

You are looking at the twelfth issue of the Newsletter published by our Project!

Latest News

**19-20 June, 2006,
The Second Lessons
Learned Conference
of the CED Project,
Uzhgorod**

On 19-20 June 2006, the Uzhgorod National University hosted the Second Lessons Learned Conference of the CED Project—Community Economic Development: Ukrainian and International Experience. The conference was attended by representatives of communities, government authorities, business community, higher educational institutions, and international donors—over a hundred participants in all. The conference participants included both the Project partners and representatives of other programs working towards community economic development, such as Sean Marky of the Centre for Sustainable Community Development Center at Simon Fraser University, Canada, and Karl Birkholzer of the Interdepartmental Research Group on Local Economy at the Berlin Technical University.



*During the work of the conference.
Uzhgorod, June 2006.*

The conference goal was to summarize and disseminate the experience of community economic development accumulated by the Project. Presented at the conference were both theoretical and practical achievements in community economic development. Partners of the Community Economic Development Project also presented their successful initiatives, including Viktor Rykhlitsky telling about the work by community of Semenivka village (Lviv Oblast), Nataliya Klymenko reviewing the results of activities of the Kamjanka town community (Cherkasy Oblast), and Lyudmyla Boreyko familiarizing the participants with achievements of the Uzhgorod National University and the Cherkasy State Technological University.

There were five panels working at the conference. They analyzed the key issues in community economic development, including Community Economic Development and Local Self-government; Community Economic Development: For the Community or With the Community?; CED Concept and Practices: Borrowed or Local?; Community-Based Organizations; Business: Private Initiative or Community Matter? Each of the panels developed common recommendations for effective community economic development for the future.

An exhibit of products was also displayed at the conference. For example, the Khudiaky village community displayed embroidered articles, souvenirs, and decorations



*During the exhibit of products.
Uzhgorod, June 2006.*

for women; the community of the Nove Selyshche village (Khust Rayon, Zakarpattia Oblast) presented several varieties of cheeses made by their Selyska Cheese Dairy.

The conference has become a great opportunity for familiarizing participants with the results achieved by the Community Economic Development Project, for sharing experiences with regard to special features of community economic development in different parts of Ukraine, for learning from international experience, and working out joint proposals and recommendations for the next steps.

**5-6 July, 2006,
representatives of
the Podorozhne
village familiarized
themselves with the
work of successful
children's preschool
institutions of the
Zakarpattia Oblast**

On 5-6 July 2006, representatives of the Podorozhne village community (Stryj Rayon, Lviv Oblast), who work at local kindergartens, made a study tour of the Zakarpattia Oblast organized by the CED Project, where they familiarized themselves with the work of successful children's preschool institutions.

The participants visited the Teremok kindergarten in Turytsya village, where its headmistress, Mariya Turytska, told them about the activities implemented by this preschool institution. The tour participants were impressed by wall decorations made by the staff and children (appliques, paintings, works made of natural materials), a large musical and sports hall, which serves as a venue for all holiday celebrations, entertainment, physical culture classes, all of which help to bring up healthy and harmoniously developed children.

A kindergarten in the village of Yanoshi (Berehove Rayon) was a pleasant surprise, with a beautifully decorated playground and sea of flowers.

According to Vasyl Shehekun, CED regional coordinator in the Stryj Rayon, the tour allowed the participants to compare operation of kindergartens in the Lviv Oblast with that of kindergartens in the villages and towns of the Zakarpattia region; they were able to learn a lot of useful things regarding kindergartens decorations, a wide choice of facilities provided on playgrounds, and they are now prepared to use the experience learned in their own communities.

Mariya Butserka, head of the Podorozhne village core group (Stryj Rayon), believes the problems of preschool educational institutions, both in the Lviv and Zakarpattia regions, are very similar. The key problem is lack of appropriate funding. It is the community itself that plays a great role in the work of children's institutions, as well as initiatives of kindergarten's staff and support of parents. It can be easily seen that the villages with more active and better organized communities have their kindergartens in a much better state.

The study tour participants, Bohdana Sydor, Mariya Butserka, and Ruslana Mykhailyshyn, express sincere gratitude to the CED Project and Mr. Vasyl Shehekun for organization of this tour of the Zakarpattia region.



During the study visit in the Zakarpattia Oblast. July 2006.

**11 July 2006,
The second Ukrainian
Subcommittee
Meeting of the
Community Economic
Development Project,
Kyiv**

On 11 July 2006, the second Ukrainian Subcommittee Meeting of the Community Economic Development Project took place at the Embassy of Canada in Kyiv.

Members of the Ukrainian Subcommittee were welcomed by Evelyn Lee, counselor and head of Technical Cooperation Section, CIDA, of the Embassy. The meeting was devoted to summarizing the preliminary results of CED activities, setting the next steps in activities of Ukrainian partners, in particular, rural communities. Special focus was made on discussing institutionalization of rural communities. Bill Pardy, consultant of the Community Economic Development Project, told the participants about the establishment of community organizations in the communities and good governance in community-based organizations.

Olena Goryeva, CED manager in Ukraine, provided information about a study visit to Canada for representatives of communities, government authorities, business, and universities, which is scheduled for September 2006. Vasyl Polujko reviewed the performance of the program for providing loans to community-based enterprises, making special emphasis on effective use of the loan provided to the Anastasia Coop (Lviv Oblast, Mostyska Rayon) as a pilot project.

Food for Thought

**Program for
crediting
community-based
enterprises**

Local communities, however, do not always have sufficient knowledge and skills to be able to secure and use credits. There are numerous obstacles in the process of securing loans for community enterprises in Ukraine, including high interest rates, high collateral requirements, short repayment period, and lack of a credit history on the part of the borrowing organization.

CED has launched a program for crediting community-based enterprises. The first credit was granted by TAS-Kommerzbank to the Anastasia Coop (Lviv Oblast, Mostyska Rayon) as pilot project. The borrowing experience of this coop could also be useful for the Project partners. In particular, in order to obtain a credit, a com-

munity which creates an enterprise has to submit the following information: Who will be the enterprise's real owner? How many owners will the enterprise have and are they local residents? How will the owners be organized? How many jobs are to be created if the credit is provided (are these permanent, temporary or seasonal jobs)? Who is the real beneficiary of the credit? How many persons in general will benefit (how many women, men)? Are there any representatives of vulnerable groups among them? What resources will the enterprise have? What will be the enterprise's management procedures? Will there be a governing body, supervisory board, committees? What is the enterprise's present financial situation (current financial status)? Will the enterprise earn enough money to be self-sufficient?

In addition, the following documents will need to be presented to the bank:

1. Solicitation (letter, application) addressed to the manager of a banking institution requesting a credit.
2. Borrower's questionnaire.
3. Copies of borrower's constitutive and registration documents (constitutive agreement, charter, certificate of state registration, notice of EDRPOU, taxpayer's registration notice, registration certificate of VAT taxpayer, licenses, permits and approvals, documents appointing company officers).
4. Memorandum by the enterprise and its founders on absence of any changes in the constitutive and registration documents as of the date of presentation of such a memorandum.
5. Decision of borrower's competent body on securing a credit from JSCB TAS-Kommerzbank.
6. Copy of signature card and seal imprint.
7. Copies of passports and identification codes of officials authorized to sign contracts, commercial and financial documents.
8. Note of the Tax Administration on absence of any tax lien or any tax arrears.
9. Abstract from the State Register of Real Property Liens.
10. Financial documents (enterprise balance sheets, reports on financial results and their use, breakdown of balance sheet items, declaration on enterprise profits and VAT, turnover balance sheets, calculation of core product price cost, bank statements on transactions in borrower's checking accounts, copies of credit agreements with additional agreements thereto, bank notices on any overdue payables, copies of inspection reports by authorized State agencies within the last year, etc.).
11. Commercial documents (project's feasibility study, agreements, contracts, invoices, bills of lading, etc., current agreements with supplements, effective leases, etc.).
12. Credit security documents (title documents on possible credit security and authority of its execution).

All the documents must be either notarized or certified by a signature of the borrower's authorized person with the borrower's seal attached.

Depending on the borrower's type of activity, industry specifics, and organizational structure, the bank might request additional information from the borrower.

The current interest rate is 11 %; however, it is subject to change. The credit period and amount are to be established in accordance with the enterprise's needs.

The village's historical name of Balychi-Podorozhne relates to its location (Podorozhne means a roadside settlement). The village is spread in strips on a plain, at the confluence of the Sukil and Svicha rivers. The first documented mention of the village dates back to 1464. In addition to the two larger rivers, the Rutka River flows directly through the village.

The Podorozhne community has always been quite active. In March 1868, the Ministry of Education in Vienna granted its approval for establishment of the Prosvita educational society in the village. The popularity of Prosvita was growing throughout Halychyna at that time. The local Prosvita chapter was active and had more than 180 Prosvita members in Balychi and Didushychi villages combined. With the coming of Parish Priest Ivan Tymkov to lead the community in 1926, a reading room, Silsky Hospodar coop, and later—Maslosoyuz cooperative, were established. At that time, they represented true economic development in the community. It was in those years, that a branch of the Soyuz Ukrainok women's organization was founded in the village, serving as a center for mobilizing active rural women who were addressing numerous local issues, primarily those related to upbringing of children and youth.

In 1940s-1950s, the Bolshevik-Muscovite occupation dealt a heavy blow to the village: village activists were eliminated and property plundered, with even a church bell taken away. During the Second World War, nearly half of the villagers were mobilized as forced labor to work in Germany. It took years for the peasants to rebuild their village.

We are pleased to introduce another CED partner—the community of the village of Podorozhne, Stryj Rayon, Lviv Oblast

Certain problems emerged in the 1990s, as the former collective farm collapsed, the cattle raising facility was shut down, and hundreds of people lost their jobs. Other problems are typical for the majority of rural communities, including the decline of agriculture, departure of youth to look for jobs elsewhere, bad roads, and alcohol abuse among local residents.

However, the community has considerable untapped potential. For the first time that community members started to think that the community could do a lot on its own, when they took part in the Heart Project. Today, the Community Economic Development Project is providing substantial support to the village community, helping to more deeply analyze the local community needs and opportunities, mobilize the people and initiate positive changes in the village.

The community core group established under the CED Project has become its brain centre and is engaging village residents in addressing specific problems and implementing local initiatives. There is a lot to be done in the nearest future. Some of the planned initiatives are presented in community's Operating Plan, including:

1. Involve village youth more actively in work within the community;
2. Ensure an adequate level of physical education for preschool children through opening a sports and playground complex at the kindergarten;
3. Reduce the level of environmental threats by eliminating unauthorized dumps;
4. Improve educational work with youth by involving them into cultural and educational activities;
5. Reduce unemployment by creation of new jobs;
6. Reduce consumption of alcohol by promoting the culture of responsible consumption and implementing preventative measures;
7. Consolidate the community by arranging joint events for all village residents;
8. Improve the level of consumer services by setting up outlets which would provide such services;
9. Improve the conditions for attending the local church in winter by installing a gas heating system.

We are optimists and we believe in our success! Changes are necessary and possible, and they will materialize sooner or later.

Forthcoming Events

- July 2006 – Professors of the Cherkasy State Technological University and Uzhgorod National University will participate in a study visit and internship in Canada (Concordia University in Montreal). This will be their second trip. The participants will attend an intensive training course and will have an opportunity to familiarize themselves with practical experience in CED.
- September 2006 – The Project will conduct a study tour to Canada for university rectors, as well as representatives of communities, local governments, and business. The tour is intended to familiarize the participants with CED programs at universities, as well as with the experience of CED cooperation between the local government, private sector, and independent agencies and community-based organizations.
- September 2006 – Development of the Ukrainian CED program will be completed.
- September 2006 – The first meeting of Project's Strategic Advisory Group will take place.
- September-October 2006 – A series of training of trainers workshops will be conducted in Project's three oblasts.
- September-October 2006 – Two-day workshops on collecting gender data from partner communities are scheduled.

The newsletter is issued within the Community Economic Development Project (January 2004 – December 2007), a Ukrainian-Canadian initiative managed by the Canadian Bureau for International Education and funded by the Canadian International Development Agency.

You can find further information about activities, publications, and other materials of the project on our web-site at www.ced.org.ua. This web-site contains links to other organizations working in the CED area, presents information about the project's partners, describes activities of partner communities within the project, provides materials for CED academic courses and seminars. There are a number of exciting photos – you are most welcome to visit our web-site!

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