



Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region till 2015

September 2010

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INTRODUCTION

Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region for the period till 2015 is developed under the Decree of the Cabinet of Ministers of Ukraine # 1001 of July 21, 2006 "About approval of the strategy of the regional development for the period till 2015", the Methodological guidelines on formation of the regional strategies of development and the Strategy of economical and social development of the Luhansk oblast for the period till 2015.

The objective of the enhancement of competitiveness of the Central Luhansk Sub-region is to solve mutual problems and implementation of joint tasks regarding economic growth, competitiveness enhancement, and life quality in the region by pooling resources and implementing interests of all administrative and territorial entities of Sub-regional aggregation, which cover the geographical territory, where every its member has the own jurisdiction to plan and act at the relevant part of it.

The Central Luhansk Sub-region is a mining and metallurgical industrial agglomeration of the Luhansk oblast that has united material, labor, financial, natural and other resources of the three territorial communities – Alchevsk, Stakhanov and Bryanka.

Close geographical location, shared infrastructure, trends in development of the cluster of enterprises of mining and metallurgy complex and mechanical engineering, active use of labor resources of neighboring territorial communities by large companies, manpower flow, effective cooperation of small and medium enterprises and, as a result, close connection of economies of the cities have compelled local community towards a thought to join efforts in struggle for investments and for enhancement of competitiveness of the Sub-region at the market of funds attraction.

The Strategic plan is aimed at the regional economic development as a process of strategic partnership, which helps to accelerate productivity of local economy through promotion of investments in new and existing enterprises with high potential for growth and creation of conditions for such growth for a long period. Economic development is targeted to production of the greatest number of benefits and creation of the maximal number of jobs due to introduction of advantages of competitiveness that is in dynamic and more sustainable development in comparison with other regions, in development of local companies, which overcome their competitors from other regions (in sales, export, profits) and the source which is local business doing conditions - favorable business environment.

The grounding of the provisions of the Strategy is conducted on the bases of findings of analytical researches and prognostic calculations, the current legislative and regulatory acts of the Verkhovna Rada of Ukraine, the President of Ukraine, the Cabinet of Ministers of Ukraine, local authorities taking into consideration international legal acts and international agreements.

December 3, 2009 the Project of international technical assistance of the US Agency for International Development - Local Investment and National Competitiveness and the City Councils of Alchevsk, Bryanka and Stakhanov signed the Protocol of intentions in the spirit of cooperation and mutual interest to create the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region.

In the process of development of the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region the specialists of the Local Investment and National Competitiveness Project provided methodological support, expert analysis of data and findings of the researches received during the planning process, provided advisory services on issues related to the aspects of strategic planning.

For the development of the Strategic plan there were used the materials of the Ministry of Economy of Ukraine, other Ministries and Agencies, scientific and research organizations, the State Committee of

Statistics of Ukraine, Head Administration of Statistics in the Luhansk oblast and the Luhansk Oblast State Administration.

The methodology of work at development of strategic plan for regional competitiveness enhancement includes 5 logical steps:

Step 1: Organization of work:

- The map of the economic region was developed – defied its geographical boundaries.
- The Strategic Development Committee (the composition of the Committee represents adequately the structure of the region and all stakeholders: scientific and research institutions, authority bodies – local and regional, private companies) was formed.
- The Strategy development schedule was agreed with all participants of the strategic planning process.

Step 2: Analysis:

- The thorough analysis of development of main industries of the Sub-region economy was conducted.
- The Economic Profile of the Sub-region was developed.
- The attitude survey of businessmen and representatives of governments and community was conducted.

Step 3: Identification of main economy industries and critical issues and their analysis:

- The main critical issues and development priority of the region were identified.
- The SWOT - analysis by the critical issues and the chosen industries was conducted.
- The Strategic vision of the region and its mission were defined.

Step 4: Planning:

- The Action plan by the critical issues and the main industries of the region economy was developed.
- The list of regional projects was determined and the project sheets for the each project were developed.

Step 5: Implementation:

- Bodies responsible for implementation of the Strategic plan were identified.
- The implementation budgets of the each project were prepared.
- The Plan was approved by the local councils.
- The Managing bodies on implementation and monitoring of the Strategic plan were formed.

The process of the strategic planning began in January 2010 from establishment of the Economic Development Committee, to which the Mayor of the city of Alchevsk, Chub Volodymyr Yevhenovych, the Mayor of the city of Stakhanov, Zhevlakov Serhiy Vasyliovych, the Mayor of the city of Bryanka, Hryazev Mykola Semenovych, delegated representatives of the every territorial community of the Sub-region. The Committee includes 44 persons – heads of private enterprises, communal enterprises, educational establishments, local self-government bodies, public institutions and community-based organizations of the three territorial communities. The committee was led by the Vice Mayor of the city of Alchevsk, Solovyova Lyudmyla Hryhorivna, the Vice Mayor of the city of Stakhanov, Kharchenko Natalia Hryhorivna, and the Vice Mayor, Manchilin Oleksandr Ivanovych.

The Committee had a task, keeping the certain structured process, to develop a plan for enhancement of competitiveness. The Strategic plan was prepared in cooperation with the Local Investment and National Competitiveness Project of the US Agency for International Development (USAID), the advisors of which acted as consultants of the Strategic Development Committee.

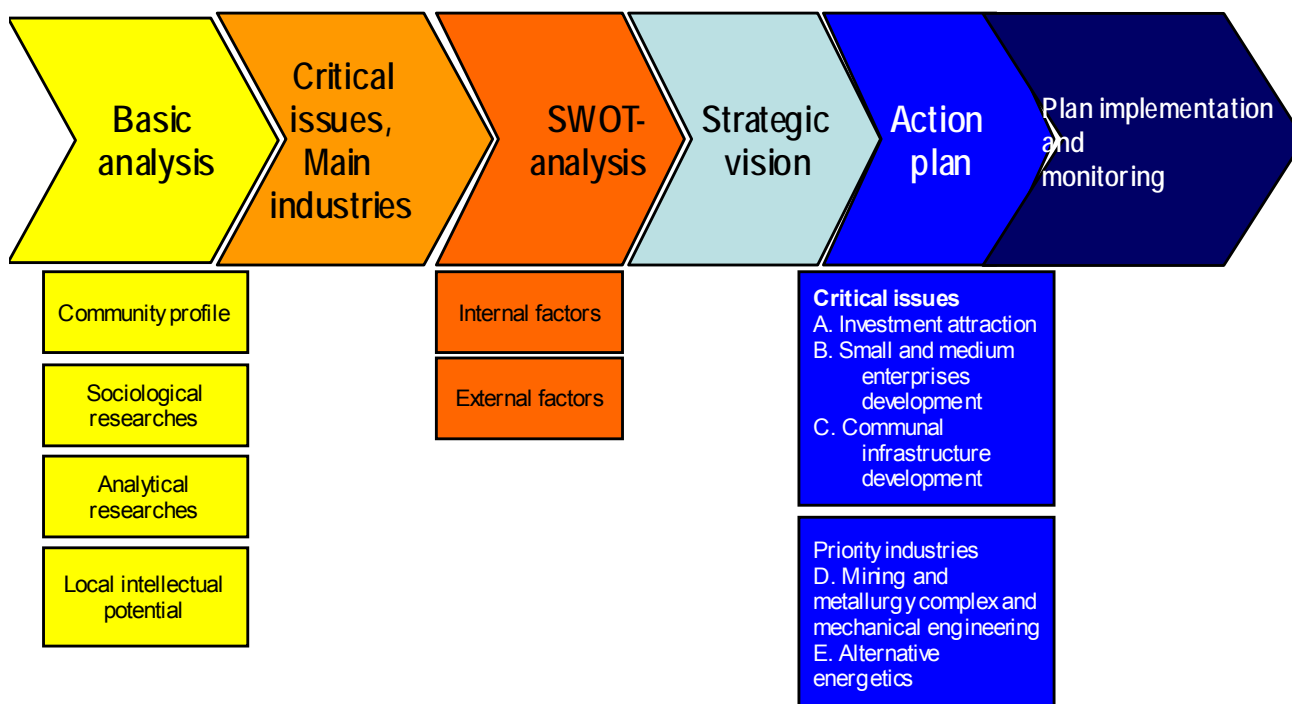
During the second stage of the Strategic plan development employees of the executive bodies of the City councils have prepared the Profile of the Central Luhansk Sub-region – document, which contains

information about population demographic situation, local economy, communal and technical infrastructure, environment situation and life conditions of the three territorial communities.

In February – March 2010 there was interviewed 155 business representatives from the cities of the Sub-region. This survey was conducted by the independent community-based organizations with the assistance of the Economy Offices of the City Councils. The aim of the survey is to obtain useful and reliable information for the members of the Economic Development Committee of the Central Luhansk Sub-region regarding attitude of those, who make investments and create jobs in the cities of Alchevsk, Stakhanov and Bryanka.

The important element of the survey became the issues regarding entrepreneurs' assessment of business doing conditions at the territory of the Central Luhansk Sub-region and also issues regarding choosing of priority directions and branches of economy in terms of prospectivity of economic development of the Sub-region.

Strategic Planning Process Flow-Chart



Such critical issues (priority directions) in the Strategic plan were:

- (A) Investment attraction**
- (B) Small and medium enterprises development**
- (C) Communal infrastructure development**

The following industries were identified among the prospective branches of economic development of the Central Luhansk Sub-region:

- (D) Mining and metallurgy complex and mechanical engineering**
- (E) Alternative energetics**

On February 25-26, 2010 the Economic Development Committee held the two-days meeting, during which there was conducted the SWOT-analysis by every critical issue and priority industry. There was conducted the analysis of strengths and weaknesses of the Sub-region (analysis of internal factors), as well as the assessment of positions of the local self-governments of the three cities in comparison with other regions of Ukraine, which are the competitors as for the separate territorial communities of the cities Alchevsk, Stakhanov and Bryanka, and also for their agglomeration – the Central Luhansk Sub-region.

The competitiveness of the Sub-region was considered also in the context of external factors: favorable opportunities and threats that should be taken into account at the strategic planning.

The same meeting of the Economic Development Committee formulated the Strategic vision, which was a general indication during the development of the Strategic plan of economic development of the Central Luhansk Sub-region.

The results of the SWOT-analysis, the definition of the Strategic vision were discussed and approved at the meeting of the Economic Development Committee on March 23, 2010.

For more effective elaboration of the action plans of the Economic Development Committee is was decided to create the specialized working groups. The purpose of their establishment is to expand the circle of participants of the strategic planning and to involve in it additional relevant specialists, experts, researchers and community leaders on the identified critical issues and the industries.

The meetings of the working groups on May 6-7, 2010 determined the strategic objectives of the future Action plan of the Strategy of the Sub-region and prepared the list of potential operative goals. The strategic objectives were approved at the meeting of the Economic Development Committee of the Central Luhansk Sub-region on May 19, 2010.

The special creativity marked the following meetings of the working groups that took place on June 16-17, 2010 with participants of representatives from the Housing and utility services office of the Luhansk Oblast State Administration. The purpose of the working groups' meetings is to determine operative goals and preparation of project sheets with specification of responsible persons, organizations – partners, implementation deadlines, amounts and sources of funding, list of tasks.

At its last meeting in September, 2010 the Economic Development Committee approved the draft of the Strategy of competitiveness enhancement of the Sub-region in whole and recommended to the Mayors of the cities to boost creation of Regional development agency – the organization that would coordinate the efforts of the three territorial communities in execution of specific operative goals and tasks of the Strategic Plan, would monitor the implementation and prepare proposals on adjustment of the Sub-region strategy.

The principal conclusions from the process of the Strategic planning in the Sub-region:

- The Strategy is a result of work of not only separate group of community – local authority, business, nongovernmental organizations, but also a joint of efforts of the three territorial communities: the cities of Alchevsk, Stakhanov and Bryanka. That enabled to obtain the sufficient number of proposals regarding action plans and tasks from all stakeholders of the cities to provide the perception by inhabitants of the Sub-region of decisions adopted during the process of approval and implementation of the strategy.
- Representatives of governments and local businessmen felt the responsibility for the future of not only the home city, but also of the Sub-region and were ready to devote own time and other resources for achievement of the prospective development of economy of the Central Luhansk agglomeration, which they had identified and stated in the Strategy.

- The Strategy stresses the competitive advantages of the Sub-region, where resources are available, which can be used through proper organization and joint effort to solve major problems in the Sub-region. The Strategy therefore focuses on areas that most likely will provide the biggest chances in the future for economic development.
- Issues of infrastructure, development of local enterprises, investment attraction and provision of decent living standard are interconnected; hence the successful work on them is possible only under condition of their perception as an integral system. Improvement in one of the issues will facilitate improvement in others.
- The Strategy is related to other document of strategic character and long-term targeted programs, which are already adopted by the City Councils and are under execution by their executive committees.
- The strategic planning is not a one-time action with certain beginning and ending, quite the opposite, it is an effective tool of management and an endless process, which should continue without intervals, because internal and external factors are constantly changing. Based on this it should be continually updated.
- The strategic planning strengthens the public and private partnership at local and regional levels, intensifies activity of business society of progressive terrains of the Central Luhansk Sub-region to achieve the certain results.
- The Strategy offers a new form of public and private partnership through establishment of the Regional development agency – an institution that could coordinate efforts stakeholders from the three territorial communities at processes of implementation of separate projects and tasks, become a Centre of practical experiences and education in sphere of innovations and investments.

It is important to note that at the same time there was launched a strategic planning process of competitiveness enhancement of another Sub-region of the Luhansk oblast, namely, in the Northwest Sub-region of the Luhansk oblast, having combined efforts of the four local communities Severodonetsk, Lysychansk, Rubizhne and Kremina raions.

This way the Central Luhansk Sub-region entered into competition for the first positions of competitiveness in investment attraction at the very initial stage – development of the Strategic plan.

STRATEGIC VISION AND RESULTS OF SWOT-ANALYSIS

The Strategic vision of the future of the Central Luhansk Sub-region was definitively approved by the Economic Development Committee at the meeting on March 23, 2010. The meeting was held with participants of the advisors and consultants of the US Agency for International Development (USAID) Local Investment and National Competitiveness Project.

Strategic vision

The Central Luhansk Sub-region is Scythian – Sarmatian land with reach historical heritage, the industrial heart of Luhansk region.

The region with scientific and innovation potential attractive for business and life for worthy, initiative and happy people

Comments

Strategic vision is a common understanding reached by the consensus of how the Sub-region should look like in the future. Strategic vision serves as the introduction to the Economic Development Strategic Plan. It lays out the starting point for the Economic Development Committee members to begin developing the Plan.

The offered formulation of the vision contains ideas, which were considered by the Committee members (representatives of the business community, local government authorities of the three cities of Alchevsk, Stakhanov and Bryanka) as the most important for the future development of the Central Luhansk Sub-region, and namely:

- The Sub-region is attractive not only for domestic investment, but also for foreign investor;
- The Sub-region is an aggregation of the three territorial communities of the cities of Alchevsk, Stakhanov, Bryanka with developed business based on use of modern energy saving production technologies;
- With available industrial zones;
- With modernized structure of economy using scientific achievements;
- With competitive production and services;
- With developed labor potential working for economy of the three cities separately and for the Sub-region in whole;
- With comfortable conditions for interaction between business and life of inhabitants of Alchevsk, Stakhanov and Bryanka;
- Reach in historical and cultural heritage.

SWOT-ANALYSIS

The meeting of the Economic Development Committee to analyze internal and external factors took place on February 26, 2010. 35 members of the Committee participated in its work. The final version of SWOT-analysis was approved on March 23. The participants discussed strengths and weaknesses of the Sub-region regarding each critical issue and priority industry branches of economy.

According to the way it is applied, the SWOT-analysis is a “tool” to prepare the realistic and feasible action plans which, in addition to the medium-term strategic objectives, will include clear short-term operative goals – actually, projects. Implementation of these projects should eliminate the Sub-region weaknesses and reinforce its strengths on the one hand, and enable the Sub-region to take full advantage of favorable opportunities, which may arise due to the external factors, while avoiding threats on the other hand.

Critical issue A. Investment attraction

Strengths

- Availability of brownfields – former enterprises with adjacent land plots (industrial sites);
- Availability of greenfields;
- Location of the Sub-region on the highway of the republican importance;
- Availability of developed rail nets;
- Nearness of the Luhansk oblast to the border with Russia;
- Availability of natural resources (coal, sandstone, fieldstone, mine waters, kaolin);
- Availability of labor resources;
- Availability of educational establishments of the 1st – 4th grade of accreditation in the Sub-region;
- Availability of additional designed capacities for connection to gas, electric and water conduit networks;
- Joint intention of self-government authorities, business society and community to attract investment to the separate cities and the Sub-region;
- Increase of inflow investments amounts;
- Enterprises of the three cities participate in specialized investment exhibitions, fairs, seminars;
- Availability of State investments within the Priority development territory;
- Historically formed system of foreign economical relation of the region;
- Orientation of enterprises to create new and strengthen existing relations with foreign partners;
- Industry is a main branch, employer and principal exporter;
- At the enterprises of the Sub-region there are new technological processes introduced and large-scale reconstructions;
- Positive experience of foreign trade transactions of enterprises of the Sub-region;

Weaknesses

- Lack or obsolete Development Master Plans in the cities of the Sub-region;
- Land inventory was held partially;
- Land and cadastral documentation is not fully prepared;
- Low professional and qualification composition of labor potential of the Sub-region;
- Shortage of some specialties required for business;
- Lack of effective informing mechanism about labor resources market;
- Lack of systematic approach to promotion the Sub-region;
- Communal infrastructure of the Sub-region requires reconstruction;
- Lack of specialists on investment attraction and work with foreign investors;
- Decline in industrial production;
- Lack of long-term strategy for investment attraction and development of the Sub-region;
- Lack of developed infrastructure for investment activities (industrial, technological parks);
- High level of physical wear of technological equipment in all industries;
- Reduce in competitiveness level of major products of enterprises of the Sub-region;
- High energy demand in energy consumption in economy industries and social sphere.

Opportunities

- Elaboration of potential options for integration and positioning the territories of the Sub-region as areas with favorable conditions for investment;

- Elaboration and legalization of updated Development Master Plans of the cities, systematic spatial development of the Sub-region;
- Construction of modern and comfortable housing;
- Stability of legislation and exchange rate;
- Strengthening of national currency;
- Positive changes in policies and liberalization of legislation;
- Restoration of financial services market operations;
- Growth of incomes of Ukrainian population;
- Increase of investment rating of Ukraine will accelerate arrival of strategic foreign investors to the cities of the Sub-region;
- Access to participation in various projects and programs and actual funding of State programs.

Threats

- Deterioration of overall economic situation;
- Imperfect national legislation;
- Further increase of prices for energy resources;
- Wear of engineer infrastructure networks of the cities and the Sub-region;
- Inconsistence of State investment policies due to financial and political crisis;
- Lack of effective mechanisms of support and promotion of investment activities;
- Decline in industrial production for export due to decrease of demand at foreign market;
- Negative impact of unstable political situation in the country on trade and economic relations between domestic and foreign enterprises;
- Underflooding of the cities' territory;
- Ecological and technological disaster.

Critical issue B. Small and medium enterprises development

Strengths

- Availability of free land plots (brownfields, greenfields);
- Availability of free real estate objects;
- Existence of labor potential;
- Existence of One-stop-shop licensing centre in each city;
- Existence of investment projects in business;
- Availability of business-centers;
- Developed industrial infrastructure;
- Favorable geographic location of the Sub-region;
- Local governments foster development of entrepreneurship in the cities;
- Availability of additional designed capacities for connection of business facilities to gas, power, water supply networks;
- Democratization of business and government relations;
- Trends of the region overcoming the crisis;
- Existence of business association in the cities;
- Developed chemical - metallurgical and mechanical engineering complex formed historically;
- Availability of development budgets of the cities, which have trends towards growth;
- Availability of approved cities' programs for support of small and medium enterprises;
- Developed network of financial establishments;

- Existence of interesting sights of nature, history and culture in the Sub-region;
- Organization and searching for investment projects.

Weaknesses

- No legalized of Development Master Plans of the cities;
- Land inventory was held partially;
- Land and cadastral documentation is not fully prepared
- Passiveness of business associations of the Sub-region;
- Inactivity of business centers;
- Passiveness and disunity of businessmen efforts;
- Low competitiveness of high-tech products;
- Low level of investments in fixed assets;
- Insufficient innovative level of industrial production;
- Low level of innovations introduction in entrepreneurship;
- Small and medium enterprises serve mainly local and regional markets;
- Imperfection of educational system for business sphere;
- Limited support infrastructure and list of services for business;
- Lack of information for entrepreneurs regarding resources of the three cities and plans of local authorities for their use
- Lack of the Sub-regional development strategy;
- Insufficient contacts of authority bodies with business and its support;
- Exhibits ob bureaucracy in obtaining permits for business activity conduction;
- Lack of dwelling construction (multistoried buildings);
- Condition of roads require significant improvement;
- Need of improvement of operations of one-stop offices in the three cities;
- Lack of marketing of production of local goods and services;
- No cooperation mechanism between science and production in the system of SMEs development;
- Lack of systematic information in form of reference materials, promotional materials about the Sub-region and development of the business in it;
- Not enough funding for city programs of local economic development;
- Inadequate level of training of managers for small and medium business;
- Pollution of the Sub-region territory and unfavorable ecological environment;
- Undeveloped consulting services market for small and medium business;
- Negative demographic situation in the Sub-region, ageing of population;

Opportunities

- State support of implementation of territories development programs, actual funding of their events;
- Improvement of image and investment rating of Ukraine, interest of foreign investors in possibilities of cities and investment attraction;
- Coming to all Ukrainian authority levels of social oriented politics;
- Restoration of sustainable functioning and development of financial services market;
- Growth of income levels of Ukrainian population;
- Stabilization of tax legislation and better legal protection of entrepreneurs by the State;

- Elaborate of updated Development Master Plans of the cities, systematic spatial development of the Sub-region.

Threats

- Instability of political and economic situation in Ukraine;
- Exacerbation of the world economic crisis;
- Negative changes in legislation;
- Worsening of image of Ukraine;
- Growing of energy resources' prices;
- Drastic changes of exchange rate;
- Lack of economic stimulation mechanism for employers for creation of jobs with decent conditions and salary;
- Ageing and negative migration of working population;
- Drastic deterioration of ecology (technogenic factors);
- Sharp decrease of incomes of Ukrainian population;
- High competition from partner cities.

Critical issue C. Communal infrastructure development

Strengths

- Existence of engineer communications and facility communications
- Gradual introduction of energy saving technologies of housing and utility enterprises;
- Formation of associations of condominiums owners on basis of communal property ;
- New approach in training of housing and utilities specialists;
- Launched reconstruction of housing and utilities of the cities;
- Formation of competitive environment at the housing and utilities enterprises market;
- Availability and implementation of Housing and utilities reforming program and other city programs for housing and utilities;
- Developed measures regarding energy saving in the cities;
- Favorable mining and geological conditions, compact location of the cities;
- Availability of staff potential;
- Existence of Higher education institutions preparing staff for housing and utilities.

Weaknesses

- Wear of engineer networks and communications;
- Water supply with stoppages;
- Problem with the cities outdoor illumination;
- Weak introduction of energy saving technologies;
- Existence of abandoned privatized apartments;
- Technical backwardness of housing economy and engineering system for life-support of housing fund of the cities ;
- Unsatisfactory technical conditions of housing funds, water supply, sewerage systems, heating networks and boiler houses (high level of wear of fixed assets, lack of real formation of depreciation funds);
- Wear of roads;
- Lack of master chart for the cities sanitation;

- Wastes are moved out erratically;
- Absence of field for hard domestic wastes;
- Lack of heat supply system in the cities ;
- Need for modernization of WWTP;
- Existence of ownerless objects of water supply and sewerage;
- Lack of centralized inhabitants provision with warm water;
- Availability of only private housing development;
- Potable water has variances from the requirements of Derzhstandart (State standard) 2874-82 "Potable water";
- Existence of mine workings (cavitations), possibility of surface subsidence and underflooding of the cities' territory;
- Lack of funds in the cities budgets for maintenance and development of main urban economy areas;
- Low level of competitive environment at the market of services on management and maintenance of buildings, constructions and near-buildings land plots;
- Complicated financial situation of enterprises: loss-operation; significant payables and receivables;
- Low level of energy saving technologies use in housing and utilities;
- Lack of own water source;
- Monopolization of main suppliers of services for housing and utilities;
- Large heat energy losses due to imperfect of heat supply system;
- Poor environmental situation of the Sub-region;
- Lack of system for support of development of private business in the system of housing and utilities, lack of competitiveness;
- Limited possibility for communal and utility enterprises development;
- Low quality of housing and utility services provision.

Opportunities

- Participation of the cities of the Sub-region in international projects for communal infrastructure development;
- Implementation of technical solution and cooperation of efforts of the partners cities for construction of the plant for processing of hard domestic wastes including those stored at the field;
- Attraction of investments for construction of modern housing;
- Receipt of public funding for development of communal areas of the cities;
- Use of alternative energy sources;
- Introduction of energy saving technologies at housing and utilities enterprises.

Threats

- Deterioration of environment in the Sub-region including due to technogenic factor;
- Instability of political and economic situation in the country;
- Negative changes in the legislation;
- Further increase of prices for energy resources;
- Aging of communal infrastructure;
- Gradual wear of engineering infrastructure of the cities;
- Unfavorable price situation at the market of material and technical resources;
- Threat of accident of engineering networks;
- Underflooding of territory of the Sub-region cities;

- Existence of surface downfall and subsidence (mine workings).

D. Mining and metallurgy complex

Strengths

- Availability of powerful metallurgy enterprises with large volumes of distribution and sale;
- Large number of labor resources for the industry;
- Export orientation of metallurgy complex;
- Proximity of raw material sources;
- Developed transport logistics;
- Established sales markets of metallurgy complex products;
- Availability of highly qualified staff;
- Availability of Higher education establishments training specialists for metallurgy complex;
- Gas production – methane;
- Conducted modernization of facilities of metallurgy enterprises;
- Availability of suppliers to serve metallurgy complex.

Weaknesses

- Low demand at the domestic market for the complex products
- High energy consumption of metallurgy complex;
- Environmental impacts of activities of metallurgy complex;
- Lack of domestic raw materials for operation of metallurgy complex;
- Deficit of qualified staff for mining industry;
- Low work productivity at enterprises of metallurgy complex;
- Wear of equipment and fixed assets at enterprises of metallurgy complex;
- Insufficient diversification of economy;
- Low profitability of products in mining industry.

Opportunities

- Development of SMEs to serve enterprises of metallurgy complex on basis of subcontracts;
- Accessory of Ukraine to EU;
- Stabilization of political situation;
- Strengthening of national currency and stabilization of exchange rate;
- Improvement of customs legislation;
- Development of national market of metallurgy complex;
- Improvement of tax legislation;
- Enhancement of trade ties with Russia, attraction of Russian investments to metallurgy complex;
- Stabilization of raw materials cost;
- Systematic approach to investment attraction at the national market;
- Improvement of image and investment rating of Ukraine, interest of foreign investors, investment attraction in mining and metallurgy industry;
- Restoration of sustainable functioning and development of financial services market.

Threats

- Influence of world prices on economy of metallurgy complex enterprises;

- Lack of stability of national currency;
- Change of owners of enterprises;
- High competition from the party of Eastern countries;
- Unstable political and economical situation in Ukraine;
- Exacerbation of world economic crisis;
- Negative changes in legislation;
- Worsening of image of Ukraine;
- Growing of energy resources' prices;
- Ageing and negative migration of working population;
- Drastic deterioration of ecology (technogenic factors).

E. Mechanical engineering

Strengths

- Availability of production sites for operation of enterprises of mechanical engineering industry;
- Availability of highly qualified labor resources;
- Availability of educational facilities for gaining knowledge, qualification development and requalification of labor resources;
- Existence of sales market fro local mechanical engineering enterprises;
- Availability of brownfields and greenfields;
- Existence of transport connections (developed transport logistics).

Weaknesses

- Low competitiveness (obsolete technologies, low products sales and their high primary cost);
- Obsolete fixed assets of enterprises of mechanical engineering;
- Lack of qualified staff;
- Insufficient funding of the industry;
- Low level of marketing of the industry, promotion to international markets;
- Insufficient level of training of specialists;
- Lack of educational facilities for training of specialists of investment attraction.

Opportunities

- Development of SMEs to serve enterprises of mechanical engineering;
- Accessory of Ukraine to EU;
- Stable political situation;
- Strengthening of national currency and stabilization of hryvnya rate;
- Improvement of customs legislation;
- Development of the national market of mechanical engineering;
- Improvement of tax legislation
- Enhancement of trade ties with Russia, attraction of Russian investments to mechanical engineering;
- Stabilization of raw materials cost;
- Systematic approach to investment attraction at the national market.

Threats

- Influence of world prices on economy of mechanical engineering enterprises;

- Lack of stability of national currency;
- Unstable political and economical situation in Ukraine;
- Exacerbation of world economic crisis;
- Negative changes in legislation;
- Unstable political and economical situation in Ukraine ;
- Growing of energy resources' prices;
- Ageing and negative migration of working population;
- Sharp decline in real incomes of Ukrainian population;
- High competition from the party of other world countries.

F. Alternative energetics

Strengths

- Availability of researches on area of alternative energy (blast furnace gas, coke gas, methane, finishing of construction of steam generating unit)
- Availability of wind energy;
- Favorable climate possibilities for solar energy use;
- Development of technologies of use of gas-bearing coal strata upon condition of mines operation;
- Existence of large number of wastes that can be used for secondary processing.

Weaknesses

- Need for large capital investments and lack of interest from investors;
- Lack of researches and projects;
- Lack of information on possible use of alternative energy;
- Absence of national structures for attracting investments for alternative energy;
- Lack of enterprises working experience on alternative energetics
- Absence of specialists on unconventional heat energetics types;
- Significant barriers to enter this area of business;
- Limited water resources.

Opportunities

- State support of introduction of alternative energy sources;
- State support of scientific designs of alternative energy sources use;
- Improvement of customs legislation;
- Development of the national market of alternative energetics;
- Stabilization of financial area and introduction of concessional lending of business projects on implementation of alternative energetics;
- Attraction of foreign investments for implementation of alternative energy projects and introduction of foreign experience.

Threats

- Imperfect national legislation on introduction of alternative energetics;
- Absence of state support of introduction of business projects on alternative energetics;
- Absence of state support of scientific designs of alternative energy sources use;
- Lack of access to funds, lack of lending system for business projects on introduction of alternative energetics;

- Exacerbation of world economic crisis.

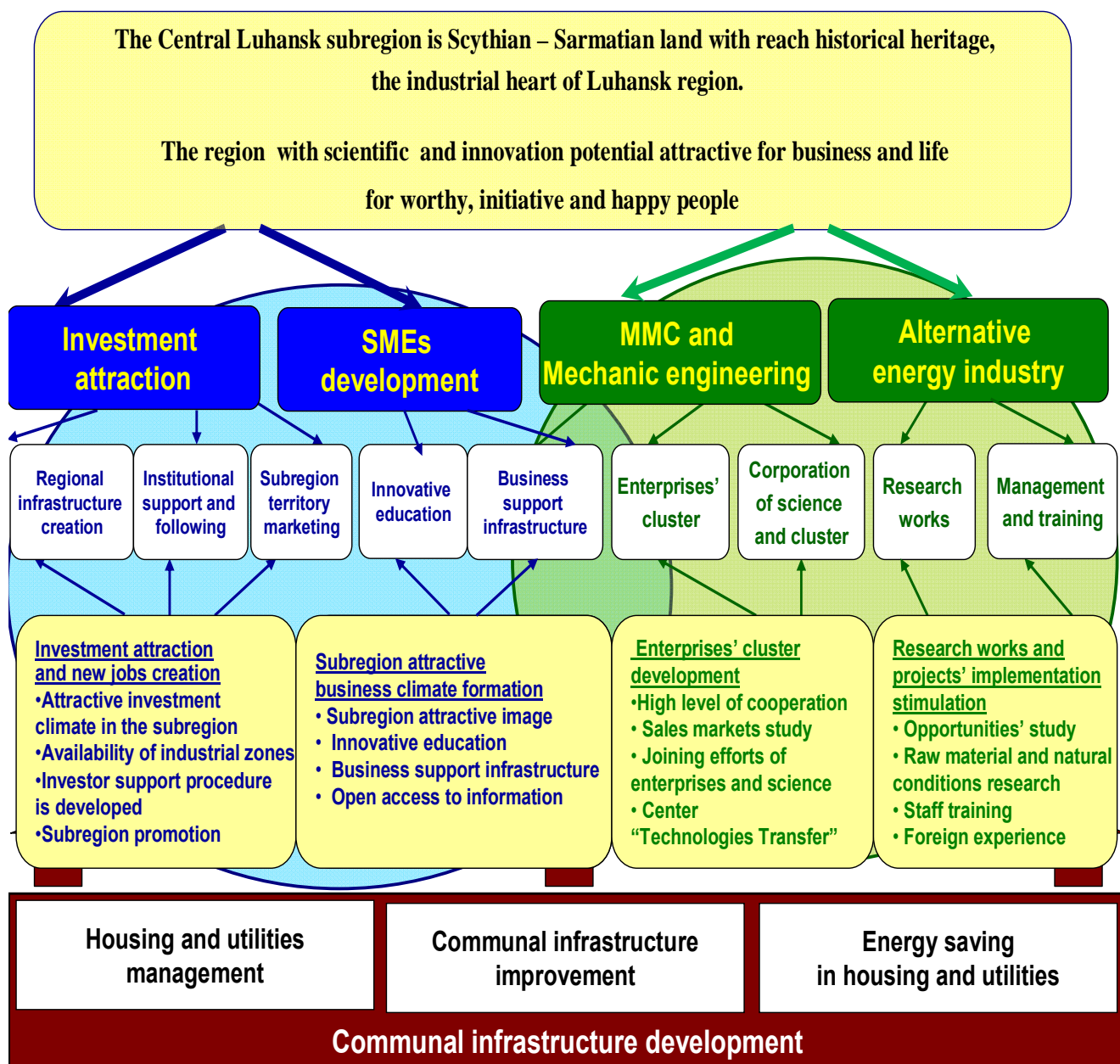
ACTION PLAN

The Strategic Plan for Economic Development of the Central Luhansk Sub-region is a product of joint activity and joint decision-making by leaders of the three territorial communities of the cities of Alchevsk, Stakhanov and Bryanka. The Plan is developed on the basis of consensus and principle of focusing efforts on priority issues of development.

The three critical issues – “INVESTMENT ATTRACTION”, “SMALL AND MEDIUM ENTERPRISES DEVELOPMENT”, “COMMUNAL INFRASTRUCTURE DEVELOPMENT” were selected by the Committee of Economic Development of the Central Luhansk Sub-region as decisive factors for the further development of local economy of the Sub-region. Action plans are developed for each of the issues and their implementation will improve the competitive position of the central Luhansk Sub-region.

The members of the Economic Development Committee feel the need to priority industry branches of economy that will have a serious impact on economic development of the Sub-region in the future; they are “MINING AND METALLURGY COMPLEX AND MECHANICAL ENGINEERING” and “ALTERNATIVE ENERGETICS”. And namely the development of these two sectors of economy will provide benefits in development of economy of the Sub-region. There are action plans, which are quite realistic, developed for these industry branches of economy.

The action plans are developed by the members of EDC involving profile specialists having professional knowledge, experience in relevant area are which position's competence includes appropriate issue; scientists, businessmen with practical experience.



CRITICAL ISSUES

The meeting of the Economic Development Committee of the Central Luhansk Sub-region for identifying of critical issues and priority industry branches of economy was held on February 25, 2010. The meeting was attended by 38 members of EDC. The participants discussed the main priorities of economic development of the Sub-region and promising industries of the economy. Taking into account the findings of the attitude survey of businessmen from the three territorial communities of the cities of Alchevsk, Stakhanov and Bryanka, as well as materials of the Sub-region Profile there were identified following critical issues:

- (A) Investment attraction
- (B) Small and medium enterprises development
- (C) Communal infrastructure development

The following industries were identified among the prospective industries of economic development of the Central Luhansk Sub-region:

- (D) Mining and metallurgy complex and mechanical engineering

- (E) Alternative energetics

Critical issue A. Investment attraction

Business structures located in the Central Luhansk Sub-region, and namely, in the cities of Alchevsk, Stakhanov and Bryanka, during last ten years show ability to work and develop. Despite the impact of the world financial crisis, partial loss of markets and consumers they still have plans for increase sales of products, services and goods, modernization and improvement of existing facilities to expand their activities. The most part of entrepreneurs plan to invest in the Central Luhansk Sub-region already in the period of 2010-2012. Enterprises intend to modernize and improve existing constructions and technologies mainly on regular basis. As a result, enterprises plan to create new jobs.

Representatives of small and medium business are mostly focused on national and internal oblast market. Almost all business entities feel lack of financial resources for implementation of their development plans. Realizing that internal investment resources are insufficient in the city, the most part of surveyed businessmen and members of EDC argued for necessity to attract direct foreign investments into the Sub-region. Thoroughly analyzed the situation they noted that the Sub-region as union of the three territorial communities significantly increases actual possibilities for attraction of outward investors. The territory becomes more attractive for investor from the point of view of growth of natural, material, financial, labor and intellectual resources, which can be used by investor to generate grater profits. And available elaborated Strategy of development fro this territory under the joint efforts of authority, community and business of the three territorial communities greatly improves business climate simultaneously in the three cities and will give an opportunity to investors to make a correct decision regarding nature of possible investment and concrete steps for its implementation.

The Central Luhansk Sub-region has a significant potential of brownfields on basis of former mines that in the future can become industrial sites of outward investment attraction.

Capacity of any territory to attract outward investments is also defined by many other factors, including business climate in region and its image, availability of marketing and promotions, transparency of information on investment resources of territory, ability to establish communications with potential investors and to provide required following-up for Sub-regional projects important for the cities.

Today the Sub-region identifies and implements tasks to provide more dynamic investment processes in local economy:

- Continuing work on formation of attractive investment image of the central Luhansk Sub-region;
- Preparing of quality product for investments – land plots, sites, buildings and constructions, investment projects;
- Facilitating activation of activity regarding investment attraction in all area of economy of the Sub-region due to benefit of pooling resources of the three territorial communities;
- Creating information base of common for the three communities innovation and investment projects and their promotion for national and international agencies on investment attraction;
- Coverage of investment attractiveness of the Sub-region at international forums, workshops, conferences, exhibitions and fairs of business projects;
- Training of specialists on investment management at the local authority bodies.

Provision of favorable investment climate will be enabled also by updated Master plans in the three cities, approved locals development rules, including zoning, development of the Sub-region strategy for investment attraction, invitation for work of international programs and appropriate professionals that will give an opportunity to representatives of different business area to learn more about financial markets and its instruments, arrange direct meeting with potential investors and provide them with own business plans.

Strategic objective A.1. Create regional infrastructure for investment attraction

Investment attraction requires creation of regional investment product which provides development of appropriate land infrastructure (preparation of greenfields and brownfields), development of communal infrastructure, relevant regulatory support. Availability of Master plans and Development rules of the cities will give opportunities for local self government bodies to conduct certain work on identification and provision of land plots for potential investors in terms of most effective use of spatial resources, given expediency and sanitary norms of territories' use, carry out analysis of availability of brownfields, their geographical location at the territory of the cities and possibilities of their following use, of availability of communal infrastructure at the territories of potential industrial zones.

A.1.1. Elaboration and approval of new Development Master Plans in the cities of Stakhanov and Bryanka

Project description: To conduct comprehensive measures aimed at decision of land issues and to synchronize local regulatory and legal acts which allow transferring land plots to an investor on long-term lease rights and selling. Elaborate and approve new Development Master Plans in the cities of Stakhanov and Bryanka

Responsibility: Urban planning and architecture office of the Stakhanov City Council and Urban planning and architecture office of the Bryanka City Council

Partners: Land resources office of the Stakhanov City Council, Land relation and land use office of the Bryanka City Council, Housing and utilities office of the Stakhanov City Council, Economy and market relations office of the Stakhanov City Council, Communal property fund of the city of Stakhanov, communal enterprise "Stakhanov bureau of technical inventory", Derzhkomzem office in the city of Stakhanov the Luhansk oblast, Housing and utilities office of the Bryanka City Council, investment, energetics and transport department of the Economy and communal property office of the Bryanka City Council, Ukrainian state scientific and research institute of urban design "Dipromisto", communal enterprise "Bryanka bureau of technical inventory", Derzhkomzem Department in the city of Bryanka the Luhansk oblast

Funding: UAH 2,000 ths. (UAH 500 ths. – Stakhanov city budget, UAH 452 ths. – Bryanka city budget, UAH 1,048 ths. – attracted funds, international technical assistance, sponsors' contributions)

Implementation timeframe: 2011 – 2013

A.1.2. Approval of outline borders of the cities of the Central Luhansk Sub-region (Alchevsk, Stakhanov and Bryanka)

Project description: To prepare technical documentation and to approve boundaries of the cities of Alchevsk, Stakhanov and Bryanka

Responsibility: Architecture, urban planning and land use office of the Alchevsk City Council, Land resources office of the Stakhanov City Council, Land relation and land use office of the Bryanka City Council

Partners: Derzhkomzem department in the city of Alchevsk the Luhansk oblast, Derzhkomzem office in the city of Stakhanov the Luhansk oblast, Derzhkomzem department in the city of Bryanka the Luhansk oblast, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council, Ukrainian state scientific and research institute of urban design "Dipromisto", Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Housing and utilities office of the Alchevsk City Council, Economy, market relations and investments office of the Alchevsk City Council, Alchevsk CE "Bureau of Technical Inventory", communal enterprise "Bryanka bureau of technical inventory"

Funding: UAH 910,000 (UAH 500,000 – Alchevsk city budget, UAH 60,000 – Bryanka city budget, UAH 350,000 – Stakhanov city budget)

Implementation timeframe: 2011 – 2014

A.1.3. Development and approval of Development Rules with zoning elements for the cities of the Central Luhansk Sub-region

Project description: To develop and to approve new Development Rules in the cities (Alchevsk, Stakhanov, Bryanka)

Responsibility: Architecture, urban planning and land use office of the Alchevsk City Council, Architecture and urban planning office of the Stakhanov City Council, Architecture and urban planning department of the Bryanka City Council

Partners: Derzhkomzem department in the city of Alchevsk the Luhansk oblast, Derzhkomzem office in the city of Stakhanov the Luhansk oblast, Derzhkomzem department in the city of Bryanka the Luhansk oblast, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Bryanka City Council, Ukrainian state scientific and research institute of urban design “Dipromisto”, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Economy, market relations and investments office of the Alchevsk City Council, Alchevsk CE “Bureau of technical inventory”, Stakhanov CE “Bureau of technical inventory”, communal enterprise “Bryanka bureau of technical inventory”

Funding: UAH 1,500,000 – (UAH 250,000 - Alchevsk city budget, UAH 250,000 - Stakhanov city budget, UAH 250,000 - Bryanka city budget, UAH 750,000 – state budget, international technical assistance, sponsors' funds)

Implementation timeframe: 2011 – 2013

A.1.4. Development of Land Use Plans of the cities of the Central Luhansk Sub-region (the cities of Alchevsk, Stakhanov, Bryanka)

Project description: To approve Land Use Plans of the cities

Responsibility: Architecture, urban planning and land use office of the Alchevsk City Council, Land resources office of the Stakhanov City Council, Land relations and urban planning department of the Bryanka City Council

Partners: Derzhkomzem department in the city of Alchevsk the Luhansk oblast, Derzhkomzem office in the city of Stakhanov the Luhansk oblast, Derzhkomzem department in the city of Bryanka the Luhansk oblast, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Bryanka City Council, Ukrainian state scientific and research institute of urban design “Dipromisto”, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Economy, market relations and investments office of the Alchevsk City Council, Alchevsk CE “Bureau of technical inventory”, Stakhanov CE “Bureau of technical inventory”, communal enterprise “Bryanka bureau of technical inventory”

Funding: UAH 1,000,000 – city budget, state budget, international technical assistance, sponsors' funds

Implementation timeframe: 2011 – 2014

A.1.5. Prepare and approve a Single List of free land plots in the Sub-region potentially attractive of investor

Project description: To prepare and to approve a Single List of free land plots in the Sub-region potentially attractive for investors in accordance with target and functional purposes and to ensure development of necessary technical documentation for each plot for provision to investors for use or alienation for ownership. Approved by the Alchevsk, Stakhanov, Bryanka City Councils Single List of land plots in the Sub-region potentially attractive for investors and ensuring development of necessary technical documentation for each plot for provision to investors for use or alienation for ownership.

Responsibility: Architecture, urban planning and land use office of the Alchevsk City Council, Land resources office of the Stakhanov City Council, Land relations and urban planning department of the Bryanka City Council

Partners: Derzhkomzem department in the city of Alchevsk the Luhansk oblast, Derzhkomzem office in the city of Stakhanov the Luhansk oblast, Derzhkomzem department in the city of Bryanka the Luhansk oblast, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Bryanka City Council, Ukrainian state scientific and research institute of urban design “Dipromisto”, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Economy, market relations and investments office of the Alchevsk City Council, Alchevsk CE “Bureau of technical inventory”, Stakhanov CE “Bureau of technical inventory”, communal enterprise “Bryanka bureau of technical inventory”, Communal property fund of the city of Stakhanov

Funding: The tasks are fulfilled within competence of self government bodies of the cities Alchevsk, Stakhanov, Bryanka

Implementation timeframe: 2011 – 2012

A.1.6. Prepare land plots for location of industrial facilities, establishment of regional industrial zones - greenfields

Project description: To prepare land plots for location of industrial facilities (regional industrial zones - greenfields), to service them with proper communal infrastructure (water, gas, electric power, roads). Harmonize the establishment of regional industrial zones with a zoning layout of the Luhansk oblast

Responsibility: Architecture, Urban Planning and Land Use Office of the Alchevsk City Council, Land Resources Office of the Stakhanov City Council, Land Relations and Urban Planning Department of the Bryanka City Council

Partners: Derzhkomzem department in the city of Alchevsk the Luhansk oblast, Derzhkomzem office in the city of Stakhanov the Luhansk oblast, Derzhkomzem department in the city of Bryanka the Luhansk oblast, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Bryanka City Council, Ukrainian state scientific and research institute of urban design “Dipromisto”, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Economy, market relations and investments office of the Alchevsk City Council, Alchevsk CE “Bureau of technical inventory”, Stakhanov CE “Bureau of technical inventory”, communal enterprise “Bryanka bureau of technical inventory”, Communal Property fund of the city of Stakhanov

Funding: UAH 3,000,000 (20% - Alchevsk city budget, Stakhanov city budget, Bryanka city budget, 80% - oblast budget, state budget, attracted funds)

Implementation timeframe: 2011 – 2013

Strategic objective A.2. Provide institutional support and following of investment activity at the territory of the Sub-region

Enhance institutional capacity of the Sub-region to attract investments is possible on condition of development and legalization of a single regional procedure on investor servicing and following - Investor Road Map. This procedure encompasses the coordination of interaction of local self government bodies of the cities of Alchevsk, Stakhanov and Bryanka with investor from accepting the decision on investment in the territory of the Sub-region until starting of business and obtaining of incomes. The investor following procedure provides the coordination of actions on giving land plots for use, issuing business licenses, construction works, consideration of other issues related with investment activities

A.2.1. Identify a single regional investment policy of the Central Luhansk Sub-region

Project description: To identify a single regional investment policy (development of a single draft of Regulations on investment attraction and its approval by decisions of City councils of the cities of Alchevsk, Bryanka, Stakhanov). To determine investment needs of the sub-region, production that can be located at the territory of the Sub-region, to identifies key clients and mechanisms of investment attraction

Responsibility: Economy, market relations and investments office of the Alchevsk City Council, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council

Partners: Land relations and urban planning department of the Bryanka City Council, Architecture, urban planning and land use office of the Alchevsk City Council, Land resources office of the Stakhanov City Council, Derzhkomzem department in the city of Alchevsk the Luhansk oblast, Derzhkomzem office in the city of Stakhanov the Luhansk oblast, Derzhkomzem department in the city of Bryanka Luhansk oblast

Funding: The tasks are fulfilled within competence of self government bodies of the cities Alchevsk, Stakhanov, Bryanka

Implementation timeframe: 2011

A.2.2. Develop and legalize a single regional Road Map for investor

Project description: To develop and to legalize a single regional Road Map for investor (route of business opening in the Sub-region with appropriate legal following and references to organizations and structures issuing relative permits, coordination of permit-issuing one-stop-shops of the three cities, organization of single e-permit system operation)

Responsibility: Economy, market relations and investments office of the Alchevsk City Council, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council

Partners: communal enterprise “Entrepreneurship center”, community-based organization “Employers Bryanka city organization”, Donbas State Technical University, Regional Development Agency, Administrative chief of Bryanka City Executive Committee, IT department of the Stakhanov City Council

Funding: The tasks are fulfilled within competence of self government bodies of the cities of Alchevsk, Stakhanov, Bryanka

Implementation timeframe: 2012 – 2015

A.2.3. Establishment of Alchevsk Scientific and Technological Park on the base of the Donbas STATE TECHNICAL UNIVERSITY

Project description: Establishment of Alchevsk Scientific and Technological Park on the base of the Donbas State Technical University. It should become a sub-regional center of technologies’ transfer and cooperate with

research centers and laboratories of enterprises, innovation centers, other Higher education establishments and scientific organizations, authority bodies and local self government bodies. Funding of the Scientific Park will be conducted through different ways: by various state and municipal programs, grants, sponsors' contributions, bank loans, partnership with business, by provision services to clients, for example, development of technical designs, performance of economical calculations, researches, tests, etc.

Responsibility: Donbas State Technical University, Provost for researches

Partners: Economy, market relations and investments office of the Alchevsk City Council, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Stakhanov office of Institute of Postgraduate Education and Distant Learning of the Easter-Ukrainian National University n.a. V.Dal, Bryanka Professional Electro – Mechanical Lyceum, Bryanka Technological – Economical College of the Luhansk National University n.a. T.H. Shevchenko, Scientific and research establishments of the Luhansk oblast, business entities

Funding: UAH 502,000 (20% - cities' budgets, 80% - oblast budget, state budget, international technical assistance)

Implementation timeframe: 2011 – 2012

Strategic objective A.3. Development of marketing of the Sub-region territory

Develop and introduce an effective marketing plan aimed at improvement both as internal and as external image of the Central Luhansk Sub-region as place for doing business with a special emphasis on foreign investors

A.3.1. Preparation of a single promotional documents' set about the Central Luhansk Sub-region for investors

Project description: To prepare printed marketing materials (brochures, reference books, catalogs, collections) with coverage of the information about resources, infrastructure, main companies operating in the sub-region, business climate, and local tax incentives

Responsibility: Regional Development Agency

Partners: Economy, market relations and investments office of the Alchevsk City Council, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Administrative chief of Bryanka City Executive Committee, IT department of the Stakhanov City Council, General department of the Stakhanov City Council, General department of the Bryanka City Council, Entrepreneurs branch council of the city of Stakhanov

Funding: UAH 50,000 (UAH 30,000 – Alchevsk city budget, UAH 10,000 – Stakhanov city budget, UAH 10,000 – Bryanka city budget)

Implementation timeframe: 2011

A.3.2. Development of a Single Regional Web-site on investment opportunities in the Sub-region (the three languages)

Project description: Development of a Regional Web-site which will enable to present investment opportunities in the Sub-region (the three languages) (on the base of the Regional Development Agency)

Responsibility: Regional Development Agency

Partners: Economy, market relations and investments office of the Alchevsk City Council, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Administrative chief of Bryanka City Executive Committee, General department of the Stakhanov City Council, General department of the Bryanka City Council, Entrepreneurs branch council of the city of Stakhanov

Funding: UAH 7,000 – international technical assistance

Implementation timeframe: 2011

A.3.3. Development of a Single Marketing Plan of the Sub-region

Project description: Development of a Single Marketing Plan of the Sub-region. Staged promotion of the territories at national and international market of investment proposals. Coordination of activities of local self government bodies with national agencies for investment attraction, international organizations, embassies, consulates, etc. Development of a territory marketing system and its promotion through mass-media, internet-agencies and sites

Responsibility: Regional Development Agency

Partners: Deputy of Mayor of the Alchevsk City Council, Deputy of Mayor of the Stakhanov City Council, Administrative chief of Bryanka City Executive Committee, Economy, market relations and investments office of the Alchevsk City Council, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council

Funding: UAH 40,000 – city budget, oblast budget, state budget, international technical assistance

Implementation timeframe: 2011

A. INVESTMENT ATTRACTION

Strategic objective A.1.
Creation of regional infrastructure for investment attraction

A.1.1. Elaboration and approval of new Development Master Plans in the cities of Stakhanov and Bryanka

A.1.2. Approval of outline borders of the cities of CLS (Alchevsk, Stakhanov and Bryanka)

A.1.3. Development and approval of Development Rules with zoning elements for the CLS cities

A.1.4. Development of Land Use Plans of the CLS cities (the cities of Alchevsk, Stakhanov, Bryanka)

A.1.5. Prepare and approve a Single List of free land plots in the Sub-region potentially attractive of investor

A.1.6. Prepare land plots for location of industrial facilities, establishment of regional industrial zones - greenfields

Strategic objective A.2.
Provide institutional support and following of investment activities at the territory of the Sub-region

A.2.1. Identify a single regional investment policy of the Central Luhansk Sub-region

A.2.2. Develop and legalize a single regional Road Map for investor

A.2.3. Establishment of Alchevsk Scientific and Technological Park on the base of the Donbas State Technical University

Strategic objective A.3.
Development of marketing of the Sub-region territory

A.3.1. Preparation of a single promotional documents' set about the Central Luhansk Sub-region for investors

A.3.2. Development of a Single Regional Web-site on investment opportunities in the Sub-region (the three languages)

A.3.3. Development of a Single Marketing Plan of the Sub-region

Critical issue B. Small and medium enterprises development

The Sub-regional economy is traditionally represented by mining and metallurgy and fuel and energy complex, as well as by enterprises of processing industry, namely, by mechanical engineering and metal processing, chemical industry, light industry (clothing, pulp and paper, wood processing and furniture manufacturing), food industry and agroprocessing, construction and transport.

The recent process of closure of budget-forming state enterprises of mining industry led to sharp fall in production, negative dynamic in demography, availability of unemployment. Instead of closed state enterprises there is raised the layer of new private medium and small enterprises for coal extraction and enterprises servicing them (repair of mining equipment, supply of component parts and others).

Close geographical location of agricultural lands of the neighboring territories resulted in creation of new small enterprises for agroprocessing and in development of light industry that contributed greater diversity of productive activity types to the Sub-region economy. Small enterprises operate in the area of servicing, trade and transport.

Restructuring and diversification of the Sub-region economy, its structural reconstruction still remain the most important direction of the transformation of economy of the three cities of Alchevsk, Stakhanov and Bryanka, as well as of the Sub-region in whole.

The basic priority for structural transformations in three cities should become a technological reconstruction of industry. Accelerated development of high-tech productions for competitive products output and formation of export potential requires introduction of international and domestic scientific and technical achievements. Diversification of economic activity types will provide employment of the most part of the cities population and will influence on revenue side of the local budgets, and will facilitate creation on the base of enterprises of new production complexes dedicated to manufacturing of competitive products.

Encouragement of private entrepreneurial initiative and free market competition between economic operators, formation of integral and effective system of support for small and medium enterprises in the three cities is another more prerequisite of economic growth.

The small and medium business sector grows both in the three cities separately and in the Sub-region. For coming years it will be the main factor of increase of jobs number, investments and increase of quality and augmentation of types of products and services and more.

But entrepreneurs are not satisfied with overall economic situation in the country, national legislation, growing domestic competition and expenditures for energy resources, lack of access to financial resources and lack of qualified labor force.

The local business (especially small one) expects from authorities of the three cities effective informational exchange and real authorities' interest in improvement of business climate. Business discontent is also caused by bureaucratic hurdles, specially regarding issuing permits and making decision of land matters, which is driven by the current legislation, weak feedback of controlling services and Executive Committees' services with business.

Business states the necessity of joint activities with local authorities to develop labor force, actively attract investment, establish business support center, grant of tax incentives, support enterprises financially, format of professionals for economic development in the cities' governments teams. The

lack of qualified labor force is still not a crucial problem, but its importance is growing. There is observed the shortage of as highly skilled specialists, as professional workers.

One of the most important factors influencing the development of entrepreneurship is joint business projects and programs with authorities, which would not enable profits obtaining, but will develop the territory of the Sub-region as well. Businessmen expressed for implementation of joint project between authorities and business of not only one community, but also for development of business projects that would unite authorities and business of several territorial communities and will be focused towards development of the Central Luhansk Sub-region.

Possibility to obtain land plots, availability of buildings, productive and office premises is also extremely important for support of small and medium enterprises.

Review of the existing policy and the regulatory acts governing issues of foundation and operations of enterprises (issuing of permits, approvals and licensing) facilitate to create the favorable business climate as well. It is important local authorities of the three cities taking care that local business would receive high-quality managerial services not only in subunits of executive bodies of city councils, but also in other institutions and organizations (associations, business centers), which do not belong directly to the management sphere of executive bodies of the council.

Members for the Economic Development Committee call for creation of the Regional Development Agency of the Central Luhansk Sub-region having aim to unite efforts of the three communities towards joint economic development and competitiveness enhancement of the territory.

Strategic objective B .1. Develop regional innovative education

Create a new regional business educational infrastructure and programs targeted at improvement of skills and knowledge of starting and conducting entrepreneurial activities. Consideration of innovative culture of entrepreneurial activity, keeping and transmission of regional business traditions to businessmen – beginners

B.1.1. Development and introduction of a single optional course for secondary school pupils

Project description: Development and introduction of a single optional course for secondary school pupils in the cities of Alchevsk, Stakhanov and Bryanka. The course is targeted to proved pupils with basics of business doing

Responsibility: Education and upbringing office of the Stakhanov City Council, Education city department of the Bryanka City Council, Education office of the Alchevsk City Council

Partners: Family and youth department of the Alchevsk City Council, Family and youth affairs department of the Bryanka City Council, Family and youth affairs department of the Stakhanov City Council, community-based organization “Employers Bryanka city organization”, Entrepreneurs branch council of the city of Stakhanov, secondary schools

Funding: UAH 120,000 (UAH 40,000 – Alchevsk city budget, UAH 20,000 – Stakhanov city budget, UAH 10,000 – Bryanka city budget, UAH 50,000 – international technical assistance)

Implementation timeframe: 2011 – 2015

B.1.2. Organization of activity of a regional training center

Project description: Organization of activity of a regional training center for businessmen beginners of the Sub-region. Provision of appropriate consultations for businessmen beginners of the three cities, organization and conduction of trainings for businessmen, assistance on-the-job through network of certified consultants

Responsibility: Regional Development Agency

Partners: Economy, market relations and investments office of the Alchevsk City Council, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Donbas State Technical University, communal enterprise “Entrepreneurship center” of the city of Stakhanov, community-based organization “Employers Bryanka city organization”, Stakhanov city employment center, Employment center in the city of Bryanka, Alchevsk city employment center

Funding: UAH 15,000 – international technical assistance

Implementation timeframe: 2011 – 2015

B.1.3. Development of a regional system of labor market assessment

Project description: Analysis of labor market, analysis of business demand of the Sub-region for qualified staff, analysis of requirements of educational programs of related qualifications and specialties, coordination of research organizations activities with Higher education establishment and professional colleges, bringing of appropriate amendments to current educational programs, opening of new qualifications and specialties, adjustment of conditions of work practice

Responsibility: Regional Development Agency

Partners: Sakhanov city employment center, Employment center in the city of Bryanka, Alchevsk city employment center, Education and upbringing office of the Stakhanov City Council, Education city department of the Bryanka City Council, Education office of the Alchevsk City Council, Labor and population social defense of the Stakhanov City Council, Labor and population social defense of the Alchevsk City Council, Labor and population social defense of the Bryanka City Council, secondary schools

Funding: City budget, oblast budget, state budget, international technical assistance

Implementation timeframe: 2011 – 2015

Strategic objective B.2. Create effective business support infrastructure of the Sub-region

Develop regional network model of business support infrastructure to enable possibilities for opening and growth of new high-tech enterprises and to provide them with professional support and assistance

B.2.1. Formation of a Regional Development Agency

Project description: Formation of a Regional Development agency which will coordinate activities of the three cities on implementation of the strategy, work of responsible officers, organization-partners, introduction of mechanism of monitoring on implementation and adjusting of the strategy as well. Creation of a Regional Development Agency shall be in a form of community-based organization – new legal entity. Election of governing bodies – a Board is performed at general meeting from among deputies of the cities' mayors. The Board makes decisions regarding organization of operations of an executive directory. The executive directory organizes monitoring and implementation of the competitiveness enhancement strategy of the Central Luhansk Sub-region at the territory of the pilot cities, assists to introduce investment and innovation projects at the territory of the pilot cities, organizes studies for business, employees of SGBs, implement marketing plan for regional promotion, establishes contacts with governments bodies, international institutions, community-based organizations and mass media, participates in tenders of international donors, attracts funds of international technical assistance for implementation of charter tasks

Responsibility: Alchevsk City Council – Alchevsk Mayor, Stakhanov City Council – Stakhanov Mayor, Bryanka City Council – Bryanka Mayor

Partners: Economy, market relations and investments office of the Alchevsk City Council, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council, Donbas State Technical University, communal enterprise "Entrepreneurship center" of the city of Stakhanov, Entrepreneurs branch council of the city of Stakhanov, community-based organization "Employers Bryanka city organization", Stakhanov community-based organization "Partnerstvo", LINC Project, business entities

Funding: UAH 101,000, international technical assistance, funds of business entities, charitable and sponsors' contribution

Implementation timeframe: 2011 – 2012

B.2.2. Creation and updating of a single regional information product of the Central Luhansk Sub-region for business

Project description: Creation and updating of a single regional information product of the Central Luhansk Sub-region for business. Collection of information about free land plots, buildings and constructions, current legal acts and local regulatory and legal act in area of regulatory policy, licensing procedures, local tax incentives, labor market, contacts of state controlling agencies, business services as well.

Responsibility: Economy, market relations and investments office of the Alchevsk City Council, Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council

Partners: RDA, Entrepreneurs branch council of the city of Stakhanov, community-based organization "Employers Bryanka city organization", Derzhkomzem department in the city of Alchevsk the Luhansk oblast,

Derzhkomzem office in the city of Stakhanov the Luhansk oblast, Derzhkomzem department in the city of Bryanka the Luhansk oblast, Communal property fund of the city of Stakhanov, Sakhanov city employment center, Employment center in the city of Bryanka, Alchevsk city employment center, Statistics office in the city of Stakhanov, Statistics office in the city of Alchevsk, controlling and licensing bodies

Funding: UAH 15,000 – international technical assistance

Implementation timeframe: 2011 – 2015

B.2.3. Organization of conduction of annual regional fair-exhibition “Scythian – Sarmatian Gate”

Project description: Organization of conduction of permanent fair “Scythian – Sarmatian Gate” and participation in Ukrainian and international fairs with the purpose to support and develop local manufacturers, advertise of commodities produced at the territory of the Sub-region, exchange information between cities

Responsibility: Deputy of Mayor of the Stakhanov City Council, Administrative Chief of Bryanka City Executive Committee, Deputy of Mayor of the Alchevsk City Council

Partners: Regional Development Agency, Economy, market relations and investments office of the Alchevsk City Council, Economy and communal property office of the Bryanka City Council, Economy and market relations office of the Stakhanov City Council, Donbas State Technical University, Entrepreneurs branch council of the city of Stakhanov, community-based organization “Employers Bryanka city organization”

Funding: UAH 135,000 (15% - Alchevsk city budget, 15% - Stakhanov city budget, 10% - Bryanka city budget, 60% - funds of business entities, oblast budget, international technical assistance)

Implementation timeframe: 2011-2015

B. SMALL AND MEDIUM ENTERPRISES DEVELOPMENT

Strategic objective B.1.
Develop regional innovative education

B.1.1.
Development and introduction of a single optional course for secondary school pupils

B.1.2.
Organization of activity of a regional training center

B.1.3.
Development of a regional system of labor market assessment

Strategic objective B.2.
Create effective business support infrastructure of the Sub-region

B.2.1.
Formation of a Regional Development Agency

B.2.2.
Creation and updating of a single regional information product of CLS for business

B.2.3.
Organization of conduction of annual regional fair-exhibition “Scythian – Sarmatian Gate”

Critical issue C. Communal infrastructure development

Development of communal infrastructure of the three cities: Alchevsk, Stakhanov, Bryanka is a backbone factor for creation of favorable conditions for business development and investment attraction.

Works on reconstruction of communal facilities remain priorities in the annual programs for social and economic development of the cities. The cities require significant improvement of road maintenance, garbage collection and removal, networks reconstruction and housing fund maintenance.

The infrastructure services citizens, business and establishments. If it is not adequate it impedes movement of goods and services, hampers development of production capacities or obstacles enterprises to implement plans of extension of their activities, and in some cases makes even to stop the activities. Accordingly, technical infrastructure, transport and roads have a critical importance for economic development of the Central Luhansk Sub-region.

There is a need for investments in technical maintenance, increase of quality and effectiveness of communal services provision and renovation of communal infrastructure, as well as for development of housing construction.

In the three cities: Alchevsk, Stakhanov and Bryanka during the recent years the housing construction was conducted exclusively in private sector. Construction industry has a potential to expand its activities. Availability of the developing housing market will make the Central Luhansk Sub-region to be attractive for young specialists required by the sub-region and can help to reduce the outflow of working inhabitants from the cities.

The cities' outside appearance, gradual planning, architectural solutions, cultural, educational, recreational resources, availability of housing affordable by price and high quality, high level of communal services, environmental situation – all these are the components of “quality of life in the community” and the image of the Central Luhansk Sub-region in the eyes of both ordinary citizens and of business community.

Availability of updated Master plan of the cities, approved boundaries, territory zoning and elaboration and use of Development Rules will enable to build-up the cities using modern architectural solutions; facilitate comfort location of business facilities and high-quality leisure of inhabitants.

Especially important topic of development of communal infrastructure of the Central Luhansk Sub-region is an implementation of joint communal projects of the united communities of Alchevsk, Stakhanov and Bryanka. Joining efforts and resources in such projects increase the actuality of their implementation and foster enhancement of competitiveness of the territory of the Sub-region in whole and its attractiveness for potential investors, including foreign ones.

Possibility of qualitative maintenance of communal infrastructure is based on energy saving technologies using. Energy saving and use of alternative energy sources are the priority areas of economic development if the Central Luhansk sub-region.

Strategic objective C.1. Improvement of housing and utilities management and demonopolization of area of housing and utilities services provision

Involvement of private sector for provision of housing and utilities services will allow population to get more qualitative services due to creation of competitive environment at the housing and utilities services market. Self-government bodies of the Sub-region implement the regional program of establishment at its territory condominium co-owners associations (CCOA) and population self-organization bodies (PSOB) and facilitate their participation in management of housing and utilities. Community-based organizations with authorities and communal enterprises introduce the regional system of training for population and communal services specialists in area of housing and utilities.

C.1.1. Establishment of a Single regional training centre for population and HU specialists

Project description: Establishment of a Single regional training center for population and HU specialists. Formation of a working group from representatives of housing and utility sector of the three pilot cities (Alchevsk, Stakhanov, Bryanka). Discussion about form, mechanism, timelines of the establishment of a Single regional training center for population and HU specialists. Establishment of a Single regional training center for population and HU specialists. Development of study programs, use of experience of the other regions of Ukraine and the abroad on solving issues of housing and utilities on the base of higher education establishments, oblast community-based organizations, Regional Development Agency. Involvement of international technical assistance for training and provision of consultative services. Attraction of donor technical assistance regarding quality growth of administrative services provision (including in area of HU). Coordination of work with the Makeevka Construction Academy on organization of condominium managers' training for the three pilot territorial communities

Responsibility: Regional Development Agency

Partners: Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council, Stakhanov office of Institute of Postgraduate Education and Distant Learning of the Easter-Ukrainian National University n.a. V.Dal, Association of CCOA under The Luhansk Oblast State Administration, Makeevka Construction Academy, Ukrainian Higher education establishments, international projects, CCOA, condominium managers

Funding: UAH 80,000 (20% - city budget, 80% - State budget, international technical assistance)

Implementation timeframe: 2011 – 2015

C.1.2. Encourage of small and medium enterprises development in area of servicing housing fund and improvement of the cities territory

Project description: Development of mechanism to encourage foundation of alternative private enterprises in area of servicing housing fund and improvement of the cities territory. Lobbying amendments to the national legislation regarding the VAT tax for housing and utilities enterprises (submission of the request to the central authorities from the three cities of the Sub-region. Lobbying of the Sub-region interests through the Association of Ukrainian Cities and Communities, other organization on protection of right and interests of self-government bodies).

Responsibility: Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council

Partners: Housing and utilities office of the Luhansk Oblast State Administration, Luhansk regional office of the Association of Ukrainian Cities, CCOA, condominium managers, private servicing enterprises

Funding: UAH 1,200,000 (UAH 100,000 – Alchevsk city budget, UAH 100,000 – Stakhanov city budget, UAH 50,000 – Bryanka city budget, UAH 950,000 - oblast budget, state budget, international technical assistance)

Implementation timeframe: 2011-2015

Strategic objective C.2. Improvement of communal infrastructure of the Sub-region

Technical condition of communal infrastructure facilities of the Sub-region cities directly impacts the investment attractiveness and live conditions of population and in most cases is a business card of the Sub-region. Condition of roads, cleanliness of territory, its improvement and gardening, water supply for population and enterprises of settlements of the Sub-region, effectiveness of WWTPs – all these projects are quite topical for the investment attractiveness of the Sub-region.

C.2.1. Inventory and repair of roads (intercity and city ones) of the Central Luhansk Sub-region

Project description: Identification of owners of road sections (communal and oblast form of property) and potential sources of funding, preparation of cost estimate documentation, determination of funding amounts, searching for additional sources of funding. Inventory and repair of roads (intercity and city ones) of the Central Luhansk Sub-region

Responsibility: Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council

Partners: Housing and utilities office of the Luhansk Oblast State Administration, "Luhansky avtodor (Luhansk autoroad)", SE, "DAK" Automobile roads of Ukraine", OJSC, "Komunalnik", CE the city of Stakhanov, "Road-maintenance station" the city of Bryanka, "Combined utilities enterprise" the city of Bryanka, "Alchevsk road-

maintenance station”, CE, Registration-examinational operations department of the State automobile inspection of the city of Stakhanov of the State automobile inspection directorate of the Directorate of the Ministry of Internal Affairs of Ukraine in the Luhansk oblast, State automobile inspection subunit of the city of Alchevsk and Vehicle-Technical Inspection of the Directorate of the Ministry of Internal Affairs of Ukraine in The Luhansk oblast, State Automobile Inspection Department in the city of Bryanka of the Directorate of the Ministry of Internal Affairs of Ukraine in The Luhansk oblast

Funding: UAH 43,200,000 (20% – Alchevsk city budget, Stakhanov city budget, Bryanka city budget, 80% - oblast budget, state budget, investors' funds)

Implementation timeframe: 2013-2015

C.2.2. Construction of a garbage recycling plant for the cities of Alchevsk, Stakhanov, Bryanka, Pervomaysk and Kirovsk

Project description: Development of a regional investment project for construction of a garbage recycling plant for the cities of Alchevsk, Stakhanov, Bryanka, Pervomaysk, Kirovsk and measures to find and attract investor

Responsibility: Housing and Utilities Office of the Alchevsk City Council, Housing and Utilities Office of the Stakhanov City Council, Housing and Utilities Office of the Bryanka City Council

Partners: City Councils of Alchevsk, Stakhanov, Bryanka, Pervomaysk, Kirovsk, HU Office of the Oblast State Administration, Economy, market relations and investments office of the Alchevsk City Council, Economy and communal property office of the Bryanka City Council, Economy and market relations office of the Stakhanov City Council, investors

Funding: The tasks are fulfilled within competence of self government bodies of the pilot cities

Implementation timeframe: 2012-2013

C.2.3. Organization of landscape gardening of the territory of the Sub-region

Project description: Creation of a single gardening economy at the base of the Alchevsk Zelenhosp (gardening enterprise), landscape gardening of the territories of not only the cities, but also the territories between them. Development of a single Sub-regional program of the territory landscape gardening actions and its inclusion to the Oblast ornamental gardening program. Gardening of slopes, stony lands, ravines, heaps to improve the environmental situation in the Sub-region.

Responsibility: Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council

Partners: HU office of the Oblast State Administration, “Zelenhosp”, CCE of the city of Alchevsk, “Komunalnyk”, CE the city of Stakhanov, “Combined utilities enterprise” CE the city of Bryanka

Funding: Share participation of the three cities

Implementation timeframe: 2012-2015

C.2.4. Identification of ownership issues and conduction of repair of abandoned water supply and sewerage networks

Project description: Solving ownership issues regarding abandoned water supply networks of the cities. Organization of reparation works of abandoned water supply and sewerage networks

Responsibility: Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council

Partners: “Luhanskvoda”, Ltd., Stakhanov department of “Luhanskvoda”, Ltd., “Alchevsk production administration of water and sewage networks”, CE, Bryanka department of the Svitlychansk regional production administration of “Luhanskvoda”, Ltd.

Funding: UAH 7,100,000 (30% - city budgets, 70% - oblast budget)

Implementation timeframe: 2011-2015

C.2.5. Relieving of consequences of soils subsidence as a result of mines work (Bryanka, Stakhanov)

Project description: Monitoring of works conduction of “Ukrvuhletorfrestructuryzatsia”, SE, to recultivate of lands of the former mines. Formation of a working group involving the representatives of “Ukrvuhletorfrestructuryzatsia”, Ltd., executive committees of the Stakhanov and Bryanka City Councils, ecologists, scientists, directors of the mines operating in the Sub-region. Organization of the working group activities, studying of international and national experience in relief of consequences of soils subsidence as a result of former mines working. Organization of searching of possible funding sources including attraction of international technical assistance

Responsibility: Economy and market relations office of the Stakhanov City Council, Economy and communal property office of the Bryanka City Council

Partners: “Luhansk executive direction on mines liquidation” of “Ukrvuhletorfrestructuryzatsia”, SE, Mining faculty of the Ukrainian Engineering – Pedagogic Academy, directors of mines, working group

Funding: UAH 10,000,000 - funds of “Ukrvuhletorfrestructuryzatsia”, SE

Implementation timeframe: 2011-2015

Strategic objective C.3. Introduction of energy saving system into housing and utilities of the cities of the Sub-region

Analysis of energy resources consumption detected that housing and utilities are one of the most energy demanding area of activities having the same time low quality of rendered services. Only regional efforts together with communal sphere enterprises are able to provide effective development and introduction of energy saving actions in the HU area. Programs and projects are developed to achieve this purpose including those focused at use of alternative energy sources in communal area.

C.3.1. Introduction of a regional energy audit system with the purpose of rational use of energy resources and implementation of energy saving technologies

Project description: Introduction of a regional energy audit system with the purpose of rational use of energy resources and implementation of energy saving technologies

Responsibility: Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council

Partners: Single Regional Training Center for population and HU specialists, working group on the Sub-region energy effectiveness, “Alchevsk HEU”, CE, “Ekotrans”, CE the city of Stakhanov, “Komunalnyk”, CE the city of Stakhanov, “Road maintenance station”, CE the city of Bryanka, “Combined communal services enterprise”, CE the city of Bryanka, “Alchevsk road maintenance station”, CE, “Zelenhosp”, CCE the city of Alchevsk, Stakhanov department of “Luhanskvoda”, Ltd., “Alchevsk production administration of water and sewage networks”, CE, Bryanka department of the Svitlychansk regional production administration of “Luhanskvoda”, Ltd., Communal enterprise of electrical networks and outdoor lightning “Alchevsk mistsvitlo”, “Hosing exploitation unit”, CE the city of Bryanka, “Zhylservisy”, CE the city of Stakhanov, “Stakhanovsvitlo”, CE, “Alchevskteplokomunenergo”, CHE, “Stakhanovteplozabezpechennya”, CE, Communal enterprise “Bryankateploservice”, auditing companies, communal-based organizations, initiative groups

Funding: – cities’ budgets under separate financial plans

Implementation timeframe: 2011-2015

C.3.2. Introduction of a pilot regional project for coldproof making of multistorey buildings’ facades (the city of Stakhanov, the city of Alchevsk, the city of Bryanka)

Project description: Introduction of a regional project for coldproof making of multistorey buildings’ facades with potential use of construction materials of local manufacturers and mechanism of share participation of self government body, owners of privatized apartments, sponsor contributions from construction companies (publicity for construction materials of buildings’ facades coldproof). Joining of efforts of the three territorial communities and introduction of a single mechanism for coldproof making of multistorey buildings’ facades using uniform technology, enabling mechanism of share participation of City Executive Committees, funds of privatized apartments’ owners, sponsor contribution, international technical assistance

Responsibility: Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council

Partners: HU office of the Oblast State Administration, “Alchevske HEU”, CE, “Housing-exploitation unit”, CE the city of Bryanka, “Zhylservisy”, CE the city of Stakhanov, energy auditing organizations, construction organizations, Single regional training center for population and HU specialists

Funding: UAH 1,500,000 – (30% - cities budget, 70% - oblast budget, state budget, international technical assistance)

Implementation timeframe: 2011-2013

C.3.3. Development and implementation of outdoor lightning projects in the pilot cities using energy efficiency technologies and control console in each city

Project description: Development and implementation of a regional project of outdoor lightning in the Sub-region cities using energy efficient technologies and control console in each city of the Sub-region. Development and implementation of outdoor lightning projects in the Sub-region cities with use of energy efficient technologies (automation of switching-on and regulation of light flux (console and remote control)), energy saving lamps

Responsibility: Working group on energy efficiency of the Sub-region

Partners: Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council, Communal enterprise of electrical networks and outdoor lightning "Alchevsk mistsvitlo", "Combined communal services enterprise", CE, "Stakhanovsvitlo", CE, "Bryanka hosing exploitation unit", CE, Single regional training center for population and HU specialists, Luhansk regional department of the Association of Ukrainian Cities

Funding: City budget, oblast budget, state budget, international technical assistance

Implementation timeframe: 2011-2015

C.3.4. Introduction of energy saving technologies in heat supply systems of the cities of the Central Luhansk Sub-region

Project description: Introduction of energy efficiency technologies and heat-energy audit. Development and introduction of heat supply profiles of the pilot cities of the Sub-region. Heat supply of the Sub-region cities using pre-insulated pipes (production of pre-insulated pipes at enterprises of the Sub-region). Installation of heat meters in multisotrey buildings and in communal areas

Responsibility: Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council

Partners: "Alchevskteplokomunenergo", CHE, "Stakhanovteplozabezpechannya", CE, "Bryankateploservis", CE, working group on energy efficiency of the Sub-region, business entities, privatized apartments' owners, initiative group, CCOA, community-based organizations, Single regional training center for population and HU specialists

Funding: UAH 30,000,000 (20% - cities' budgets, 80% - oblast budget, state budget, international technical assistance)

Implementation timeframe: 2011-2015

C. COMMUNAL INFRASTRUCTURE DEVELOPMENT

C.1.
Improvement of housing and utilities management and demonopolization of area of HUS provision

C.2.
Improvement of communal infrastructure of the Sub-region

C.3.
Introduction of energy saving system into housing and utilities of the cities of the Sub-region

C.1.1.
Establishment of a Single regional training centre for population and HU specialists

C.2.1.
Inventory and repair of roads (intercity and city ones) of the Central Luhansk Sub-region

C.3.1.
Introduction of a regional energy audit system with the purpose of rational use of energy resources and implementation of energy saving technologies

C.1.2.
Encourage of small and medium enterprises development in area of servicing housing fund and improvement of the cities territory

C.2.2.
Construction of a garbage recycling plant for the cities of Alchevsk, Stakhanov, Bryanka, Pervomaysk and Kirovsk

C.3.2.
Introduction of a pilot regional project for coldproof making of multistorey buildings' facades (the cities of Stakhanov, Alchevsk and Bryanka)

C.2.3.
Organization of landscape gardening of the territory

C.2.4.
Identification of ownership issues and conduction of repair of abandoned water supply and sewerage networks

C.3.3.
Development and implementation of outdoor lightning projects in the pilot cities using energy efficiency technologies and control console in each city

C.2.5.
Relieving of consequences of soils subsidence as a result of mines work (Bryanka, Stakhanov)

C.3.4.
Introduction of energy saving technologies in heat supply systems of the cities of CLS

Priority industry D. Mining and metallurgy complex and mechanical engineering

Mining and metallurgy complex and mechanical engineering are branches of economy that were identified as priority industries for economic development of the Central Luhansk Sub-region – an industrial agglomeration of the three cities: Alchevsk, Stakhanov and Bryanka. Enterprises representing these industries largely determine an economical potential of the sub-region and provide materialization of capital contributions in fixed assets.

Mining and metallurgy complex of the Central Luhansk Sub-region is characterized by high concentration, automation and mechanization of production processes, compact territorial concentration. It performs important functions regarding the territorial organization of productive forces of the Sub-region - material, labor, natural ones and more. Enterprises consistently make dressing, metallurgical processing of ore, production of cast iron, steel, alloys, rolling production, secondary raw materials recycling, coke production, and production of metal structures, equipment and etc. The main consumers of mining and metallurgy complex products are mechanical engineering, construction and transport.

Favorable conditions for development of mining and metallurgy complex and mechanical building in the Central Luhansk Sub-region are territorial combinations of coal deposits (the city of Bryanka and other cities of Donbas), availability of metallurgical production (the city of Alchevsk), demand for metal by consumer of metallurgical production, and namely by mechanical engineering enterprises (the city of Stakhanov, other cities of the Luhansk oblast), provision of development of metallurgical production with transport network (rail and road transport), and provision with labor resources.

The Committee members decided to unite these industries into one group, because in the process of the research and during the discussions there was revealed a positive trend in the development of a cluster of mining and metallurgy complex, and mechanical engineering of the Central Luhansk Sub-region.

Formation of the cluster at the territory of the Sub-region is an integration of enterprises that perform different functions, but united by a single technological process that results in a final product made by all participants of the process, from those engaged in scientific researches and cadre training, and up to technologists, packers and dealer network. This will provide opportunities to increase competitiveness of economy of the Sub-region; ensure the free exchange of information and rapid dissemination of innovative and scientific novelties through the channels of suppliers or consumers, having contacts with numerous competitors; efficiently allocate and use labor resources of the industrial agglomeration; create favorable conditions for development of specialized productions. The cluster also gives work to many small firms - suppliers of components that has a positively influence on the development of SMEs in the Sub-region.

Even today closely related value chains of mining and metallurgy complex and mechanical engineering of the Central Luhansk Sub-region expressed a desire to further integration in the search for sales markets, raw materials, creation of joint brands and improvement of management and marketing policies. Their integration requires free access to experts, information on various aspects of the activities (material resources, wholesalers, standards, export requirements), to joint researches, to capital investments for improvement of productivity and competitiveness of firms, united purchases and sales, which reduces the cost of raw materials, possibility of ongoing contact with similar foreign small and medium enterprises, access to innovations, knowledge and know-how.

Institutional development of the cluster can be promoted both at the local and the regional levels. There is a necessity to initiate and support specialized organizations of the cluster development, and strategic planning activities on the cluster development and on establishment of effective information interaction between members of the cluster.

To foster implementation of the projects aimed at enhancement of competitiveness of the cluster participants and effectiveness of their interaction (cluster projects).

Enabling formation of favorable conditions of development of clusters is also possible under:

- establishment of industrial parks, technological parks, technologies transfers as an infrastructure for development of clusters;
- reduction administrative barriers;
- creation of effective informational exchange between all participants of cluster;
- organization and holding of systemic regional scientific and practical conferences;
- performance of joint scientific and technical designs and researches.

Strategic objective D.1. Development of the cluster of mining and metallurgy complex and mechanical engineering enterprises of the Central Luhansk Sub-region

Improve regional cooperation through creation and strengthening of the network of enterprises of regional branch of industry, which will include key participants of mining and metallurgy complex and mechanical engineering industries, relevant organizations and agencies, as well as governmental, educational, scientific and research establishments

D.1.1. Development of cluster of enterprises of metallurgy, mining and mechanical engineering industries of the Sub-region

Project description: Creation of appropriate conditions for development of the cluster of mining and metallurgy industry and mechanical engineering of the Sub-region. To identify all essential participants of the industry cluster and their motivation for development of the regional industry cluster. To evaluate and make certain recommendations on choosing the best option - priorities of development, analysis of value chain taking into consideration the geographical location of the regional players, to identify obstacles to development and hindrances on the way of achievement of perfection and to outline action plans to eliminate them. The branches conference shall be held thereto. Involving science and technology, research institutions for implementation of designs and provision of competitiveness growth of the cluster of metallurgy, mining industry and mechanical engineering

Responsibility: Mayor of the city of Alchevsk, Mayor of the city of Stakhanov, Mayor of the city of Bryanka

Partners: Economy, market relations and investments office of the Alchevsk City Council, Economy and communal property office of the Bryanka City Council, Economy and market relations office of the Stakhanov City Council, "Alchevsk metallurgy combined enterprise", OJSC, "Alchesvkcoke", OJSC, "Stakhanov machine building plant", Ltd., "Stakhanov wagon works", OJSC, Board of directors, science-research organizations, consultative organizations

Funding: The actions are conducted within competence of self government bodies and private enterprises

Implementation timeframe: 2011-2015

D.1.2. Development of regional project of production and repair of elevators

Project description: Development of regional project of production and repair of elevators at the base of "Stakhanov machine building plant", Ltd. Conduction of a working meeting to discuss the possibilities of implementation of the regional project of production and repair of elevators at the base of "Stakhanov machine building plant", Ltd. Assessment of input resources - raw materials and components from "Alchevsk metallurgical combined enterprise", OJSC (metal) and "Pervomaysk electro-mechanical plant" n.a. Karl Marx, OJSC (engines). Decision-making on providing the Design Bureau "SMP" Ltd. with a technical specification on design of elevator equipment. Development of manufacturing process and technological part of the project. Creation of working group on the business project development, which includes representatives of "AMCE", OJSC, "Stakhanov machine building plant", Ltd., "Pervomaysk electro-mechanical plant" n.a. Karl Marx, OJSC, economists of SGBs. Calculation of economic performances of manufacturing process. Definition the amounts and sources of the funding. The business project presentation.

Responsibility: Mayor of the city of Alchevsk, Mayor of the city of Stakhanov, Mayor of the city of Bryanka, Mayor of the city of Pervomaysk

Partners: Economy, market relations and investments office of the Alchevsk City Council, Economy and communal property office of the Bryanka City Council, Economy and market relations office of the Stakhanov City Council, "Alchevsk metallurgy combined enterprise", OJSC, "Pervomaysk electro-mechanical plant" n.a. Karl Marx, OJSC, "Stakhanov machine building plant", Ltd., "Stakhanov wagon works", OJSC, design organizations

Funding: The actions are conducted within competence of self government bodies and private enterprises

Implementation timeframe: 2011-2012

D.1.3. Introduction of regional project on metal wares manufacturing for housing and utilities

Project description: Introduction of a technological process for manufacturing of a new assortment of equipment and small piece metal wares for needs of housing and utilities. Consideration at the working group meeting (see D.1.2.) of issue about possibility of manufacturing of metal wares and small piece products for needs of housing and utilities (heating radiators, litters, containers, fences and so like) at “Stakhanov machine building plant”, Ltd. (SMP). Assessment of input resources - raw materials and components from “Alchevsk metallurgical combined enterprise”, OJSC (metal). Decision-making on providing the Design Bureau “SMP” Ltd. with a technical specification on design of metal wares and equipment. Development of manufacturing process and technological part of the project. Introduction of the technological process for manufacturing of a new assortment

Responsibility: Mayor of the city of Stakhanov, “Stakhanov machine building plant”, Ltd. – Chairman of the Board

Partners: Economy, market relations and investments office of the Alchevsk City Council, Economy and communal property office of the Bryanka City Council, Economy and market relations office of the Stakhanov City Council, “Alchevsk metallurgy combined enterprise”, OJSC, “Stakhanov machine building plant”, Ltd., Housing and utilities office of the Alchevsk City Council, Housing and utilities office of the Stakhanov City Council, Housing and utilities office of the Bryanka City Council, design organizations

Funding: Amount of the funding will be identified upon developing of the business project, funds of business entities

Implementation timeframe: 2011-2012

Strategic objective D.2. Jointing efforts of regional science and research establishments for implementation of the potential of the metallurgy and mechanical engineering cluster

Assistance in consolidation of production facilities and science and technical potential of different specialization enterprises of the metallurgy, mining industry and mechanical building cluster; resources saving and introduction of innovative technologies

D.2.1. Conduction of studies of local raw materials for use in manufacturing processes of mining and metallurgy complex and mechanical engineering

Project description: Conduction of studies of local raw materials for use in manufacturing processes of mining and metallurgy complex and mechanical engineering (involving science and research organizations, laboratories of enterprises). Involvement of science and research organization to conduct studies

Responsibility: Mayor of the city of Alchevsk, Mayor of the city of Stakhanov, Mayor of the city of Bryanka

Partners: Association of mining and metallurgy complex and mechanical engineering enterprises, Alchevsk scientific and technological park, “Alchevsk metallurgy combined enterprise”, OJSC, “Pervomaysk electro-mechanical plant”, OJSC, “Stakhanov machine building plant”, Ltd., “Stakhanov wagon works”, OJSC, “Alchevskcoke”, OJSC, science and research organizations

Funding: UAH 1,000,000 – attracted funds

Implementation timeframe: 2012-2015

D.2.2. Conduction of studies of sales markets for products of the metallurgy, mining industry and mechanical engineering cluster, development of foreign economic relations

Project description: To conduct joint market researches and to identify the best potential strategies for the industries to enter the markets, recommendations for avoidance of excessively distant transporting, finding new sales markets in other regions of Ukraine and abroad, implementation of a regional monitoring system, effective distribution system, premium maintenance service

Responsibility: Regional Development Agency

Partners: Mayor of the city of Alchevsk, Mayor of the city of Stakhanov, Mayor of the city of Bryanka, Association of mining and metallurgy complex and mechanical engineering enterprises, Alchevsk scientific and technological park, “Alchevsk metallurgy combined enterprise”, OJSC, “Pervomaysk electro-mechanical plant”, OJSC, “Stakhanov machine building plant”, Ltd., “Stakhanov wagon works”, OJSC, “Alchevskcoke”, OJSC, Donbas State Technical University, USAID/LINC Project, consultancy organizations, science and research organizations

Funding: UAH 1,000,000 – attracted funds, including European funds

Implementation timeframe: 2012-2015

D.2.3. Creation of the Regional Center “Technologies Transfer”

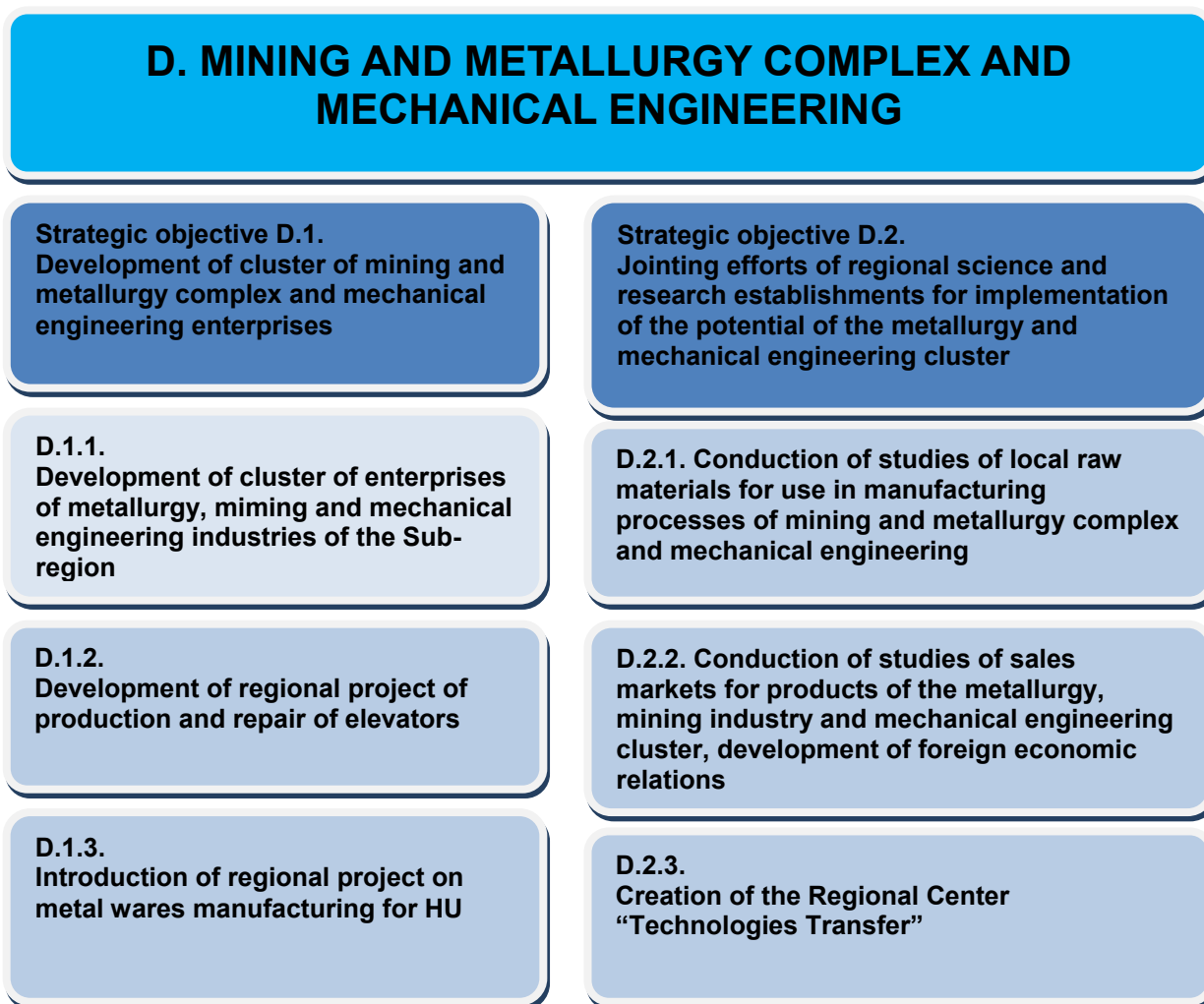
Project description: The Regional Center will perform a function of implementation of idea of theoretic-inventor into practice that is in technological process of manufacturing of products. And the products become object of distribution for marketing specialist-seller. On this way the process involves also innovation centers, authorities, media, banks and auxiliary productions

Responsibility: Donbas State Technical University, Provost for Researches

Partners: Economy and communal property office of the Bryanka City Council, Economy, Economy and market relations office of the Stakhanov City Council, Market relations and investments office of the Alchevsk City Council, Association of mining and metallurgy complex and mechanical engineering enterprises, Higher education establishments of Ukraine, science and research institutes, inventors, entrepreneurs

Funding: The Center funding will be conducted in different ways: with state programs, grants and subsidies, partnership with large companies, sale of buildings constructed and owned by the technopark, granting services to clients, for sample, development of technical projects, and execution of economic calculations. Funds of Donbas State Technical University

Implementation timeframe: 2012



Priority industry E. Alternative energetics

Today strategic goal of Ukraine is a saving of traditional fuel and energy resources through use of alternative energy sources and alternative types of fuel. To create favorable conditions for the use of

electricity produced from renewable energy resources in Ukraine there was adopted the Law of Ukraine “On Alternative Sources of Energy.”

Increased consumption of electricity produced from renewable resources is an important part of the package of measures needed to comply with the Kyoto Protocol to the UN Framework Convention on Climate Change.

Therefore, “alternative energetics” was selected by members of the Economic Development Committee as a priority industry for the Central Luhansk Sub-region. The Committee members expressed the view that economic independence and gradual economic growth of the Sub-region and the territorial communities of the cities of Alchevsk, Stakhanov Bryanka separately depend on introduction of energy saving technologies and use of alternative sources: sunlight, wind, rivers, biomass and secondary energy resources.

There were expressed different thoughts regarding prospective of using alternative energy sources in the Central Luhansk Sub-region, and namely: practical usage of researches on bioenergetics, use of sun energy, air mass motion energy, etc. For solar energy, for example, the east of Ukraine and namely, the Luhansk oblast in general has a large number of sunny days.

Scientists and practitioners taking part in the meetings of the profile groups noted that the changeover to alternative technologies in the energetics would allow saving fuel resources of the Luhansk oblast. Additionally, the cost of energy generated with alternative sources even today is below the cost of conventional sources’ energy. The prices for alternative energy fall down and for conventional one grow.

The further development of using non-conventional energy and alternative fuel, which enhance the competitiveness of the Central Luhansk Sub-region in the shortest period, can be executed in the following directions:

- To use secondary energy resources (artificial flammable gases, thermal energy of chemical processes) of industrial enterprises, especially of metallurgy and methane of coal fields, including the newest technologies for degassing of mining sites;
- To introduce modern designs of wind-power units for network and autonomous wind energetics adapted to the most common wind conditions in the east of Ukraine;
- To provide more wide implementation of heat pumps and geothermal power system;
- To introduce combine production of heat and electric power (cogeneration) at the operating electric power facilities, boiler plants and industrial furnaces, boilers of communal sphere.

However, the industry today needs the conduction of relevant scientific researches on possibilities of use of renewable natural sources (sun, wind, water), sources of technological production processes of mining and metallurgy complex (mining gas - methane, blast furnace, coke gas, waste heat), wastes of industrial enterprises. This requires establishment of a Coordinating center in the Sub-region, which would combine science, business and government support in introduction of joint projects and programs in this area.

The industry requires the availability of relative knowledge and specialists, researchers as well. It is necessary to put in place an appropriate system of training and exchange of experience in the sphere of non-convenient energy sources, to ensure popularization of this energetics branch.

Strategic objective E.1. Encouraging of scientific researches and implementation of business projects on introduction of alternative energy sources

Conduction of scientific researches on availability of renewable natural resources (sun, wind, water), sources of technological production processes of mining and metallurgy complex

(mining gas - methane, blast furnace, coke gas, waste heat), wastes of industrial enterprises used in alternative energetics

E.1.1. Organization of conduction of scientific researches on use of alternative energy sources

Project description: Organization of conduction of scientific researches on use of renewable natural resources (sun, wind, water), use of wastes of industrial enterprises. Search of additional sources of funding for implementation of projects on use of alternative energy sources, conduction of scientific researches and studies (state support, investments, donors' assistance, etc.)

Responsibility: Head of the scientific and technological park

Partners: Donbas State Technical University, Mining faculty of the Ukrainian Engineering – Pedagogic Academy, USAID/LINC Project, Luhansk regional office of the Association of Ukrainian Cities, science and research organizations, international donor organizations

Funding: international technical assistance

Implementation timeframe: 2012-2015

E.1.2. Usage of energy potential of enterprises of mining and metallurgy complex

Project description: Studying of possibilities to use energy potential of the Alchevsk metallurgy combined enterprise, the Stakhanov ferroalloy plant (energy of chemical reactions). Studying of possibilities to use sources of technological processes of other enterprises of the Sub-region in alternative energetics

Responsibility: Regional Development Agency

Partners: Working group including experts and analysts, Mayors of the cities of Alchevsk, Stakhanov, Bryanka, "Stakhanov ferroalloy plant", OJSC, "Alchevsk metallurgy combined enterprise", OJSC, Donbas State Technical University, Mining faculty of the Ukrainian Engineering – Pedagogic Academy, Alchevsk scientific and technological park, science and research organizations, International donor organizations

Funding: The tasks are conducted within competence of enterprises and self government bodies

Implementation timeframe: 2011-2015

Strategic objective E.2. Development of management and training system in the field of non-conventional energy sources

The industry requires availability of relevant knowledge and specialists, researches. It is necessary to put in place an appropriate system of training and exchange of experience in the sphere of non-convenient energy sources, to ensure popularization of this energetics branch

E.2.1. Training of specialized staff on renewable types of energetics

Project description: Training of specialized staff on renewable types of energetics on the base of Higher education establishments. Attraction of international technical assistance

Responsibility: Higher education establishments of the Sub-region

Partners: Working group including experts and analysts, Donbas State Technical University, Stakhanov office of Institute of Postgraduate Education and Distant Learning of the Easter-Ukrainian National University n.a. V.Dal, Sakhanov city employment center, Employment center in the city of Bryanka, Alchevsk city employment center, Mining faculty of the Ukrainian Engineering – Pedagogic Academy, Alchevsk scientific and technological park, science and research organizations, International donor organizations

Funding: The tasks are conducted within statutory objectives of Higher education establishments

Implementation timeframe: 2013

E.2.2. Establishment of alternative energetics and innovation center on the base of Donbas State Technical University

Project description: Donbas State Technical University makes a decision on establishment of alternative energetics and innovation center. For this purpose the University organizes the activities of the center, allocates premises, appoints a head of the Center and provides operations of an Expert group of leading specialists with required material and technical base: rooms for meetings, necessary materials and information. The Center organizes conducting of scientific researches of usage of renewable natural energy sources (wind, solar energy and water), wastes of industrial enterprises. The Center develops and executes search of additional funding sources for implementation of projects on use of alternative energy sources, scientific researches and studies (state support, investments, donors' assistance, and so like)

Responsibility: Head of the scientific and technological park

Partners: Stakhanov Office of Institute of Postgraduate Education and Distant Learning of the Easter-Ukrainian National University n.a. V.Dal, Mining faculty of the Ukrainian Engineering – Pedagogic Academy, Alchevsk scientific and technological park, science and research organizations, international donor organizations

Funding: business entities, international technical assistance

Implementation timeframe: 2012

E.2.3. Informational campaign (popularization) of alternative energetics

Project description: Informational campaign through mass media, regional site of RDA will create conditions for popularization of alternative energetics, enables favorable information field for development of this area in the Sub-region

Responsibility: Regional Development Agency

Partners: RDA, Stakhanov Office of Institute of Postgraduate Education and Distant Learning of the Easter-Ukrainian National University n.a. V.Dal, “Newspaper Office ‘Stakhanovske znamya”, CE, “Public-Political Newspaper Office ‘Ohni”, CE, Mining faculty of the Ukrainian Engineering – Pedagogic Academy, science and research organizations, international donor organizations, Donbas State Technical University

Funding: UAH 50,000 – attracted funds

Implementation timeframe: 2012 – 2015

E. ALTERNATIVE ENERGETICS

Strategic objective E.1.
Encouraging of scientific researches and implementation of business projects on introduction of alternative energy sources

Strategic objective E.2.
Development of management and training system in the field of non-conventional energy sources

E.1.1.
Organization of conduction of scientific researches on use of alternative energy sources

E.2.1.
Training of specialized staff on renewable types of energetics

E.1.2.
Usage of energy potential of enterprises of mining and metallurgy complex

E.2.2.
Establishment of alternative energetics and innovation center on the base of DSTU

E.2.3.
Informational campaign (popularization) of alternative energetics

IMPLEMENTATION MANAGEMENT

Since the beginning of work on the strategic planning process it was emphasized the importance of implementation and monitoring of the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region till 2015.

The rate of success of the Strategic Plan will depend on positive economic and other changes influencing the achievement of its goals and objectives.

More than 80 members of the three territorial communities – the representatives from businesses, local governments, educational institutions, public and other organizations participated in the work on the Plan to ensure its feasibility and credibility from the party of the public. As a consequence of this dynamic process it was successfully united the efforts of the members of the Economic Development Committee for of the Central Luhansk Sub-region.

The Coordinating Council for Economic Development of the Central Luhansk Sub-region (hereinafter - the Coordination Council) shall be established for organizational and institutional support of the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region till 2015.

The Coordination Council will provide coordination of activities of the cities – participants of the strategic planning regarding approval, agreement, introduction, implementation monitoring and updating of the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region till 2015.

Activities of the Coordination council will be directed at the aim to achieve the objectives determined in the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region till 2015: f) investment attraction; b) small and medium enterprises development; c) improvement of communal infrastructure of the Sub-region.

To achieve these objectives the Coordinating Council will ensure concerted actions of all the cities on implementation of the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region till 2015 by the following main industries of economy: a) mining and metallurgy complex and mechanical engineering; b) alternative energetics.

The composition of the Coordination council will include three authorized representatives from each of the participating city with mandatory inclusion one business representative from the each city to the list of the authorized representatives, as well as representatives of the Regional Development Agency.

The Coordination Council will be headed by a Council Chairperson which is elected in turn at the Council meetings by the authorized representatives from the three cities for one calendar year.

The Chairperson of the Coordinating Council will on a voluntary basis provide organizational issues for implementation of the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region till 2015, convening of scheduled and special meetings; will determine agendas of the meetings.

The Coordinating Council will coordinate its activities with the Regional Development Agency to ensure the implementation of regional projects of the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region till 2015, to provide information and consultative support and maintenance for investments, business development, monitoring the Strategic Plan for Competitiveness Enhancement of the Central Luhansk Sub-region till 2015 in the Luhansk oblast and beyond its boundaries.

Representatives of the Regional Development Agency included to the composition of the Coordination council will directly assist the Coordination Council Chairperson in issues of organizational, technical and informational provision of scheduled and special meeting conduction; will ensure keeping, preparation and storage of required documentation.

CENTRAL LUHANSK SUB-REGION STRATEGIC PLANNING

The Strategic Plan for Competitiveness Enhancement is a document that can be adjusted depending on the circumstances. Members of the Coordinating Council and all inhabitants of the cities of the Central Luhansk Sub-region involved in work on the Strategic Plan shall track that the strategic and operational objectives, tasks of the Plane remain relevant and are implemented.

Composition of the Economic Development Committee of the Central Luhansk Sub-region

1	Solovyova Lyudmyla Hryhorivna	Vice Mayor of Alchevsk on the Council Executive Bodies Activities, Co-Chairperson of the Committee from the city of Alchevsk
3	Kharchenko Natalia Hryhorivna	Vice Mayor on Financial Activities and Land Relations – Head of the Financial Office, Co-Chairperson of the Committee from the city of Stakhanov
2	Manchilin Oleksandr Ivnovych	Vice Mayor of Bryanka on the Council Executive Bodies Activities, Co-Chairperson of the Committee from the city of Bryanka
4	Hrebenkova Svitlana Petrivna	Vice Head of the Economy, Market Relations and Investments Office of the Alchevsk City Council, Secretary of the Committee
	Members of the Committee	
	The city of Alchevsk	
5	Bubunets Yuriy Volodymyrovych	Head of the Marketing and Intellectual Property Department of the Donbas State Technical University, the city of Alchevsk
6	Butenko Ihor Mykolayovych	Assistant of the Director General of “ Alchevsk Metallurgical Combined Plant”, OJSC
7	Yevtushenko Ruslan Hryhorovych	Founder of “Ukrainian Mining and Metallurgy Company”, Head of the Community-Based Organization “Luhansk Oblast Organization of Employers of Metal Processing and Engineering Enterprises ‘Metalindustria - Alchevsk’”
8	Humenyuk Valentyna Yevhenivna	Director of “Firn”, LLC, the city of Alchevsk
9	Zablodsky Mykola Mykolayovych	Provost for Research of the Donbas State Technical University, the city of Alchevsk
10	Kochetkova Lyubov Oleksandrivna	Head of the Economy, Market Relations and Investments Office of the Alchevsk City Council
11	Mochonov Valeriy Heorhiyovych	Head of the Standing Board on Budget and Finances of the Alchevsk City Council
12	Pyatkova Natalia Petrivna	Head of the Standing Board on Economic Development, Communal Property and Rendering Services of the Alchevsk City Council
13	Rybka Yuriy Oleksiyovych	Vice Director General on Commerce of “Alchevskcoks”, OJSC
14	Rysukhin Volodymyr Volodymyrovych	Founder of “Eastern - Ukrainian Metallurgy Company”, LLC, the city of Alchevsk
15	Skrebtsov Ivan Yehorovych	Head of the Alchevsk City Trade Union of Small and Medium Business Employees “Yednannya”, the city of Alchevsk
16	Filatov Maksim Anatoliyovych	Head of the Students Trade Union of the Donbas State Technical University, Founder of the Community-Based Organization “Ukrainian Regions’ Youth Union”, the city of Alchevsk
	The city of Stakhanov	
17	Kunytka Lyudmyla Oleksandrivna	Head of the Economy and Market Relations Office, Co-Chairperson of the Committee from the city of Stakhanov
18	Syennikov Serhiy Yuriyovych	Private Entrepreneur
19	Hlavatska Lyudmyla Leonidivna	Chief Specialist of the Economy and Market Relations Office
20	Buravitsyn Oleksandr Mykhaylovych	Director of the City Employment Centre
21	Popolitov Mykhailo	Member of the Stakhaniv City Council

CENTRAL LUHANSK SUB-REGION STRATEGIC PLANNING

	Ivanovych	
22	Umansky Vitaliy Ivanovych	Member of the Stakhaniv City Council
23	Martynyuk Iryna Valeriivna	Vice Director of the Stakhanov Office of Institute of Postgraduate Education and Distant Learning of the Easter-Ukrainian National University n.a. V.Dal
24	Stryuk Lyubov Andriivna	Director of “Entrepreneurship Centre”, UE and “Partnerstvo”, CBO
25	Byelov Vitaliy Volodymyrovych	Private Entrepreneur
26	Lavrenyuk Serhiy Mykolayovych	Private Entrepreneur
27	Marchenko Mykhaylo Viktorovych	Private Entrepreneur
28	Byelohlazov Yuriy Leonidovych	Private Entrepreneur
29	Trandafilov Andriy Antonovych	Private Entrepreneur
30	Dobrova Lyudmyla Viktorivna	Private Entrepreneur
	The city of Bryanka	
31	Dyumina Veronika Oleksandrivna	First Deputy of the Head of the Yu-Lomuvatska Village Council
32	Sheludenko Dmytro Leonidovych	Head of the Investments, Energy and Transport Department
33	Gudz Volodymyr Mykolayovych	Chairman of the City Community-Based Organization of Employers
34	Stitsenko Larysa Anatoliivna	Member of the Bryanka City Council
35	Kheyna Serhiy Vasyliovych	Director of “Donprompostavka”, LLC
36	Kravchenko Yuriy Oleksiyovych	Entrepreneur
37	Voloschenko Srhly Borysovych	Editor in Chief of the Communal Enterprise “Newspaper Office ‘Trud Hirnyaka”
38	Tkachenko Kostyantyn Volodymyrovych	Founder of “Prommash”, LLC
39	Todorov Serhiy Petrovych	Member of the Bryanka City Council, Entrepreneur
40	Khismatulina Olha Volodymyrivna	Entrepreneur
41	Khudyakov Serhiy Yuriyovych	Entrepreneur
42	Vetukh Serhiy Ivanovych	Entrepreneur
43	Sobolyev Oleh Mykolayovych	Entrepreneur
44	Nikonenko Antonina Oleksandrivna	Member of the Bryanka City Council

PROJECT GROUP

- **Anatoliy Solovyov**, advisor of United States Agency for International Development's Project in Ukraine - Local Investment and National Competitiveness
- **Natalia Boyko**, consultant of United States Agency for International Development's Project in Ukraine - Local Investment and National Competitiveness
- **Iryna Kovra**, consultant of United States Agency for International Development's Project in Ukraine - Local Investment and National Competitiveness

LIST OF ABBREVIATIONS:

RDA	Regional Development Agency
CBO	Community-Based Organization
SE	State Enterprise
HU	Housing and Utilities
CE	Communal Enterprise
CUE	Combined Utilities Enterprise
LINC	Local Investment and National Competitiveness Project
SME	Small and Medium Enterprise
MBC	Ministry of Internal Affairs
NGO	Nongovernmental Organization
OUE	Oblast Utility Enterprise
PE	Private Entrepreneur
LLC	Limited Liability Company
CS	Comprehensive School
LGB	Local Government Body