



National Project Steering Committee
Friday, October 24, 2008
Ukrainian House, Kyiv, Ukraine

Minutes

1. Call to Order

The National Project Steering Committee (NPSC) meeting was called to order at 14:00.

2. Welcoming Remarks

Welcoming remarks were provided by representatives of CUI, Ministry of Economy of Ukraine, Zaporizhzhia and Zakarpattia oblasts, and the Canadian International Development Agency.

Andrew Farncombe, Director, International Partnerships, CUI announced the recent personnel changes in CIDA, CUI and in the field. He announced that Yuri Polianski stepped down from the position of RGD Ukrainian Project Manager and Ihor Sanzharovskyi stepped in as the interim Acting Ukrainian Project Manager.

Olena Nyzhnyk, Director, Department for Regional Development, Ministry of Economy of Ukraine expressed the Ministry's satisfaction with the Project's support and results achieved to date. She announced that Zaporizhzhia Oblast has expressed its intention to sign a Regional Development Contract with the Cabinet of Ministers and encouraged Zakarpattia oblast to do the same.

Representatives of Zaporizhzhia, Oleksandr Sin, Deputy Head of Zaporizhzhia Regional State Administration, and of Zakarpattia, Ernest Nuser, Head of the Department of European Integration, External Economic Relations and Tourism, Zakarpattia Regional State Administration, Oblasts both expressed satisfaction with the Project support and interest in continued cooperation.

Mila Minarolli, International Development Officer, CIDA, introduced the CIDA delegation: Sherry Greaves, First Secretary, Development, Canadian Embassy in Ukraine and Margot Rothman, RGD Project Monitor. She emphasized that with one and a half years of Project implementation remaining, it is important to develop the Project's sustainability strategy and to strengthen the Project's dissemination strategy.

3. Review and approval of minutes from NPSC meeting of April 22, 2008

Copies of the minutes of the NPSC meeting of April 22, 2008 had been circulated. With a motion by Andrew Farncombe, the Minutes of the NPSC meeting of April 22, 2008 were adopted as tabled.

4. Summary of progress towards results and overview of project achievement in April to September 2008, plans for the period from October 2008 to March 2009

Key results achieved during the reporting period include (presentation delivered by Yuri Poliansky).

At the national level, the key change was a shift from provision of general policy advice to practical assistance in preparation of draft laws and regulations and training for the Ministry staff. Specifically:

Output 1.1

- ❖ Draft procedure for Monitoring and Evaluation of State Strategy for Regional Development developed with RGD input
- ❖ 13 specialists of the Ministry of Economy trained to review project proposals in accordance with international standards

- ❖ New draft Law on Public-Private Partnership widely discussed by the Cabinet of Ministers
- ❖ New national think tank established

At the oblast level, the key achievements include completion of the Regional Development Strategies and operational plans and proceeding to their implementation. Specific results achieved during the reporting period are as follows:

Output 2.1

- ❖ Increased understanding of Zaporizhzhia Oblast State Administration of how to improve its policies and business processes in order to increase its capacity to implement the Regional Strategy
- ❖ Improved capacities and skills of regional and local government specialists to develop capital investment project proposals to standards acceptable by the Cabinet of Ministers of Ukraine and international financing institutions
- ❖ 28 specialists trained in Zaporizhzhia; 30 specialists trained in Zakarpattia
- ❖ 7 capital investment proposals were developed in each pilot region
- ❖ Increased understanding of Zaporizhzhia Oblast State Administration of the feasibility of using the RDA model in the oblast in order to sustain the regional strategic planning and implementation process
- ❖ Zaporizhzhia Regional Council initiated negotiations with the Cabinet of Ministers for national-regional agreement.

Output 2.3

- ❖ The following reports were prepared by RGD Ukrainian and International experts and disseminated widely to regional and national stakeholders: Report on Public Private Partnership, Report on Mechanisms of State Support of Investments into Regional Development, Strategic Planning Handbook

Output 3.1

- ❖ Methodology for selection of 20-25 priority projects from the operational plans for implementation in 2008/2009 developed and applied by the working groups
- ❖ Regional Council on Strategy Implementation and Monitoring and the Regional Working Group officially established in Zaporizhzhia oblast
- ❖ Increased awareness of regional and sub-regional stakeholders about the implementation of the regional strategies and increased participation of rayons and cities in the implementation of the regional strategies.

Output 3.1

- ❖ Strengthened ability of regional stakeholders in Zaporizhzhia to implement strategic plans that are representative of the views and needs of citizens (men and women) through a partnership approach
- ❖ 26 priority projects selected in Zakarpattia; prioritization process will be completed in Zaporizhzhia in October 2008
- ❖ Increased engagement of sub-regional stakeholder in the development and implementation of the regional strategy

With regard to gender equality, this year, the project is conducting an analysis of how gender equality principles are incorporated in the Regional Strategies and the implications of the implementation of the Strategies on gender equality issues in the oblast. In the reporting period, the project achieved the following result:

Output 3.3

- ❖ Greater stakeholder awareness of gender equality issues and understanding of how to incorporate gender and social issues into regional development plans and processes as a result of expert advice on integration of gender considerations into the implementation of the regional strategies.

Discussion

It was suggested to discuss the presentation by Yuri Poliansky before proceeding to the second portion of the presentation.

The Ministry of Economy (MoE) representatives expressed gratitude to Yuri Poliansky for his work and support during his term as the Ukrainian Project Manager. The MoE asked the pilot oblast representatives for feedback about the results achieved in the reporting period and about their expectations for the results to be achieved over the remainder of the Project.

Zaporizhzhia

Zaporizhzhia applauded the flexibility of the Project, in particular with regard to the quick response to the request for conducting the organizational review and for providing project management training. The quality of capital investment project proposals prepared in Zaporizhzhia with support by the RGD Project was very high, even as compared to the proposals from the private sector. Zaporizhzhia expressed gratitude for the input of the Project on the capital investment training, especially to the Project's Lead International Expert, Duncan Leitch. Over the following year, Zaporizhzhia is expecting to implement 20-30 priority projects from the Regional Strategy.

In terms of sustainability, the Oblast State Administration is committed to take on the role of the RGD Project in providing expert support to the regional strategic planning and development process. The oblast continues to be committed to the participatory process.

The Oblast is in support of the internship program.

The Oblast would like to see more demonstration projects supported by the Project.

Zakarpattya

The Project's goals are in line with the goals of the Oblast State Administration.

In terms of sustainability, an RDA could support the implementation of the strategy with guidance from the OSA. Zakarpattya oblast is interested in further developing a partnership with Niagara region and improving the linkages with business representatives in Canada to involve them into the Regional Investment Forum.

An error in Section 6 in the minutes from NPSC meeting of April 22, 2008 was noted.

The CIDA representative provided contact information for the representative of the Commercial Section of the Canadian Embassy.

Presentation of key results planned for the remainder of the current fiscal year (delivered by Elena Dinu, RGD Project Manager).

The key results planned for the remainder of this fiscal year include:

- ❖ New guidelines on formulation and implementation of regional development strategies prepared and issued by the Ministry of Economy
- ❖ Draft Guidelines for State Strategy Monitoring
- ❖ Input into draft law on P3s
- ❖ Reviewed national Guidelines on regional strategies formulation
- ❖ Established and maintained effective dialogue and practices for enhancing national-regional dialogue and cooperation in regional policy implementation
- ❖ 20-25 mid-level specialists from the regional and sub-regional governments of the RGD pilot oblasts trained in project management and implementation
- ❖ RGD pilot oblasts commence implementing 20 priority projects from the regional strategies
- ❖ Established and functioning effective participatory mechanisms in RGD pilot oblasts for strategies monitoring and evaluation
- ❖ Improved capacity and readiness of Zaporizhzhia oblast to enter into a national-regional agreement with the Cabinet of Ministers of Ukraine
- ❖ *Handbook on the Preparation of Infrastructure Investment Project Proposals* published and distributed by the Cabinet of Ministers of Ukraine to all oblasts of Ukraine
- ❖ *Case Studies and Lessons Learned through the Participatory Planning Process in the RGD Pilot Oblasts* published and disseminated to national and regional stakeholders
- ❖ Established sustainable institutional structures in both pilot oblasts, which are able to lead a strategic management approach after the completion of the RGD Project
- ❖ Monitoring and evaluation mechanism for Regional Strategies developed and implemented through a participatory process
- ❖ 1-2 small priority projects in each pilot region developed and implemented in partnership between regional authorities and communities/sectors
- ❖ A practical model of regional strategic planning, strategy implementation and monitoring and evaluation with the active engagement of local communities at all stages, developed based on the experiences in RGD pilot oblasts as a result of a practical analysis of gender implications of regional strategies implementation

- ❖ Greater stakeholder awareness of gender equality issues and understanding of how to incorporate gender and social analysis into regional development plans and processes.

It was announced that the Technical Learning Exchange Programs to Canada will not take place. CIDA proposed to spend that money on additional activities in Ukraine instead. The Project Management Training will continue as planned in both regions. Activity 220.1 will include additional exchanges within Ukraine, between the RGD pilot oblasts and to other oblasts of Ukraine. Activity 330, gender analysis, will include broader terms of reference.

Discussion

CIDA clarified that Technical Learning Exchanges could still take place in CEE countries, however, the program needs to be very targeted and lead to very specific results.

It was re-emphasized that the Project Management training will continue in the pilot oblasts. Duncan Leitch reported that the first module of training was taking place in Zakarpattya at the time of the PSC, and will be held in Zaporizhzhia the following week. The training program will be delivered over a six months period. 20-25 priority projects will be implemented as a result of this training program.

5. Summary of activities in the project pilot regions

RGD pilot oblasts, Zaporizhzhia and Zakarpattya, provided an update on project activities and the results achieved during the last six months.

In Zakarpattya, the highlights included:

- successful completion of the Capital Investment Project Preparation Training Programme;
- very enthusiastic response to the Project Management training program; all rayons sent representatives to take part in the training. There was 100% attendance at the first module; more rayon representatives are interested in participating in the training;
- completion of operational programs in Zakarpattya;
- the future role of the working groups and ongoing public engagement activities; and
- the ongoing informational and educational campaign.

In Zaporizhzhia, the highlights included:

- the approval of Zaporizhzhia Regional Development Strategy in June 2008; and
- capital investment projects were finalized and presented to the Ministry of Economy and international financing institutions. EBRD and IFC were interested in several of the projects. The Oblast State Administration is organizing an investment forum to further explore financing opportunities.

6. Discussion

- Duncan Leitch briefed the PSC members on his recent meeting with the WB and EBRD. EBRD is discussing support for two projects in Zaporizhzhia – the rayon heating project and a recycling project. In Zakarpattya, the EBRD was interested in the Uzhrogod city waste water modernization project and is awaiting invitation from the oblast to continue the discussion around financing opportunities.
- With regard to the Project Management Training, he emphasized that it is important that the regional specialists be young to ensure sustainability of the projects.
- The flexibility of the Project to assist with oblast real needs was again applauded.
- The pilot oblasts expressed hope that staff changes on the Project team will not affect the implementation of the Project.
- CUI underlined important issues raised by CIDA – (1) the sustainability of the Project's achievements and results (through capacity building and institutionalization); (2) documenting the achievement and knowledge of the project and distributing these records to the appropriate audiences; and (3) gender mainstreaming and environmental sustainability to be better addressed and integrated into the Project activities.

7. Other business

Andrew Farncombe announced staff changes at CUI and in the Project field offices; thanked all the outgoing staff and welcomed the new team members.

- Yuri Poliansky as the outgoing Ukrainian Project Manager and Ihor Sanzarovskyi as the interim Ukrainian Project Manager;

- Chris VanDooren as the former Project Manager at CUI and Elena Dinu as the new Project Manager of the RGD Project at CUI;
- Natalie Nosa as the former Regional Project Manager in Zakarpattya and Maria Popadinets as the new Regional Project Manager in Zakarpattya;
- Nataliya Betsa as the previous Project Coordinator in Kyiv, and Olena Nazarova as the new Project Coordinator, former Project Assistant in Kyiv, and Nataliya Heletska as the new Project Assistant in Kyiv;
- Dima Miroshnikov as the former Regional Project Coordinator in Zakarpattya and Lyudmyla Koval as the new Regional Project Coordinator in Zakarpattya; and
- Olena Kryvulya and Nataliya Likholyot as the new Regional Project Assistants in Zaporizhzhia and Zakarpattya, respectively.

Andrew Farncombe also acknowledged staff changes within CIDA. He welcomed Mila Minarolli as CIDA's officer based in Ottawa and noted that Anik Brunet was transferred to a different branch within the organization. He thanked Tamara Romas and welcome to Sherry Grieves as the CIDA representative in Kyiv.

8. Adjournment

The next NPSC meeting will be at the end of March 2009 or in the middle of April 2009. The NPSC meeting adjourned at 16:02.

List of Participants

Present:

Olena Nyzhnyk, Director, Department for Regional Development, Ministry of Economy of Ukraine (Chair)

Andrew Farncombe, Director, International Partnerships, Canadian Urban Institute (Chair)

Sherry Greaves, First Secretary (Development), Canadian Embassy

Yuri Polianski, Ukrainian Project Manager, RGD Project, Kyiv

Oleksandr Sin, Deputy Head of Zaporizhzhia Regional State Administration

Ernest Nuser, Head of Main Department for European Integration, External Economic Relations and Tourism, Zakarpattya Oblast State Administration

In Attendance:

Mila Minarolli, International Development Officer, CIDA

Margot Rothman, Monitor, CIDA

Maryna Radova, Lead Specialist, Department for International Technical Assistance, Ministry of Economy of Ukraine

Elena Dinu, Project Manager, International Partnerships, Canadian Urban Institute

Ihor Sanzharovskyi, Senior Technical Advisor, RGD Project, Kyiv

Duncan Leitch, Lead International Expert, RGD Project

Ella Slepian, Head of Main Economic Department, Zaporizhzhia Regional State Administration

Svitlana Kruglyak, Deputy Head of Main Economic Department, Zaporizhzhia Regional State Administration

Lyudmyla Hrytsak, Head of Department within Main Economic Department, Zakarpattya Regional State Administration

Iryna Lekh, Zaporizhzhia Oblast Project Manager, RGD Project

Mariya Popadynets, Zakarpattya Oblast Project Manager, RGD Project

Olena Nazarova, Project Coordinator, RGD Project, Kyiv (Secretary)

Observers:

Oksana Danyliv, Finance and Administrative Manager, Decentralized Management of Skills Training in Ukraine Project, CIDA

Bernard Wendel, International Finance and Banking Consultant, Sustainable Regional Development Project, EU