

RGD – Making a Difference

Institution Building in Zaporizhzhia

The toughest challenge for any technical assistance project is to move beyond influencing the way individual partners think about and approach their jobs and to begin having a real impact on the behaviour of the institutions in which these individuals work. Nowhere is this more clearly the case than in the areas of decentralized governance and regional economic development. Bureaucratic inertia is a feature of government in all countries and the best laid plans for reform can quickly lose momentum once confronted with the reality of “the way we do things here.” Therefore, if the considerable achievements of RGD and its partners are to be sustainable, then they must be reflected in the way that Ukrainian institutions go about their business.

RGD – The Right Message at the Right Time

The policies and practices that donor projects share with their partners are very often received with genuine enthusiasm. On reflection, however, they may come to be seen as unworkable or irrelevant: appropriate to a North American or Western European setting, but of no practical value in the wholly different economic and cultural context of a region such as Zaporizhzhia.

What sets RGD apart from other projects advising on regional development in Ukraine has been its participatory model of strategic planning, implementation and monitoring. If there was some initial skepticism that it was simply another fashionable idea put forward by international experts, this was quickly overcome. RGD’s partners in Zaporizhzhia found that the approach offered workable tools to mobilize not only the internal resources of the region towards the achievement of common goals, but also the interest and resources of external institutions willing to support this with the necessary finance. Since this happened at a time of worsening economic crisis in the region and a decrease in the budgetary support they could expect from the national government, our project partners needed no persuasion of the relevance of RGD’s message.

From Individuals to Institutions

Through RGD’s Capital Investment and Project Management training programs, well over 50 young specialists in Zaporizhzhia oblast alone have gained the necessary skills to provide the region with the beginnings of a critical mass of project managers who are able to transfer their knowledge and skills to less experienced colleagues. Aware that talented young specialists may take their skills elsewhere, the regional leadership agreed during 2009 that they must take steps to institutionalize the good practice their

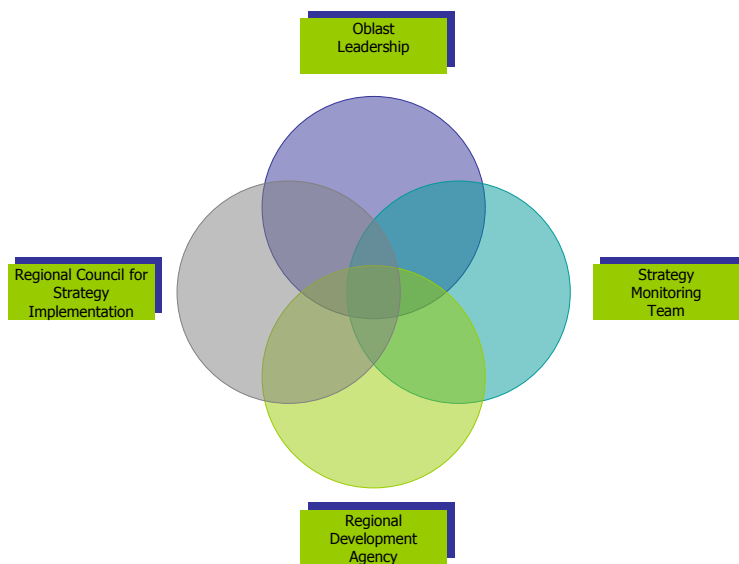
staff had learned and ensure it could be sustained despite the inevitable turnover in personnel - including leadership figures themselves. Even more importantly, the new institutional arrangements must reflect the spirit of partnership and openness between regional and local authorities and their business, NGO and wider communities, which had been growing since the beginning of the RGD-supported strategic planning process in 2006.

A Multi-Agency Coalition for Economic Growth & Development

In the early autumn of 2009, new partnership arrangements were set in place for driving forward the development process in Zaporizhzhia oblast :

- Oblast leadership – the Governor’s management team and senior elected deputies
- Regional Council for Strategy Implementation, Monitoring and Evaluation
- A new Strategy Monitoring Team within the Oblast State Administration
- An independent Zaporizhzhia Regional Development Agency ‘Priorytet’.

Each coalition partner has distinct and clearly defined responsibilities:



A. *Oblast Leadership* - the Oblast Council and Oblast State Administration (OSA) retain the leadership role in mobilizing the resources of elected local governments, business and industry, agricultural producers, non-governmental organizations, academic institutions and the wider community, behind a strategy for economic growth in the region. Oblast administration departments and their managers are accountable to the leadership for the delivery of the strategy’s operational programs and the achievement of its priority objectives.

B. Regional Council for Strategy Implementation, Monitoring and Evaluation – the 22 member Council embodies the partnership between the Oblast leadership and key regional stakeholders. Its membership comprises elected deputies, senior officials from OSA departments responsible for strategy implementation, representatives of leading enterprises, NGOs and independent experts. The Council is an effective working institution which has been meeting regularly every 3 months since early in 2008. It has clearly delegated responsibility from the Oblast Council, on whose behalf it selected and oversaw the implementation of priority projects from the regional strategy in 2009.

C. Strategy Monitoring Team – the team is a small 4-person unit of OSA officials, responsible directly to the Oblast Leadership at Deputy Governor level. It has day-to-day responsibility for monitoring the realization of operational programs in the development strategy against agreed indicators, for reporting progress in achieving results to the Oblast Leadership and to the Regional Council for Strategy Implementation, and for recommending adjustments to the strategy in response to changes in the external environment. It is also responsible for ensuring that the Administration has a pipeline of well-designed investment projects ready at all times for presentation to potential investors or international financial institutions. The unit is staffed by one full-time manager and three part-time specialists from OSA departments for investment, environmental protection, culture and tourism – the priority directions of the oblast strategy.

D. Zaporizhzhia Regional Development Agency 'Priorytet' – Established as an independent, self-financing organization in September 2009, the objective of the Agency is to ensure the continuation of those aspects of good practice introduced with the help of the RGD project which are either unrealistic or inappropriate for the OSA itself to undertake. Foremost among these are the design and promotion of international-standard investment projects at the request of business or local government, and the facilitation of maximum community involvement in the process of strategy monitoring and evaluation. In contrast to many regional development agencies in Ukraine, which depend heavily on short-term project or

grant income from donors and foundations, the business model of the 'Priorytet' Agency is that it will generate its core income through contracts for the services it provides to local government and the private sector. The Agency has already signed an agreement with the OSA and the budget-supported Regional Enterprise Fund to coordinate a competition for the best strategic projects to be financed in 2010.



Zaporizhzhia City Hall

The Future

In the end, institutional change in regional and local government is not just about the creation of new structures, but about the way authorities behave and account for their actions to the populations they serve. There is growing evidence that in Zaporizhzhia the willingness of the OSA to act more openly is not limited to those areas where it has co-operated with the RGD project. A local newspaper, editorially independent of the regional authority, recently commented that in the preparation of its 'general plan' for the oblast - a duty of all oblast administrations, dealing with issues such as permitted land use – "the process had for the first time been open and transparent, and the results made available for public view." The institutions described above are new and need time to prove their sustainability. In its request to CIDA for an extension of the RGD project, the Canadian Urban Institute identified further strengthening and consolidation of the institutional changes in Zaporizhzhia as the number one priority for its future work in the region.

Project Information

The Regional Governance and Development (RGD) Project is a five-year (2005-2010) cooperation project of the Canadian Urban Institute, supported by the Canadian International Development Agency. The Project promotes civic engagement in regional governance, providing opportunities for Ukrainian citizens and communities to shape their common future and to put their region on the path towards sustainable development.

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