



## PROJECT NEWSLETTER

No.3, October 2006 – March 2007

The **Regional Governance and Development (RGD) Project** is a five-year (2005-2010) cooperation project of the Canadian Urban Institute ([www.canurb.com](http://www.canurb.com)), supported by funding from Canadian International Development Agency ([www.acdi-cida.gc.ca](http://www.acdi-cida.gc.ca)). It is implemented in association with the National Association of Regional Development Agencies ([www.narda.org.ua](http://www.narda.org.ua)) in Ukraine and with the Foundation for International Training ([www.ffit.org](http://www.ffit.org)) in Canada. The project is designed to promote civic engagement in regional governance, providing opportunities for citizens

and communities to shape their common future and to put their region on the path towards sustainable development. The project works at several levels. It helps strengthen regional development policy in the country by providing advice to the Ministry of Economy and sharing know-how from other jurisdictions in Europe and North America. It supports two pilot oblasts – Zaporizhzhia and Zakarpattia – to launch participatory processes that give a voice to civil society in regional planning and decision-making. And it promotes open, accountable and effective government institutions at the regional level, responsive



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to the needs of citizens and working strategically towards its developmental goals. The experiences in the two pilot oblasts are intended to foster model approaches to good governance in Ukraine that can inform the country's policy and practice into the future.

## STUDY TOUR TO CANADA

In October 2006, representatives from the Ministry of Economy of Ukraine and the National Association of Regional Development Agencies travelled to Ottawa, Canada to meet with the federal government's four regional development agencies – Western Economic Diversification Canada, Atlantic Canada Opportunities Agency, FedNor (Federal Economic Development Initiative in Northern Ontario, a division of Industry Canada), and Canada Economic Development for Quebec Regions. The Ukrainian delegation learned about these departments' and agencies' approaches to regional development, public engagement methods and economic

development programming. The clear message throughout all of the meetings was that effective partnerships were key to ensuring a successful regional development strategy. One level of government working in isolation cannot take the same holistic, integrated approach to regional development that can be achieved when the federal, provincial, regional, and municipal governments work together and in partnership with the public, community groups, and the private sector. The delegation came back to Ukraine with a lot of information and case studies to share with their colleagues at the Ministry of Economy of Ukraine.



*Ukrainian delegation meeting FedNor officials in Ottawa, Canada*

## STUDY TOUR TO LITHUANIA

In October 2006, a group of Ukrainian officials from the central and regional governments, as well as project experts in strategic planning from the two pilot regions, participated in a study tour to Lithuania. Participants visited a number of public and non-governmental institutions to learn about Lithuania's approach to regional and local development. Specifically, the delegation discussed these issues with high-level officials from the City of Vilnius, Vilnius Regional Administration, Ministry of Interior,

and Ministry of Economy. Also, the group had meetings with representatives of the Lithuanian Confederation of Industries, North Town Technology Park, and Vilnius-Kaunas di-polis. At the end of study tour, the Ukrainian participants visited the Ukrainian Embassy to discuss what was learned and how to best apply this information to Ukraine's circumstances.

## STUDY TOURS ON STRATEGIC PLANNING TO NIAGARA AND WATERLOO REGIONS, CANADA

In February and March 2007, officials from Zakarpattia and Zaporizhzhia Oblast State Administrations and the RGD Project's strategic planning experts participated in study tours to Niagara and Waterloo Regions, respectively. With the purpose of observing and learning from the strategic plan review process that the Canadian regions are currently undertaking, the participants from Zakarpattia had a two-week placement with the Regional Municipality of Niagara while the participants from Zaporizhzhia were placed with the Regional Municipality of Waterloo. Through these two study tours, the participants learned from Canadian experiences with regional planning, including plan development, implementation, financing, monitoring and review. Representatives from

Zakarpattia region also had the opportunity to observe a Niagara Regional Council Meeting, Niagara Region's corporate management team meeting, and City of Thorold Council Meeting as well as to participate in the Niagara Prosperity Summit, which brought stakeholders together to discuss Niagara's future development. They also met with representatives of Niagara Region's Planning and Development Department, Niagara Economic Development Corporation, Niagara Parks Commission and Niagara Falls Tourism Office. The group from Zaporizhzhia visited many organizations and observed sessions of key public institutions in Waterloo Region. In particular, they visited Canada's Technology Triangle and Grand River Conservation Authority; attended



*Zakarpattia delegation in the Regional Municipality of Niagara's Council Chambers*



the public lecture "Canada's Cities: Competitive and Sustainable?"; participated in the conference "Growing Your Opportunities"; and observed a Waterloo Regional Council Meeting, Waterloo Region's senior management staff meeting, and City of Waterloo's Economic Development Committee meeting. Participants also had the chance to learn from the experience of Waterloo Region and the cities of Waterloo, Kitchener and Cambridge in

*Zaporizhzhia delegation at the Grand River Conservation Authority in Waterloo Region, Canada*

participatory strategic planning, public-private partnerships, brownfield development, and re-urbanization. These study tours deepened the RGD Project's partners' understanding of regional planning in Canada and became the next step in developing partnerships between Zakarpattya and Zaporizhzhia in Ukraine and Niagara and Waterloo in Canada.

## REGIONAL AND NATIONAL FORUMS ON REGIONAL GOVERNANCE AND DEVELOPMENT

With the purpose of promoting national-regional dialogue and contributing to inter-regional co-operation, two regional forums on regional governance and development were held in the RGD Project's two pilot oblasts and a national forum was held in Kyiv.

**Regional Forum in Zakarpattya.** On November 3, 2006 in Uzhgorod, the RGD Project in partnership with Zakarpattya Oblast State Administration and Zakarpattya Oblast Council held a Regional Forum on "Tools for Sustainable Development: Strategic Planning in Zakarpattya Region and International Experience". Representatives of regional and local authorities, self-government bodies, businesses, NGOs, academia, and international

experts participated in the event. During the plenary session, the participants discussed the current status of and prospects for strategic planning in Zakarpattya. In the afternoon, the participants continued their work in two workshops, where they discussed public engagement in the regional strategic planning process as well as Zakarpattya's vision and strategic development goals. They also discussed the content of the "Strategy for Re-

gional Development of Zakarpattya until 2015", which was developed by Lviv Institute for Regional Studies, National Academy of Sciences. The participants had many comments and suggestions for the document, which were given to the Oblast State Administration to be taken into consideration when finalizing the oblast's strategic plan.

**Regional Forum in Zaporizhzhia.** On November 6, 2006, a Regional Forum on "Perspectives for Regional Development in Ukraine: Current Practices and Zaporizhzhia's Experience" was held by the RGD Project in Zaporizhzhia in partnership with Zaporizhzhia Oblast State Administration and Zaporizhzhia Oblast Council. The forum included three discussion sessions on the following issues – national support for regional develop-

ment, strategic planning and regional development, and new instruments for regional and urban development: the experience of Zaporizhzhia oblast. During these sessions, participants discussed current international and Ukrainian practices and the Mayors of Zaporizhzhia, Berdyansk, Energodar, and Melitopol cities presented the strategic planning experience of Zaporizhzhia oblast to date.

**National Forum in Kyiv.** On November 8, 2006, the RGD Project held a National Forum on "Current Practices and Prospects for Regional Development" in Kyiv. The forum was organized in partnership with the Ministry of Economy of Ukraine and National Association of Regional Development Agencies (NARDA). Approximately 140 participants including representatives of central executive authorities, local executive authorities of the RGD Project's pilot oblasts – Zakarpattya and Zaporizhzhia, regional development agencies, civil society organizations, academia, international organizations, and other international technical assistance programs and projects attended the forum. The event was chaired by Pavlo Kachur, Advisor to the President of Ukraine and President of NARDA. The key speakers at the forum's plenary session were Her Excellency Mrs. Abina Dann, Ambassador of Canada to Ukraine, Mrs. Ornyssia Lennie, Deputy Minister, Western Economic Diversification Canada, Mr. Sergejus Krispino-



*National Forum in Kyiv, November 8, 2006*

vicius, Head of Department for Regional Development, Ministry of Interior of Lithuania, Mr. Serhiy Romanyuk, First Deputy Minister of Economy, Mr. Yevhen Chervonenko, Head of Zaporizhzhya Oblast State Administration,

and Mr. Vasyl Brenzovych, Deputy Head of Zakarpattya Regional Council. Keynote presentations were made on Canada's and Ukraine's experience with state support for regional development, Lithuania's experience with regional policy under EU accession and membership, trends of regional policy implementation in Ukraine, and public engagement in strategic planning and development. In the afternoon, three concurrent workshops were convened to discuss "Strategic Planning for Regional Development: Approaches, Public Participation and Institutions", "Implementation, Monitoring and Evaluation of Strategies for Regional Development", and "State Support for Regional Development". The success of the forum allowed the RGD Project to gather a wide range of ideas, opinions, and concerns from key stakeholders in Ukrainian regional governance and development, which will be instrumental in informing the next phase of the project and in responding to Ukraine's needs in these fields.

## VISIONING EVENTS IN PILOT OBLASTS



*Awards ceremony for children's drawing contest in Zakarpattya at the Oblast Council*

**Zakarpattya Oblast.** Between the months of October and December 2006, a series of visioning events took place in Zakarpattya oblast. In October, five visioning workshops took place in Uzhgorod, Mukachevo, Khust, Volovets and Irshava rayons (districts). At the workshops, public organizations, government officials, and businesses participated in the discussion and formulation of a vision, mission and strategic goals for the Oblast Strategic Plan. Other visioning events focused on disseminating information to the public about the process and results of strategic planning. Examples of these events included announcing the results of key strategic planning events in the local media, publishing articles in popular newspapers, hosting a live roundtable discussion on regional television, conducting surveys and questionnaires, and running a telephone hotline to gather feedback and input. Youth were

also actively engaged in the process. In December 2006, the RGD Project organized three contests in Zakarpattya: 1) children's art contest called "Future of Zakarpattya and me," 2) high school and university student essay contests on the subject of "Future of Zakarpattya in the eyes of the youth," and 3) a contest for the best logo and motto of the Zakarpattya Strategic Plan. These activities aimed to increase public awareness of and engagement in the strategic planning process. The contests became very popular among children and youth across the oblast. As a final event, an exhibition and awards ceremony was held in the Oblast Council building and prizes and certificates were presented to the winners of the children's art contest and student essay contests. This exhibit and ceremony were well attended by the public and covered by many media outlets.

**Zaporizhzhia Oblast.** The process of developing Zaporizhzhia oblast's future vision started with a visioning methodology workshop in September 2006. The participants formulated a basic version of the vision and mission statements for regional development, and discussed their communication strategy for involving the public in the process. The next step was to hold four visioning workshops in the cities of Berdyansk, Enerhodar, Tokmak, and Gulyajpole. Workshop participants included representatives of local governments, businesses, and NGOs from all oblast districts. Through these events, the RGD Project gathered public input into the basic vision statement. Also, the RGD Project organized contests of children's drawings and essays on "Zaporizhzhia Region through the Eyes of Youth" with all Zaporizhzhia oblast districts taking part. Additionally, during October and No-

ember, a citizen survey was conducted with the aim of discovering the broader public's opinion on the vision for the oblast's future development. The results of these activities were analyzed by the RGD Project's strategic planning experts and presented at a Regional Working Group meeting held on December 19, 2006. The final vision has now been formulated: "Zaporizhzhia region is the historical and cultural capital of the South-Eastern part of Ukraine, ecologically clean, investment attractive, with developed industry and agriculture sectors, a high level of educational and scientific potential, and diverse resort and tourism services. Regional communities are self-sufficient and sustainable. Living standards are high and the population of the region has social and legal security". This vision will form the basis for developing the Strategy for Zaporizhzhia Oblast's Development.



Determining the vision for Zaporizhzhia's future

## SWOT ANALYSIS WORKSHOPS

On November 10-11, 2006, a strategic planning 'train the trainers' workshop was held in Kyiv. Dr. Ann McAfee, former Director, Planning Department, City of Vancouver, Canada, led the workshop, which was targeted at the RGD Project's Ukrainian strategic planning experts, representatives of regional authorities, and regional project staff. Dr. McAfee presented Canadian experience in methods and techniques of SWOT analysis for regional development within the greater framework of elaborating a Regional Strategy for Development. This workshop also trained the project's Ukrainian strategic planning experts to conduct workshops on SWOT analysis in Zakarpattia and Zaporizhzhia regions.

**Zakarpattia Oblast.** On November 15, 2006, a workshop entitled "Visioning, SWOT and Identification of Priorities in Zakarpattia Region: Process and Results Achieved" was held in Uzhgorod. Representatives of regional and local authorities, self-government bodies, businesses, NGOs, and Ukrainian and international experts attended the event, which was facilitated by the RGD Project's strategic planning experts. David Amborski, Director and Professor, Ryerson University, Canada, shared his experiences in strategic planning and SWOT analysis. Workshop participants held a fruitful discussion on the current situation of Zakarpattia oblast's development, defined the strengths and weaknesses of Zakarpattia, and analyzed the opportunities and threats to development that the region faces.

Determining Zakarpattia's strengths and weaknesses and identifying threats and opportunities



**Zaporizhzhia Oblast.** On November 15, 2006, a workshop on "Technologies of SWOT Analysis in Zaporizhzhia Oblast's Development Strategic Planning" was held in Zaporizhzhia. The workshop engaged members of the Zaporizhzhia Council on Regional Development, which includes members of the Regional Working Group on Strategic Planning as well as members of District and City Working Groups from around the oblast. Dr. Ann McAfee shared her experiences in strategic planning and public involvement. Participants had the opportunity to learn about approaches to state financial support for regional development from Mr. Ihor Yakovenko, Expert, Blue Ribbon Commission, United Nations Development Program (Ukraine). Iryna Lekh, RGD Project Regional Manager in Zaporizhzhia Oblast, and Serhiy Mohylnyi, RGD Project Ukrainian strategic planning expert, facilitated the discussion on the SWOT analysis for Zaporizhzhia's strategy.

## REVIEW OF ZAKARPATTYA'S STRATEGIC PLAN

"Strategy for Regional Development of Zakarpattia Region until 2015" was approved by the Oblast Regional Council on December 28, 2006. A draft version of the Strategic Plan was developed by a working group of government officials, academics, and RGD Project and community experts, who compiled the materials and results of seminars and workshops organized by the RGD Project as well as public suggestions and proposals.

The five key strategic goals identified in the plan are:

1. Human Development and Improvement of Standards of Life,
2. Development of a Competitive and Viable Economy,
3. Expansion of Cross-Border Cooperation,

4. Development of Tourism and Recreation Industry,
5. Spatial Harmony and Environmental Protection.

An important and unique feature of the strategic plan is that it incorporates recommendations for institutional changes that are required for the successful implementation of the plan. These recommendations primarily focus on the relationship between the central government and the regions. The plan recommends budgetary and administrative reforms that will increase decentralization of budgetary and decision making powers to the regions and the local self-governing bodies (Oblast Councils). Another recommendation that emerged in the strategic planning process is the need to increase institutional

incentives for community organizations and NGOs to actively take part in the process of self-government, including the formation, implementation and amendment of strategic plans.

Mechanisms for implementing the plan require further development and it is still necessary to create a series of programs to achieve the strategic goals and objectives. Also, the strategy document remains open for review, amendments and additions. A monitoring process was designed to include all stakeholders and will be performed annually. Currently, a short version of the Strategic Plan is being prepared in English and Ukrainian for publishing and public distribution.

## UPDATE ON ZAPORIZHZHIA'S STRATEGIC PLAN

The strategic planning process in Zaporizhzhia oblast began in early June 2006, with the creation of a working group consisting of the regional government, as well as business and NGO representatives from across Zaporizhzhia oblast. Mr. Oleksandr Sin, First Deputy Head of Zaporizhzhia Oblast State Administration, headed this group, the composition of which was later endorsed by a resolution of the Head of Zaporizhzhia Oblast State Administration and formally titled "Working Group on Elaboration of the Develop-

ment Strategy of Zaporizhzhia Oblast until 2015." Generally referred to as the Regional Working Group (RWG), this body is responsible for developing the oblast's strategic plan with public involvement. Later, the most active members of the RWG formed a Public Working Group (PWG), the main objective of which was to ensure the active involvement of the broader public in the strategic planning process. Also, a Council on Regional Development was created, which includes RWG members, as well as representatives



of Working Groups on Strategic Planning that were created in each district of Zaporizhzhia oblast. Zaporizhzhia recently completed its vision for the future development of the region through a participatory process. Presently, the oblast is determining its strengths and weaknesses, identifying the opportunities and threats it faces, and setting its regional development priorities. The RGD Project's strategic planning experts will generalize the opinions and suggestions received from the public and will present this information to the RWG to use as they elaborate the Strategic Plan. The RGD Project's key regional partners have

set the schedule for completing the Regional Strategy Document, drawing on funds that will be allocated in the oblast's 2007 budget. From July to September 2007, a draft "Strategy for Zaporizhzhia Oblast Development until 2015" will be prepared and discussed with the public. Then from October to December 2007, the public's input will be incorporated into the draft strategy and presented to the Oblast Council for approval.

*Identifying Zaporizhzhia's development priorities*



## UPDATE ON POLICY REPORTS

Since September 2006, three teams of Ukrainian and international experts have been working to complete policy papers and recommendations requested by the Ministry of Economy of Ukraine. The following progress has been made over the past several months:

- Each expert team gathered together in November 2006 in Kyiv to discuss the outlines of their reports and meet with the Ministry of Economy officials to specify the proposed areas of study and expected recommendations.
- At the RGD Project's National Forum held in November 2006, each expert team led a workshop on each of the topics and to learn about relevant experiences in Ukraine, Canada, Poland, Hungary, Lithuania and other Central and Eastern European countries.
- In February 2007, the RGD Project held a series of "roundtables" where the expert teams presented and discussed the draft reports and recommendations to the Ministry of Economy officials and the expert community. The participants highly appreciated the experts' findings and provided valuable comments and suggestions on completing the policy reports and recommendations.
- In particular, the monitoring and evaluation expert team developed two key documents: policy recommendations to the Ministry of Economy of Ukraine and local state administrations on how to improve monitoring and evaluation of national and regional development strategies and programs; and a handbook on monitoring and

evaluation of strategies and program implementation to be used by stakeholders at the regional and community levels as a practical guide for establishing necessary processes and systems.

- The expert team working on the topic of overcoming economically depressed areas finalized their policy report and recommendations based on international best practices in this area. Recommendations will be used by the Ministry of Economy of Ukraine to develop public policy addressing economically depressed territories in Ukraine.
- A policy report on state financial support for regional development was produced by a team of international and Ukrainian experts. The team developed recommendations for the Ministry of Economy on improving the state budget system and introducing new institutional and instrumental tools.

The RGD Project also conducted an analysis of all regional development strategies adopted by regional governments in Ukraine to date, and interviewed public officials who were involved in development of these strategies, processes and outputs. Canadian and Ukrainian project experts are now developing draft recommendations on improving these strategies and processes as well as designing a handbook on strategic planning for regional development based on current Ukrainian legislation and international and Ukrainian best practices.

## PLANS FOR THE THIRD FISCAL YEAR

During the third fiscal year, the RGD Project will build upon results achieved in the first and second fiscal years and up-scale its achievements to other areas of activity. It will build on the policy recommendations developed for the Ministry of Economy of Ukraine through further policy advice and capacity building activities for its staff. This will be done through an established partnership between the Ministry of Economy of Ukraine and Western Economic Diversification Canada that began during the second fiscal year. Research on mechanisms of state support for investment into regional development will be completed and relevant recommendations for the Government of

Ukraine provided. Following the successful process of involving the public in formulating the regional vision and assessing critical regional issues, which occurred in the two pilot regions over the past fiscal year, the RGD Project will support similar activities at the rayon (district) level in the same regions. To support the implementation of the approved regional strategies, the RGD Project will help its regional partners to conduct relevant background studies and develop strategic action plans. Additionally, the RGD Project will support the implementation of a number of small-scale projects relevant to those regional priority areas identified through the participatory strate-

gic planning process in the two pilot oblasts. The RGD Project will also facilitate a number of institutional capacity building activities for the national and regional governments of Ukraine and will continue building partnerships between stakeholders in Ukraine and Canadian, Central and Eastern European, and Ukrainian government agencies, practitioners and experts. Specific attention will be paid to civil society, gender and environmental issues throughout project activities and donor coordination will be strengthened through joint activities.

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