



Information
on the activities within the framework of the Canada-Ukraine
Partnership Project for Regional Governance and Development (RGD)
in January and February 2009

On January 13 – 16, RGD project staff participated in **the semi-annual staff retreat** that was held **in Kiev**. During the first two days of the retreat, project staff participated in the Results Based Management (RBM) training provided by Elena Dinu, Project Manager (Canada). The training included an overview of key RBM terminology and concepts, and practical exercises aimed to familiarize staff members with the main principles of project design, operation and management. Larysa Magduk led a session on Gender Equality Policy and Practice. This part of the training allowed the participants to receive an update on CIDA's gender equality policy and Canadian and Ukrainian legislation and regulations on gender equality, to learn about applying gender equality policy with RBM; and to apply their knowledge towards integrating gender equality principles into the project work plan. The second half of the retreat included a discussion of project results achieved to date in FY4 and planning of project activities for FY5.

On January 29 - 30, a consultative workshop on Strategy Implementation and Project Management Training was held **in Uzhgorod**. The purpose of the workshop was to provide additional individual consultations and mentoring to the project teams on the topics covered in the training program to date. RGD Regional Planning Experts, Svitlana Slava and Yaroslav Boyko, reviewed and provided additional support to complete or to improve the practical tasks completed by the project teams, including drawing up a list of project teams and key stakeholders; developing project log frame, developing project action plan and timetable; assessing social and gender impacts of the projects; and preparing a project budget. 19 training program participants, among them 15 public officials, attended the workshop. In the second half of the workshop R. Zhylenko, Country Director of Carpathian Foundation, and V. Matiy, Director of Carpathian Regional Center of Innovative Development briefed the participants about project financing programs available in the oblast, as well as their standards, guidelines, and application criteria. The participants expressed great interest in the information provided at the workshop and were actively engaged in discussing funding opportunities for their projects.

On January 29, the RGD Project organized a **press-conference about small-scale projects** that are being developed and implemented **in Vynogradiv rayon of Zakarpattya** through the RGD Project's Strategy Implementation and Project Management Training Program. The project teams described their projects, explained how they were designed and how they contribute to the implementation of Zakarpattya Regional Development Strategy. The teams also provided an update on the progress in the development and implementation of the projects through the training program.

Volodymyr Shevchuk, Director of the Agency of Local Development of Vinogradiv Rayon, a public enterprise company, explained the process through which small projects were selected jointly by state authorities and communities in Vynogradiv. He then highlighted the project that aims to establish an alternative transport corridor through Ukraine, Montenegro and Serbia. In Ukraine, the transport corridor would pass through Vynogradiv Rayon of Zakarpattya. V. Shevchuk explained that transport infrastructure in the area is not being used to its full potential. Currently, the railways and road networks are exploited only by 15% in comparison with 1990. The idea of establishing a transport corridor through Zakarpattya has been discussed at the international conference on the development of transit facilities in

Ukraine, Romania, Serbia and Montenegro that was held in Uzhgorod in mid March 2008 with participation by government and private sector representatives from Serbia, Romania, Montenegro, England, Hungary, Slovenia, Russia and Austria. At this conference, RailTransAvto, a Russian logistics company, expressed interest in potential investing opportunities in this area.

Igor Borysenko, Head of the Department of Health, Vynogradiv Rayon State Administration, presented a project that aims to open a hospice-type institution in Vinogradiv rayon where seriously ill people and their relatives could get medical, social and psychological assistance. Similar institutions already operate in Ivano-Frankivsk and Lutsk. In Zakarpattya, a department of palliative care exists at the Mukachevo central rayon hospital, but there are no hospice institutions currently in operation. The initiative of Vinogradiv Rayon State Administration is welcomed and supported by the Institute of Palliative and Hospice Medicine of the Ministry of Health of Ukraine (Kyiv) and by the Ukrainian Association of Palliative Care. Working meetings with representatives of these institutions were held in December 2008 in Kiev during the in-Ukraine learning exchange organized by the RGD project. The Vynogradiv hospice project also seeks to address the problem of personnel turnover in palliative care by introducing personnel re-qualification through the Institute Palliative and Hospice Medicine and by engaging nuns to work at the hospice institution that will be established.

Reports about the projects from Vynogradiv Rayon were published in local newspapers and online. Updates about the progress in the development and implementation of these projects were also broadcasted on several local TV stations and news programs. The experiences from Vynogradiv and other rayons in the implementation of small scale priority projects are positive examples of cooperation between local authorities, communities and other stakeholders around common development goals.

On January 29 - 30, the module on *Project Operational Planning – Techniques and Practical Instruments* of the **Strategy Implementation and Project Management Training Program** was held **in Zaporizhzhia**. The training module was delivered by Valentin Ratch, RGD Project Expert. Volodymyr Nazarenko and Vytalyi Lysenko, RGD Regional Planning Experts, facilitated separate sessions of the workshop. Following the theoretical presentations, participants worked in teams on developing project logical frameworks, project implementation schedules and planning project expenses. These tasks will be completed by the project teams independently after the training workshop as homework assignments.

On February 12 - 13, the **fourth module of the Strategy Implementation and Project Management Training Program** was delivered **in Uzhgorod**. The topic of this module was *Financial Management*, including financial planning, budgeting and project management. Representatives of 20 projects teams from 7 rayons and 3 towns of Zakarpattya participated in the training workshop. Rafal Szporoko ("DS Consulting", Gdansk, Poland) and Duncan Leitch, RGD Lead International Expert (UK) as well as the RGD Regional Planning Experts delivered the training and facilitated work in small groups.

On the first day of the two-day training workshop, Rafal Szporoko presented key financial planning principles and practices for the project development and implementation stages; explained how to manage cash flows and how to secure continuous financing for project implementation. After that, the experts provided individual consultations and advice to each project team.

On the second day of the workshop, participants learned about various international foundations and donor organizations that provide grants and support projects in Ukraine. This allowed the participants to identify additional financing opportunities in view of the cutbacks or uncertainty of funding and co-financing from state and local budgets due to the financial crisis. Colin Maddock, International Expert of the Sustainable Regional Development Project (TACIS), informed participants about EU funding opportunities and application requirements. He noted that Zakarpattya projects have the opportunity to be supported by several big European programs, especially by the European Neighborhood Program (ENP) within the cross-border cooperation, including partnership programs Poland-Belarus-Ukraine, Hungary-Romania-Slovakia-Ukraine, and other programs of the European Commission. Lesia Loiko, Representative of the Swiss-Ukrainian Forestry Development Project in Zakarpattya (FORZA) presented the project results achieved to date, and provided information regarding opportunities for cooperation in related fields and similar projects. Svitlana Slava, RGD Regional Planning Expert, provided information

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about other funding sources and donor organizations that can support small projects or initiatives. In conclusion, Yuri Tretyak, Executive Director of NARDA, RGD Project's Ukrainian partner organization, informed the participants that the Law on Regional Policy, which is currently being developed, aims to incorporate budgetary allocations for financing of regional initiatives in line with the EU practices.

On February 25-26, the fourth module of the Strategy Implementation and Project Management Training Program (PMT) was delivered in Zaporizhzhia. The topic of this module was *Project Financing*, including financial planning, budgeting and project management. PMT training program consisting of 6 modules is carried out by RGD project starting from October 2008 and is planned to be completed in June 2009.

Representatives of 28 project teams participated in the training on project financing, project feasibility study and project financial analysis. Valentin Rach, Ukrainian Expert on Project Management, as well as RGD regional planning experts in Zaporizhzhia oblast facilitated the training. During the first day Valentin Rach introduced the concept of "project financing" and other related concepts, including investment project feasibility study, capital budgeting, contractor tenders and agreements, project calculation documentation, project analysis, financial provision, project implementation and monitoring. He also explained the key principles of financial planning during the project development and project implementation stages, as well as how to manage cash flow and how to secure continuous financing of project implementation. Afterwards, all project teams received practical advice during individual expert consultations.

On February 26, the RGD Project held a round table on sources of funding for priority projects in Zaporizhzhia. This roundtable was held as a part of the Strategy Implementation and Project Management Training Program Module Four on Project Financing. The roundtable was organized in order to assist the project teams to identify alternative sources of financing for their projects as the allocation of funds from the state and local budgets has become highly uncertain in view of the financial crisis and its effects on the region's economy.

Volodymyr Nazarenko, RGD Regional Planning Expert, delivered a presentation describing the main international donors working in Ukraine and key areas of cooperation, as well as their funding application requirements and procedures. Then the project teams had an opportunity to meet with representatives of international financing institutions and international technical assistance projects that are being implemented in the oblast to learn about and explore various opportunities to apply for financing or financial support for implementation of small-scale projects. The organizations and projects represented at the round table were the National Association of Credit Unions of Ukraine, Mennonite Economic Development Associates (MEDA), and the UNDP Community Based Approach to Local Development (CBA). Steven Wright, MEDA Project Manager expressed that MEDA and CBA projects are interested in supporting ideas in the fields of agricultural and community development, and that they already identified a few small-scale projects from Zaporizhzhia that may be of interest, in particular those focusing on supporting local manufacturers, bee-farming development, Mennonites farms, horticulture farming and vegetable growing.

The project teams highly appreciated the opportunity to meet directly with international donor representatives. After the discussions, the project teams expressed a greater sense of optimism about the potential financing of their projects, despite the financial crisis conditions, and a renewed commitment towards their implementation. It was suggested to hold similar meetings on a more regular basis in order to give the project teams an opportunity to discuss the next steps of projects implementation and to keep current on the existing financing opportunities in the oblast. The general consensus was that the following meeting should focus on submission of funding applications to various financing organizations.

On January 27, the third NGO Forum was held in Zaporizhzhia with support by the RGD Project. The forum was organized in order to inspire more active participation and to strengthen the role of the civil society and local communities in the implementation and monitoring of Zaporizhzhia Regional Development Strategy, focusing on the Environmental priority of the Strategy. It provided an opportunity for the participating regional and local environmental NGOs to exchange information about their activities

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and to identify projects and initiatives in the areas related to regional strategic priorities, where they could participate in or contribute to. The project on “Establishing a Network of Interregional Ecological Education Centers,” which is being developed and implemented through the RGD Project’s Strategy Implementation and Project Management Training Program, was presented as an example. This project is one of the priority tasks of Zaporizhzhia Regional Development Strategy that was selected for implementation in 2009. It was initiated and is implemented in partnership by the Department of Environmental Protection of Zaporizhzhia Oblast State Administration and Orthus Ecological Centre. The project aims to raise awareness on environmental issues among the local communities. Establishment of unions and associations of environmental organizations from different rayons of the oblast appears to be a strong positive result of the project. The NGO forum participants had an opportunity to express their interest in participating as members of the Network. The key tasks for the implementation of this project were further discussed during Zaporizhzhia Regional Forum.

On February 5, the RGD Project in association with the Ministry of Economy of Ukraine held a Round Table Meeting on the theme of “Methodology for Formulation of Regional Development Strategies in Ukraine: Improving the Process based on Practical Experience.” The main objective of this event was to review and amend the “Methodological Recommendations for Regional Development Strategies Formulation” issued by the Ministry of Economy of Ukraine in 2002. In the seven years since the adoption of the Methodological recommendations, significant practical experience on formulating regional development strategies has been accumulated in Ukraine and internationally. This experience and the lessons learned, provide a good foundation for improving the existing document within the context of the constantly changing environment. The Round Table participants, including Zakarpattia and Zaporizhzhia Oblast State Administration representatives, representative of MoE, RGD staff members, experts and academics, reviewed the existing document and provided suggestions on how to introduce amendments that would make it more reflective of the current experiences and practices in regional development strategies formulation, implementation and monitoring. The next steps in this process include accumulating and summarizing the recommendations and submitting a draft of the proposed revised Methodology to the Ministry of Economy of Ukraine. This work will be carried out by the RGD Project Expert, Myroslava Lendel. An update about the amendment process will be provided in April 2009.

On February 6, a presentation of the project “**Strategy for Supporting Zaporizhzhia’s Manufacturers**” was held. The project is one of the 25 priority projects that is being developed and implemented through the Project Management Training program training workshop. The project team, RGD Project staff as well as representatives of mass media, local businesses and state authorities participated in the presentation. Oleksandr Sin, Deputy Head of Zaporizhzhia Oblast State Administration, explained that the strategy for supporting local manufacturers was elaborated within the framework of Zaporizhzhia Regional Development Strategy until 2015 and is one of the priority tasks to be implemented by regional state authorities in 2009-2010. The project was developed around the idea of developing the domestic market as one of the ways to address the constraints caused by the evolving economic crisis. Oleksandr Sin underlined the Oblast State Administration’s firm commitment for supporting all local initiatives that aim to revitalize Zaporizhzhia’s economy. Following the presentation of the project, participants shared their views and ideas for promoting local manufacturers and products. One of the key suggestions was to design a single brand for all products manufactured in Zaporizhzhia oblast and to promote them through mass media encouraging population to buy local goods and to support local manufacturers. Feedback from the written questionnaires distributed during the event, confirmed that the participants saw the need for further elaboration of the Strategy for supporting local manufacturers and expressed their interest in taking part in the implementation of this project.

On February 10, a regular meeting of the Council on Monitoring, Implementation and Evaluation of Zaporizhzhia Regional Development Strategy until 2015 was held. The Heads of the Committees on Environment, Innovation and Investment, and Tourism Priorities of the Working Group reported on the progress of their committees in reviewing and prioritizing operational goals and tasks. M. Drazhdovych, First Deputy Head of the Main Economic Department, Zaporizhzhia Oblast State Administration, Head of the Working Group, informed the participants that 17 operational goals (out of 25 mentioned in the

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Strategy) and 54 operational tasks (out of 148 mentioned in the Strategy) were selected. Among them 6 operational goals and 24 tasks under the Ecological priority, 5 operational goals and 8 tasks under Tourism priority and 7 operational goals and 23 tasks under the Innovation and Investment priority were selected. The main selection criteria included contribution towards addressing economic crisis conditions and availability of funding (eg, Ecological fund).

According to Oleksandr Sin, Deputy Head of Zaporizhzhia Oblast State Administration, the operational goals and tasks of all programs being implemented in Zaporizhzhia oblast should be consistent with the priorities identified in Zaporizhzhia Regional Development Strategy until 2015. At the same time, it was decided to coordinate the implementation of Zaporizhzhia Regional Development Strategy with the other social and economic development programs. Oleksandr Sin also suggested holding a follow-up discussion with Zaporizhzhia's Environmental NGOs about implementation of the Environment priority and selection of operational tasks that can be financed from the oblast's Ecological fund. Other issues discussed included the establishment of a Methodological Centre for Tourism Development, which would be based out of the Local History Museum; different options for establishing a Regional Development Agency in the oblast; and the feasibility of establishing tourism and agricultural clusters as part of the innovation and investment priority implementation.

Summing up the result of the meeting, L. Anisimov, Deputy Head of Zaporizhzhia Oblast Council, and Co-chairman of the Council on Monitoring, Implementation and Evaluation of Zaporizhzhia Regional Development Strategy, mentioned that the meeting set the stage for more active and coordinated work on implementation of the Regional Strategy. He emphasized that active public participation in identifying oblast development priorities that would be financed from the oblast budget represents progress towards the practical application of modern public administration and governance approaches in regional development.

On February 18, Zaporizhzhia Regional Forum on the theme of **Zaporizhzhia Regional Development Strategy Implementation: Ukrainian and International Best Practices** was held. The Forum participants included representatives of local, regional and national state authorities, general public, businesses, academia, international funds and technical assistance projects as well as the representative of the Canadian Embassy in Ukraine. The participants of this event received an opportunity to learn more about the priority tasks selected for implementation in 2009-2010 and the projects that are already being implemented in Zaporizhzhia oblast, such as the Development Concept of Azov Sea Coast Territories and the Strategy for Supporting Zaporizhzhia's Manufacturers. The participants also learned about and discussed the experiences and lessons learned in strategies implementation from other regions of Ukraine. Two international experts, one from Canada and one from the USA were invited to participate in the forum at the initiative of Zaporizhzhia OSA. They delivered presentations about the processes of economic diversification that took place at their countries, including the transformation from an industrial-based to a knowledge-based economy in Pittsburg (USA), and modernization and innovation of the steel industry in Hamilton (Canada).

The forum discussions demonstrated forward thinking on behalf of Zaporizhzhia OSA with regard to the oblast's development. Describing the main goal of the forum, Oleksandr Sin, Deputy Head of Zaporizhzhia OSA remarked: "today we have to think about future steps to be taken after this crisis." The forum was an opportunity to exchange experiences and to explore different ideas and approaches to dealing with the economic crisis conditions while moving forward the oblast's regional governance and development goals. The common message heard and expressed by the participants was about the importance of joint efforts and partnerships in effecting positive change in regional development.

More detailed information about Project events and activities can be found at www.rgd.org.ua.

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