



Place-based approach: finding strengths and
development potentials

How existing practices could be applied in Ukraine

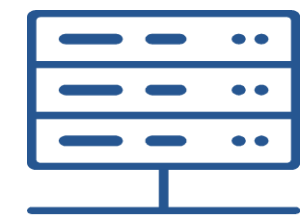
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Challenges in regional development



1. Difficult macroeconomic situation due to the conflict in Eastern Ukraine, which affects all regions of the country



2. The lag in economic development from neighborhood countries



3. Limited access to financial resources and their high cost



4. Significant territorial asymmetry, in particular in indicators of life quality in rural areas



5. Significant dependence of territories from the center Gov.



6. Considerable amount of state aid was granted to communities



Place-based approach has been used for geographic regions of Ukraine that have specific problems in development

Examples

■ **Crimea Integration and Development Program, started in 1995**

(premises were: 260,000 Crimean Tatars have returned to their historical territory (12% of the population), potential conflict with the local population, limited access to basic sources of life);

■ **Program for Recovery and Development of Chernobyl territories, started in 2002**

(premises were: 340 000 people evacuated from the affected areas, the decline of agriculture and economic activity);

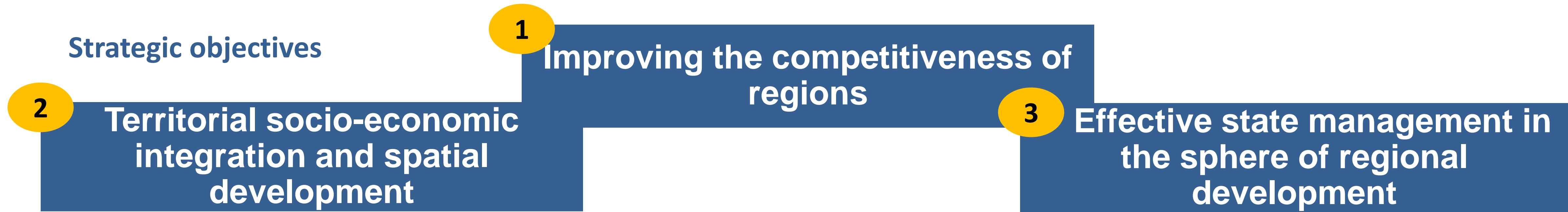
■ **7 contracts on regional development between regions and the central Government**

■ **Programs of overcoming depression areas** *(the Law "On Stimulation of Regional Development" provides the allocation of not less than 0.2% of the state budget)*



State Strategy of Regional Development for the period until 2020 was adopted in 2014

Strategic objectives



Integrated approach to the formation and execution of the state regional policy envisages the unification of the following components:

- **SECTORAL (branch)** – increasing the competitiveness of the regions through optimization and diversification of the economic structure, ensuring the efficient specialization of regions with a priority of usage their own resource potential;
- **TERRITORIAL (spatial)** - achievement of equable and balanced development of territories, the development of inter-regional cooperation, preventing the deepening of socio-economic disparities by forming "growth points", intensification of local economic initiative and strengthening the potential of the rural area, ensuring the socio-economic unity and equability of development of the regions with the aim to create equal conditions for development;
- **MANAGERIAL** – using the unified approaches to formation and implementation of the regional development policy, creation of the unified system for strategic planning and prediction of development for state and regions, optimization of system of the territorial organization of power.



OBJECTIVES ENVISAGE:

1. Raising the competitiveness of the regions

- Integrating role of cities
- Development of rural area
- Intellectual capital, innovation and investments
- Improvement of business environment
- Energy diversification, energy efficiency

2. Territorial socio-economic integration :

- Preventing the increase of disproportions that hamper the development of the regions
- Coherence of the policy of stimulating development of the "growth points" and supporting the less economically developed regions and depressive territories.
- Creating the conditions for productive labor of the population

3. Effective state management in the sphere of regional development

- Decentralization of power, reformation of the local self-governments and the administrative-territorial structure
- Perfecting the system of strategic planning of regional development at the national and regional level
- Strengthening the intersectoral coordination in process of formation and implementation of the state regional policy
- Ensuring the Institutional regional development



NEW governance system of regional development

Mission of the reform – creation of the new effective governance system of the regional development in Ukraine, based on principles, standards and best practices of the European Union.

PLANNING OF THE REGIONAL DEVELOPMENT

- The State Strategy of Regional Development of Ukraine till 2020, Action Plan for the implementation of this Strategy, and the Law of Ukraine “On the Basis of State Regional Policy” were adopted;
- 25 regional strategies of development have been developed, among them 21 strategies have been approved.
- 16 Action Plans for implementation of the regional strategies were approved.

MONITORING AND EVALUATION

The following procedures were developed:

- monitoring’ development and conduction, assessment of implementation of State Strategy of Regional Development and its Action Plan;
- monitoring and assessment of regional development strategies and action plans’ implementation;
- monitoring and assessment of performance of implementation of the state regional policy.

FINANCING OF REGIONAL DEVELOPMENT PROJECTS (SRDF)

- State Regional Development Fund has been created and financial instruments have been improved: the amendments to the Budget Code were made and 2 procedures on SRDF funds use were approved.
- Online platform on the web-site of Minregion has been created.
- **791 Regional PROJECTS** for SRDF were approved by the Cabinet of Ministers of Ukraine in 2015.

INSTITUTIONAL FRAMEWORK

The following Draft Resolutions of the Cabinet of Ministers of Ukraine were developed:

- “On Establishment of the Inter-Agency Coordinating Committee on Regional Development”;
- “On Approval of Statute for the Regional Development Agency”.



Status of development and approval of regional strategies, action plans and investment projects of State Regional Development Fund in 2015

ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP
1. VINNYTSKA			2. VOLYNska			3. DNIPROPETROVSKA			4. DONETSKA			5. ZHYTOMYRSKA			6. ZAKARPATSKA		
ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP
7. ZAPORIZHska			8. IVANO-FRANKIVSKA			9. KYIVSKA			10. KIROVOHRADSKA			11. LUHANSKA			12. LVIVSKA		
ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP
13. MYKOLAIVSKA			14. ODESSKA			15. POLTAVSKA			16. RIVNENSKA			17. SUMSKA			18. TERNOPILSKA		
ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP	ST	AP	IP
19. KHARKIVSKA			20. KHERSONSKA			21. KHMELNYTSKA			22. CHERKASKA			23. CHERNIVTSKA			24. CHERNIHIVSKA		
ST	AP	IP															
25. KYIV																	

Status of Implementation





Comparison of the key elements of the place-based approach with the basic elements of new management system of regional development in Ukraine:

KEY ELEMENTS OF THE PLACE-BASED APPROACH

- National government responsible for developmental resources and able to deliver public institutions and services.
- Regional government together with variety of regional actors responsible for or influencing regional development.
- National documents identifying key developmental goals and priorities, systems for monitoring the development of the country.
- Development policies specifying different developmental goals and priorities for different parts of the country, instruments for assessments of territorial impact of different national, regional and local policies and programs.
- Monitoring systems for development of the regions run by the regional governments and linked with the national ones.
- Instruments for assessments of impact of different national, regional and local policies and programs.
- Institutional frame for a dialogue between national and regional governments in different forms e.g. development contracts, hierarchy of plans etc.
- The content of the developmental dialogue between national and regional governments (what policies and themes are covered).

NEW MANAGEMENT SYSTEM OF REGIONAL DEVELOPMENT IN UKRAINE

- National government responsible for developmental resources and able to deliver public institutions and services
- As a result of DECENTRALIZATION REFORM regional governments are responsible and able to influence on regional development. 25 regional strategies of development have been developed.
- The STATE STRATEGY OF REGIONAL DEVELOPMENT OF UKRAINE TILL 2020 were approved. It identifies key developmental goals, priorities and systems for monitoring
- The State Strategy of Regional Development and the Law “On the Basis of State Regional Policy”, 25 REGIONAL STRATEGIES of development specify different developmental goals and priorities for regions, instruments for assessments of territorial impact of different national, regional and local policies and programs.
- MONITORING SYSTEM includes monitoring of regional development at the regional and national level
- The procedure and the methods of conducting of MONITORING and assessment of performance of implementation OF THE STATE REGIONAL POLICY have been developed
- Inter-Agency Coordinating Committee on Regional Development has been created . It is the Institutional frame for a dialogue between national and regional governments



Next steps. How to strengthen cooperation

- Ukrainian legislation adaptation to European standards in the sphere of regional policy should be completed
- Territory, especially of new territorial communities, can be considered as an important topic for cross-governance dialogue within the place based frame.
- Some elements of the place-based approach needs to be strengthen, mainly: the way of collection of territorial data, introduction of statistical reporting system at the regional level in format NUTS2, multi-level governance dialogue, more effective coordination of vertical and horizontal governance and instruments.
- Support in infrastructure development in amalgamation of territorial communities in regions.
- There is a need to extend the place-based approach to some policies with the substantial potential for territorialisation, mainly: transport, environment policy , urban policy , regional policy, spatial policy , R&D policy, business policy , employment policy , education and health policy.
- Developing Regions Competitiveness Index using EU approaches, international organizations' methods of surveys and indicators.
- Creation of a geographical information system on supporting of regional development management (geographical and statistics data).
- Trainings in regions on project analysis and regional development project management
- Transparent projects selection criteria and procedure which meets with best EU practice.
- PPP' mechanism development on regional level, PPP models and contracts design in various fields, experts' training.
- Capacity building on regional development planning, development of strategies for the local communities development, regional policy monitoring and evaluation, effective use of financial instrument of regional development ;
- Support in innovation infrastructure development in regions



Thank you for your attention!