



PROJECT NEWSLETTER

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The **Regional Governance and Development (RGD) Project** is a five-year (2005-2010) cooperation project of the Canadian Urban Institute (www.canurb.com), supported by funding from Canadian International Development Agency (www.acdi-cida.gc.ca). It is implemented in association with the National Association of Regional Development Agencies (www.narda.org.ua) in Ukraine and with the Foundation for International Training (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 to the needs of citizens and working strate-



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gically 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.

LISBON CONFERENCE

Olena Nyzhnyk, Director, Department for Regional Development, Ministry of Economy of Ukraine and Ihor Sanzharovskiy, RGD Senior Technical Advisor, participated in the conference "Regions in Focus" that was organized by the Regional Studies Association (RSA) and held in Lisbon, Portugal in April 2007. Over two hundred participants from around the world attended RSA conference this year to share and discuss results of their work in the area of regional development. Olena

Nyzhnyk and Ihor Sanzharovskiy participated in three plenary sessions and several workshops, as well as delivered a presentation on "Regional Development in Ukraine: Institutions and Policy" to the participants of the "Regional Governance and Policy" workshop. Participation in the event allowed the Ministry of Economy of Ukraine to learn about international best practices in regional development that will inform policy making and implementation. Some of the policy areas, which need

more attention in Ukraine, are regional innovations, regional competitiveness, regional mobility, skills and employment and good governance. The RGD project's participation in the conference provided an opportunity to share the project's achievements with an international audience and to identify further areas of support towards Ukraine's regional development policy.

CAPITAL GRANTS TRAINING PROGRAM

A capital grants training program was jointly implemented by the RGD Project, which receives support from the Canadian International Development Agency, and the Department for International Development (UK) from April to July 2007. This joint initiative was launched in response to a request from the Ministry of Economy of Ukraine. The Law on the Stimulation of Regional Development 2005 includes provisions for harmonizing Ukrainian and EU standards on proposals for capital grants for infrastructure projects from the regions. However, regional and local governments of Ukraine currently lack the capacity to prepare projects that can meet these standards. The Ministry of Economy of Ukraine recognised that a lack of well-designed projects is preventing effective distribution of state budget subsidies for capital grants to support essential improvements in infrastructure, e.g. water supply, housing renewal, waste management, etc. Thus, the project helped to provide capacity building activities to improve the quality of infrastructure investment project proposals submitted by the regions in accordance with the standards required by the Cabinet of Ministers of Ukraine and the EU. This was done in time to include successful projects into the 2008 State Budget. The secondary, but nevertheless important, purpose was

to strengthen the capacity of regional and local government staff to prepare high quality proposals.

In order to coordinate the training, the oblasts of Ukraine were divided into four clusters:

1. Eastern cluster: Donetsk, Zaporizhzhia, Dnipropetrovsk, Poltava, Kharkiv and Lugansk oblasts.
2. Northern and Central cluster: Kyiv, Chernigiv, Sumy, Cherkasy, Vinnytsia, Zhytomyr and Khmelnytsky oblasts.
3. Southern cluster: Crimea, Odessa, Mykolayiv, Kherson and Kirovograd oblasts.
4. Western cluster: Lviv, Zakarpattia, Ivano-Frankivsk, Volyn, Rivne, Ternopil and Chernivtsi oblasts.

From April to July, capital grants training was successfully held in Kyiv, Odessa, Lviv, Uzhgorod, Zaporizhzhia and Donetsk for all four clusters. Training sessions were facilitated by leading experts from Poland. 21 capital grants project proposals from different regions of Ukraine were developed with the RGD project's input.

GENDER MISSIONS TO KYIV AND PILOT REGIONS

In order to facilitate further integration of gender issues into project activities, the RGD Canadian Gender/Youth Consultant Carole Houlihan visited the RGD project Kyiv office in June. The main purpose of her visit was to provide advice and practical recommendations on integrating gender and youth issues into all project activities. In accomplishing this task, and in order to learn about recent developments in gender policy in Ukraine, a number of meetings were held with Ukrainian government representatives responsible for gender policy, representatives of other donor-funded projects that work with

gender policy, as well as with the RGD Project staff. In particular, Carole Houlihan met with Rayisa Semenets, Deputy Head, Department for Family and Gender Policy, Ministry for Family, Youth and Sport, Larisa Kobelyanska, Project Manager and Iryna Ignatova, Regional Gender Development Expert, UNDP "Equal Opportunities Programme." She also participated in a regular RGD staff meeting with the project teams from Kyiv, Zakarpattia and Zaporizhzhia offices. The meeting included a very thorough discussion of the RGD annual work plan and the gender expert's recommendations on how to

better integrate gender and youth issues into project activities, as well as on how to document this process. The team also discussed ways to ensure that women, men, youth and elderly people participate in strategic planning processes in the pilot regions.

Following this mission, the RGD Ukrainian Gender Expert, Olga Pishchulina, Ihor Sanzharovskiy, RGD Senior Technical Advisor and Nataliya Betsa, RGD Project Coordinator, traveled to the pilot region to meet with the regional staff and experts, as well as with the oblast





authorities responsible for gender issues. The meetings with the RGD staff and experts were necessary to monitor the current efforts and achievements in incorporating the RGD project gender equality strategy into project supported activities. During the meeting with the oblast authorities, the discussion focused on activities that Zakarpattia and Zaporizhzhia Oblast State Administrations can undertake to advance gender equality and how the

Gender coordination meeting in Uzhgorod

RGD project can assist them with this work. Regional Programs on Activities on Ensuring Gender Equality in Zaporizhzhia and Zakarpattia Oblasts until 2010, the draft outlines of background studies, and approaches for integrating gender and youth related issues into the project reporting process were also discussed during this visit.

MISSION OF WESTERN ECONOMIC DIVERSIFICATION CANADA (WD) SPECIALISTS TO UKRAINE

From July 2 to July 14, a mission from Western Economic Diversification Canada (WD) took place. The purpose of the mission was to enhance the Ministry of Economy staff capacity to review and implement various aspects of the State Strategy for Regional Development through delivering workshops on the theme of state support to regional development in Kyiv and in the RGD project pilot regions. WD representatives Barry Lake, Senior Program Advisor, responsible for the Community Futures Program, WD Headquarters in Edmonton and Mark Gale, Senior Business Officer, WD, Manitoba Region visited Kyiv, Uzhgorod and Zaporizhzhia.

On July 4 and 5, the WD experts facilitated a two-day workshop on state support to regional development for the representatives of the Ministry of Economy of Ukraine. Svitlana Slava, RGD expert, co-facilitated the workshop on the Ukrainian side. During the workshop, the Canadian experts delivered presentations on WD activities and described the regional and community economic development processes in Canada. Barry Lake delivered a presentation on the Community Futures Program and Community Futures Development Corporations (CFDC) in Western Canada and presented several CFDC case studies. Mark Gale provided an overview of Urban Development Agreements, (UDA) which are designed for development of cities in Western Canada. He outlined their main objectives, the mechanisms for their establishment, and the role of the community and various stakeholders in the establishment and implementation of UDAs. The Winnipeg Partnership Agreement was presented as a case study. The participants of the workshop discussed financial, institutional and legal framework necessary to organize and run a CFDC, and to implement a UDA. It is necessary to point out, that while the number of women and men present at the workshop was equal, the quality of their participation was very different. Women were significantly more engaged into discussions of the specifics of regional development in Canada and financial issues related to operation of UDAs and CFDCs. At the end of the workshop, the participants suggested holding a number of hands-on workshops for the Ministry of Economy of Ukraine staff in the future.

On July 9, the WD experts held a workshop on developing and strengthening of partnerships for regional and local development between the government and communities in Uzhgorod. Representatives of other CIDA-funded projects, which operate in Ukraine, also participated in the workshop. Anatoliy Furda, Business Center Coordinator, presented the experience of Ivano-Frankivsk oblast in supporting regional development using local development funds. Bill Parady, representing the "Community Economical Development" Project, provided an overview of this project's activities in Zakarpattia oblast, and the main challenges that he has come across in his work. More than 60% of the workshop participants were representatives of women's NGOs.



WD workshop in Kyiv

On July 11, a workshop entitled "Partnership for Regional Development" was held in Zaporizhzhia. Eighty people attended the workshop. The participants of the workshop included representatives of the Oblast Council for Regional Development, members of Regional Working Group, oblast and rayon authorities, RGD regional and Kyiv staff and the WD experts.

MISSION FROM THE REGIONAL MUNICIPALITY OF WATERLOO, PROVINCE OF ONTARIO, CANADA TO ZAPORIZHZHIA OBLAST



Waterloo delegation in Enerhodar city

The mission from the Regional Municipality of Waterloo to Zaporizhzhia oblast took place in July 2007. An informal cooperation between these two regions was established during the RGD Project's first study tour to Canada in April 2006 and continued to develop after the first visit

of Waterloo Region representatives to Zaporizhzhia oblast in July 2006 and during a training program on strategic planning to Waterloo region in February 2007. The participants of this second mission from the Waterloo Region were Terry Boutilier and Valerie Bradford, representatives of the Economic Development Office of the city of Kitchener. They shared the Waterloo Region's experience in implementing innovative investments, and developing cultural and historical tourism.

The program of the mission consisted of several meetings and workshops. The experts participated in a round table meeting on strategic planning that was held in Zaporizhzhia Humanitarian University, and visited the cities of Enerhodar and Berdyansk. Enerhodar city was selected by the RGD Project and Zaporizhzhia Oblast State Administration as a pilot for development of a strategic plan on the municipal level. In Enerhodar, Terry Boutilier delivered a presentation during a round table meeting with local stakeholders held in the city administration

office. Mr. Boutilier talked about Kitchener's experience in strategic planning. The meeting participants were very interested in the administrative structure of the Canadian government and its budgetary system. On the same day, the workshop on development of cultural and historical tourism for the Azov sea rayons took place in Berdyansk city in the office of the Rayon State Administration. An interesting fact is that the Heads of Departments of Culture in all four rayons (Priazovskiy, Primorskiy, Yaky-mivskiy, Berdyanskiy) were women. During this workshop, Valerie Bradford shared with the participants the Waterloo Region's experience with historical and cultural tourism. She also provided a number of suggestions for further development of historical and cultural tourism industry in Zaporizhzhia oblast. The final event of the day was a round table meeting on the theme of "Innovative Investment Development of Berdyansk City: Tourism." The participants of the meeting included members of the Canadian delegation, Berdyansk municipal government, businesses, NGOs and media representatives.

UPDATE ON ZAKARPATTYA REGIONAL DEVELOPMENT STRATEGY

Strategic planning process in Zakarpattya is progressing. A public information and education campaign on strategic priorities, identified in the Regional Strategy for Zakarpattya Oblast Development until 2015, is being actively implemented. In the spring of 2007, a competition for the logo and motto for Zakarpattya oblast Strategy and the award ceremony for the winners of the contest was held. A panel of experts reviewed 60 submissions, and the best ideas for motto and logo were selected. The motto of Zakarpattya Regional Development Strategy is five word-symbols, which reflect the five strategic priorities for the development of Zakarpattya oblast: Person – Prosperity – Zakarpattya – Consent – Harmony. Within the framework of the public information and education campaign, a video entitled “Zakarpattya 2015” was developed and disseminated among major regional stakeholders. The video speaks about the collaboration between the oblast community, regional government authorities and the private sector on formulating a common vision for the oblast’s development until 2015. A short demonstration version of Zakarpattya Regional Development Strategy until 2015 was also published as a part of this campaign. This document also reflects the partnership between the community, regional authorities and businesses, established during the strategic planning process. The demonstration version of the Strategy was reviewed by the Ukrainian Gender Expert to ensure that it reflects gender issues related to development of the region.



The key strategic planning activity that is currently underway is the development of operational plans for each of the strategic goals identified in the Regional Development Strategy. During the visit of the RGD Project Canadian expert, Bohdan Wynnnycky in June of 2007, a meeting with the regional strategic planning

experts in Zakarpattya took place. The objective of this meeting was to share Canadian experience in implementation of strategic plans, in development of action plans for regional development priorities, and establishment of multi-stakeholder working groups. Further, during a meeting with the representatives of the NGO coalition “For the future

of Zakarpattya”, the cooperation between regional government authorities and civil society organizations in the strategic planning process was discussed.

Regional multi-stakeholder working groups for the priority areas, identified in the Zakarpattya Regional Strategy, are currently being established. Three preliminary meetings took place during the month of August. The main objective of the working groups will be to develop operational plans for each of the strategic priorities. These plans will serve as the basis for the development of investment projects that will advance the region’s priority goals for development.

These projects will be funded from the state budget, private capital and donor funds. The operational plans for the priority areas of “Developing a Competitive and Viable Economy” and “Development of Tourism and Recreation Industry” will be informed by background studies on the available resources, needs and systems in these priority areas. These background studies are currently being finalized by RGD Project experts Svitlana Slava and Kateryna Sochka. A study on the systems for forecasting, and specific legislation and documentation related to available regional development programs has been completed. The report on this study was presented by the RGD Project expert Mariya Popadynets to Zakarpattya Oblast State Administration on September 18, 2007. In addition to providing information, the report makes recommendations on how Zakarpattya region can take advantage of these programs to assist in implementing its regional strategy for development until 2015.



Meeting of NGO coalition “For the future of Zakarpattya” with project expert Bohdan Wynnnycky

UPDATE ON ZAPORIZHZHIA REGIONAL DEVELOPMENT STRATEGY

Following Zaporizhzhia Oblast Council decision of April 2007 to allocate 200 000 UAH for the development of Zaporizhzhia Regional Development Strategy until 2015, Zaporizhzhia Oblast State Administration commenced preparations for the tendering process. The Main Department of Economy, with the assistance from the RGD strategic planning experts for Zaporizhzhia oblast, Sergiy Mogylnyi and Volodymyr Nazarenko, prepared relevant tender documentation, which were discussed and approved by the Regional Working Group in a strategic planning meeting in May. It was decided to hold the tendering process among a limited number of participants. This includes five academic institutions of Zaporizhzhia region. In June, all tender documentation was submitted to the Tender Committee of Ukraine. After obtaining the license, the call for proposals for Zaporizhzhia Regional Strategy development was officially announced on August 2, 2007.

In June, RGD Project selected experts to carry out background studies on two of the three strategic priorities to facilitate the development of action plans for the regional strategy. The experts are: Sergiy Mogylnyi (Cultural

and Historical Tourism and Resort Industry priority) and Volodymyr Nazarenko (Innovative Investment priority). Additionally, Vitaly Lysenko was selected to prepare a study on systems for forecasting, specific legislation and documentation related to available regional development programs in the oblast.

From June 12 to June 15, Andrew Balahura, RGD Project Canadian expert visited Zaporizhzhia oblast in order to discuss the development of action plans for the regional strategy and to provide Ukrainian experts with methodological support necessary to undertake background studies on the strategic priorities for Zaporizhzhia Oblast. The objective of his visit was to share with the oblast government, academia, NGOs and RGD experts, Canadian experience in implementation of regional development strategies, and different approaches to the development of action plans for strategic priority areas. Andrew Balahura participated in a training seminar on “Background Studies for Implementation of Regional Development Priorities” that took place on June 14. Among major issues discussed, was the application of new ideas to the development of historical and cultural tourism and innovative investment activities. As a result of the mission, it was decided to implement the “First Impressions Community Exchange” program as a tool for development of cultural and historical tourism in Zaporizhzhia oblast. This program was one of Canadian best practices shared during the mission.

In July, during a strategic planning meeting of the Regional Working Group, the RGD project initiated the establishment of specialized working groups for regional strategic priorities. As a result, three specialized working groups were established for the development of action plans for the three strategic priorities of Zaporizhzhia oblast. The members of the working groups include representatives of the regional government, the private sector and NGOs. Gender equality was taken into consideration in establishing the groups. The number of female and

male members is roughly the same in the working groups on environment and innovative investment development, while the members of the cultural and historical tourism working group are predominantly female (12 out of 18 persons). Youth is mainly represented in the working group on innovative investment development.

In September, a three-day workshop for the working groups was held in the Azov rayon. The theme of the workshop was methodology for development of operational plans. Its purpose was to commence the development



Working in groups at the workshop, Azov rayon



RWG meeting in Zaporizhzhia with participation of Andrew Balahura, project expert

of operational plans for the three strategic priorities of Zaporizhzhia oblast: environment, historical-cultural and resort-tourism, and innovative investment. During the workshop, the participants were split into groups in accordance with the priorities. The groups developed the vision, strategic and operational goals for each priority; activities necessary for the implementation of the strategic goals; identified stakeholders and those responsible for implementation of the strategic goals; and necessary resources and timetable for completion of the activities. At the end of the workshop, a draft operational plan for each of the priorities was presented.

DEVELOPMENT OF LOCAL STRATEGIES IN ZAKARPATTYA REGION

Zakarpattya's regional strategic planning process inspired active work on the development of strategies in the rayons and cities of the oblast. All 13 rayons and major cities of Zakarpattya oblast are developing their strategies in line with the Decree of the Head of Zakarpattya Regional Council of December 28, 2006. The RGD project has been providing support to this process. This is essentially the first time that the participatory strategic planning model is introduced into the local level planning processes.

RGD project experts Oleg Luksha and Oksana Stankevych are facilitating the development of local strategies by providing advice and sharing methodology with local planning teams. Moreover, they have been providing individual consultations for the rayons on addressing their most challenging issues and reviewing the more difficult parts of their strategies. From July 3 to July 13, they held six inter-rayon workshops-consultations aimed at evaluating and analyzing the latest results of the strategic planning processes in the rayons and cities of Zakarpattya oblast. These workshops took place

in Irshava city, engaging representatives of Irshava Regional State Administration and Irshava City Council; in the city of Mukachevo, for representatives of Mukachevo and Beregovo Regional State Administrations and City Councils; in the city of Vynogradiv Vynogradiv for Regional State Administration and City Council officials; in the city of Khust, for Khust, Tiachiv, Rakhiv Regional State Administrations and City Councils; in the city of Svaliava, for Svaliava, Mizhgyrya, Volovec Regional State Administrations and City Councils officials; and in the city of Uzhgorod for Uzhgorod, Perechyn, Velykyi Bereznyi Regional State Administrations and City Councils, as well as Chop City Council. In consideration of gender equality, each working group, involved in the development of the local strategies, had equal representation of men and women of different age and social status. As of September 1, 2007, the Development Strategies for the city of Beregovo and Beregovo rayon, as well as for Uzhgorod, Irshava, Mizhgyrya, Rakhiv, Svalyava and Tiachiv rayons have been approved.

DEVELOPMENT OF LOCAL STRATEGIES IN ZAPORIZHZHIA REGION

Strategic planning process at the level of rayons and cities in Zaporizhzhia oblast is moving ahead with support from Zaporizhzhia Regional State Administration and the RGD Project. The RGD project is providing informational, methodological and expert support to the process of developing local strategies. Following the initial analysis of local needs, the RGD regional office staff and strategic planning experts organized a number of visits to the potential pilot rayons and cities, in particular, Energodar city, Kommunariskiy rayon of Zaporizhzhia city, the cities of Prymorsk and Tokmak. Prymorsk city initiated the development of a strategy for the Azov sea coastal rayons. In Zaporizhzhia oblast, four rayons have access to the Azov sea. This idea was supported by Zaporizhzhia Oblast State Administration during a meeting of the working groups on May 15 in the city of Prymorsk. As a result of this meeting, it was recommended that RGD Project should support the initiative of local authorities and assist in elaboration of strategy for the rayons located on the Azov sea coast. Later on, a round table meeting of strategic planning working groups from the city of Tokmak and Tokmak rayon took place in Tokmak city. The meeting was focused on discussing the collaboration between the city and the rayon on developing

a joint strategy. It was agreed that it was necessary to implement local "pilot" projects in line with regional priorities. Also, the city of Energodar held public hearings to select its strategic development priorities. During the month of June RGD Strategic Planning Experts for Zaporizhzhia oblast, Volodymyr Nazarenko and Serhiy Mogyl'nyi, held consultations with local authorities in potential pilot rayons. The meetings took place in the cities of Berdyansk, Tokmak and Energodar. These events resulted in the development of joint action plans for elaborating strategies for the pilot rayons, including formulating a shared vision, performing a SWOT analysis and selecting strategic development priorities. Joint activities were planned until October 2007.

On July 18, the list of pilot rayons and cities of Zaporizhzhia Oblast, where the RGD Project will assist in local strategies development, was approved during a Regional Working Group meeting. The pilots are Energodar city, Tokmak city and Tokmak rayon, 4 Azov rayons: Priazovskiy, Primorskiy, Yakymivskiy; and Berdyanskiy and Komunariskiy rayons of Zaporizhzhia city. The process of developing of the Azov Sea rayons' joint strategy commenced at the beginning of August. The purpose of this activity is to develop an effective model for creating

a favorable environment to attract investments for the development of the Azov sea rayons. In order to select priorities for the rayons' development, a number of activities were carried out. These included analyzing the potential for development of the Azov sea coast (300km of cost line), carrying out a needs assessment study, and a survey on the level of tourist satisfaction with the tourism services and products offered by the rayons. These activities were carried out by using the "First impressions" methodology, by holding focus groups for stakeholders engagement (authorities, businesses, communities) and round table meetings on infrastructure development strategy for rayons of Zaporizhzhia oblast, and by providing media coverage of working group activities. These activities were also implemented in Prymorsk and Yakymivka rayons. Also in August, two round table meetings were held by RGD strategic planning experts in Energodar and Tokmak cities with the purpose of discussing the drafting of the operational plans for regional development priorities. The work on developing the operational plans commenced in September. It was agreed that local strategies for the cities of Tokmak and Energodar will be developed by the end of the year.

LEARNING EXCHANGE TO HUNGARY

From September 2 to September 8, 2007, RGD project held a learning exchange to Hungary for representatives of the national government of Ukraine and the pilot oblast governments.

The primary objective of the learning exchange was to learn from the experience of the Hungarian Republic with implementation of innovative mechanisms, instruments and organizations for regional development. Participants of the learning exchange attended meetings with the Ministry of Economy of Hungary, the Ministry

for Local Self-governance and Regional Policy, National Development Agency, Regional Development Holding and several Hungarian non-profit regional development and urban planning organizations. The delegation also met with local authorities and self-government bodies of Western Panonia region, in particular, the Regional Development Council and the Regional Development Agency, the municipalities of Sombotely and Sengottard, and the Innovations and Technologies Park in Dyor.

As a result of the meetings, the participants gained

substantial knowledge about new approaches and processes for strategic and operational planning used in Hungary, about EU criteria of defining depressed regions, about conditions and requirements for preparing project proposals for regional development, and other topics relevant to regional development. The delegates received a number of informational materials, including samples of legislative and programmatic documents, as well as presentations and recommendations on various regional and local development issues.

RGD PROJECT CONTACT INFORMATION

Contact Information in Canada

Canadian Urban Institute
555 Richmond Street West, Suite 402,
P.O. Box 612
Toronto, Ontario Canada M5V 3B1
Tel: 1-416-365-0817
Fax: 1-416-365-0650
E-mail: cui@canurb.com
Web: www.canurb.com

Contact Information in Kyiv

Kyiv Field Office
3 Triokhsviatyelska Street, office 60
Kyiv, 01001, Ukraine
Tel: 380-44-390-7087
Fax: 380-44-278-0714
E-mail: info@rgd.org.ua
Web: www.rgd.org.ua

Contact Information in Zaporizhzhia

Zaporizhzhia Field Office
164, Lenina Avenue, office 730a
Zaporizhzhia, 69107, Ukraine
Tel./Fax: 380-612-34-6363
E-mail: ilekh@canurb.com

Contact Information in Uzhgorod

Zakarpattya Field Office
71 A, Shvabska Street, office 8
Uzhgorod, 88018, Ukraine
Tel./Fax: 380-312-67-1297
E-mail: nrosa@canurb.com

Please visit our website at www.rgd.org.ua for the most up-to-date information.