449	1,198	787
Housing stock, thousand sq.m. of the total surface area	78.0	43.3	44.5	90.1	47.3

Table 23

Sub-region’s Housing Stock Indicators as of January 1, 2018

Region	2013	2014	2015	2016
Truskavets				
Water supply	97.4	96.6	96.5	97.2
Sewage	97.4	96.5	96.5	97.2
Heating	90.7	92.7	93.0	94.2
Gas supply	100.0	97.9	97.4	96.7
Hot water supply	85.9	90.9	91.2	76.2
Rural communities*				
Water supply	35.2	35.2	35.2	35.2
Sewage				
Heating	81.7	80.5	78.2	79.3
Hot water supply	73.6	73.6	73.6	73.6
Drohobych District				
Water supply	38.1	38.8	39.8	40.5
Sewage	36.4	33.9	35.8	36.2
Heating	80.7	79.5	76.2	77.3
Hot water supply	36.1	35.1	35.3	36.6

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 24

Municipal Infrastructure and Utility Networks

Water Supply and Water Disposal

Central water supply services are provided in the sub-region’s villages along the Hirne – Drohobych water mains, namely: Dobrohostiv, Bystry, Modrychi, Stanylia, Ulychne (5 out of 12 rural communities of Drohobych District). Oriv and Zymivky in Skole District have no central water supply systems. The key indicators of water supply and water disposal in Truskavets are provided in Table 25. The water supply system in the sub-region’s communities is presented in Image 5.

Key Indicators of Water Supply and Water Disposal in Truskavets

Indicators	2013	2014	2015	2016	2017
Length of water supply networks, km	64.8	64.8	64.8	64.8	64.8
Rated industrial capacity, thousand m³ of water per day	9.0	9.0	9.0	9.0	9.0
Length of water disposal networks, km	54.0	54.0	54.0	54.0	54.0
Drinking water consumption , thousand m³, total, including:	2.7	2.3	2.0	1.9	2.6
- residents	0.8	0.6	0.6	0.5	0.7
- companies	1.9	1.7	1.4	1.4	1.9

Table 25

Sub-region’s Fibber Optic Network Map

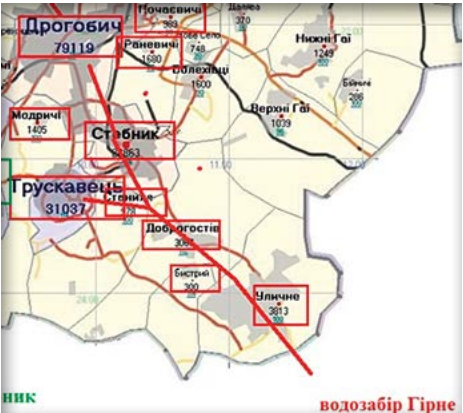


Image 5

Apart from water supply services provided by Drohobychvodokanal Municipal Company to Truskavets, water is also taken from the artificial reservoir (Horodyshche Str.) on the Vorotyshche Stream (created in 1960 as a temporary source for supplying drinking water to Truskavets) in an amount of 190,000 cubic metres a year. The artificial reservoir has a surface area of 25 ha, and its total capacity reaches 1.27 mln. cubic metres (useful capacity: 0.29 million cubic metres, dead storage: 0.98 million cubic metres). Water treatment facilities with a capacity of 5,600 cubic metres a day were built near the reservoir. It should be noted that there are private homes with cesspits on the left bank of the Vorotyshche Stream, upstream of its inflow into the reservoir (Bubernia Area). The reservoir is surrounded by the first sanitary protection area. There is a metal fence and barriers around the reservoir, but only from Horodyshche Str. On other sides, the reservoir can be accessed through multiple holes in the fence. The reservoir banks are considerably polluted. Swimming ban is enforced.

100% of Truskavets residents receive central water supply services, but only 70% of them receive them around the clock. Central water supply and water disposal services in Truskavets are provided by Truskavets Vodokanal LLC under an agreement with Drohobychvodokanal Municipal Company, which supplies water from the Hirne water intake facility (near the Stryi River) built in 1973. Water intake facility output: 73,000 cubic metres a day.

Utility facilities in Truskavets are in an unsatisfactory condition; their wear and tear reaches 70% and in some places – 95% (based on 2014 averaged data, 39.4 km (80%) out of 49.3 km of the outdoor water supply system are worn out and damaged. This is why, according to official information, drinking water loss reaches 30%. In 2014, water leakage and unaccounted water loss amounted to 64.9% of released water.

Water disposal. A full separate water disposal system is currently in place, which, according to Truskavets Vodokanal LLC, covers 80% of buildings. The total water disposal in the city is 15,100 cubic metres a day, including 8,349 cubic metres a day from residential buildings and 6,751 cubic metres from other facilities of the city. The sanitary protection area is 400 m. Wastewater is disposed via the domestic water disposal network to the receiver of the district sewage pumping station in Stebnyk, where pumps pump wastewater from the city and the town to the treatment facilities in Drohobych via discharge manifolds. Capacity of the treatment facilities: 100,000 cubic metres a day.

Heat Supply

Homes in all the sub-region’s communities, except Truskavets, have either furnace heating or individual apartment water heating (electrical and gas heating, water heating). Before 2017, all the sanatorium and health centres, public institutions, blocks of flats in Truskavets had central heating for their heating and hot water supply systems. Central heating for residential buildings and public institutions is generated by five boiler houses located nearby (32 boiler houses in 2014), which are owned by Truskavetsteplo Municipal Company of Truskavets City Council. The boiler houses operate on natural gas.

The Heat Supply Reform Programmes, under which the heating system of blocks of flats in Truskavets had to be de-centralised, was completed in 2017. Under this programme, the boiler house located on Ivasiuka Str. was taken out of operation and the blocks of flats on Ivasiuka, Stebnytska, Stusa and Richky Streets were cut from the central heating system. As of January 1, 2018, the city’s total housing stock started to use gas or electrical heating. Truskavetsteplo Municipal Company provides services only to the city’s municipal and public owned institutions.

Gas Supply

Natural gas supply services are provided to the residents of all the sub-region’s communities (on average 95%), except for Oriv and Zymivky (Skole District). In Truskavets, gas is supplied by Lvivgaz PJSC. The municipal medium-pressure gas supply pipelines are 18.3 km long, and the low pressure ones – 27.3 km long. As of July 1, 2015, the city

had 9,060 consumers.

Electricity Supply

Electricity supply services are provided to the residents of all the sub-region’s communities. In Truskavets, electricity is supplied by Lvivoblenergo PJSC via the Boryslav power distribution zone. In total, Truskavets has 1,121 electricity consumers: business entities and individuals, 8,460 household consumers using electricity meters. The major electricity consumers are: residents (on average 22% of the total number) and the sanatorium and resort sector: 61%.

Street Lighting

The street lighting networks are available in the sub-region’s communities. They are gradually revamped, and street lights are replaced by using energy efficient technology, which is primarily co-financed by local funds and funds allocated under the regional special-purpose programmes.

The Truskavets street lighting networks are owned by the Housing and Utility Division and maintained by Nashe Svitlo LLC. The city installed 26 meters of electricity consumed by the outdoor lighting systems. The total length of the networks is 56.6 km, including: cable networks: 22.3 km; overhead networks: 34.3 km.

2.10. Social Infrastructure

Educational Institution Network

Pre-school Educational Institutions

The situation analysis shows that the region in general and the sub-region in particular show positive development dynamics of pre-school educational institutions (PEIs). The number of children covered by PEI services in Truskavets is very high and totals 96% (general regional indicator: 78.6%); in other sub-region’s communities: only 42%. The load of the pre-school educational institutions in Truskavets is 119 children per 100 places, and in the sub-region’s communities – 81 children per 100 places. Table 86 contains information on the sub-region’s PEIs as of January 1, 2018.

Information on the sub-region’s PEIs as of January 1, 2018

No.	PEI	PEI design capacity, seats	Average number per group, children
	Pivnyk PEI, Dobrohostiv	72	30
	Modrychi 1-3 Category Educational Centre	35	18
	Stanylia 1 Category Educational Centre	7	16
	Truskavets PEI No. 2 Yalynka	205	24
	Truskavets PEI No. 4 Sonechko	102	17

Truskavets PEI No. 5 Zirochka	103	23
Truskavets PEI No. 6 Teremok	218	22
Truskavets PEI No. 7 Dzvinochok	110	20

Table 26

General Educational Institutions

Lviv Region ranks first in Ukraine in terms of the number of general educational institutions. Unlike the region’s main problem, such as the ramified structure and a large number of under-filled schools failing to provide high quality educational services, the sub-region has a rather well-balanced number of schools, which is evidenced by the ratio of the number of schoolchildren to schools’ design capacity. Out of nine general educational institutions, only the Bystrytsia 1 – 3 Category General Educational School, Stanylia Educational Centre – 1 Category GES – PEI, Truskavets GES No. 3 and Oriv 1 – 3 Category GES are under-filled. Two institutions need to be expanded: Dobrohostiv 1 – 3 Category Ivan Bobersky GES and Truskavets GES No. 2 – Grammar School.

Table 27 presents information on the sub-region’s GES as of January 1, 2018, and Table 28 shows the dynamics of the indicators of pre-school and general educational institutions in 2013 – 2016.– 81 children per 100 places. Table 86 contains information on the sub-region’s PEIs as of January 1, 2018.

Information on the Sub-region’s GES as of January 1, 2018

No.	GES	Design capacity, seats	Number of schoolchildren
1.	Dobrohostiv 1 – 3 Category Ivan Bobersky GES	300	381
2.	Ulychne 1 – 3 Category GES	380	423
3.	Bystrytsia 1 – 2 Category GES	120	46
4.	Modrychi EC – 1 - 2 Category GES – PEI	120	113
5.	Stanylia EC – 1 Category GES – PEI	90	53
6.	Oriv 1 – 3 Category GES	150	76
7.	Truskavets GES No. 1	729	744
8.	Truskavets GES No. 2 – Grammar School	730	766

9.	Truskavets GES No. 3	900	514
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Table 27

Dynamics of Indicators of the Sub-region’s Pre-school and General Educational Institutions

Region	2013	2014	2015	2016
Number of pre-school institutions				
Truskavets	5	5	5	5
Rural communities*	4	4	4	4
Drohobych District	17	21	24	26
Number of children at pre-school institutions				
Truskavets	807	866	844	877
Rural communities*	102	115	126	139
Drohobych District	677	767	840	927
Children covered by pre-school institutions**, %				
Truskavets	83.6	83.8	88.1	94.4
Rural communities*	14.8	16.9	17.8	20.3
Drohobych District	14.4	16.1	17.6	19.9
Workload in pre-school institutions (children per 100 seats)				
Truskavets	109	118	114	119
Rural communities*	75	69	80	81
Drohobych District	73	66	76	77
Number of schoolchildren at general educational institutions				
Truskavets	3	3	3	3



Rural communities*	7	7	6	6
Drohobych District	63	63	63	62
Number of schoolchildren at general educational institutions				
Truskavets	1,963	1,963	2,027	2,063
Rural communities*	1,093	1,007	1,005	999
Drohobych District	7,287	6,714	6,698	6,659
Number of teachers at general educational institutions				
Truskavets	236	218	216	208
Rural communities*	202	200	195	194
Drohobych District	1,302	1,299	1,277	1,326

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils  
\*\*Ratio of the total number of children at PEIs to the number of 1 – 6 year-old children

Table 28

Network of Healthcare Institutions

The healthcare reform in Ukraine was launched on April 1, 2018. In this situation, the sub-region’s healthcare network looks quite balanced, given the short distances between the communities and major cities and towns with a secondary healthcare network (Drohobych – 3 municipal hospitals, an outpatient clinic, a child hospital, a maternity hospital, a dentist polyclinic, a tuberculosis clinic; Truskavets – Truskavets Municipal Hospital Municipal Company) and a good connection to Lviv, which is a centre of highly specialised hospitals, centres and institutes.

The sub-region’s healthcare network includes the Truskavets municipal hospital, including a child hospital, a municipal polyclinic, and 4 general family medicine outpatient departments in the 5 rural communities. The healthcare institutions are used at about 90% of their capacity. Problems experienced by the healthcare system include a lack of agreements on budget transfers between the healthcare institutions, particularly in Truskavets and Drohobych. The premises of healthcare institutions are in a satisfactory condition and renovated, except for the Modrychi Outpatient Department where the roof needs to be repaired.

Cultural Institutions

The infrastructure of the sub-region’s cultural institutions is well developed, which also holds true for Lviv Region in general: in 2017, Lviv Region ranked first in Ukraine in terms of the number of clubs and libraries. Table 29 presents the dynamics of the number of the sub-region’s cultural institutions in 2013 – 2016.

Dynamics of the Number of the Sub-region’s Cultural Institutions



Club-type cultural institutions				
Truskavets	13	10	11	10
Rural communities*	6	6	6	6
Drohobych District	67	67	67	67
Libraries				
Truskavets	19	18	15	11
Rural communities*	5	5	5	5
Drohobych District	62	62	62	62

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 29

Sports Facilities

The sub-region’s sports infrastructure is represented primarily by the gyms within the educational institutions, football pitches and sports fields, to which special attention is paid in Lviv Region. The largest number of facilities is concentrated in Truskavets, where the Sportovets Children and Youth Sports Club (Sportovets SCCY) operates as a pre-school educational institution administered by the Education Department. Sportovets SCCY has a swimming pool and a sauna; a gym for practicing games-based sports (volleyball, baseball, mini football, tennis, etc.); two ground tennis courts; general physical training premises for wrestling; a fitness centre with modern sports equipment and accessories; a 30-seat hall with office equipment for theoretical classes; comfortable rooms for accommodating guest teams for 40 persons. Table 30 shows the dynamics of the number of the sub-region’s sports facilities in 2013 – 2016.

Dynamics of the Number of the Sub-region’s Sports Facilities



Truskavets				
Stadiums				
Football pitches	4	4	4	4
Sports fields	13	13	13	13
Shooting ranges	2	2	2	2
Swimming pools	1	1	1	1
Gyms	11	11	11	11
Rural communities*				
Stadiums				
Football pitches	4	4	4	4
Sports fields				
Shooting ranges				
Swimming pools				
Gyms	4	4	4	4

\* Averaged data on the five (Dobrohostiv, Modrychi, Stanylia, Ulychne, Oriv) Village Councils

Table 30

2.9. Housing and Utility, Energy Infrastructure

Human Impact and Environment Quality

The sub-region’s environmental situation is determinant in the environmental and geographic status of its area. It has the greatest impact on the quality of treatment and rest. The existing environmental problems exacerbate the threats to

the development and preservation of valuable balneological resources. The level of pollution of air, water and soil has the most detrimental effect.

List of the key polluters: Truskavetsteplo Municipal Company, Sviaty Graal LLC, AR-Trans PC, T.S.B. Firm CJSC, Aqua Eco LLC, Takt SPE, Budivelnyk PC. The sub-region’s environment is especially threatened by the consequences of former mining companies, particularly, Stebnyk GKHP Polimineral PJSC. Intensified activity of surface karst was recorded in the 3rd range of the sanitary protection area of the Truskavets resort. By and large, the environmental and geographic condition of the area isn’t conditional on general pollution volumes, but rather on pollution density.

Solid Domestic Waste Management System

There are all SDW collection and disposal systems in place in all the sub-region’s communities, but there are no SDW recycling systems and landfills. Therefore, there are problems with unauthorised waste disposal sites and pollution, despite the official data, according to which Drohobych District has no unauthorised landfills. The Truskavets Municipal Landfill in Stanylia is temporarily abandoned and the authorities consider its reclamation.

Solid domestic waste is transported from the sub-region’s communities to the landfills in Boryslav (3 ha) and Bronytsia (3.5 ha). The landfills are operated by COM-ECO-Boryslav-2010 LLC (Boryslav) and Municipal Service Company of Drohobych (Bronytsia). Table 31 illustrates key indicators of processing 1-4 hazard category waste in 2013 – 2017 in Truskavets.

Indicators of 1-4 Hazard Category Waste Processing in Truskavets

	2013	2014	2015	2016	2017
Generated	40	30	39	22	38
Received from outside					
Recycled, treated (processed)	5	4	6	2	10
Burnt	34	26	29	19	25
Transferred outside	0	0	0	0	0
Evacuated to special sites and facilities			0		
Evacuated to unorganised storage sites					
Accumulated on waste evacuation sites	1		4	1	3

Table 31

# 3 Rationale for the Sub-region's Strategic Development Choice

## 3.1. SWOT Analysis Results

The SWOT analysis to identify the Truskavets Sub-region's strengths and weaknesses was conducted at an expanded meeting of the Task Group based on the materials of the study of the sub-region's social and economic condition and with the involvement of local experts, researchers, representatives of the local self-government and executive authorities.

Strengths	Weaknesses
<div>1. Unique mineral resources, particularly Naftusia 1. mineral water, generating the sub-region's main revenues</div> <div>2. Recognisability of Truskavets as an established sanatorium and resort centre in the foothills of the Carpathians.</div> <div>3. A large number of medicinal mineral water sources</div> <div>4. A developed sanatorium and resort infrastructure and a wide range of the relevant institutions (sanatoriums, hotels, boarding guest houses, villas, etc.), which are the sub-region's major employers</div> <div>5. Availability of an international clinic of rehabilitation treatment of the disabled patients and a number of specialised centres of medical rehabilitation and sanatorium treatment, including for military personnel and athletes</div> <div>6. Availability of qualified staff, specifically, in the medical and treatment area, sanatorium and resort services</div>	<div>1. Lack of national resort status for Truskavets</div> <div>2. Lack of established administrative boundaries of the Truskavets resort.</div> <div>3. Risk of exhaustion, pollution or permanent loss of mineral water sources, including due to development and economic activities in the strict sanitary protection areas; unsolved problems with compulsory evacuation of residents from the 1st sanitary area: Naftusia water formation area</div> <div>4. Mineral resources aren't certified and trademarks, specifically, Naftusia 1. mineral water, aren't patented</div> <div>5. Closure of the upper Naftusia water well room in Truskavets</div> <div>6. The system for the conservation of the historical and architectural area of Truskavets isn't in place, uncontrolled development of the city centre of Truskavets, problems with unfinished construction sites</div>

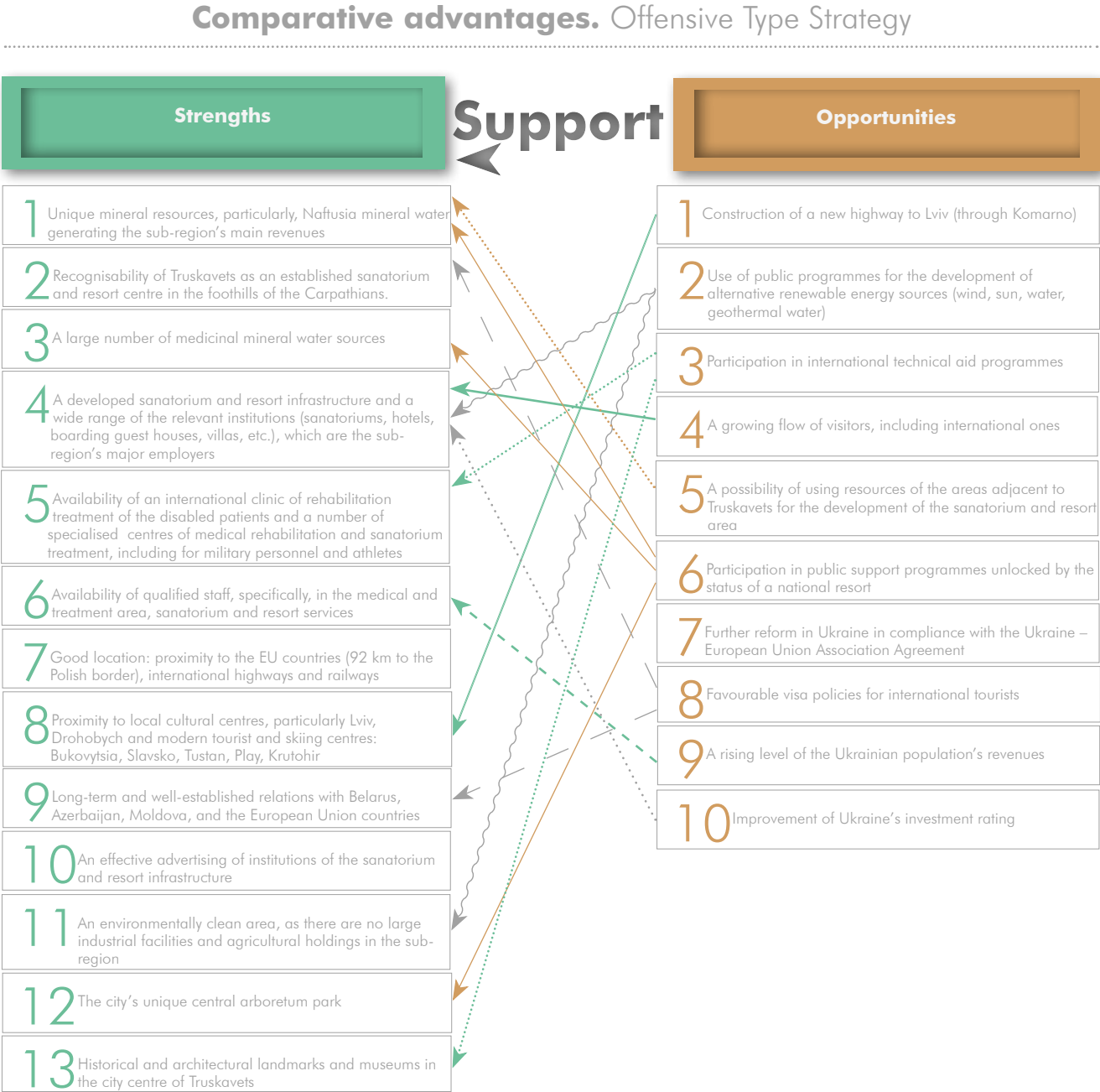
<div>7. Good location: proximity to the EU countries (92 km to the Polish border), international highways and railways</div> <div>8. Proximity to local cultural centres, particularly Lviv, Drohobych and modern tourist and skiing centres: Bukovytisia, Slavsko, Tustan, Play, Krutohir</div> <div>9. Long-term and well-established relations with Belarus, Azerbaijan, Moldova, and the European Union countries</div> <div>10. An effective advertising of institutions of the sanatorium and resort infrastructure</div> <div>11. An environmentally clean area, as there are no large industrial facilities and agricultural holdings in the sub-region</div> <div>12. The city's unique central arboretum park</div> <div>13. Historical and architectural landmarks and museums in the city centre of Truskavets</div>	<div>7. Unsatisfactory quality of drinking water and the technical condition of water supply, sewage, and wastewater treatment systems in Truskavets and full unavailability of the sewage system in the sub-region's rural communities</div> <div>8. Limited land resources (Truskavets)</div> <div>9. High level of electricity consumption by municipal and publically owned institutions</div> <div>10. Unavailability of specialised educational institutions, programmes for training professionals to provide services focused on the resort area's core interests</div> <div>11. Bad command of foreign languages among local residents</div> <div>12. Unavailability of sufficient quality of modern public spaces, considerable wear and tear and obsolescence of the existing infrastructure</div> <div>13. Underdevelopment of the entertainment industry for different age groups of tourists (youth – outdoor activities, older people – educational lectures/seminars, classical music concerts, etc.)</div> <div>14. Lack of consistent marketing policy in the market for sanatorium and resort services</div>
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Opportunities	Threats
<div>1. Construction of a new highway to Lviv (through Komarno)</div> <div>2. Use of public programmes for the development of alternative renewable energy sources (wind, sun, water, geothermal water)</div> <div>3. Participation in international technical aid programmes</div> <div>4. A growing flow of visitors, including international ones</div> <div>5. A possibility of using resources of the areas adjacent to Truskavets</div> <div>6. Participation in the public support programmes unlocked through</div>	<div>1. Development of similar resorts (competition) and their close geographic location</div> <div>2. Ukraine's economic instability; growing taxes</div> <div>3. Continued hostilities in the east of Ukraine</div> <div>4. Corruption and inflation processes in Ukraine affecting the general investment climate</div> <div>5. Delegation of powers by the state to the basic level without proper financial support</div>

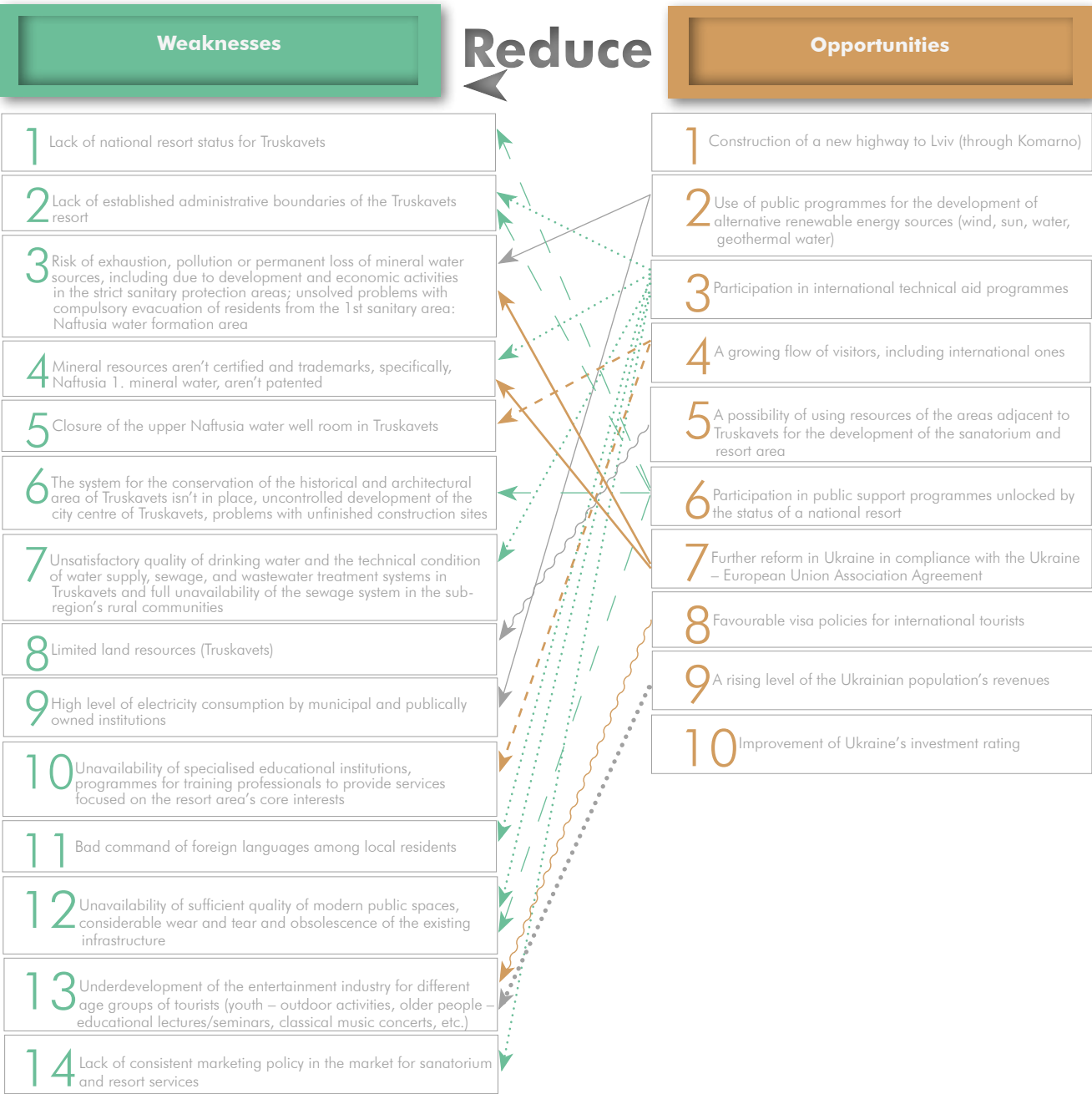
the status of a national resort	6. Increase of the specific weight of social expenditures in the event of creation of a united territorial community
7. Further reform in Ukraine in compliance with the Ukraine – European Union Association Agreement	7. Eventuality of an industrial disaster due to the neighbouring potassium works in Stebnyk
8. Favourable visa policies for international tourists	8. Massive deforestation and wood sales by suburban forest divisions
9. A rising level of the Ukrainian population’s revenues	9. Unsolved problems with solid domestic waste (SDW) management both in Lviv Region and in Drohobych District in particular
10. Improvement of Ukraine’s investment rating	10. Growing logistic transport flows through the sub-region and particularly Truskavets

3.1. SWOT Analysis Results

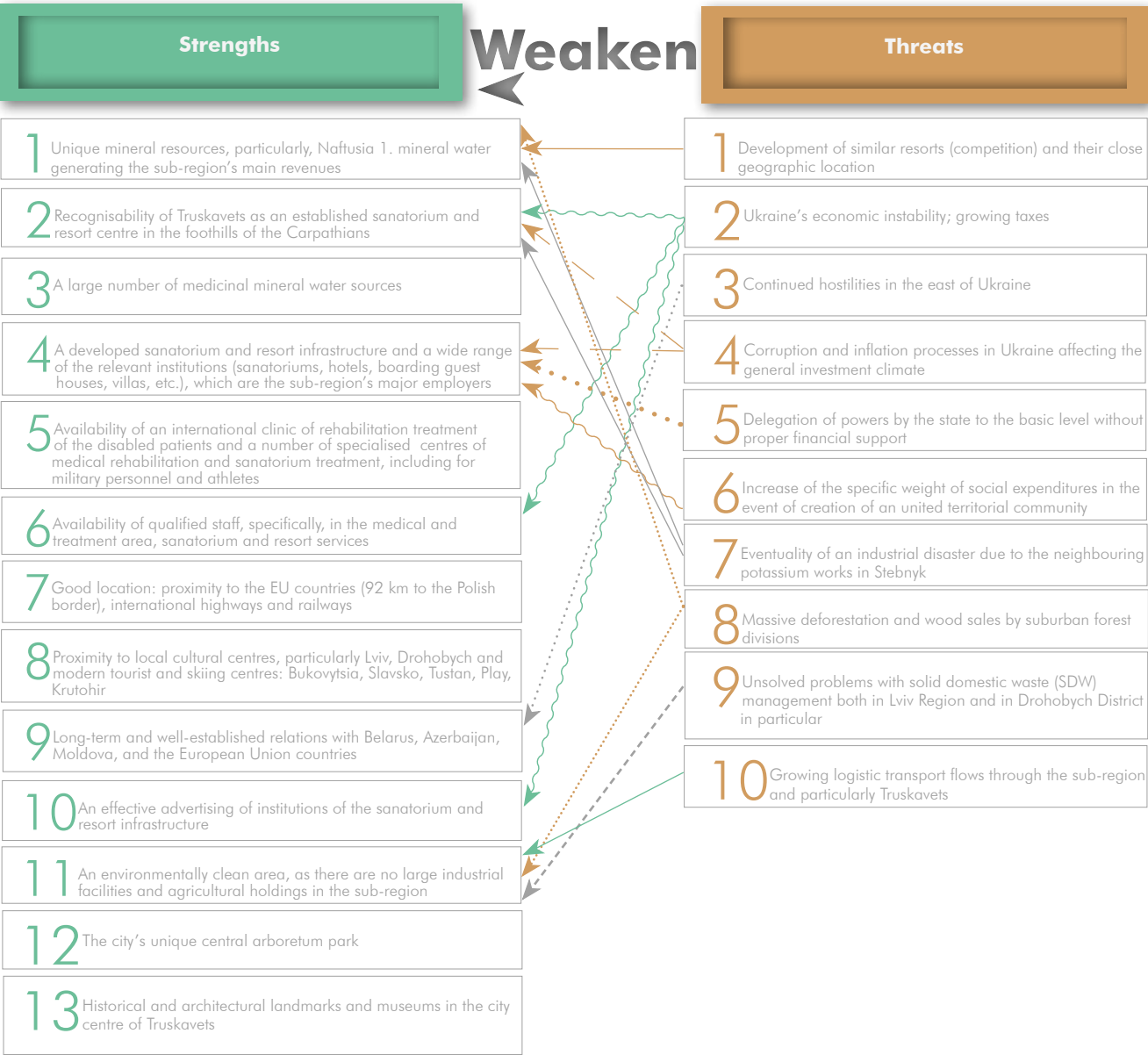
The SWOT matrix permits to identify any relations between the “internal” (strengths and weaknesses) and “external” (opportunities and threats) factors of strategical importance to the Truskavets Sub-region. These relations make it possible to establish comparative advantages, challenges and risks, which serve as a basis for the strategic choice: setting strategic and operational objectives of the sub-region’s long-term development.



Challenges. Dynamic & Competitive Type Strategy



Risks. Conservative Strategy, Maximum Use of Advantages and Counteraction to Potential Threats





3.3. Comparative Advantages, Challenges and Risks of the Sub-Region’s Development

Conclusions from the “Comparative Advantages” Analysis

For the second century of its existence, Truskavets and the surrounding area continue positioning themselves as one of Ukraine’s major balneological resorts. Their proximity to the Carpathians and a favourable geographic location close to the European countries make them attractive compared to other similar resorts. The sub-region’s key advantages include the unique mineral resources, particularly Naftusia 1. mineral water, a developed sanatorium and resort infrastructure (as compared to other resort cities of Ukraine), as well as high quality healthcare and treatment services provided to a large number of customers. A well-developed transport infrastructure, which includes highways and railways and a relative proximity to two international airports (Lviv (102 km) and Ivano-Frankivsk (130 km)), boosts the city’s appeal as a treatment and recreation location for both Ukrainian and international visitors. These strengths will be supported by opportunities, such as construction of new high quality highways that are included in the regional strategy plans, connection to the planned Via Carpatia highway, a growing number of visitors, including international ones, and Ukraine’s favourable visa policies.

The sub-region has a considerable potential for the intensive development of both the sanatorium and resort services and tourist and recreation services for a large number of visitors visiting the area for both treatment and recreation purposes. This potential consists in close proximity to the well-known cultural centres of Lviv Region and modern tourist and skiing centres, a large number of natural and recreation resources, mountain areas with tourist appeal, a developed infrastructure of hotel and restaurant businesses. In addition, the sub-region has a minor degree of industrial pollution of the environment (as compared to Ukraine’s other regions). However, this potential can be unlocked only if the resources of the areas adjacent to Truskavets are employed. This issue may be solved either by creating a united territorial community (united territorial community), but this process is currently hindered, or by developing an inter-municipal partnership. A discussion, planning, and achievement of the common objectives will help improve the sub-region’s competitiveness in the market for resort services among similar profile areas and help develop the areas adjacent to Truskavets.

The institutionalisation of relations within the sub-region and inter-municipal cooperation development opens access to the relevant public dedicated programmes and international donor institutions, provided that reforms in Ukraine continue in compliance with the Ukraine – European Union Association Agreement. The next EU 2021 – 2027 budget period is expected to launch new mechanisms of the EU cooperation with the neighbouring states and, by that time, it is important to train personnel for the development of quality projects to be jointly implemented under international technical assistance programmes, including cross-border cooperation and other European tools.

The use of the sub-region’s strengths supported with external opportunities will help achieve the strategic objectives and the formed vision.

Conclusions of the “Challenges” Analysis

The crucial challenge of the Truskavets sub-region is a risk of exhaustion, pollution or permanent loss of mineral water sources, including due to construction and economic activities in the strict sanitary protection areas and unsolved problems with compulsory evacuation of residents from the 1st sanitary area (Naftusia water formation area). If this does happen, Truskavets and the surrounding areas will have to re-orient, face losing their competitive advantages over other resort and recreation areas. In particular, after a new tourist and recreation centre will have been built in the Slavsko United Territorial Community, the share of visitors coming to Truskavets for recreation rather than treatment purposes

will drop considerably. This problem may be mitigated to a significant extent as a result of the status of a national resort and an opportunity to participate in the relevant public dedicated programmes and to use the resources of the areas adjacent to Truskavets.

Truskavets’ limited land resources and lack of the resort’s administrative boundaries considerably thwart the resort’s development and exacerbate a number of the sub-region’s existing problems. A possibility to use the resources of the neighbouring areas makes it possible to promptly improve the sub-region’s appeal by developing its entertainment industry, sports and tourism potential, particularly develop the Bukovets Sports and Recreation Centre, which will slow down the outflow of tourists, for whom treatment or health recovery is not a priority. The inter-municipal cooperation factor will contribute to this as well, since it will help consolidate the resources for solving the existing problems and eliminate considerable disproportions in the development of the sub-region’s administrative and territorial units, even despite lack of financial resources in local budgets. The lack of the resort status and international certificates for mineral resources prevent the growth of the number of international visitors and cooperation with major international insurance companies and travel agencies. The fact that service personnel don’t have a good command of foreign languages is a major challenge as well. The applicable Ukraine – European Union Association Agreement will considerably help improve the situation and obtain a status of an international resort for Truskavets.

The lack of a system for conservation the historical area of the resort may cause the “sentimental” and “cultural” tourism segment shrink, while the unsatisfactory condition of the utility infrastructure and the lack of a sufficient number of high quality public areas degrade the quality of guest experience and life for both the guests and residents of Truskavets. The use of external opportunities, specifically, participation in international technical assistance programmes and public dedicated programmes will help change the appearance of Truskavets for the better and influence the quality composition of the sub-region’s visitors.

Improvement of Ukraine’s general investment rating will also help bring new businesses into the sub-region’s core economic sectors, expand the range of services and improve their quality for the visitors and, at the same time, increase revenues and improve the living standards of the local residents.

Conclusions from the “Risks” Analysis

The existing situation in Ukraine prevents the competing resorts from developing intensively and, for this reason, the Truskavets resort can “stay adrift” for some more time by using the existing sanatorium and resort infrastructure and relying its recognisable brand, established relations with travel agencies, etc. However, it is mandatory that no time is lost in addressing the problems (predominantly, structural in nature) arising from the external threats, which may have an adverse impact on the development of the Truskavets resort and the sub-region in general and weaken the sub-region’s strengths.

First and foremost, these are problems with water supply, water disposal, other social and domestic problems, which are associated with the potential creation of a united territorial community and delegation of wider powers by the state to the basic level without an appropriate financial support. The further burden of the Truskavets budget with social expenditures will make it impossible to implement any development projects and will undermine the economic base in the future.

Industry-related disasters that may evolve in the areas adjacent to the resort may threaten the sub-region’s utility systems and cause serious decline in the flow of the resort’s guests, reducing to zero all the efforts made to promote the resort’s brand both in and outside Ukraine.

Any further deforestation, unsolved problems with solid domestic waste management, the growing logistic transport

flows passing through the sub-region and particularly Truskavets may affect the environment and the recreational value of the neighbouring areas.

Adverse demographic trends (population reduction, high labour migration rates, rising demographic burden) create a risk of the further ageing of the population and a deeper gap between supply and demand in the regional labour market, particularly in terms of shortages of blue-collar professions.

The conservative policy in response to the above threats consists in the maximum use of the sub-region’s strengths, primarily social capital, and requires comprehensive solutions and engagement of external partners and allies in the process, such as the regional and governmental authorities and international institutions.

3.4. Sub-Region’s Development Scenarios

**Business as Usual Scenario.** Expected to materialise, if impact factors remain unchanged.

*Basic Assumptions – National Level*

- Hostilities in the east of Ukraine are frozen.
- Public expenditures to finance the military and the defence industry are steeped up.
- The level of corruption in the country is declining insignificantly: instead of an actual reform, we observe their imitation.
- Decentralisation is implemented piecemeal, and key steps are postponed indefinitely.
- Disappointment with the reform keeps growing, particularly with decentralisation, due to increasing financial burden placed on local finance through delegation of the powers to the local self-government that aren’t typical of them.
- The country’s GDP keeps growing at a very slow pace (the IMF and the EBRD forecast is that, in 2019, Ukraine’s annual real GDP will grow by 3% and 3.8%, respectively).
- The national currency (hryvnia) is supported solely by international loans and, accordingly, the NBU’s interventions in the exchange market; inflation becomes rampant.
- Ukraine’s investment appeal remains low and its investment level is stagnant.
- The tax burden on businesses remains high and around 50% of small and medium-sized businesses still operate off the books.
- As gas tariffs are going up considerably, it is very likely that the population’s default level will grow and, therefore, the crisis in the housing and utility sector becomes increasingly exacerbated.

*Basic Assumptions – Local Level*

- The awareness of the Truskavets brand in Ukraine’s investment map remains unchanged, but the Truskavets sub-region is unknown outside Ukraine.
- The sub-region’s investment and business climate remains unchanged.
- The tourist appeal of Truskavets and the sub-region remains at the existing level or declines slightly due to the development of competitive areas with a better tourist services offer.
- The sub-region is not incorporated as a united territorial community, and inter-municipal cooperation agreements in the sub-region aren’t in place or don’t work.

*What Happens:*

- The demographic situation will remain unchanged in the years to come; the population is decreasing due to the decline in the birth rate and growing migration. The service sector experiences shortages of personnel.
- The sub-region’s resort potential is declining due to a higher activity of both Ukrainian and international resorts in the related price segment.
- The country’s low investment appeal doesn’t contribute to investment. A lack of unoccupied areas in the city and the neighbouring areas’ unwillingness to cooperate leads to stagnation in the development of the sanatorium and resort industry and development of new tourist products.
- Resort services are focused on traditional consumers with the average buying capacity without expanding the range of guest categories.
- The sub-region’s rural communities remain unattractive as residential locations and the local budgets don’t cover the expenditures on the basic services.
- The living standards of the sub-region’s population and the social area are at the average regional level.

**Stable Economic Growth Scenario**

*Basic Assumptions – National and Regional Level*

- Hostilities in the east of Ukraine end as a result of the pressure exerted by the West and deployment of peace-makers in the territory of Donetsk and Luhansk Regions.
- Expenditures on the country’s defence and funding of the Armed Forces of Ukraine become stabilised.
- System reform (judicial, tax, decentralisation) is implemented forthright.
- The country’s GDP begins to grow at a higher pace.
- The national currency experiences a minor inflation level.
- The country’s investment appeal improves as a result of introducing transparent procedures and minimising corruption pressure, particularly on businesses.
- A favourable tax reform compels most businesses to discontinue operating off the books.
- The state’s social policies minimise risks of growing payment defaults due to rising utility rates.
- Regional development policies are efficiently implemented, and key instruments perform well: the National Regional Development Fund, sectoral reform programmes.
- Lviv Region actively implements the regional development strategy and includes the priority projects of the Sub-Region Development Strategy in the Regional Strategy Implementation Action Plan.

*Basic Assumptions – Local Level*

- Truskavets and the sub-region come up with an appealing investment proposals and promote them in the dedicated investment markets.
- Truskavets secures a status of a national resort and receives international certificates evidencing the medicinal properties of Naftusia water.
- Business climate improves, and services for start-uppers emerge.
- New appealing recreation and tourist products are developed to bring in tourists from the new markets to the Truskavets sub-region.
- A united territorial community with its administrative centre in Truskavets is incorporated within the sub-region.
- The Truskavets United Territorial Community actively cooperates with the National Regional Development

- Fund and uses the government grants for its infrastructural development.
- The new 2021 – 2027 European Neighbourhood programme opens new opportunities for the participation in cross-border infrastructural projects.
- The free trade zone with the EU, the USA and Canada helps raise funds and develop medical tourism among other things.

*What Happens*

- The Truskavets sub-region actively develops related tourist services in the adjacent rural areas and is transformed from a treatment and healthcare location into a recreation location suitable for various visitor categories.
- The sub-region emerges as the country’s unique recreation offer: healthcare services combined with outdoor activities and the regionally integrated tourist products both for the resort’s clients and other visitor categories.
- The advantages of a united territorial community are efficiently used primarily by the sub-region’s rural communities through a considerable growth of public revenues and use of public funds: the government grants for infrastructure development and the National Regional Development Fund for development projects; the infrastructure of territorial communities develops intensively; the quality and availability of public services improve.
- Economic cooperation within and outside the sub-region accelerates the population’s economic activity and results in the creation of local product brands.
- The sub-region’s rural areas are included in the sub-region’s tourism industry, supplementing the resort’s tourist offer with new tourist products and services. Green tourism starts developing as a result of the sub-region’s improving appeal and brand awareness.
- The sub-region becomes a comfortable place for employment, life and recreation, attracting investors, guests and new residents, in particular, young people.

# 4 Structure of the Sub-Region Development Strategy Objectives

## Mission, Vision and Strategic Objectives



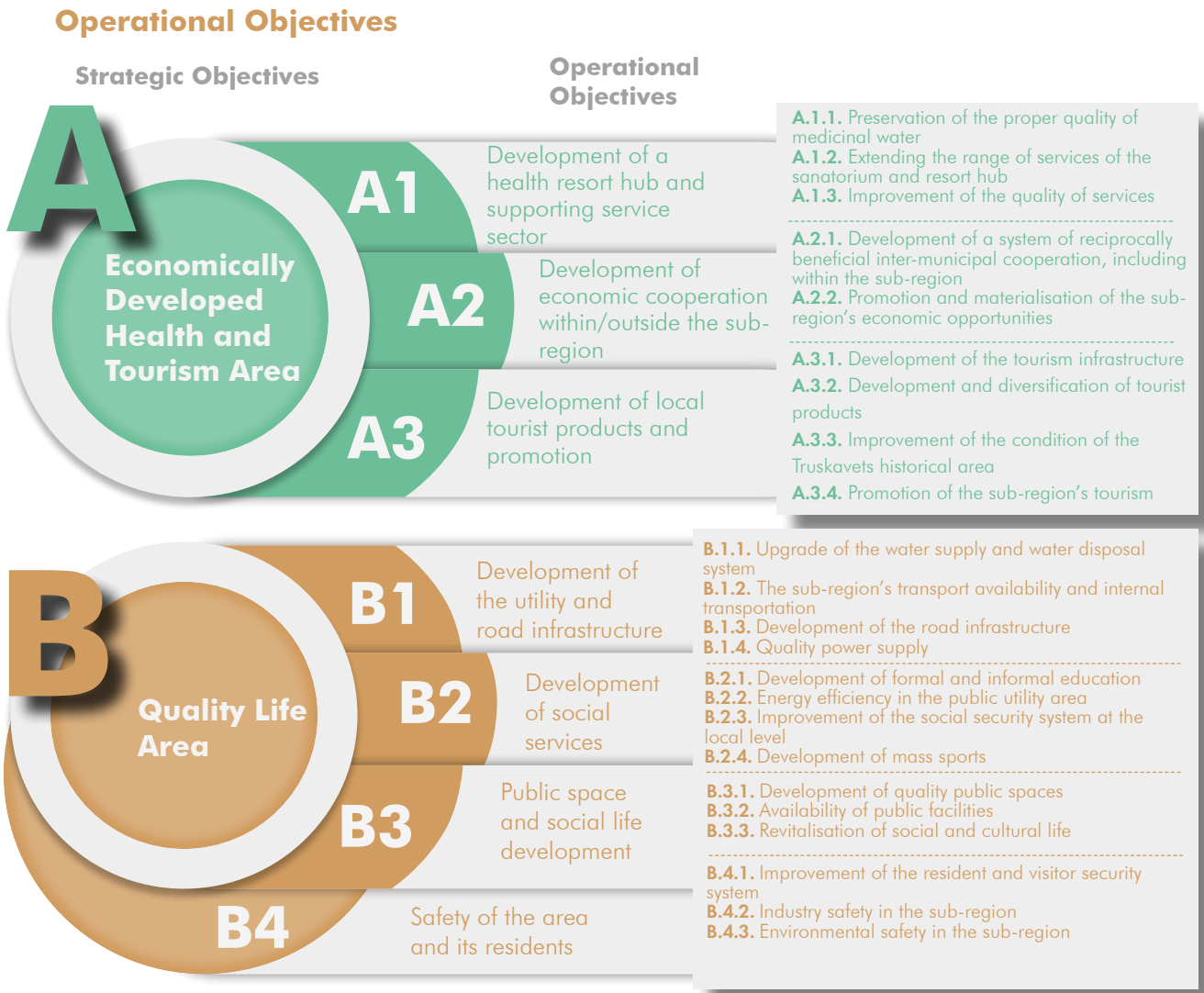
Truskavets has been a balneotherapeutic health resort since 1827 and one of the world’s few sources of unique Naftusia 1. mineral water, a centre of comprehensive health improvement, vacationing, and treatment with curative waters of the Ukrainian Carpathians.



Truskavets is the capital of health, a leader among the world’s balneotherapeutic health resorts offering unique Naftusia 1. mineral water. The Western Ukrainian centre of medical and cultural tourism, beauty and longevity, with a developed infrastructure, high social and economic standards.

The strategic vision will be implemented through a system of operational objectives. After consultations with the stakeholders, the Truskavets authorities, a number of the sub-region’s village councils, political and public personalities, the Task Group developed two strategic objectives.





#### 4.1. Strategic Objective A. Economically Developed Health and Tourism Area

The “Economically Developed Health and Tourism Area” is a central strategic objective of the 2028 Truskavets Sub-Region Development Strategy.

The sub-region is a mountain area of Lviv Region with combined structural problems, particularly in terms of economic development. The sanatorium and resort, and hotel sector are the sub-region's core economic sectors, primarily for

Truskavets and the adjacent rural communities (Modrychi and Stanylia). As a result of the sector's development, the sub-region is one of Lviv Region leaders in terms of capital investments, including direct foreign investments. Key investment areas include construction and environmental protection.

Industrial facilities are limited in number, concentrated in Truskavets, and specialise in mineral water bottling and manufacture of water meters and their calibration. Agricultural production is developed in the sub-region's rural communities; vegetable growing, stock rearing, trade. The structure of the sub-region's business is dominated by small companies, including micro-companies.

The economic development of the sub-region, just as the country and the region overall, is significantly limited to the employment problems experienced by the local community, the most flagrant of which include unemployment and massive external labour migration. It should be noted that, after the 2014 shock, the situation in the Ukrainian labour market is becoming largely stabilised: the number of registered unemployed people is gradually decreasing and demand for labour sees a new growth (in 2016, the number of unemployed people was equal to the number of vacancies in Truskavets). However, due to the weak economic base and low salaries in the sanatorium and resort area dominating the sub-region, per capital income remains low as compared to the average regional level.

Taking into consideration the above factors, the strategic objective “Economically Developed Health and Tourism Area” highlights several key factors that may improve the sub-region's economic capacity:

- development of the health resort hub and support service sector
- development of economic cooperation within/outside the sub-region
- development and promotion of local tourist products

##### Operational Objective A.1. Development of the Health Resort Hub and Support Service Sector

The sub-region's sanatorium and resort, and hotel industries comprise the largest number of businesses and employees, and the volume of sold products accounts for 30% of the total volume of products of all business entities. The industry economy tends to grow primarily as a result of growing flows of tourists, including from abroad. Truskavets, the balneological resort (105 km from Lviv) with a global reputation, is worth a special mention. The Lviv Airport and railway connect it to Ukraine's major cities and European countries. It has large supplies of mineral water with 14 natural sources and mineral wax deposits.

However, any further development of the city's sanatorium and resort potential largely depends on a number of factors to be addressed. First and foremost, it concerns the protection of the proper quality of mineral water, which, in its turn, depends on the preservation/improvement of environmental situation: formation of the mineral water area (1st sanitary area) and the Truskavets Resort Park. Securing the status of a national resort and certification of mineral resources will contribute to the protection of the quality of local mineral water, insofar as it will prevent the construction of new facilities and extension of the existing ones on the resort grounds, which may have a negative impact on the natural medicinal factors. Meanwhile, international certification requires compliance with the EU standards related to product quality and manufacture, in our case – the quality of Naftusiamineral water. Extension of the range of services, specifically therapeutic and rehabilitation services for various visitor categories, entertainment offer, including outside Truskavets, is important for the development of the local sanatorium and resort industry.

Another important development factor is anchored in the quality improvement of the service sector: improvement of qualification of the staff employed by sanatorium and resort institutions and hotels, the language skills of both the staff employed in the service sector and local residents. Under the existing circumstances, investors often invest in the renovation of restaurants, hotels, sanatoriums, but save on their personnel training. For Truskavets, the issues associated



with services are highly important, as local tourist products rely on providing accommodation to guests. Additional services as compared to the core ones, which are provided by the owners of accommodation facilities or in cooperation with partners, play a particular role. Information, advice, support are important for tourists and guests. A range of elements includes children activities, event ticket bookings, tours, information on potential expenses, distribution of city maps, information leaflets, cultural programmes, road maps, and transfers from/to the stations or the airport.

Therefore, the areas of intervention (goals) within the operational objective “Development of the Health Resort Hub and Support Service Sector” are as follows: protection of the proper quality of mineral water, expansion of the range of services of the sanatorium and resort centre and quality improvement of the service sector.

Objectives	Areas of the Implementation of Measures/Projects
<div><div>A1.1</div><div>Protection of the proper quality of mineral water</div></div>	<div><div>1. Solving the problem of development and economic activities in the strict sanitary protection area</div><div>2. Obtaining the status of a national resort</div><div>3. Obtaining certification of mineral resources and patented trademarks, particularly Naftusia mineral water</div><div>4. Conservation and development of the Truskavets Resort Park as an area of mineral water formation</div></div>
<div><div>A1.2</div><div>Expansion of the range of services of the sanatorium and resort centre</div></div>	<div><div>5. Contributing to the development of medical and rehabilitation services for the relevant population categories: athletes, military, ATO veterans</div><div>6. Development of sanatorium and resort support services: accommodation, catering; recreation and entertainment (tourism), domestic and auxiliary services</div></div>
<div><div>A1.3</div><div>Improvement of the quality of services</div></div>	<div><div>7. Cooperation with vocational education institutions to train and retrain personnel to match customers’ needs, monitoring the quality of such training</div><div>8. Provision of courses, including language courses for hoteliers and service providersand service providers</div></div>

Operational Objective A.2. Development of Economic Cooperation within/outside the Sub-region

At present, the development of the sanatorium and resort centre is hindered due to its limited area: the boundaries of Truskavets. This leads to a number of adverse aspects: construction development of the historic and architectural central area of Truskavets, slowing resort infrastructure development, higher burden on the city’s utility infrastructure and inconveniences for residents.

Creation of a united territorial community consisting of Truskavets and the adjacent rural communities could be the

best option for further development of the sanatorium and resort centre, which makes it possible not to extend the surface area, but to employ the required resources (human, natural, material, financial) in a coordinated manner. However, at present, the community incorporation process came to a standstill. For this reason, steps, which would currently permit to solve a number of problems, particularly in terms of social and economic development, are suggested. First and foremost, this concerns the identification of common interests of the stakeholders and implementation of joint projects under inter-municipal cooperation agreements, including with local self-government agencies, which aren’t part of the sub-region (Drohobych, Boryslav, Skhidnytsia).

Local economic development agencies may be an important factor of the sub-region’s economic development, including promotion of its economic opportunities. Today, Truskavets has such institutions potentially prepared to achieve the relevant goals in partnership with the local self-government. However, they require support when it comes to institutional reinforcement and improvement of personnel qualifications.

Therefore, the areas of intervention (goals) within the operational objective “Development of Economic Cooperation within/outside the Sub-region” are as follows: creation of a system of mutually beneficial inter-municipal cooperation, including within the sub-region, and promotion and materialisation of the sub-region’s economic opportunities.

Objectives	Areas of the Implementation of Measures/Projects
<div><div>A2.1</div><div>Creating a system of reciprocally beneficial inter-municipal cooperation, including within the sub-region</div></div>	<div><div>1. Legal determination of the Truskavets boundaries and inventorying the sub-region’s resources</div><div>2. Development of the Bukovets Ski Centre (in cooperation with Boryslav Town Council)</div><div>3. Development of a concept and feasibility study for the construction of the Truskavets – Oriv cableway (in cooperation with Oriv Village Council)</div><div>4. Exploring the possibility of including the Pomirky Area in the sanatorium and resort programme (as agreed with Stanylia Village Council)</div></div>
<div><div>A2.2</div><div>Promotion and materialisation of the sub-region’s economic opportunities</div></div>	<div><div>5. Enhancing the capacity of the local Regional Development Agency in the implementation of the Sub-Region Development Strategy in partnership with the local self-government</div><div>6. Contributing to economic cooperation in the sub-region</div></div>

Operational Objective A.3. Development of Local Tourist Products and Promotion

Despite the developed system of the sanatorium and resort, and hotel sectors, the tourism and entertainment industry is lagging behind and is far from unlocking its tourist potential of the sub-region and the nearby culture and tourism centres.

The resort’s offer is clearly seasonal in nature. There are low season periods when a major part of the sanatorium and resort/hotel facilities aren’t used for the provision of services to the city’s guests. Along with medicinal tourism, Truskavets has developed material and technical resources for other types of tourism, in particular business, conference, excursional



tourism and potentially cultural, educational and entertainment varieties. At the sub-region’s level, these opportunities are amplified as a result of agricultural tourism, sports tourism, particularly in winter. All these tourist products have to be in the spotlight of both the Truskavets authorities and commercial companies operating in the sub-region.

It is important to emphasise that the traditional health product of Truskavets has to be supported by recreation focused on young and middle-aged people, who lead a healthy and active life. More and more people are choosing Truskavets for family recreation and treatment purposes. This segment of guests has to be taken into account as night clubs and playgrounds cannot seem to accommodate their needs.

Truskavets is famous not only for its mineral water. Old wooden villas and boarding guest houses constitute the architectural wealth of Truskavets. The Resort Park is the city’s true highlight. Conservation of the historical and architectural area of Truskavets and the Resort Park is another prospective area of the tourist products development.

The diversity of services offered to visitors is actively present on all top websites of the hotel and tourist industry operators, information portals, websites of sanatorium and resort institutions and hotels. This information is mostly not systemic and, therefore, not efficient. A tourist brand of the Truskavets city resort was designed in 2017. However, the disparate efforts of sanatorium and resort businesses and the city’s authorities cannot raise sufficient funds to roll out a comprehensive advertising campaign and promote the tourist brand in the new markets. Thus, it is logical to conduct the sub-region’s joint advertising campaign funded by both private businesses and national and local authorities. It is important for the city to be present in various implementation channels to benefit from opportunities to present itself in the market to the extent possible.

Therefore, the areas of intervention (goals) within the operational objective “Development of Local Tourist Products and Promotion” are as follows: tourism infrastructure development, development and diversification of tourist products, improvement of the historical area of Truskavets, sub-region’s tourism promotion.

Objectives



**Development of the tourist infrastructure**



**Development and diversification of tourist products**

Project Implementation Areas

- 1. Development of the sub-region’s tourism and entertainment development strategy
- 2. Development of the tourism and entertainment offer for various categories and age groups of guests and residents
- 3. Installation of a system of tourist signage in the sub-region, including in Truskavets: information stands, maps, itineraries, etc.
- 4. Support of the sub-region’s culture centres, including operational museums in Truskavets. Development of modern forms and types of their operation
- 5. Tourist and cultural mass events, including annual fairs, festivals, including artistic ones. Development of the annual calendar of cultural events
- 6. Support of the development of new tourist products to cater to specific visitor categories and age groups: agritourism, sports tourism, business tourism, entertainment tourism, etc.
- 7. Development of joint projects between the sub-region’s local self-government agencies under inter-municipal cooperation agreements



**Improvement of the condition of the Truskavets historical area**



**Promotion of the sub-region’s tourism**

- 8. Conservation of the historical architectural area of Truskavets
- 9. Solving the problem of development and construction in progress in the city centre of Truskavets
- 10. Restoring the infrastructure of the Truskavets Resort Park as a garden art landmark
- 11. Working out the marketing strategy for the development of the resort and consolidation of the sub-region’s sanatorium and resort centres and implementation of the relevant action plan

4.2. Strategic Objective B. Quality Life Area

The quality of the residents’ living standards is a prerequisite for the development of human capital and, at the same time, the means and goal of enhancing the strategic objective “Economically Developed Health and Tourism Area,” as well as the sub-region’s competitiveness at the regional and national levels. The quality improvement of the residents’ living standards is one of the key factors of the evolvement of the sub-region’s development economic component as it helps raise investment and acquire labour resources, intellectual capital, increase the sub-region’s number of guests (visitors, tourists) by ensuring comfortable conditions and a safe living, work and rest environment for residents and guests, and, on the other hand, counter the outflow of human and financial capital abroad.

The main advantages relating to the life quality in the sub-region include: well-known resorts and mountain areas attractive for tourists; a large array of recreation resources, in particular, mineral sources; a considerable healthcare, tourist and cultural potential; a high level of the population’s education; developed international cooperation; a lower level of the industrial pollution of the environment as compared to the region’s other areas; a developed network of the social infrastructure facilities: educational, healthcare and cultural institutions; the homogenous ethnic composition with a strong patriotic and religious sentiment oriented toward Ukrainian traditions and EU integration.

However, there are problems that limit the sub-region’s development potential prospects. The most obvious problems impeding the development include: an bad demographic situation, which has been demonstrating negative indicators over the last few years – the natural growth has been declining steadily; the population’s low buying capacity; educational services don’t meet the regional labour market demand; low revenues of rural households and low salaries of the staff employed in the sanatorium and resort area; an insufficient number of sports infrastructure facilities; an unsatisfactory technical condition of roads; a lack of financial resources in local budgets, particularly in some remote village councils; unsolved problems with solid domestic waste management, local environmental problems; safety of residents; considerable disparities in the development of the sub-region’s administrative and territorial units and obstacles to the process of their incorporation.

It is important to note that positive changes in improvement of the living standards of the sub-region’s population, in particular in rural areas, are associated with the decentralisation of public authority and local self-government development. An increase in the solvency, staff potential and management autonomy of local self-government will contribute to the development of human potential and improve the population’s social, economic and environmental

living standards.

With reference to the above factors, the strategic objective “Quality Life Area” highlights several key factors that can improve the sub-region’s population’s life quality:

- development of the utility and road infrastructure
- development of social services
- public space and social life development
- safety of the area and its residents

**Operational Objective B.1. Development of the Utility and Road Infrastructure**

Truskavets currently faces problems associated with its inability to use the existing utility infrastructure and utility systems to meet the growing demand of the local population and guests. A dilapidated condition of utility facilities in Truskavets results in serious losses of drinking water (30%) and its quality. The water supply problem in Truskavets is exacerbated by the situation surrounding the artificial reservoir created in 1960 as a temporary source of drinking water and a bad condition of the reservoir’s water treatment facilities. The sub-region’s water disposal system is in an unsatisfactory condition as well, since the utility system is worn out by 70%, while the water disposal system covers 80% of buildings in Truskavets and is not available in the sub-region’s rural communities at all. For this reason, it is urgent to replace the water and sewage systems in Truskavets, develop them (design solutions are available) and create a water disposal system in the sub-region’s rural communities.

Similarly to Ukraine’s other areas, the quality of roads and increasing traffic, particularly via Truskavets, are a problem the sub-region has to deal with. Despite considerable financial resources allocated for road repairs in the mountain areas and particularly in the sub-region, the condition of the road infrastructure remains poor as compared to Lviv Region’s other areas. Besides, given a large number of guests staying in Truskavets and the adjacent rural communities, close proximity to neighbouring Drohobych and Boryslav, and the future integration of the sub-region’s communities in a united territorial community, transport connections need to be improved and passenger transportation routes have to be optimised.

The electricity supply system, specifically, in terms of its uninterruptible supply and quality, is the sub-region’s another problem. Due to a karst hole near Stebnyk, Lvivoblenergo PJSC built a power supply line to the Truskavets-7 Substation with required technical re-equipment and improved the Truskavets electricity supply system; however, the problem of uninterruptible electricity supply and its quality remains largely relevant in Truskavets.

Therefore, the areas of intervention (goals) within the operational objective “Development of the Utility and Road Infrastructure” are as follows: upgrade of the water supply and water disposal system, sub-region’s transport accessibility and local transportation services, development of the road infrastructure and quality electricity supply.

**Objectives**



**Upgrade of the water supply and water discharge system**

**Project Implementation Areas**

1. Improvement of the quality of drinking water and the technical condition of the water supply systems in Truskavets and the sub-region’s communities, including through the implementation of joint projects under inter-municipal cooperation agreements
2. Rehabilitation of the sewage and wastewater treatment system in Truskavets
3. Development and implementation of an investment project for the



**The sub-region’s transport availability and local transportation**



**Development of the road infrastructure**



**Quality power supply**

construction of sewage systems in the sub-region’s rural communities on a step-by-step basis

4. Improvement of the transport connection with Ukraine’s other regions and other countries for Truskavets guests
5. Improvement of the level of municipal transportation services in Truskavets and the sub-region’s communities, as well as Drohobych, Boryslav, including by implementing joint projects under inter-municipal cooperation agreements
6. Optimisation of passenger transportation routes with allowance for the choice of relevant types of motor vehicles
7. Provision of access to transport (bus stations, stops) for people with special needs

8. Development and implementation of the Sub-region’s Road Construction, Upgrade, Repair, and Maintenance Funding Programme
9. Development of an investment project for the construction of the bypass road in Truskavets

10. Implementation of measures to ensure quality electricity supply to the sub-region’s communities on a step-by-step basis
11. Upgrade of electricity supply facilities in Truskavets to ensure uninterruptible stable voltage electricity supply

**Operational Goal.2. Development of Social Services**

A highly developed social infrastructure is a prerequisite and a driving factor for the improvement of the residents’ living standards, acceleration of social and economic development and transition to market economy. Social infrastructure has an impact on reproduction of labour through the development of physical and intellectual labour skills, creation of conditions for the improvement of the level of education, qualification, culture; improvement of residential and employment conditions, and recreation options.

An important strategic objective of the sub-region and Ukraine in general is acceleration of the social infrastructure development, the role of which in the society’s economic life used to be underestimated. The social area of activities at the regional level consists in the implementation of reasonable forms of organisation of the residents’ living experience in terms of employment and residential conditions, leisure, individual development, life renewal, population restoration. This area encompasses education, healthcare, housing and utilities, culture, domestic services, sports and business.

The funding of social facilities is currently a rather complicated and sensitive issue. Most of such facilities offer their services in the non-commercial sector and, accordingly, their operations don’t generate profits, but are aimed at ensuring social effects from their services. Among the economic activities pertaining to the social area, only wholesale and retail trade outlets, accommodation and catering organisations may function and provide quality services independently without public financial support. The rest of the social infrastructure facilities require the financial support

of the government and local authorities. As the applicable mechanism of funding the social area fails to yield desired results, it is urgent to come up with new ways of financial social facilities.

Education helps improve the general level of the population’s competences and culture and ensures that all the sectors of the national economy have qualified workforce; thus, it constitutes an important element of labour reproduction. In general, the sub-region shows an uneven dynamics of the network of pre-school educational institutions: whereas 96% of children in Truskavets are covered by pre-school education services, only 42% of children are covered by such services in the sub-region’s other communities. Therefore, the strategy’s priority goal is to increase the percentage of children in the rural communities covered by pre-school educational services.

The sub-region’s networks of general educational, healthcare and social facilities are largely well-balanced. However, due to the ongoing reform in Ukraine’s social area, the sub-region’s social infrastructure will need regular attention and concentration on the optimisation of the network of institutions, improvement of the efficiency of using public funds and stimulation to use other funding sources: sponsorship, paid services, business operations, etc.

As energy resources are going up in price, the costs of maintenance of municipal buildings, primarily those accommodating public institutions, will make public expenditures grow. In 2017, the Heat Supply Reform Programme, under which the heating systems of the blocks of flats in Truskavets had to be decentralised, was completed. Under the Programme, blocks of flats were cut from the central heating system. Next on the agenda is the gradual implementation of the investment project to reduce the electricity consumption level by the municipal and publically owned institutions that fail to meet the applicable energy saving standards, which will require a number of energy audit measures and subsequent implementation of a set of energy saving measures.

Special attention should be paid to mass sports development in the sub-region. The existing mass sports system, particularly in rural communities, faces a number of unsolved issues: a low level of material and technical resources for physical education and sports activities, lack of sports equipment, modern sports facilities and a low level of support, insufficient staffing. At the same time, the largest number of sports facilities is concentrated in Truskavets, where the Sportovets Children and Youth Sports Club operates. The existing Sports Field Regional Programme considerably improved the situation as it made it possible to install about 600 modern sports fields in the region, particularly in rural communities. However, there is no modern stadium in the sub-region. For this reason, the strategy focuses on the construction of a stadium in Truskavets, which would host sports and cultural events.

Therefore, the areas of intervention (goals) within the operational objective “Development of Social Services” are as follows: development of formal and informal education, energy efficiency in the utility sector, improvement of the social security system at the local level and mass sports development.

Objectives



**Development of formal and informal education**

Project Implementation Areas

- 1. Increased availability of pre-school education services for children in the sub-region’s communities
- 2. Optimisation of the system of the sub-region’s general educational institutions



**Energy efficiency in the public utility area**

- 3. Development and step-by-step implementation of an investment project for the sub-region’s sustainable energy development – rehabilitation (thermal insulation) of facades of buildings, street light networks, heating systems based on renewable energy sources



**Improvement of the social security system at the local level**

- 4. Rationalisation of the sub-region’s social security system as part of the decentralisation reform (optimisation of the network of institutions and organisations providing social and rehabilitation services, raising the population employment rate, etc.)



**Development of mass sports**

- 5. Preparation of cost estimate documentation for a stadium in Truskavets for sports and cultural events
- 6. Installation of sports fields with fitness equipment in Truskavets and grass pitches in the sub-region’s rural communities
- 7. Support of mass sports events in the sub-region

**Operational Objective B.3. Public Space and Social Life Development**

Given the status as a well-known and popular and intensively developing balneological resort and the fact that the number of guests is growing from year to year, the city and the adjacent rural communities, just as the sub-region in general, face a major issue with the creation of quality public spaces for both visitors and residents. Truskavets and particularly the rural communities currently experience a clear lack of modern recreation areas, space for pedestrians and cyclers, which would be convenient and safe for parking motor vehicles, public WCs, advertising media, etc.

In this respect, the strategy aims at not only increasing the number of modern public places in the sub-region’s communities, but also at changing public space development priorities for the community; switching from solving individual problems to a systemic approach to the development with due consideration of the interests of all of its residents and visitors; implementation of innovative technology; development of the community’s participation in the shaping of urban environment. The strategy determines approaches to the development of public spaces such as: availability of the infrastructure to cover initial needs; ensuring availability and equality in terms of access for all the population categories, including people with limited mobility; clear zoning and options for business operations in designated places; priority of pedestrian traffic over vehicle traffic.

The core principle here consists in the involvement of residents and, in case of Truskavets, also visitors, in the design of public spaces, which will help revitalise public and cultural life. This is why the Public Initiative Budget programme initiated by Truskavets City Council is of special relevance.

Cooperation of the communities of Truskavets and the adjacent village councils is an important tool of the strategy in terms of the development of public spaces and revitalisation of social life. This concerns both solution of the existing problems, in particular arrangement of a site for a new cemetery, repair of common roads, and the development of common prospective projects: Bukovets Skiing Centre, Truskavets – Oriv cableway, Pomirky Resort Area, etc.

Therefore, the areas of intervention (goals) within the operational objective “Public Space and Social Life Development” are as follows: creation of quality public spaces, availability of public facilities, revitalisation of public and cultural life.

Objectives



**Creation of high quality public spaces**

Project Implementation Areas

1. Development of a design code (visual style) of Truskavets. Creation of a regulation framework for advertising installations in public places
2. Development of a Truskavets urban space development concept and its implementation in compliance with reasonable urbanism principle (balance with the nature and traditions, public interaction, regional integration, etc.)
3. Arrangement of pedestrian and cycling spaces in Truskavets
4. Arrangement of convenient and safe parking areas for motor vehicles and bicycles
5. Installation of the required number of public WCs in Truskavets
6. Maintenance of the existing recreation areas in proper condition and development of new recreation areas in the sub-region’s communities
7. Solving problems with burial grounds by allocating an area for a new cemetery and a simultaneous construction of an access road to the existing cemetery and installation of a lighting system (with Stanylia Village Council)



**Availability of public facilities**

8. Provision of access to public institutions (schools, residential buildings, healthcare facilities, pharmacies, shops) and tourism facilities for persons with disabilities



**Revitalisation of public and cultural life**

9. Development of the programme *Budget of Public Initiatives* administered by Truskavets City Council

**Operational Objective B.4. Safety of the Area and Its Residents**

Safety is a key prerequisite of a comfortable environment, including urban environment. Safety factors may be approached from a number of perspectives: traffic safety, safety of cyclists and pedestrians in streets, protection against stray animals, prevention of offenses, environmental safety, industrial safety, fire safety, etc.

An urban environment is required to create good conditions for staying in it, bringing together residents and guests, offering options for leisure activities. Important safety factors in an urban environment are: street lighting, video surveillance, pedestrian areas without cars, navigation.

The sub-region’s environment is especially threatened by the consequences of former mining companies, particularly

Stebnyk GKHP Polimineral PJSC. Intensified activity of surface karst was reported in the 3rd range of the sanitary protection area of the Truskavets resort. In particular, in 2017 the Stebnyk – Truskavets-7 power transmission line was damaged due to a karst hole, as a result of which Truskavets was left without standby power supply.

The solid domestic waste (SDW) recycling problem is becoming rampant in the sub-region, particularly in Truskavets. SDW collection and disposal systems are in place in all the sub-region’s communities, but no SDW recycling systems and landfills are available. Therefore, there are problems with unauthorised waste disposal sites. The Truskavets municipal landfill in Stanylia is temporarily abandoned, and the authorities consider its reclamation. Solid domestic waste is transported from the sub-region’s communities to the landfills arranged in Boryslav and Bronytsia. Lviv Region has adopted the 2030 SDW Management Strategy, under which it is planned to arrange seven regional SDW landfills by 2022, one of which will accept SDW from the south-west area of Lviv Region, which includes the sub-region. This said, the SDW recycling problem is still relevant.

Therefore, the areas of intervention (goals) within the operational objective “Safety of the Area and Its Residents” are as follows: improvement of the safety system for residents and guests, sub-region’s environmental and industrial safety.

Objectives



**Improvement of the security system of residents and guests**

Project Implementation Areas

1. Implementation of the Safe City programme in Truskavets (systems of video surveillance cameras, offense and public threat alert system, “intelligent” stops and traffic lights, GPRS navigators, etc.)
2. Creation of asylums for stray animals



**The sub-region’s industry safety**

3. Revision and implementation of the Comprehensive Fire and Industrial Safety Programmes on a step-by-step basis
4. Study of the threats posed to the sub-region by the Stebnyk salt mines



**The sub-region’s environmental safety**

5. Conservation and development of the Resort Park, specifically in compliance with the Truskavets Comprehensive Municipal Environmental Programme
6. Conservation and rehabilitation of the natural heritage landmarks of the sub-region’s communities (inventorying green areas; development of park and square technical datasheets; enforcement of plant trimming regulations, etc.)
7. Rational use of water supplies of the Truskavets Lake as a source of drinking water and area of feeding the water table of the deposits of medicinal and brine water
8. Development and implementation of measures under the investment programme for management domestic solid waste in Truskavets and the sub-region’s communities
9. Solving the problem of water body pollution, including drinking water, in the sub-region



# 5 Strategy Alignment with Programme and Strategic Documents

The preparation of the 2028 Truskavets Sub-Region Development Strategy relied on the previous strategies and studies, which made it possible to evaluate the basic condition of the area development and prepare the document in compliance with other strategic documents.

Documents used:

- Truskavets Zonal Plan No. 693 dated October 12, 2017
- 2018 Truskavets Social and Economic Development Programme No. 866 dated March 29, 2018

The strategic planning system shall be also based on the agreed system of coordination of strategic planning processes at the central, regional and local levels. The 2028 Truskavets Sub-Region Development Strategy complies with the following regional strategies:

- 2020 Lviv Region Development Strategy and its 2019 – 2020 Implementation Action Plan No. 146 dated March 29, 2016;
- 2018 – 2020 Lviv Region Mountain Area Development Strategy No. 565 dated December 5, 2017;
- Sectoral Policy Support Programme – Ukraine's Regional Policy Support dated November 27, 2014.

## Alignment of the Operational Objectives of the Truskavets Sub-Region Development Strategy with the Operational Objectives of the 2020 Lviv Region Development Strategy

Operational objectives of the 2028 Truskavets Sub-Region Development Strategy	Operational Objectives of the 2020 Lviv Region Development Strategy															
	1.1. Investment s and businesses	1.2. High-tech industry	1.3. Science and innovation	2.1. Safety	2.2. Comfortable environment	2.3. Individual development	2.4. Clean environment	2.5. Decentralisation and local self-government	3.1. International cooperation	3.2. Cross border cooperation	3.3. Borderline infrastructure	4.1. Economy	4.2. Social standards	5.1. Tourism infrastructure	5.2. Conservation of architectural heritage and promotion of arts	5.3. Tourist products
	A.1. Development of a health resort hub and support service sector			X		X		X	X	X		X		X		
	A.2. Development of economic cooperation within/ outside the sub-region	X		X				X	X	X		X		X		
	A.3. Development of local tourist products and promotion	X				X		X	X	X		X	X		X	X
	B.1. Development of the utility and road infrastructure	X				X		X			X		X			



B.2. Development of social services					X	X		X				X	X				
B.3. Public space and social life development					X	X						X		X	X		
B.4. Safety of the area and its residents	X				X	X		X				X	X				

**Alignment of the Operational Objectives of the Truskavets Sub-Region Development Strategy with the Goals of the 2018 – 2020 Lviv Region Mountain Area Development Strategy**

Operational objectives of the 2028 Truskavets Sub-Region Development Strategy	Goals of the 2018 – 2020 Lviv Region Mountain Area Development Strategy															
	1.1. Improvement of the infrastructural appeal of the area	1.2. Contribution to the development of traditional and prospective economic operations	1.3. Market infrastructure development	1.4. Capacity building of the local self-government	2.1. Social infrastructure development	2.2. Utility sector development	2.3. Local road infrastructure development	2.5. Decentralisation and local self-government	3.1. Support and development of cultural centres	3.2. Historical, natural and cultural heritage protection	3.3. Development of arts and crafts	4.1. Environmentally friendly forest management	4.2. Bio and landscape diversity protection	4.3. Development of the SDW collection, processing and recycling system	4.4. Water eco-system protection	4.5. Rational use of natural resources of the Ukrainian Carpathians
A.1. Development of a health resort hub and support service sector	X	X	X												X	X
A.2. Development of economic cooperation within/outside the sub-region		X	X	X		X		X				X				X

A.3. Development of local tourist products and promotion	X	X								X	X					
B.1. Development of the utility and road infrastructure	X					X	X									X
B.2. Development of social services	X				X	X				X						
B.3. Public space and social life development			X	X	X					X				X	X	
B.4. Safety of the area and its residents								X		X		X	X	X	X	X

**Alignment of the Operational Objectives of the Truskavets Sub-Region Development Strategy with the Areas of the Sectoral Policy Support Program – Ukraine’s Regional Policy Support**

Operational objectives of the 2028 Truskavets Sub-Region Development Strategy	Areas of the Sectoral Policy Support Program – Ukraine’s Regional Policy Support																	
	1.1. Development of favourable investment climate	1.2. Trade potential development	1.3. Support of businesses	1.4. Innovation support	1.5. Development of the investment support infrastructure	2.1. Diversification of businesses	2.2. Life quality improvement in rural areas	2.3. Creation of conditions for social development	3.1. People	3.2. Institutions and networks	4.1. Tourism potential improvement	4.2. Cultural heritage conservation	4.3. Marketing of tourist potential	5.1. Creation of conditions for interregional cooperation	5.2. Development of an attractive image of regions	5.3. Promotion of interregional and intraregional economic integration	6.1. Development of rural areas	6.2. Creation of conditions for the development of mountain areas
A.1. Development of a health resort hub and support service sector	X	X		X	X	X		X	X							X	X	

A.2. Development of economic cooperation within/outside the sub-region	X		X	X	X	X				X	X		X			X	X	X
A.3. Development of local tourist products and promotion	X		X			X		X	X	X	X	X	X	X	X	X		X
B.1. Development of the utility and road infrastructure							X											X
B.2. Development of social services							X	X						X		X	X	
B.3. Public space and social life development								X				X						
B.4. Safety of the area and its residents							X	X										

# 6 Strategy Implementation and Monitoring

## Strategy Implementation System

Implementation of the Strategy’s objectives implies the simultaneous achievement of many goals by different partners: the executive bodies of Truskavets City Council, public institutions, municipal companies, non-governmental organisations, as stated in the Strategy Implementation Action Plan. As a result, the officials of the Truskavets City Council need to put in place an efficient process management. The Strategy Management System has three levels: political, organisational and public.

The political level shall be supervised by the President of the Truskavets City Council personally, the Executive Committee and deputies. The key role is assigned to the President of the City Council (hereinafter referred to as the “Mayor”). They shall be in charge of stimulation and coordination of the implementation of goals by different players, as well as mobilisation and pooling of resources available to them to achieve the strategic objectives and goals, which will enable the implementation of the community’s development vision developed as a result of joint efforts. Additionally, the Mayor’s role shall include the representation of the sub-region’s interests outside the sub-region in order to achieve the objectives and goals of the Strategy.

The organisational level of management and monitoring shall be the responsibility of the relevant body: the Strategy Implementation Management Committee. The Committee shall be constituted in compliance with the Mayor’s order and shall include the representatives of the most important stakeholders of the Strategy’s planning and implementation process: representatives of Truskavets City Council, businesses, non-governmental organisations and businesses that were involved in its development. The Implementation Management Committee alone shall be in charge of the implementation of the projects and measures contemplated by the Strategy.

As no legal regulations applying to cooperation of the sub-region’s entities (Truskavets City Council, four village councils: Dobrohostiv, Modrychi, Stanylia and Ulychne in Drohobych District and Oriv Village Council in Skole District) were in effect when the Strategy was developed, the Truskavets Sub-Region Development Strategy will have to be updated on a regular basis. Cooperation is currently enabled by inter-municipal cooperation agreements and, in the future, within the created united territorial community. Furthermore, some projects will be completed while others will be replaced. It is necessary to carefully monitor the implementation of the Plan and adjust it according to any changes in the situation. The Strategy Implementation Management Committee shall be responsible for the relevance and feasibility of the strategic and operational objectives and their achievement.

The public level shall consist in the promotion of the Strategy objectives among the residents and other stakeholders and the latter’s incentivization to take part in the implementation of such objectives. The key participants in the process

are the sub-region’s residents, guests, all public institutions operating in the sub-region, businessmen, potential investors, non-governmental organisations, informal groups, the government authorities, and local self-government agencies of the neighbouring communities.

**Stages, Mechanisms and Financial Support of Strategy Implementation**

The Strategy implementation methods imply determining priorities for achieving its goals. It is important to implement the Strategy within two consistent and interrelated programme cycles (stages) included in three Implementation Plans:

- first – 2019–2021
- second – 2022–2024
- third – 2025–2027

The Strategy shall be implemented in reliance on the modalities of the procedure for the development, monitoring and evaluation of the results of implementation of regional development strategies as directed by the Cabinet of Ministers of Ukraine. A number of objectives and goals of the Strategy were developed with reference to the anticipated constitutional and legislative amendments relating the organisation of public authority, administrative and territorial system, budget decentralisation and new forms of the government support of regional development. They shall be implemented to the extent that and when relevant changes are implemented.

The objectives and goals of the Strategy shall be achieved and implemented through specific projects and measures as per to the Project Implementation and Goal Achievement Plan. The Plan shall further determine the main implementators. Projects and measures included in the Plan shall serve as reference in the process of preparation of annual programmes of the social and economic development of the sub-region’s entities and local budget projects.

The need to update or revise specific elements of the Strategy shall assessed every 3 years on the basis of the Strategy monitoring results with due consideration of new trends and circumstances that may arise and the impact of external and internal factors.

The implementation of the Strategy shall be funded by and from:

- the National Regional Development Fund;
- dedicated industry-specific (inter-industry) government programmes and budget programmes of the central executive authorities allocated for the development of relevant sectors in the regions;
- subventions, other transfers from the national budget to local budgets;
- local budgets;
- international technical aid, international financial organisations;
- internal and external investors.

**System of Indicators of Strategy Implementation Monitoring**

The Strategy is a document that may be adjusted to align with the changing circumstances. Members of the Implementation Management Committee, similarly to the residents involved in the process of the development of the Strategy, are required to make sure that the strategic and operational objectives and goals be updated and implemented. The Implementation Management Committee shall meet on a quarterly basis to evaluate the results achieved and revise the proposed amendments to the Strategy. Draft resolutions on amendments to the Truskavets Sub-Region Development Strategy shall be discussed and approved by the City Council and the five village councils of the sub-region’s entities (within their competences).

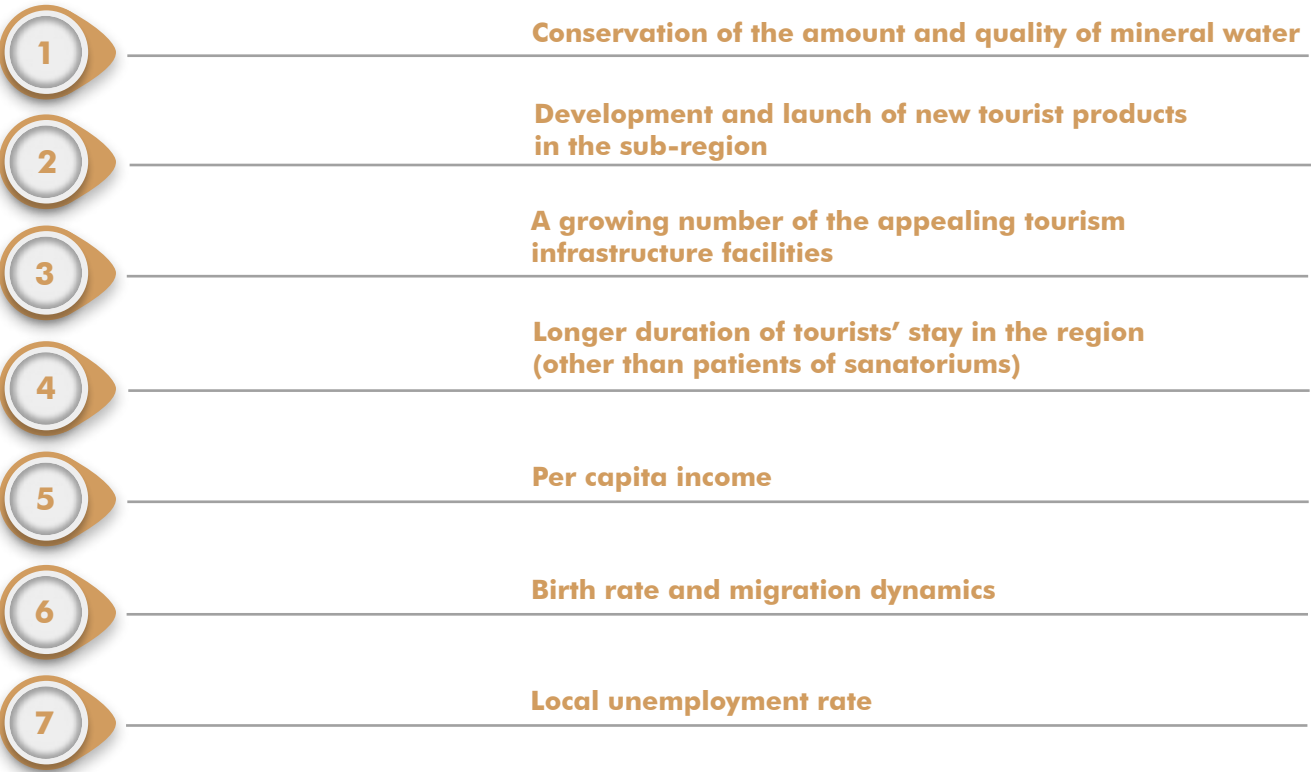
*Monitoring Levels*

The Strategy implementation monitoring indicators shall be divided into achievement indicators: Vision; Strategic

Objectives; Operational Objectives. It is expected that the development of the achievement indicators for Strategic Objectives will be sufficient.

The implementation of the Strategy aims at achieving the strategic vision: “Truskavets is a health capital and a leader among the world’s balneotherapeutic health resorts offering unique Naftusia mineral water. The Western Ukrainian centre of medical and cultural tourism, sports, beauty and longevity, with a developed infrastructure, high social and economic standards.” In this vision, the key parameters describing the quantitative and qualitative indicators of its achievement shall be monitored. Such indicators include:

**General indicators**



Similarly to the general monitoring of the implementation of this strategic vision, implementation of the strategic objectives shall be monitored as well. The main quantitative indicators of each strategic objective for the monitoring period shall include:

Strategic Objective A. Economically Developed Health and Tourism Area

1	Scope of economic interaction in the sub-region
2	% of return visits
3	Number of events (festivals, events, etc.)
4	Number of tourists per year
5	Extension of the list of the countries, from which tourists come

Strategic Objective B. Quality Life Area

1	% of treated waste
2	% of thermally upgraded municipal facilities
3	% of facilities with drinking water complying with the public standard and available for use
4	% of waste reused as recyclable materials
5	Number of newly created public spaces

6	% of young people involved in regular sports activities
7	Number of registered offences
8	Average duration of a trip between the sub-region’s communities

Similarly to the monitoring of the implementation of strategic objectives, implementation of the operational objectives shall be monitored as well. The main quantitative indicators of each operational objective for the monitoring period shall include criteria arising from the list of projects to be implemented in the process of implementation of each operational objective.

List of Potential Criteria for the Evaluation of the Implementation of Operational Objectives

- Number of created parking lots
- Average duration of the tourists’ stay (days)
- Number of tourists per year
- Local unemployment rate
- Distance to the closest public transport stop
- Average time of waiting for a public transport
- Safety level in the area as compared to other areas
- Average distance between rubbish containers
- Average distance between public WCs
- Percentage of permanent jobs in the tourism area
- Percentage of businesses operating throughout the year
- Percentage of return visits by tourists
- Ratio of tourists to local residents
- Percentage of residents convinced that tourism helps develop the infrastructure and services
- Number of residents employed in the tourism and resort service sector
- Average electricity consumption per person as compared to other regions
- Percentage of businesses and households using alternative energy sources
- Percentage of facilities equipped with (own or central) a waste treatment system
- Percentage of facilities with drinking water meeting sanitary standards
- Percentage of recorded diseases associated with water or food quality
- SDW weight per resident
- Percentage of waste used as recyclable materials
- Percentage of waste (rubbish) in public places
- Percentage of the area where compliance with the approved improvement and construction density

- regulations, etc. is monitored
- Number of parking lots for tourist coaches near visited facilities
- Number of tourist (network) products launched in the area
- Number of recently built tourist facilities
- Number of facilities that can receive people with disabilities
- Percentage of personnel aware of and able to interact with people with disabilities
- Value of investments indirectly associated with the tourist industry
- Number of international tourist products
- Percentage of personnel with specialised training in the area of hotel, restaurant and tourism businesses
- Number of people employed in the tourist industry
- Number of tourists that responded to new promotional products
- Length of recently built roads
- Length of repaired roads
- Length of recently built water supply pipelines
- Length of recently built sewage and rain drainage networks
- Number of festivals and events with a tourist appeal
- Number of trained guides, tour guides
- Number of organised press tours
- Number of TIC and website visitors

**Strategy Implementation Monitoring Reporting**

The annual report shall include a list of key indicators for each strategic and operational objective, information on the achievement of each objective and evaluation of options to achieve approved objectives for a three-year planning cycle.

The final monitoring report for a three-year planning cycle covering the indicators included in the annual reports shall contain the general evaluation of the efficiency, outcome and stability of the deliverables achieved.

Monitoring reports shall be public documents and may be used to detail the goals and budget programmes of the Truskavets City Council and the five village councils of the sub-region’s entities (to the extent of their involvement in the implementation of the Strategy) and shall be approved by the above councils in the year following the financial year.

The monitoring report form shall be provided and the officer responsible for its preparation shall be designated by the Truskavets City Council with reference to its powers and structure.



