



USAID
FROM THE AMERICAN PEOPLE

LINC UKRAINE
LOCAL INVESTMENT AND NATIONAL COMPETITIVENESS

LINC CRIMEAN INITIATIVE: OFF TO A QUICK START

Improvement in the well-being of citizens – the aspiration of any economic development activity – is the paramount goal of USAID's new project, the Local Investment and National Competitiveness project (LINC). LINC will assist Ukrainian cities and regions to shape a strategic vision and move down the path to community sustainability by enhancing their economic competitiveness and thus creating more jobs and investment opportunities.

The LINC project kicked off in mid-April, and since then it has established itself in Crimea. The *LINC Crimean Initiative* consists of two components: improving the business enabling environment; and enhancing enterprise competitiveness. In Crimea the project aims to improve economic governance, pilot the development of a unified property registry, and undertake a competitiveness enterprise development program.

According to Howard Ockman, LINC's head, "the project will help to build communities whose economies possess competitive potential, and will create jobs and opportunities for years to come. That will mean that Crimea's young people will stay where they were raised; cities will thrive, and Crimea will be a place with communities as rich as the culture and history of the peninsula itself."



Jaroslav Valoušek, Director of TechnoPark Pardubice, Czech Republic, guides the group of Crimean officials through the technopark premises during the USAID LINC-sponsored study tour of Czech industrial parks. Left to right in the forefront are also Optimum Business Solutions Center Director Tetyana Filippova, Scholkine City Rada Secretary Olha Palahitska, and Sevastopol City State Administration Economy Department Head Elimdar Akhtemov.

Photo: courtesy of Tetyana Filippova

Since April, LINC has signed protocols of intentions with six Crimean cities – Bakhchysaray, Bilohirsk, Feodosia, Kerch, Saky and Scholkine, as well as Bakhchysaray and Bilohirsk raions – to assist them with the development and implementation of economic development strategies, which are now in full swing. The goal of these efforts is to make the cities and raions more competitive and appealing for investment, and thereby to ensure their sustainable economic development.

Based on a trilateral protocol signed with Ukraine's State Land Cadastre Centre and Crimea's Land Resources Committee in July, the project began developing a pilot unified property registry in Crimea's Bilohirsk raion. The registry is a single system of ownership rights registration that will provide a complete and accurate database of land plots and buildings, as well as their owners and users. When developed and implemented, the registry will strengthen not only the transparency of the Crimean property market, but also the Republic's business-enabling environment, making it more attractive to investors.

A streamlined permitting system, in the form of one-stop shops, is also currently in process. LINC is lending a hand to Crimean raions in rendering their one-stop shops into effective units, where entrepreneurs will be able to register for permits

and operational authorizations in an efficient and open manner. This will further contribute to Crimea's economic growth.

LINC also plans to help Crimea increase competitiveness of its industries and individual enterprises, with the tourism and agriculture sectors receiving early attention. The project's experts have performed necessary analysis for sector selection and are presenting their findings to relevant Crimean authorities.

In an effort to introduce an industrial park model into Crimea (an area zoned and planned for the purpose of industrial development), LINC sponsored a study tour to the Czech Republic in July for a group of Crimean regional and local level officials. The experience of the Czech Republic in creating and running industrial parks and attracting foreign direct investment was seen as particularly relevant to Crimea's prospects. As Sevastopol City State Administration Economy Department Head Elimdar Akhtemov said to the on-line newspaper *Novy Sevastopol*, the group "had an opportunity to learn what our neighbor [the Czech Republic], who once had been in about the same unenviable plight [as Ukraine], has done to rise to a modern economic level."

Following the study tour, representatives from the Crimean government and municipalities gathered in Dzhankoy for a conference on development of industrial parks as a strategic approach to creating favorable conditions for investment attraction in Crimea, and discussed initial practical steps toward this end.



Dzhankoy Deputy Mayor Yuriy Nosov (second from left) explains the layout of the Dzhankoy industrial park first phase to (L to R) USAID LINC Crimea Field Director Daniel Themen, LINC Competitiveness & Investment Promotion Specialist Ohga Kuts, and Crimea Industrial Policy Ministry Investment & Economic Development Department Head Natalya Maslova in the wake of the study tour of Czech industrial parks.

Photo from the Dzhankoy City Rada web site (<http://dzhankoi.org.ua/>)