Donetskiye Novosti

Donetsk Oblast has seen launch of a regional economic development project. On 9 October 2008, Anatoliy Blizniuk, Donetsk Oblast Council Chair, Vladimir Logvinenko, Donetsk Oblast Governor, Nataliya Izosimova, Managing Director of the Foundation for Effective Governance, and Andrew Swart, Partner of the leading international consultancy Monitor Group signed a tripartite cooperation agreement to realize the pilot project in the region. Project implementation process will be supervised by International Advisory Board chaired by former Canadian Prime Minister Kim Campbell.

Mrs Kim Campbell has a rich political biography. She was Canadian Prime Minister, Minister of Justice and Minister of National Defense, held the position of Attorney General of Canada and Secretary General of the Club of Madrid, an organization of former Presidents and Prime Ministers. Today, Kim Campbell serves on the boards and advisory committees of a number of international NGOs and charities.

Kim Campbell and Nataliya Izosimova agreed to be interviewed by the Donetskiye Novosti.

- Mrs Canpbell, you are a quite busy person as you participate in many international projects. You have arrived to Donetsk to attend the cooperation agreement signing ceremony. Does it mean you regard this project as something special and believe it will be a success?

- This project is an important part of the Foundation's activities, and I'm happy to chair the International Advisory Board in the Foundation for Effective Governance. I've come to Donetsk to show the support that all members of our Advisory Board give to the project.

- Why was Donetsk region selected?

Nataliya Izosimova: - The Foundation applied a thorough approach to selection of a region for the project as it is one of our large-scale and promising projects. As you already know**,** Donetsk Oblast has been selected as the site for a regional economic development project**,** and the city of Lviv will be the site for a city development project**.** In making the selection we relied upon results of two independent studies. One of them was Ukraine Competitiveness Report that included analysis of competitiveness of twelve Ukrainian regions. The study was carried out by the Foundation in partnership with the World Economic Forum.

Then, the Foundation and Monitor Group, a leading international consultancy selected by the Foundation through a tender analyzed all 27 regions of Ukraine using the Monitor Group methods. The analysis was based of three groups of criteria. First, the region should play in important role in the country's economy, i.e. development of such region will entail an increase in GDP. Second, the region should already have significant economic base in place and at the same time its economy should have growth potential. Third criterion is commitment of

regional government and business to realize the project. The region should have demand for changes.

Having analyzed the regions we came to conclusion that Donetsk Oblast meets all these criteria.

- Are SMEs ready to cooperate with the Foundation?

Nataliya Izosimova: - To ensure successful implementation of the project, there should be both top-down (from government to business) and bottom-up (from business to government) movement. Our ability to develop cooperation with the business and then to help the business find common ground with local government plays a key role in this process.

Monitor Group has extensive expertise in realization of similar projects. It has worked on more than 175 projects in 58 countries over the last 20 years. In particular, the company has a good skill set for working in countries with unstable political situation. For example, they worked on development of tourism industry in South Africa where SMEs are involved in the area and there are many similar problems. Projects in Libya are also on its proven track records. Quite recently it was impossible to imagine that Libyan Government would call on the country to develop market economy, but now it is an indisputable fact.

Monitor Group talks to the business, identifies pain points, synthesizes this information and delivers it to the authorities. It is important to know what the business needs, what authorities can offer to the business, and then help the parties start a dialogue. All process participants should trust each other, and I believe that this will be the case in our project.

- What are expected project deliverables?

Nataliya Izosimova: - The project has short-, mid- and long-term objectives. In the short term we have to carry out economic diagnostics of the region and identify priority areas of regional development and competitive clusters (cluster means interconnected businesses and associated institutions in a particular region that are involved in one business area).

Then we have to identify the clusters that will play a key role in economic development and diversification of the region. The next step is to isolate some key areas out of objectives to be reached by the regional government and align them with the cluster approach. This will result in formulation of the regional economic development agenda.

With all those steps taken, it will be clear where to invest to speed up economic growth of the region. Monitor Group will identify investor pool, prepare a set of respective documents and arrange meetings of investors, business and local authorities. This is a mid-term objective of the project.

In the long term we have to assist in building institutional skills of the authorities. Such skills will ensure implementation of the strategy in the long term without participation of the Foundation and Monitor Group.

Under the project we will create an Advisory Board consisting of representatives of business community, scientific, academic and expert circles and regional government. It will be a platform for debates and help make the project transparent for the public. Moreover, the Board will involve into the project all stakeholders willing to participate in it. Foundation's involvement in the project should stop in a year.

- Mrs Campbell, what was the main incentive for you to associate your name with the Foundation for Effective Governance?

 - Indeed, you are right. I do not associate my name with occasional projects. I'm very serious about that as many Canadians have put much effort to make my name weighty.

I have been interested in this part of the world for a long time. When I was young I was a Soviet specialist. In 1972, I visited Soviet Union, including Ukraine (Kyiv, Odessa, and Kharkov). I spent three weeks in the country and have warm feelings for it. I know the Soviet system and understand what in-depth changes you have made. You have excellent human and natural resources, and deep traditions in education and building intellectual potential. So, when I was approached by the Foundation, I found its offer very interesting and accepted it.

First I doubted a little, as I knew that Foundation's Founder Rinat Akhmetov is engaged in politics in Ukraine. I asked many questions to get satisfied that the Foundation will be independent from influence of the Founder. I must emphasize that Mr Akhmetov keeps his word. He does not interfere into Foundation's activities. Establishment of the Advisory Board that operates effectively and controls money is exactly what I would recommend in this situation. After all, Advisory Board members would not associate their names with any shady projects. They want to be absolutely sure that their reputation and status will not be affected. Each of them is glad to make his or her contribution into development of Ukraine. I was really amazed to see how quickly the Foundation has built reputation of an independent organization. It involves different political forces and takes into account their opinions.

When I was the Prime Minister of Canada, I protected interests of my party. I can be awfully party-committed! Nevertheless, I cooperated with representatives of other parties on many issues. Consensus is one of the best lessons of the democracy. This is what young democracies should learn.