



## PROJECT NEWSLETTER

No. 5, October 2007 – March 2008

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 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.

## THIRD ANNUAL FORUM IN KYIV

On November 8, 2007, the RGD Project held the Third Annual Forum: REGIONAL DEVELOPMENT: FROM PLANNING TO IMPLEMENTATION: UKRAINIAN AND INTERNATIONAL TRENDS AND TENDENCIES in Kyiv.

The purpose of this forum was to enhance national-regional dialogue and co-operation in regional policy development and implementation, as well as raise stakeholder awareness of international and Ukrainian best practices in regional development. The Forum was organized in partnership with the Ministry of Economy of Ukraine, the Ministry for Regional Development and Construction of Ukraine, and National Association of Regional Development Agencies (NARDA). About 120 people attended the Forum, including representatives of central and local executive authorities, local self-government bodies, regional development agencies, civil society organizations, international organizations, international technical assistance programs and projects, academia from Kyiv and 15 regions of Ukraine, as well as experts from Canada, Hungary and Lithuania. Participants had an opportunity to discuss Ukrainian and international trends and best practices in regional policy implementation.

Anatoliy Tkachuk, Advisor to the President of Ukraine, President of NARDA, opened the forum and chaired the plenary session. Introductory remarks were provided by Tamara Romas Figol, Second Secretary, Development, Embassy of Canada in Ukraine, Andrew Farncombe, Director, International Partnerships, Canadian Urban Institute, Olexandra Kuzhel, Deputy Minister, Ministry for Regional Development and Construction of Ukraine and Volodymyr Kaltsev, Deputy Head, Zaporizhzhia Oblast State Administration.

Four keynote presentations were delivered during the plenary session. Olena Nyzhnyk, Director, Department for Regional Development, Ministry of Economy of Ukraine, discussed new instruments and approaches for

regional policy formulation and implementation. Bohdan Onyschuk, Q.C., Chairman of the Board, Canadian Urban Institute, Senior Partner at Gowling Lafleur Henderson LLP, shared North America's experience in regional development. Peter Szegvari, Director General, Regional Development Holding, Hungary, delivered a presentation entitled "Regional Policy under Europeanization: Europe of the Regions." Volodymyr Vakulenko, Head of Regional Development, Local Self-government and Urban Management Department, National Academy of Public Administration at the President of Ukraine, spoke about present day and future trends of regional development in Ukraine.

In the afternoon, participants attended three concurrent workshops on major themes in regional development.

Workshop 1: Participatory Approach to Planning and Implementation in Zakarpattia and Zaporizhzhia Regions, included a discussion about the role of the public in changing approaches to strategic planning; inclusive approach to implementation of regional strategies; effective partnership for sustainable regional development, and gender equality in strategic planning process. The panel speakers of this workshop were Ella Slepian, Head, Main Economic Department, Zaporizhzhia Oblast State Administration, Vasyl Papp, Deputy Head, Main Economic Department, Zakarpattia Oblast State Administration, RGD strategic planning experts for Zaporizhzhia and Zakarpattia oblasts, as well as RGD Ukrainian gender expert. The workshop was chaired by Yevgen Fyshko, First Vice-President, NARDA.

Myroslava Lendel, Associate Professor, Uzhgorod National University, RGD Project Expert, chaired Workshop 2: Public-Private Partnership for Regional Strategies Implementation. The participants of this workshop discussed RGD project's research findings on Ukrainian and international approaches to public-private partnerships

(PPP); the legal framework and institutional arrangements required to establish these partnerships; challenges and opportunities associated with implementing PPP; the roles of public agencies in developing PPPs; and other issues related to building partnerships between the government and private sector in Ukraine.

Svitlana Slava, Deputy Director, Zakarpattia Regional Center for Social and Economic Studies, National Academy of Sciences, RGD Project Expert, chaired Workshop 3: Developing Investment Attractiveness of the Regions. The participants of this workshop had an opportunity to discuss different approaches to supporting implementation of regional strategies and development programs, including state support of regional development, local initiatives in regional development, investments into innovations, clusters of development, and the use of technoparks and technopolis.

The success of the forum allowed the RGD Project to gather a wide range of ideas, opinions, and concerns from key stakeholders in Ukraine's regional governance and development area, which will be instrumental in informing the next phase of the project and in responding to Ukraine's needs in this field.



Third Annual Forum in Kyiv

## REGIONAL FORUMS

On November 5, 2007, a Regional Forum was held in Zaporizhzhia. The purpose of this year's forum was to strengthen intergovernmental dialogue on the theme of "Development and Implementation of Regional Strategies: Current Practices," and to share Ukrainian and international experiences and best practices on development, implementation and evaluation of regional development strategies. The participants of the forum were the leadership of Zaporizhzhia Oblast State Administration, representatives of the Ministry of Economy and the Ministry for Regional Development and Construction of Ukraine, members of the Working Group on Strategic Planning, representatives of rayons and cities of Zaporizhzhia oblast, as well as representatives of Zakarpattia and Luhansk oblasts. There were 56 participants: 35 women and 21 men. Youth was also represented at the forum. During the forum the participants learned about many Ukrainian and international experiences and lessons learned in strategic planning. A highlight of the forum was a presentation by Andrew Balahura, representative of the Ministry of Agriculture, Food and Rural Affairs of Ontario, Canada, who talked about strategic planning experiences in the Province of Ontario. This information will inform the development and implementation of regional and local strategies in Zaporizhzhia oblast.

On November 21 and 22, an international investment forum took place in Zaporizhzhia. The forum was organized by Zaporizhzhia Oblast State Administration and Zaporizhzhia Oblast Council in partnership with the RGD Project. The forum was focused on Zaporizhzhia oblast's cooperation with Ukrainian and international investors. The program of the forum included presentations by representatives of the government, the private sector, the banking sector, insurance companies, industry and agriculture, and regio-

nal scientific and academic establishments. The first day of the forum consisted of a plenary session and sectoral roundtable meetings. Volodymyr Kaltsev, Deputy Head of Zaporizhzhia Oblast State Administration, chaired the forum. In his opening remarks he highlighted innovative investment as one of Zaporizhzhia oblast's strategic development priorities. He also stressed that Zaporizhzhia oblast made significant progress in bringing together the government, the private sector and the community to formulate a common vision for the future of Zaporizhzhia. On the second day of the forum, representatives of Zaporizhzhia regional government and local self-governments presented their investment projects and described the investment and business environment in their regions. The participants also received an update on regional and local-level strategic planning in Zaporizhzhia.

On November 2, an international investment seminar was held in Uzhgorod, Zakarpattia. It was organized by Zakarpattia Oblast State Administration and the State Agency for Innovation and Investment, in cooperation with the RGD project. The participants included representatives of Zakarpattia Oblast State Administration, directors of regional state agencies for innovation and investment, representatives from international trade missions, and managers of major investment projects in Zakarpattia. The participants received materials outlining the investment environment in Zakarpattia oblast. A short video was presented highlighting Zakarpattia's infrastructure and investment capacities. The forum participants suggested creating a collection of investment proposals that could be presented to potential investors.

## ACTION PLANNING IN ZAPORIZHZHIA

The multi-stakeholder specialized working groups in Zaporizhzhia continued developing action plans for the three strategic development priorities of the oblast: Historical-Cultural Tourism and Resort Industry, Innovative Investments, and Environment. The draft action plan for the development of Historical-Cultural Tourism and Resort Industry was informed by a background study prepared earlier by RGD Project experts. This plan was reviewed and revised over several working group meetings, one of which, was attended by Andrew Balahura, representative of the Ministry of Agriculture, Food and Rural Affairs of Ontario. He shared with the group Ontario's experience in tourism development and provided recommendations on action planning for this priority. The working groups on Environment and Innovative Investments reviewed their draft action plans through several round table meetings with regional stakeholders. The participants of these meetings suggested amendments and additions to the action plans. These action plans and all of the collected recommendations were incorporated into the final Regional Strategy document. On November 27, the specialized working groups participated in a joint Monitoring and Evaluation Workshop for Regional Strategies and Programs. This workshop was facilitated by Myroslava Lendiel (Ukraine) and Bohdan Wynnycky (Canada). It was attended by

representatives of relevant departments of Zaporizhzhia Oblast State Administration, academics, regional experts, and RGD project staff. During the workshop, participants identified monitoring and evaluation indicators for regional action plans, and the sources and methods to be used for data collection. Additionally, they developed a model for



*Prioritization of Operational Goals*

assessment of development programs in priority areas. Draft monitoring and evaluation indicators were reviewed by RGD Ukrainian Gender Expert to ensure their gender

sensitiveness. On December 11, the working groups participated in a joint action-planning workshop that was facilitated by RGD Canadian experts Beate Bowron and Gary Davidson. The purpose of this workshop was to finalize action plans for regional strategic priorities. At that stage, the three priorities together included 24 operational goals and 117 operational actions. The Canadian experts advised the working groups to identify among these, the goals and actions, which would be critical in achieving the mission and vision of the Regional Strategy. Working in small groups, the participants ranked operational goals within each priority and the measures/projects within the top operational goal. This process was used to identify key projects for the implementation of Zaporizhzhia Regional Development Strategy in the mid-term. In addition, the experts presented two Canadian case studies related to strategic plan implementation: Toronto fashion incubator and Huron County tourism association. They provided a number of other useful recommendations on action plan implementation. As a result, Zaporizhzhia oblast was prepared for implementation of a limited number of doable projects. The results of this workshop were discussed at the RWG meeting on December 13 and incorporated into the final document of the Zaporizhzhia Regional Development Strategy until 2015.

## ACTION PLANNING IN ZAKARPATTYA

In Zakarpattia, RGD project experts provided comprehensive support to the multi-stakeholder working groups within the strategic priorities of Zakarpattia Regional Development Strategy until 2015. The working groups focused on developing operational goals and actions, evaluating priority operational goals, developing evaluation and monitoring mechanism for operational plans, and identifying short-term and long-term actions. The RGD project developed a straightforward scheme of methodological and expert support, which envisages coordination of work in each working group, training program and experience-sharing activities, background studies for selected strategic priorities, etc. In order to provide ongoing international expertise to the action planning process, the RGD project engaged Bill Parly as a Regional Development and Community Economic Development Expert. He assisted the working groups to develop a plan for completion of action plans, based on an analysis of the work completed to date and the challenges encountered in this process. The background studies for strategic

priorities "Building Competitive and Viable Economy" and "Development of Tourism and Recreation Industry" were completed in December 2007. The recommendations based on the findings of the studies, provided useful background information for the working groups and related departments of Zakarpattia Oblast State Administration. With support by RGD Ukrainian and Canadian specialists, the working groups developed monitoring and evaluation indicators and a plan for monitoring of the action plans. Two monitoring and evaluation workshops were held: an introductory workshop for the multi-stakeholder working groups was held on November 29, 2007, and a more applied training workshop for working group leaders was held on December 4, 2007. On December 14, Gary Davidson and Beate Bowron, RGD Canadian Strategic Planning experts, facilitated capacity building workshops on action planning for the multi-stakeholder working groups. They shared Canadian experience in action planning and provided some examples of successful development planning. During the workshop, the working groups prioritized ope-



*Working Group Meeting on Economic Development*

rationed goals within each of the five priority areas, and then ranked the actions within the top goal. The working groups decided to use the ranking of the operational goals completed during the workshop as a basis for further elaboration of regional action plans.

# ZAPORIZHZHIA REGIONAL DEVELOPMENT STRATEGY

Zaporizhzhia Classical Private University (previously Zaporizhzhia University of Humanities "ZIDMU") won a tender for the drafting of the final document of the Regional Development Strategy until 2015. The University was responsible for compiling the materials collected by the RGD Project through broad-based participation by oblast and local governments, civil society and businesses in the processes of visioning, analysis of the current situation, and selection of strategic priorities. Three specialized working groups, established earlier in line with oblast strategic priorities, worked on developing and holding public consultations on action plans for each priority. These action plans became the basis of Zaporizhzhia Regional Development Strategy. The first draft of the Strategy document prepared by the University was presented on December 1, 2007 at the Regional Working Group mee-



NGO Forum in Zaporizhzhia

ting. Following this meeting, the draft was made public for broad public discussion. Zaporizhzhia oblast citizens, both men and women of different age, representing business, academia and civil society organizations, provided more than 100 written comments and suggestions to the draft Strategy. On the whole around 20 000 Zaporizhzhia oblast citizens were involved into the public discussion of Zaporizhzhia Oblast Development Strategy. On December 20, 2007, the draft Strategy was presented to the heads of standing committees of Zaporizhzhia Oblast Council. The Council decided to thoroughly review the document and provide recommendations to Zaporizhzhia Oblast State Administration. The draft Strategy was also discussed at the Regional NGO Forum on December 24, 2007. The theme of this forum was "the Role of Civil Society Organizations in the Development and Implementation of the Regional Strategy in Zaporizhzhia oblast." More than 50 regional civil society organizations, as well as representatives of national minorities of Greek, German and Armenian descent, residing on the territory of Zaporizhzhia oblast participated in this event. The Forum was an important event in the process of strategy development in Zaporizhzhia oblast. It was widely covered in regional mass media. After this, the draft Strategy document was presented and discussed at the meeting of the Regional Coordination Council on Entrepreneurship Development. It was also posted on the official website of Zaporizhzhia Oblast State Administration to ensure that every citizen has access to the document and can express their views about the oblast's development. RGD Ukrainian Gender Expert reviewed the draft Strategy to ensure that it

captures gender equality considerations. Following the completion of public discussions on the Strategy in December 2007, the RGD Project arranged an internal and an external expert assessment of the Strategy document. These assessments were conducted by Oleksandr Lyakh from Donets'k Region and Kostyantyn Zhezdryn from Zaporizhzhia Region. The results of the assessments were discussed at a roundtable meeting on January 18, 2008. All suggestions collected through the above described events were incorporated into the final version of Zaporizhzhia Regional Development Strategy, which was presented at the Regional Working Group meeting on February 20, 2008. The final draft of Zaporizhzhia Regional Development Strategy until 2015 was endorsed at this meeting. Zaporizhzhia Oblast Council will review the Strategy during a Council session in April 2008.



Discussion of the Draft Strategy at the Regional Council

## INFORMATIONAL AND EDUCATIONAL CAMPAIGNS IN PILOT REGIONS

The RGD Project continues to support informational and educational campaigns in the pilot oblasts. The purpose of these campaigns is to disseminate to the general public and project stakeholders information about the project and regional planning processes; to educate the public about the strategic plans and their implementation; to raise stakeholder awareness; and to share with them results, lessons learned and best practices in partnerships for planning and implementation. In both pilot oblasts media experts were engaged to facilitate informational and educational campaign activities. Between October 2007 and March 2008, significant progress was achieved in informing the public. All major activities of the RGD project were widely covered in the local mass media.

**Zaporizhzhia.** In Zaporizhzhia oblast, all of the local TV channels, namely, "Zaporizhzhia", "Aleks" and "TV-5", have been involved in media coverage of the RGD project. 15 stories about RGD project's activities were broadcasted in their news programs over the past six months. Radio stations also covered project activities. Oblast radio station "Velikiy Luch" broadcasted 12 stories and 2 radio programs about the Project. The outreach through this medium was quite large, as local radio programs are re-broadcasted on national radio stations. Oblast level newspapers, namely "Zaporizka Pravda," "Zaporizka Sich" etc., published 17 stories about the Project. Project activities have also been widely covered on the Internet. 61 stories about the RGD Project activities in Zaporizhzhia region were posted on Ukrainian and international websites since October 2007.

**Zakarpattia.** Between October 2007 and March 2008, in Zakarpattia oblast 16 thematic TV and radio programs on strategic planning were broadcasted on the regional TV Channel "Tysa 1" and regional radio station "Tysa FM." Six live interviews with participation by regional authorities, civil society and RGD Project regional experts, were broadcasted on the regional TV Channel "Tysa 1" in the program "Good evening, Zakarpattia." Five press conferences with participation of RGD Ukrainian and Canadian experts, were organized to inform the public about the ongoing activities and progress in oblast action planning and strategic planning processes. Information about all RGD project events, workshops, working group meetings etc. was published in regional and local newspapers, namely, "Novyny Zakarpattia", "Fest", "Trybuna", and "RIO." Video and printed materials about regional strategic planning priorities were also actively disseminated. The video-film "Zakarpattia-2015" and catalogue of investment proposals, which were developed with the RGD project support, enjoyed a wide popularity. Additionally, strategic planning brochures that describe the strategic planning process have also been disseminated among key regional stakeholders.

## LEARNING EXCHANGE MISSION TO IVANO-FRANKIVSK

From February 12 to February 14, 2008 RGD project held a learning exchange mission to Ivano-Frankivsk oblast. The purpose of this mission was to learn about the experience of other Ukrainian oblasts in developing and implementing regional development strategies and programs, and the institutions established by them for this purpose. The focus was on sharing experience in areas related to RGD pilot oblasts' strategic priorities, such as planning and development of tourism, investments attraction, etc. The participants of the mission were Ihor Sanzharovskiy, RGD Senior Technical Advisor, Iryna Lekh, RGD Zaporizhzhia Oblast Project Manager, and Oleg Luksha, Zakarpattia Oblast Project Expert. During the mission, the RGD delegation participated in two round table meetings with representatives of Ivano-Frankivsk oblast, rayon and city authorities, and local businesses and civil society. They also visited the Ukrainian-Canadian Business-Centre in the city of Ivano-Frankivsk, which was established in framework of the "Small Business and Economic Deve-

lopment in Ivano-Frankivsk Oblast" (SBEDIF) project funded by the Canadian International Development Agency (CIDA), and met with representatives of the Association of Economic Development of Kolomyia. As a result of this meeting, RGD participants learned that Ivano-Frankivsk oblast developed and implemented its strategy by establishing a permanent coordination council and working groups responsible for strategic priorities. The oblast uses the annual socio-economic development plans as the key mechanism for strategy implementation. RGD representatives also learned about Ivano-Frankivsk oblast's vision and approaches to attracting investments and tourism development, and about the work of the Association of Economic Development of Kolomyia region. This organization is responsible for attracting investments, and initiating and implementing various local development projects. The operation of the Community Fund of the city of Kolomyia, through which the city raises funds from the private sector for implementation of social development

projects, and the role of the local government authorities in attracting foreign investments, were other useful experiences shared with RGD representatives. The knowledge and expertise received during this mission will be applied during further work on implementation of regional strategies in RGD pilot oblasts.



Mission to Ivano-Frankivsk



# CANADA-UKRAINE BUSINESS SUMMIT

The first Canada-Ukraine Business Summit took place in Dnipropetrovsk and Kyiv, March 12-14, 2008. Over the three days of the summit, more than 300 high level representatives from more than 50 Canadian and 70 Ukrainian companies, scientific institutions and other organizations attended the event. The summit included a plenary session and targeted sectoral sessions, during which participants shared information and success stories of their companies and organizations, and had a chance to network and identify new business and scientific opportunities. The summit participants saw a great potential for future business and investment relations between the two countries. In this regard, the summit was instrumental in laying the ground for a new, mature and globally com-

petitive Ukraine-Canada business and investment relationship. RGD staff and partners from Zakarpattia and Zaporizhzhia oblasts attended the summit. The RGD delegation was particularly interested in learning about different financial instruments for business and investment, specifically co-operation with EBRD, IFC, Ukrainian Center for Promoting Foreign Investments, and other financial and business investment organizations. By participating in the Canada-Ukraine Business Summit, the RGD project representatives gained new and valuable knowledge about investment promotion and cooperation with businesses. This knowledge will be applied in the implementation of regional priorities in the areas of economic development and investment attraction.

Between October 2007 and March 2008, the RGD Project finalized and published several national and regional reports.

**Inventory of Legislation and Documentation Related to Available National and Regional Public Programs, Sector Plans and International Technical Assistance Programs and Projects** – analytical reports prepared in Zakarpattia and Zaporizhzhia oblasts. The reports provide information about the available resources for implementation of regional development strategies through the existing international, national, and regional programs for selected priority areas. This information is presented in a structured and user-friendly framework. It will be used to facilitate the implementation of regional development strategies.

**Background studies for strategic priorities** – analytical reports prepared in RGD pilot oblasts. In Zaporizhzhia, the studies were based on the Innovative Investment and the Cultural and Historical Tourism and Resort Industry priorities of Zaporizhzhia Oblast Development Strategy. In Zakarpattia, the studies were based on the priorities Building Competitive and Viable Economy and the Development of Tourism and Recreation Industry. These reports provide information about the existing resources, needs and systems in the subject priority areas. This information is used to facilitate the development of action plans in priority areas.

**Tools for Overcoming Economically Depressed Regions: Experience of Developed Countries** – analytical report and policy recommendations published in Ukrainian. This report was prepared by a team of RGD project experts from Ukraine, Canada and Hungary. It contains a comparative analysis of Ukrainian and international practices in addressing the issue of depressed territories, including specific measures to overcome the depressed status of such regions. Information about international experience and case studies were collected from several European Union countries and from Canada. This report also includes samples/copies of regulations on overcoming problems associated with economically depressed territories. This report will enhance the Ministry of Economy's awareness and understanding of international experiences, practices and approaches towards addressing economically depressed regions.

## REPORTS AND PUBLICATIONS



**Monitoring and Evaluation of Strategies and Programs for Regional Development** – analytical report and handbook published in Ukrainian. The report and handbook were prepared by a team of RGD project experts from Canada, Ukraine and Poland. The report analyses different approaches, procedures, and institutional arrangements for monitoring and evaluation of development strategies and programs that are used in the European Union countries and in Canada. It also provides recommendations for

monitoring and evaluation of the State Strategy for Regional Development of Ukraine. The handbook presents methodology and tools necessary to conduct monitoring and evaluation of programs for regional development. The report and handbook will contribute to enhancing the understanding of Ukrainian regional development practitioners of international practices and procedures for monitoring and evaluation of development strategies and programs.

All RGD Project reports are also available on the RGD Project's website at [www.rgd.org.ua](http://www.rgd.org.ua)

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