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**Information**  
**on the activities within the framework of the Canada-Ukraine Partnership**  
**Project for Regional Governance and Development (RGD)**  
**in July 2008**

- In July, RGD Project held the **second round** of the **Capital Grants Training Program**. The purpose of this training was to increase the capacity of specialists to prepare complex capital investment projects to the standards requested by the Cabinet of Ministers of Ukraine and acceptable by international investors and lending institutions. The training program was designed as a learning-by-doing program. During the first round of training, the participants were introduced to the basics of project development and examined in-depth each component of a project proposal. After the first round of training, the participants learned about the preparation of proposals for selected infrastructure projects for the Regional Development Strategies. The goal of the second training session was to review and finalise these infrastructure investment project proposals for submission to the Cabinet of Ministers of Ukraine and international lending institutions.

In **Zakarpattya**, the **second round** of the **Capital Grants Training Program** took place **from July 7 to July 11**. The training was delivered by a team of international and Ukrainian experts, including D. Leitch, RGD Lead International Expert, A. Bakerzhinskiy and P. Langovskiy (DS Consulting, Gdansk, Poland), S. Slava and Y.Boiko (Ukraine). Viktor Pogorelov, the Head of the Main Department of Economy of Zakarpattya Oblast State Administration participated in the training session. There were seven projects prepared as a result of the first round and brought to the second training session for further development. These projects were from cities of Uzhgorod, Mukachevo, Vynogradovo, Irshava, Mizhgir'ya, Beregovo. All prepared projects addressed different strategic priorities and operational goals of the Regional Development Strategy. Two of the projects were about modernizing waste management services in Uzhgorod and Vynogradovo. Other two projects focused on reconstructing waste processing plants in Uzhgorod and Beregovo. One of the most expensive and interesting projects developed at the training program was about reconstructing the former military aerodrome in Mukachevo to establish an international airport. The budget for this project was 710.7 million UAH. Another project involved restructuring the heating system in the town of Rakhiv. This project received a great deal of support by the community and residents of the Rakhiv rayon. This project will address the rayon's heating problem associated with rising energy costs, by switching to an electric heating system.

On **July 21**, Zakarpattya training participants presented the completed project proposals to regional stakeholders. The participants of the meeting were Volodymyr Hoblyk, Deputy Head of the Oblast State Administration, Viktor Pogorelov, Head of the Main Department of Economy of the Oblast State Administration, Oleksandr Marchenko, Deputy Head of the Main Department of European Integration, External Economic Relations and Tourism, heads of other departments of Oblast State Administration related to regional strategic priorities, deputy heads and heads of economic departments of rayon administrations and city councils, regional project experts, participants of the training and working group members, and mass-media representatives. The total cost of the projects presented at this meeting was 200 million USD (almost 1 billion UAH). After the presentations and discussion of the projects, two of them were selected to be presented to the Ministry of Economy of Ukraine and international lending institutions at a roundtable meeting in Kyiv on July 30. At the meeting Volodymyr Hoblyk instructed the Head of the Department of European Integration, External Economic Relations and Tourism to establish a team of staff members from each of these departments, who will be further trained to develop project proposals. He also added that one of the presentations should be disseminated as a template among rayon administrations and city councils.

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The presentation was followed by a press-conference. The results of the presentation were broadcast on the news programs of regional TV and radio stations, including TV channels "21 channel", "5 channel" and radio programs "Versiya-FM", "Tysa-FM", and radio "Svoboda." The coverage of this activity included five TV broadcasts, three radio broadcasts, published articles in three newspapers and on eleven news websites, such as IA "Zakhidna information corporation", (July 23, 08) and "Ukrainian News" (July 29, 08).

In **Zaporizhzhia**, the **second training workshop** took place **from July 14 to July 18**. The participants of the training included representatives of cities of Zaporizhzhia, Energodar, Tokmak, Prymorsk and Melitopol. During the training with the assistance of international experts Zbigniew Jedrzejewski and Jacek Kawala, (LemTech Consulting, Cracow, Poland) and the regional experts of the RGD Project, Volodymyr Nazarenko and Vitaly Lysenko seven project proposals were finalized and draft presentations for public discussion were developed.

On **July 17**, draft presentations of the projects were delivered to Oleksandr Sin, First Deputy Head of Zaporizhzhia OSA, and Ella Slepian, Head of the Main Department of Economy. On **July 24**, the project proposals were presented by the training participants from cities of Zaporizhzhia, Melitopol, Energodar, Berdyanks and Tokmak at the meeting of the Regional Working Group. Oleksandr Starukh, Acting Head of Zaporizhzhia Oblast State Administration chaired the meeting. The participants of the meeting also included Deputy Heads of Zaporizhzhia Oblast State Administration and the RGD project regional experts. Three of the most successful project proposals (two from Zaporizhzhia and one from Energodar) were selected for presentation to the Ministry of Economy of Ukraine and international lending institutions.

On **July 30**, selected **infrastructure investment project proposals from Zakarpattia and Zaporizhzhia were presented to the Ministry of Economy and international lending institutions**. This event was jointly hosted by the RGD Project and the Ministry of Economy. The international lending organizations represented at this meeting included the European Bank of Reconstruction and Development, the World Bank and the International Finance Corporation. The Ministry of Economy was represented by Serhiy Romanyuk, First Deputy Minister of Economy of Ukraine, and Olena Nyzhnyk, Director of the Department for Regional Development of the Ministry of Economy of Ukraine. Zaporizhzhia and Zakarpattia were represented by Oleksandr Berezhnyi, First Deputy Head of Zaporizhzhia Oblast State Administration, Ella Slepian, Head of the Main Department of Economy of Zaporizhzhia Oblast State Administration, Oleksandr Kulibov, Mayor of the City of Energodar, Vasyl Papp, Deputy Head of the Main Department of Economy of Zakarpattia Oblast State Administration, and Adik Bodnar, Deputy Head of the Department of Economy of the Mukachevo City Council.

During the meeting each oblast presented two projects. The projects presented by Zaporizhzhia oblast included: «Energy-saving projects in the area of heating for the city of Zaporizhzhia» and «Construction of converter plant for utilizing hard waste and other coaly wastes» (Energodar). Zakarpattia oblast presented the following projects: «The reconstruction of sewage refinery facilities for the city of Uzhgorod» and «Construction of "Mukachevo" international airport in line with European standards based on the existing military airdrome».

After the discussion of the above projects and summarizing the results, the representatives of the EBRD, IFC, WB and the Ministry of Economy expressed their interest in further cooperation in the discussed areas and their willingness to provide financial support for similar projects in the future. The lending organizations suggested that the projects should be further elaborated in order to be submitted for review and approved for funding by the appropriate financial institutions. The round table participants underscored the importance of training on how to draft infrastructure investment projects and expressed hope that such training programs would continue in the future in order to increase the number of qualified professionals.

- On **July 1** RGD Project staff and experts held a methodological workshop in Zaporizhzhia. The goal of the meeting was to develop a methodology for prioritizing regional action plans to select priority projects that would be implemented till March 2009. The participants of the meeting included Beate Bowron and Gary Davidson, Canadian Planning Experts, William Parly, Canadian Planning Expert in Zakarpattia, Duncan Leitch, RGD Lead International Expert, Regional Planning Experts in Zaporizhzhia, Volodymyr Nazarenko and Vitaly Lysenko, Yuri Polianski, Ukrainian Project Manager, and RGD Project Regional Managers from Zakarpattia and Zaporizhzhia, Maria Popadynets and Irina Lekh. As a result of the meeting, the team developed a set of criteria. The key criteria suggested by the experts included timeframe (possibility to yield results by March 2009), achievable

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results, consistency with the strategy, and availability of budget funds. The meeting also resulted in clarifying the institutional mechanism through which the prioritization process and strategy implementation will be carried out.

- On **July 2**, RGD Project staff and experts participated in a **roundtable meeting with Zaporizhzhia OSA and Oblast Council**. During this meeting, prioritization methodology developed by RGD experts was discussed. The experts also suggested to the OSA establishing the two-tiered structure that would be responsible for implementation of the Regional Strategy, the Regional Development Council and Regional Working Group. The meeting also included a discussion about monitoring and evaluation of strategy implementation. The Mayor of the City of Berdyansk, Petro Goncharuk, delivered a presentation about the implementation of the Berdyansk City Strategic Plan. Berdyansk's experience demonstrated the importance of coordinating the actions of different government levels in this process.
- On **July 2**, Maria Popadynets, RGD Project Regional Manager in Zakarpattya participated in a **working meeting with Zakarpattya OSA** to present the methodology for prioritizing regional action plans and institutional recommendations developed in Zaporizhzhia during the visit of Canadian planning experts. It was also recommended that the Steering Committee and the Committee on Regional Development should be restructured and formally approved by the Head of Oblast State Administration. As a result of the meeting, it was agreed that the methodological recommendations and criteria for project selection would be forwarded to rayon administrations and city councils to be used in the selection of priority projects. The projects selected by rayons and cities will be submitted to Zakarpattya OSA and will feed into the final selection of the priority projects for Regional Strategy implementation. The final selection of the projects would be done by the multi-stakeholder sectoral working groups by priority area.
- In July William Pardy, RGD Planning Expert in Zakarpattia shared the criteria and prioritization methodology with the regional planning experts in Zakarpattya, who will be transferring this methodology to the regional working groups and supporting the working groups throughout the process of prioritization and project selection.
- The working groups on Economic Development and Tourism Development began the project selection process in July. The **Economic Development Group**, which is supported by Svitlana Slava, RGD Project Regional Planning Expert met on **July 3**. After the initial selection process, three priority projects were identified. The **Tourism Development Group**, supported by Oksana Stankevych, RGD Regional Planning Expert, held a meeting on **July 31**. As a result of discussions it was decided that working group members would submit their recommendations on priority projects that should be selected based on the specified criteria.
- On **July 3-4**, the **Department of Culture and Tourism of Zaporizhzhia OSA held a Forum on Regional Tourism Development Opportunities**. The purpose of the Forum was to discuss the key challenges in the development of tourism in the oblast and to identify key tourism sites that should be strategically invested in. Irina Lekh, RGD Project Regional Manager in Zaporizhzhia, participated in this event and delivered a presentation about the partnership between the RGD Project and OSA in developing Zaporizhzhia regional tourism and resort industry.
- On **July 10**, the **City of Energodar** held a **public hearing meeting about the draft Energodar Development Strategy up to 2015**. Energodar is one of the pilot territories for the development of local strategies supported by the RGD Projects. The meeting was attended by 418 people, including 250 women and 168 men. Volodymyr Nazarenko, RGD Project Regional Expert, chaired the meeting. Olexander Kulibov, Mayor of the City of Energodar opened the meeting by reporting on the results of strategic planning process. Then, the chairman of the meeting presented the draft strategy. Reports and updates were also provided by the heads of the working groups on strategic priorities. Irina Lekh, the RGD Project Regional Manager, delivered an update about the strategic planning process at the oblast level. After the presentations, the Mayor of Energodar and the heads of the working groups answered questions from city residents. Women were very active in the discussions and provided many useful suggestions for improving the draft Strategy. At the end of the meeting, a vote was taken about the draft Strategy, as a result of which, it was decided to submit the draft Strategy to the City Council for consideration at the next session. On July 24, the Energodar City Council approved the Energodar Development Strategy up to 2015.
- The analytical report entitled **Mechanisms for Establishing and Developing Public-Private Partnerships in Ukraine and Worldwide** was published in Ukrainian. The report was prepared by a team of international and

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Ukrainian experts, including Bohdan Wynnycky and Bohdan Onyschuk (Canada), Peter Szegvari (Hungary), and Myroslava Lendel (Ukraine). The report describes and analyses the experiences of leading jurisdiction in Canada, the European Union and Australia in implementing public-private partnership projects and examines the current P3 environment in Ukraine. Based on the analysis, the report provides policy recommendations for developing favorable conditions for attracting P3 investments in Ukraine. This publication will also be available on the RGD Project's website at: [http://www.rgd.org.ua/project\\_publications/publications\\_list/](http://www.rgd.org.ua/project_publications/publications_list/).

More detailed information about Project events and activities can be found at [www.rgd.org.ua](http://www.rgd.org.ua).

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