



THE SERIOUS INTENTIONS OF THE CAPITAL OF HUMOR

On Jan. 21 and 26, 2010, the USAID Local Investment and National Competitiveness project (LINC) signed Protocols of Intentions to develop and implement economic development strategies with representatives of the Odesa agglomeration and with the city of Odesa

However you call Odesa to emphasize its uniqueness – the Pearl at the Sea, the Southern Palmyra, or the Capital of Humor – the truth is that both the city and its agglomeration need to be competitive and develop economically like any other locality by streamlining the requirements of doing business, attracting investment, creating jobs, and maintaining municipal infrastructure. It can be done neither all at once nor once and for all, but having a strategy, well-thought and worked out *in situ*, helps achieve these goals in an optimal way.

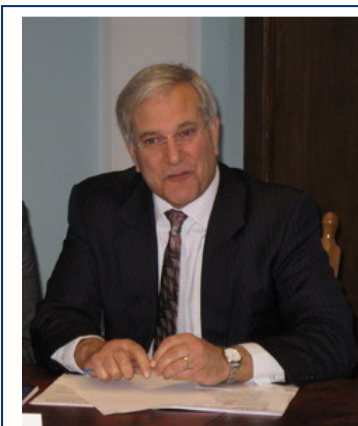
The two protocols signed by LINC Chief of Party Howard Ockman in Odesa in January 2010 declare commitment of the parties to develop and implement competitiveness and economic development strategies for the agglomeration and city of Odesa. Both signing ceremonies finished with introductory meetings of the Expert Committees for Economic Development formed with the responsibility of drafting respective strategies.

Odesa Agglomeration or the Odesa-Teplodar-Yuzhne Economic Sub-region

The Protocol of Intentions on the part of the Odesa agglomeration was signed by First Deputy Odesa Governor Maksym Stepanov, First Deputy Odesa Mayor Anatoliy Vorokhayev, Bilyaivka Raion State Administration Deputy Chairwoman Svitlana Hoy, Kominternivske Raion State Administration Chairwoman Lyudmyla Prokopechko, Ovidiopol Raion State Administration Chairwoman Natalia Chehodar, Teplodar Mayor Leonid Pechersky, and Yuzhne Economy Department Head Valentyna Kharytonova (authorized by Yuzhne Mayor Volodymyr Novytsky).



For the purposes of LINC, the Odesa agglomeration is the economic sub-region comprising the cities of Odesa, Teplodar and Yuzhne, and the raions of Bilyaivka, Kominternivske and Ovidiopol



Howard Ockman, LINC CoP: "Of course I agree that Odesa is one of the most beautiful cities in the world. But I've also had the pleasure of being in Teplodar and Yuzhne, and I'm very impressed by both of those cities also. And I believe that the potential of this entire region for both attraction of investment and indigenous economic growth is very high"

The signing ceremony took place in the Odesa Oblast State Administration. Welcoming guests, Mr. Stepanov emphasized that the Odesa Oblast is one of Ukraine's best in investment attraction. He said he is sure that implementation of the strategy, which is the subject matter of the Protocol of Intentions to be signed, will enhance the sub-region's competitiveness and facilitate attraction of more investments.

Mr. Ockman explained why the sub-region is tentatively called Odesa-Teplodar-Yuzhne or the Odesa agglomeration, and invited participants to give it a name they deem most appropriate. "The important part is that this triangle of larger cities find an economic logic for working together and choose economic projects which will contribute to the mutual growth of the region," he pointed out.



Maksym Stepanov, First Deputy Odesa Governor: "I'm sure that our collaboration [with LINC] today and in the future will be very fruitful. I count on very, very long collaboration"



Leonid Pechersky, Teplodar Mayor: "I need not belabor you that investment attraction is the foundation of any regional development. To attract investment, you have to compile an investment portrait of your city, show its potentialities, interest an investor. No investor will come to start from scratch"

According to the protocol, LINC will, among other things, provide guidance, consultation, and support at all steps of the strategic planning process. The project will also provide consulting assistance in improving the local permitting system and regulatory environment, attracting investment and solving land-related issues of investment attraction, enhancing the competitiveness of the local economy's sectors and bringing the quality of local products to international standards.

One of the cosignatories, Teplodar Mayor Leonid Pechersky, shared his impressions of collaboration with LINC, which since October 2009 has been helping Teplodar draft its own economic development strategy. He said Teplodar had for a long time looked for a firm able to make what he called an "investment portrait of the city" but the prices they had been asked were unaffordable. So when LINC had offered its assistance, "demanding nothing in

exchange," they had caught at the offer "like a drowning man catches at a straw," still being somewhat skeptical about this "altruism." However, judging by the professionalism and attitude of LINC experts, "I think this work is destined for success," Mr. Pechersky said. "And I'm sure that [LINC] is able to do a lot of useful things for the Odesa Oblast," he added.

After the signing of the Protocol of Intentions, LINC advisor Ihor Parasyuk and independent consultant Vasyl Kashevsky conducted an introductory meeting of the Expert Committee (EC), presenting the strategic planning process to EC members, discussing the next analytical phase in the process, and outlining further steps.

It is expected that the EC, formed of members and officers of local Radas and State Administrations, as well as representatives of businesses, scientific institutions and NGOs, will come up with the draft strategy in the fall of 2010.



After the EC introductory meeting, professor with the Ukrainian Academy of Sciences Institute for Market Problems and Economic-Ecologic Studies, Volodymyr Osipov (left), and LINC Strategic Planning & Economic Development Task Leader Ihor Parasyuk discuss ways of collaboration in the development of an economic strategy for the Odesa agglomeration

Odesa Proper



The event in the Odesa City Hall attracted close attention from the media

Five days later, in the Odesa City Hall, the signing ceremony and the introductory meeting of the Odesa city EC followed more or less the same pattern, except that the event attracted more attention from the media.

Opening the meeting, First Deputy Odesa Mayor Anatoliy Vorokhayevev said Odesa is the first Ukrainian city with population above one million to participate in the project. He pointed out that the strategic planning technology applied by LINC has been already implemented for drafting local



Anatoliy Vorokhayevev, First Deputy Odesa Mayor: "The Ukrainian economy's transition to the innovative development type determines fundamentally new requirements for the system of strategic planning and coordination of actions between local government and businesses"

economic development strategic plans not only in Ukraine but also in Bulgaria, the Czech Republic, Poland, Romania, Serbia, Slovakia, and the United States. As the EC chairman, he reported the committee's composition, saying that it includes representatives from the local government, public and political figures, teachers from higher educational institutions and scientists, managers of the city's leading enterprises, as well as representatives from the Odesa City Employment Center, Odesa Oblast Statistical Department, Odesa Regional Chamber of Commerce and Industry, and Center for Enterprise and Small Business Development.



Howard Ockman, LINC CoP:
"Competitiveness and economic development plans are really not for today, they are more for tomorrow, for next year and the years after"

Mr. Ockman presented the LINC project as a whole and outlined strategic planning activities in Odesa in particular. He said LINC is the second generation of USAID projects that involve local economic development in Ukraine. The first project, called Local Economic Development, worked with 76 municipalities in Ukraine to help them prepare strategic plans for economic development and also to implement those plans. According to Mr. Ockman, because the plans concentrated on job and investment growth and economic development, those cities in total were able to add \$2.5 billion of foreign greenfield investment and around 75,000 jobs.

Addressing the EC members, Mr. Ockman said, "This work that you will be doing as the Expert Committee is difficult. It's hard work. It involves a good deal of creative brainstorming and

dedication on your part." He described the role of LINC in strategic planning as "we simply help cities think more effectively about their economic futures."