



National Project Steering Committee Minutes

Wednesday, March 28, 2007; 14:00-16:00
Ukrainian House, Kyiv, Ukraine

1. Call to Order

Andrew Farncombe, RGD Project Director, International Partnerships, Canadian Urban Institute, called the meeting to order.

2. Welcoming Remarks

Andrew Farncombe welcomes the participants. He notes that the meeting is co-chaired with the Ministry of Economy of Ukraine. The co-chair is Svitlana Verkhoglyadova, Deputy Head, Department for Regional Development, Ministry of Economy of Ukraine. Mr. Farncombe stresses that the purpose of the meeting is to summarize the activities accomplished during the second fiscal year and endorse the annual work plan for the period 1 April 2007 – 31 March 2008. He says that it is remarkable what have been achieved during the second fiscal year of project implementation. In particular, he mentions public engagement around the development of Regional Development Strategies; partnership established between Western Economic Diversification Canada which is one of Regional Development Agencies in Canada with the Ministry of Economy of Ukraine; two important linkages between regions in Ukraine and Canada, namely Zakarpattia and Niagara (tourism and wine production region), and Zaporizhzhia and Waterloo (industrial heartland). RGD project also continues preparation of policy pieces engaging Canadian, CEE and Ukrainian experts as a two-way learning process that increases capacity of both sides. Mr. Farncombe stresses that the third fiscal year is focused on moving from planning to implementation. At the end, he thanks the Government of Canada for financial and methodological support, as well as the Ministry of Economy of Ukraine, Oblast State Administrations and Oblast Councils, and volunteers (experts from Canada and CEE countries, interns etc.)

Svitlana Verkhoglyadova, Deputy Head, Department for Regional Development, Ministry of Economy of Ukraine, welcomes the participants. She is pleased with the state of strategic planning in RGD pilot oblasts: in Zakarpattia Regional Development Strategy until 2015 has been approved and in Zaporizhzhia there is active work on Strategy elaboration. The approval of Zakarpattia Regional Development Strategy provides the oblast with an opportunity to enter into regional agreements with the Cabinet of Ministers of Ukraine. Mrs. Verkhoglyadova thanks to the Government of Canada for financing the RGD Project and allowing for the exchange of knowledge and experience. She stresses that she also participated in one of the study tours to Canada, which provided her with a great amount of new information and experience. She notes that the RGD project has been successful and hopes to achieve more success during the following years of project implementation.

Ernest Nuser, Head of Main Department for European Integration, External Economic Relations and Tourism, Zakarpattia Regional State Administration, on behalf of Zakarpattia Oblast State Administration and Zakarpattia Oblast Council thanks the Canadian Urban Institute for giving Zakarpattia oblast the opportunity to participate in the RGD project. He also thanks Canadian, Kyiv and Zakarpattia project teams for their support. He suggests discussing issues related to project plans for the third year.

Olexandr Sin, Advisor to the Head of Zaporizhzhia Oblast State Administration, Deputy Head of RGD Zaporizhzhia Regional Steering Committee, thanks Canadian and Kyiv project offices on behalf of Zaporizhzhia Oblast State Administration and Zaporizhzhia public for support and consistency in project implementation. He stresses that Zaporizhzhia oblast experienced leadership change. Volodymyr Kaltsev became the First Deputy Head of

Zaporizhzhia Oblast State Administration and he will be a head of Zaporizhzhia Regional Project Steering Committee. Mr. Sin also stresses that for the third year it is very important to find ways for implementation of regional development priorities. He notes that the Project is very active and has a very promising future.

Tamara Romas Figol, Second Secretary, Development, Canadian Embassy, passes regards from Doris Wong, Councillor, Head of Technical Cooperation Section, who was not able to attend the meeting due to technical missions that are currently taking place. She stresses that the Project achieved a lot and she hopes to be able to see the progress on the ground. With regard to donor coordination, Mrs. Romas Figol congratulates Zaporizhzhia oblast for donor coordination, in particular with the DFID and USAID funded projects. She stresses that a donor coordination group on regional development was established by the Ministry of Economy of Ukraine and it holds its first meeting today. Hence, more information on various projects operating in the regional and local development spheres will be available. Mrs. Romas Figol briefs the participants on the Programming Concept Paper for 2007-2011 that is an outline for CIDA's programs in Ukraine. She notes that currently technical missions on various issues are taking place. In particular, in January a technical assistance mission on agriculture and private sector was held. Currently a mission focused on the rule of law is underway, and a mission on decentralization is expected to take place at the end of May.

3. Review and approval of minutes from PSC meeting, 9 November 2006

Mr. Farncombe asks the participants to review the minutes of the previous PSC meeting and to raise any questions or comments if necessary. Since there are no questions, Mr. Farncombe makes a motion to accept the minutes. Everybody is in favour, nobody opposed. Mrs. Nosa seconds and the motion passes.

4. Summary of progress towards results and overview of project achievements in November, 2006 to March, 2007 and presentation of the Work Plan for the third year

Yuri Polianski, RGD Ukrainian Project Manager, delivers a presentation on the major achievements and lessons learned over the course of the second fiscal year and plans for the third fiscal year. He points out that the second year of project implementation ends at the stage of approved Regional Development Strategy for Zakarpattya Oblast and formulated vision, mission and strategic priorities for Zaporizhzhia oblast development. He notes organizational achievements, focusing on establishment and ongoing work of regional and local working groups, as well as expert working groups and Canadian youth internships with the project. Among programmatic results Mr. Polianski highlights the following: completion of policy pieces on CEE experience with regional development, current institutional arrangements in Ukraine, tools for overcoming economically depressed territories, state financial support to regional development in Ukraine, approval of Regional Development Strategy for Zakarpattya Region until 2015, Mission, Vision and Strategic Priorities for Zaporizhzhia Oblast Development, holding of placements of strategic planning experts to Canadian regions Niagara and Waterloo, holding of National and regional forums on regional governance and development. Speaking about plans for the next fiscal year, Mr. Polianski notes that trainings for the Ministry of Economy staff on issues that have been studied by the project earlier, namely overcoming economically depressed territories, state financial support to regional development, monitoring and evaluation will take place with the trainers representing Western Economic Diversification Canada. Also next year the project, jointly with DFID, will hold training for regional specialists on preparation of European standard proposals for capital investment grants, as well as strategic planning workshops in pilot oblasts' rayons. With regard to the study tours, the project will focus on concrete research of specific issues, collection of legislative acts to be further used in Ukraine. Hence, study tours to Canada and CEE countries are envisaged to be held, as well as missions of Waterloo and Niagara specialists to Zaporizhzhia and Zakarpattya. He notes that next year a set of demonstration projects within the framework of regional strategic priorities (five in Zakarpattya and three in Zaporizhzhia) will be implemented. Criteria for selection of these projects will include co-financing, consistency with regional strategic priorities, and practical result in a long-run perspective. The RGD project will continue assisting Zaporizhzhia oblast in elaboration of its development strategy and will assist in elaboration of operational plans within priorities identified by Zakarpattya and Zaporizhzhia oblasts. Mr. Polianski stresses that this annual work plan is a result of discussions with the Ministry of Economy of Ukraine and project regional partners.

5. Summary of activities in the project pilot regions

Iryna Lekh, Zaporizhzhia Oblast Project Manager, delivers a presentation on the major achievements of the RGD project in Zaporizhzhia region from October 2006 to March 2007. She stresses that unlike Zakarpattya oblast, Zaporizhzhia oblast followed initial time frame for strategy development that was elaborated within the project. She points out that while elaborating a vision for regional development a number of workshops were held in rayons and cities of Zaporizhzhia oblast, as well as discussion clubs in Zaporizhzhia University. She also admits the success of the regional forum in Zaporizhzhia that gathered all mayors of Zaporizhzhia oblast cities who had an opportunity to

discuss different experiences. A very important thing to note is that the city of Energodar has started its strategic planning process as a result of RGD project activity in Zaporizhzhia region. Mrs. Lekh also points out the SWOT workshop after which strategic planning experts identified major directions for Zaporizhzhia oblast development and held thematic round tables on each area. A number of oblast competitions took place within the framework of strategic planning process, namely a competition on best children drawing, best essay, best logo of regional development etc. After the priorities setting workshop in March 2007 three major priorities have been selected, in particular, ecology; historical, cultural, recreation and tourist; and innovative investment. She also notes a placement of strategic planning experts from Zaporizhzhia oblast to Waterloo, Canada that strengthened an informal partnership established between Zaporizhzhia region in Ukraine and Waterloo region in Canada. A press conference to share experience on the study tour is scheduled for the following month. She also stresses that donor coordination has strengthened through organization of joint workshops and round tables. Now Zaporizhzhia Oblast State Administration will coordinate the activity of all international projects that operate in the region.

Natalia Nosa, Zakarpattia Oblast Project Manager, delivers a presentation on results of RGD project activities in Zakarpattia region achieved by March 2007. She notes that an expert working group on formulation Regional Development Strategy for Zakarpattia oblast was established. Five inter-rayon workshops, one Regional forum and one SWOT analysis workshop were held. At the SWOT analysis workshop a vision, mission and strategic priorities for Zakarpattia oblast development were approved. Regional Strategy for Zakarpattia Oblast Development until 2015 was approved by Zakarpattia Oblast Council on 28 December 2006. Short demonstration version of the Strategy was prepared and sent to RGD international experts for international expertise. Mrs. Nosa stresses that thanks to RGD project with its expert support, Zakarpattia region has a Strategy document that goes in line with European standards and is competitive. Given that with the same Decree the head of Zakarpattia Oblast Council instructed rayon and city administration to prepare rayon and city-level strategies until July 2007, RGD strategic planning experts for Zakarpattia region facilitated five inter-rayon workshops that resulted in elaboration of draft visions, missions and strategic priorities for the rayons and cities which participated in these workshops. She also notes that a study tour to Canada for strategic planning experts was organized and successfully held. It also contributed towards developing a partnership between Zakarpattia region in Ukraine and Niagara Region in Canada. Among next steps in RGD project activities in the region, Mrs. Nosa mentions holding a competition on best logo and motto for strategic planning process, formation of operational plans within the framework of a Regional Strategy, implementation of demonstration projects within the strategic priorities and support for the development of rayon and city strategic plans.

6. Discussion

Mr. Farncombe invited the participants to give their comments and suggestions, and opened the floor for discussion.

Olexandr Sin raises issues that in his opinion are necessary to take into consideration during the third fiscal year. He stresses that it is important to strengthen vertical cooperation between the regions and the Ministry of Economy of Ukraine. He suggests inviting representatives from the regions to the roundtables where policy recommendations and policy pieces prepared within the framework of the RGD project are presented. Mr. Sin passes the question from Volodymyr Kaltsev, First Deputy Head of Zaporizhzhia Oblast State Administration, that the public is interested in getting information on what can be financed/covered by the project and what cannot. Mr. Sin stresses that currently Zaporizhzhia oblast is at the stage of elaboration of a Strategic Plan for development and it is very important to have the same experts working and giving their advice. In particular, it is very desirable that Dr. Tibor Frank leads this process in Zaporizhzhia region since he has been involved into strategic planning process from the very start of the project and knows the situation. Mr. Sin also notes that even taking into account that RGD project is very active in the region, broad public is not aware of strategic planning process in the region. Zaporizhzhia oblast asks to allocate more finances for mass media coverage. It is very important that the public feels that it is a part of strategic planning process and the Strategy document is owned by them and is for them.

Ernest Nuser stresses that the RGD project has done a lot in Zakarpattia region and its work is very positively assessed by the oblast. Given the work already accomplished, several lessons are learnt that are necessary to be taken into consideration during the third year. Firstly, it is necessary to understand that the project assists to the region and not vice versa. Secondly, within the framework of RGD project's capacity building component, it is necessary to establish an agency for territorial development according to Western standards, and the Ministry of Economy of Ukraine should put it under respective legislative act. Thirdly, with regard to the partnership established between the Niagara region in Canada and Zakarpattia region in Ukraine, the cooperation agreement should be signed. Fourthly, with regard to workshops and conferences on strategic planning, Mr. Nuser stresses that Zakarpattia oblast experienced plenty of such kind of events and, therefore, it is necessary to reduce number of workshops and focus on more practical approach, for example elaborate a package of investment projects for the region or held Ukrainian-Canadian Economic Forum. Fifthly, it is necessary to make the work in rayons more

concrete. May be it would be good to select a couple of rayons to work in. The region needs more expert assistance. Sixthly, the region would like to know what activities can be covered by the project and what cannot.

Yuri Tretyak, Executive Director, National Association of Regional Development Agencies, asks the project whether it will scale up its activities into other oblasts of Ukraine.

Larysa Pekarska, Deputy Head, Department for International Technical Assistance Coordination, Ministry of Economy of Ukraine, stresses that it is necessary to share RGD project's experience with other oblasts in Ukraine. She also mentions that with regard to donor coordination, a regional development donor coordination group has been established which will make an inventory of all projects that operate in this sphere and will plan where donor support is the most need. She also remarks that information about all donor-funded projects is available on the Ministry of Economy website. Mrs. Pekarska also notes that she participated in the workshop in Zaporizhzhia and saw that Zaporizhzhia authorities are very much interested in donor coordination. With regard to Zakarpattia oblast, she mentions that this region has an extensive experience of international projects on economic development and trans-border cooperation and, therefore, she supports Mr. Nuser in his view that Zakarpattia region needs more practical expert assistance rather than holding seminars and conferences.

Svitlana Verkhoglyadova adds that a workshop for the heads of chief economic departments of regional administrations will be held in April, where information on international projects operating in the sphere of regional and local development will be provided.

Larysa Pekarska stresses that it is desirable that Cherkassy, Vinnytsia and Volyn regions share their experience at this workshop.

Andrew Farncombe, answering to questions raised earlier, says that with regard to vertical cooperation, its reinforcement is one of the project's objectives; therefore, the project applies and will continue to apply efforts to do this. He notes that the project budget will be shared with the project partners. He stresses that he has received letters from both oblasts regarding Dr. Tibor Frank's role in the project and will try to ensure his active participation in future project activities. With regard to mass media coverage, Mr. Farncombe refers to the Project Implementation Plan where mass media component is described. He agrees that the project works for the regions and not vice versa. Regarding scale-up of the project, Mr. Farncombe stresses that it is necessary to stay focused because if the project spreads to much, we will not be able to achieve results. With regard to Zakarpattia region, he notes that there will be fewer active workshops but more partnership work.

Chris VanDooren, RGD Project Manager, adds that it is important to take into consideration the fact that it was the first year of project operation in the regions. Hence, more extensive exchange of experience with other oblasts of Ukraine will happen later. Answering to Mr. Nuser's question regarding signing the agreement between Zakarpattia region and Niagara region, he stresses that it could not be done last year because there were elections. He notes that next year the RGD project will apply more efforts to coordinate activities with other donors, in particular, DFID and USAID.

Yuri Polianski adds that this year RGD project's efforts will be focused on implementation of demonstration projects. It is important that they are directed towards the implementation of regional strategies.

Tamara Romas-Figol notes that it is very important to share achievements and results of RGD project but responsibility to share them has to be under the Government of Ukraine. We cannot do everything within this project and this budget. Moreover, CIDA has restrictions for the projects to work in 2-3 oblasts and to have results.

Andrew Farncombe stresses that the RGD project is a soft program – transfer of knowledge and methodology but not building hard infrastructure. Then he asks a motion for endorsement of the annual work plan. All are in favour. The annual work plan for the period 1 April 2007 – 31 March 2008 is endorsed.

7. Other business

Andrew Farncombe awards Mr. Sin with a certificate for active participation in strategic planning process.

8. Adjournment

Mr. Farncombe concludes the meeting by saying that next time the National Project Steering Committee will meet in 6-8 months. A motion to adjourn is made and passes.