



Case study

IMPLEMENTATION OF INVESTMENT INSTRUMENTS

at the regional and
municipal levels

From April 2015 until to December 2020, the Federation of Canadian Municipalities, with the financial support of Global Affairs Canada, is implementing the Partnership for Local Economic Development and Democratic Governance Project (PLEDDG), a technical assistance project aimed at strengthening Ukraine's municipal sector, ensuring effective democratic governance, and fostering municipal economic development.

One of the activities of the PLEDDG is to support investment attraction. This activity includes enhancing the institutional capacity of local authorities, forming a cooperation policy between different levels of government to develop decentralization, supporting business and trade, attracting investments, and assisting local officials in building an effective model of engagement with the central government. Areas of investment policy development supported by the PLEDDG are:

- creating and distributing investment training products
- introducing standards for attracting and supporting investors
- developing investment attraction strategies and programs
- creating investment portals
- developing investment passports and investor guides
- supporting investment events.

This publication is prepared to highlight the key efficiency factors of the PLEDDG's systematic approach to implementing investment tools at the regional and municipal level. The information provided in this publication will help create and implement your own investment tools in your region, city, village, or an amalgamated territorial community. We hope that our experience will be useful for anyone who wants to develop their territory, increase investment potential, attract investments, and improve the standards of living for the community.

Authors:

Nadiia Chorna-Bokhniak, PLEDDG Consultant

Oleksandr Ignatenko, PLEDDG Senior Expert in Intergovernmental Cooperation and Economic Development

Coordination, layout, and promotion:

PLEDDG Communications and Knowledge Management Department - Olga Mazurenko, Olesya Otych

Credits for the English version: FCM International - Wendy Storey, Maryana Nikoula

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OF INVESTMENT
INSTRUMENTS**

at the regional and
municipal level

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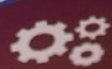
1

A SYSTEMATIC
APPROACH TO
ATTRACTING
INVESTMENTS —

PREREQUISITE FOR
THE ECONOMIC GROWTH
OF TERRITORIES



ZAPORIZHZHYA REGION INVESTMENT PASSPORT



Experience

Business



Today, globalization processes are forcing regions to compete vigorously for resources and investments. The level of sustainable territorial development and peoples' well-being depend directly on investments.

The biggest obstacles to investing in Ukraine are corruption, investor insecurity, and administrative barriers that hinder business. They are often the reason why investors' expectations turn from positive to negative. At the same time, Ukraine is attractive to investors by virtue of its strategic geographical location, and a considerable number of foreign companies have evinced a desire to gain a foothold in the promising Ukrainian market of goods and services, generate profits on a long-term basis, access its affordable raw materials and resources, and make use of its qualified yet relatively inexpensive human potential. Therefore, it is necessary to create a systematic approach to developing investment activity at the central level. The experiences of Turkey, Poland, and several other Eastern European countries are good examples to follow here.

Along with numerous transformation processes, the largest reform in Ukraine — the decentralization reform — has been ongoing since 2014. Its implementation led to the creation of more than 1,000¹ amalgamated territorial communities (ATCs), as of January 2020. New leaders of change who have emerged in the communities are ready to take responsibility for the development of territories and to work constructively with local governments at various levels in the new paradigm of the territorial organization of government.

Decentralization has created opportunities for the economic development of certain territories, particularly through investment attraction. This is evidenced by BDO's 2018 International Business Compass,² the country's investment attractiveness rating, according to which Ukraine moved up three place in the course of one year. As a result of amalgamation, local self-government bodies received much greater development opportunities, authority, and funds than individual cities, towns, or villages. Along with broader powers and responsibilities, the newly created communities gained not only elected governing bodies that were able to overcome local challenges, but also funding from the state budget for their development. Today financial resources are transferred to ATCs directly from the state budget, rather than indirectly, as was the case before. In addition to public funds, another valuable source of funding in the communities is their own revenues, i.e., money from local businesses and organizations operating in their territories. Thus, the more successfully businesses grow and the more comfortable entrepreneurs feel, the more investments the community will receive.

¹ According to the monitoring of the decentralization process and local self-government reform, as of 10 January 2020: <https://decentralization.gov.ua/uploads/library/file/526/01.10.2020.pdf>

² BDO International Business Compass (IBC) rating: <https://www.bdo.ua/uk-ua/insights-2/information-materials/bdo-international-business-compass-2018>

³ <https://decentralization.gov.ua/news/12192>

In 2019 a total of UAH 39.4 billion flowed into the budgets of 806 ATCs (an average of UAH 4737.7 per capita income across all ATCs).³ ATCs' own revenues include:

- deductions from national taxes and fees, excise duties, rent payments, etc.
- local taxes and fees (single tax, property tax, land tax, tourism tax, etc.)
- other revenues (fines, proceeds from the sale of communal property, grants, etc.)

The community's own efforts can go a long way toward attracting investments and stimulating entrepreneurial activity in its territory. For example, a community can inventory its assets and identify its unique aspects, create a strategic development plan, and develop and implement investment instruments. In any case, the economic development of a territory should rely on the competitive advantages and resources available in the community. Only effectively used investment potential can be a factor of further growth.

Communities reveal their investment opportunities through infrastructure projects, the development of clusters and industrial parks, and cultural and creative industries. Practice has shown that the most successful instruments for attracting investments are strategic planning, land management, the authority to exert architectural and construction control, professional and technical personnel, interregional cooperation, international technical assistance, and investment preferences. These tools can be developed by individual communities as well as by an oblast or several regions concurrently.

⁴ http://pleddg.org.ua/wp-content/uploads/2016/10/Analysis-of-Investment-Practices_Report_26052016_Last.pdf

⁵ http://pleddg.org.ua/wp-content/uploads/2019/07/Methodology_on_investors_support_on_regional_and_local_levels.pdf

In general, attracting investments in territorial development is primarily a function of oblast state administrations (OSAs). A PLEDDG study on the investment activities of partner regions⁴ did not find a clear-cut investment policy at the regional level. Therefore, as part of implementing current initiatives and programs, the PLEDDG team pays considerable attention to developing standards for attracting and supporting investors at the municipal and regional levels. Thanks to these efforts, Poltava and Zaporizhia oblasts, as well as the city of Vinnytsia, have already adopted investment attraction standards. Relying on documents prepared by PLEDDG experts, UkraineInvest, the Office of Investor Attraction and Support, jointly with Ukraine's Ministry of Economic Development and Trade, developed Recommendations on standards for attracting and supporting investors at the local and regional levels⁵ in 2018. These standards, which are recommended for implementation in all regions of Ukraine, constitute a single, holistic approach to working with investors and help increase the investment attractiveness and investment activity of the respective administrative and territorial units.

Direct investment in the economy of the PLEDDG partner regions⁶

	Direct investment (equity) as of 1 October 2019, USD million	% of total direct investment in Ukraine's economy
Poltava oblast	1,159.9	3.3%
Zaporizhia oblast	925	2.7%
Ivano-Frankivsk oblast	858.7	2.5%
Vinnytsia oblast	237.5	0.7%

As competition for investments is now extremely high, both nationally and globally, local policies should be aimed at creating a favourable investment climate in the regions and communities. Leveraging the strengths and benefits of the territories, regional and municipal governments need to work continuously on improving investment attractiveness and the investment climate, developing appropriate infrastructure, and reducing investor risk.

⁶ According to the State Statistics Service of Ukraine as of 1 October 2019:
http://www.ukrstat.gov.ua/operativ/operativ2019/zd/inv_zd/pi_ak_ks_reg_kv/pi_ak_ksvr_0919u.xlsx



2

SECRETS
OF SUCCESS:
BEST PRACTICES
OF UKRAINIAN
REGIONS AND CITIES

Vinnytsia oblast

⁷ <http://www.dmsrr.gov.ua>, section “Oblast Investment Passport”:
<http://www.dmsrr.gov.ua/uploads/pasport%20oblasti/Каталог2017.pdf>

⁸ <https://vinrada.gov.ua>, via a search for: 2019 Economic and Social Development Program:
<https://vinrada.gov.ua/upload/files/7sklikannya/36PozaSes/702.pdf>

⁹ <http://www.vininvest.gov.ua>

In 2018 Vinnytsia oblast ranked second in Ukraine in terms of investment growth. That year, the region raised approximately UAH 4.5 billion, implementing 34 investment projects and creating more than 3,000 jobs. Conditions for further progress are being improved, in part through the PLEDDG, which supported the development of the Investment Passport of Vinnytsia Oblast⁷ and the International Investment Forum “Vinnytsia — Business in the Center of Ukraine.”

Vinnytsia oblast is a modern region with a dynamically developing economy. The region’s investment policy is based on open transparent partnership between the authorities and all business stakeholders. In 2016 Vinnytsia oblast was the first in Ukraine to create a Regional Development Agency in order to increase investment attractiveness and attract financing for socioeconomic development. Subsequently, the Vinnytsia Oblast State Administration, jointly with PLEDDG experts, developed the Investment Passport of Vinnytsia Oblast as part of the 2019 Vinnytsia Oblast Program of Economic and Social Development⁸ in order to promote the region and develop its positive investment image. The region is also home to the Vinnytsia Investment Portal,⁹ which has become the main tool for introducing investors to the region’s opportunities, resources, and current investment proposals. The portal contains information about the region’s investment, innovation, and economic potential, attractive investment properties, land lots, idle production facilities, as well as a list of investment proposals.



RUSLAN DZHABRAILOV
deputy head of the
Department of Regional
Development and Investment
and head of the Unit for
Attracting, Supporting,
and Monitoring Investment
Projects at the Vinnytsia
Oblast State Administration

“The main purpose of any investment tool is to attract the attention of a potential investor to a specific region or settlement, provide the most structured background information necessary for decision making, so that the region can be long-listed. In order to do this, we have created an investment portal, an investment passport, and several videos that are shown at forums and meetings abroad. This has already yielded the desired results.”

The favourable investment and business climate is already highly appreciated by partners from 55 countries that have invested money in the region to create more than 400 powerful enterprises with high standards of production and social responsibility. Vinnytsia oblast is historically an agricultural region and has been an exporter of raw materials since Ukraine’s independence. Therefore, the issue at hand is to attract investors from the processing industry to create products with maximum added value. In 2019 the region implemented key planned projects in this area, including:

- construction of a corn deep processing plant by Myronivskyi Khliboprodukt PJSC in Hnivan (approximately 2,000 jobs; estimated total project cost: USD 600 million)
- construction of a Dacsa Bunge Ukraine plant for processing corn into cereals and flour in the village of Demkivka, Trostianets raion (50 jobs; total project cost: USD 14 million)
- implementation of the second stage of a project to expand the production capacity of Agrana Fruit Ukraine LLC in Vinnytsia to store and process frozen berries and fruits (300 jobs; project cost: UAH 45 million).

“Thanks to the implementation of a number of large-scale investment projects on the territory of the region, in recent years employers began competing for workers. Businesses started raising wages and offering additional benefits. As a result, the number of people leaving for work abroad or in other areas dropped, which is having a significant social and economic impact on the region’s development. Thanks to coordinated work with the OSA, investors have become more focused on collaborating with educational institutions to train personnel for businesses and provide students with practical training, and encouraging them to seek employment in those businesses.”

The cooperation between the PLEDDG and the Vinnytsia Oblast State Administration also envisages that effective assistance will be provided to the raion state administrations and ACTs. Local economic development training for ACT representatives gives them an opportunity to build their institutional capacity. The training participants bring to their communities knowledge of the basics of local economic development, open democratic governance, strategic planning, territorial marketing and branding, and the role of investment and support for local business and entrepreneurship development.

“The regional industrial policy of Vinnytsia oblast is aimed at creating favourable conditions for the development of local enterprises. The Vinnytsia Oblast SME Development Strategy Until 2020 is being implemented in the region.¹⁰ In order to build the managerial capacity of entrepreneurs and foster the professional training of potential and existing entrepreneurs, 30 training workshops, the funds for which were allocated from the regional budget, were conducted. More than 450 participants have improved their knowledge of marketing and management, management of qualified personnel, business audits, business plan writing, foreign economic activities, and energy efficiency.”

For six years in a row, the oblast has presented its investment, economic, agro-industrial, and tourism potential at the International Investment Forum “Vinnytsia — Business in the Center of Ukraine.” The event, supported by the PLEDDG, helps stimulate economic cooperation between enterprises and potential investors in Vinnytsia oblast.

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VOLODYMYR MEREZHKO
Director of the Department
of International Cooperation
and Regional Development
at the Vinnytsia Oblast State
Administration

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VOLODYMYR MEREZHKO
Director of the Department
of International Cooperation
and Regional Development
at the Vinnytsia Oblast State
Administration

¹⁰ <http://www.vin.gov.ua/invest/rehionalni-prohramy-rozvytku/8786-stratehiia-rozvytku-maloho-ta-serednoho-pidpriemnytstva-vinnytskoi-oblasti-na-period-do-2020-roku>

City of Vinnytsia

(Vinnytsia oblast)

¹¹ <http://www.vmr.gov.ua/Docs/CityCouncilDecisions/2019/%25E2%2584%25961543%252022-02-2019.pdf>

¹² <http://www.vmr.gov.ua/Branches/ContentLibrary/792eccf1-4802-4756-ae13-b2280969f6cf/306/Investment%20Passport%20Ukr.pdf>

¹³ <https://investinvinnytsia.com>

¹⁴ <http://www.vmr.gov.ua/Docs/CityCouncilDecisions/2018/N%1222%2027-06-2018.pdf>

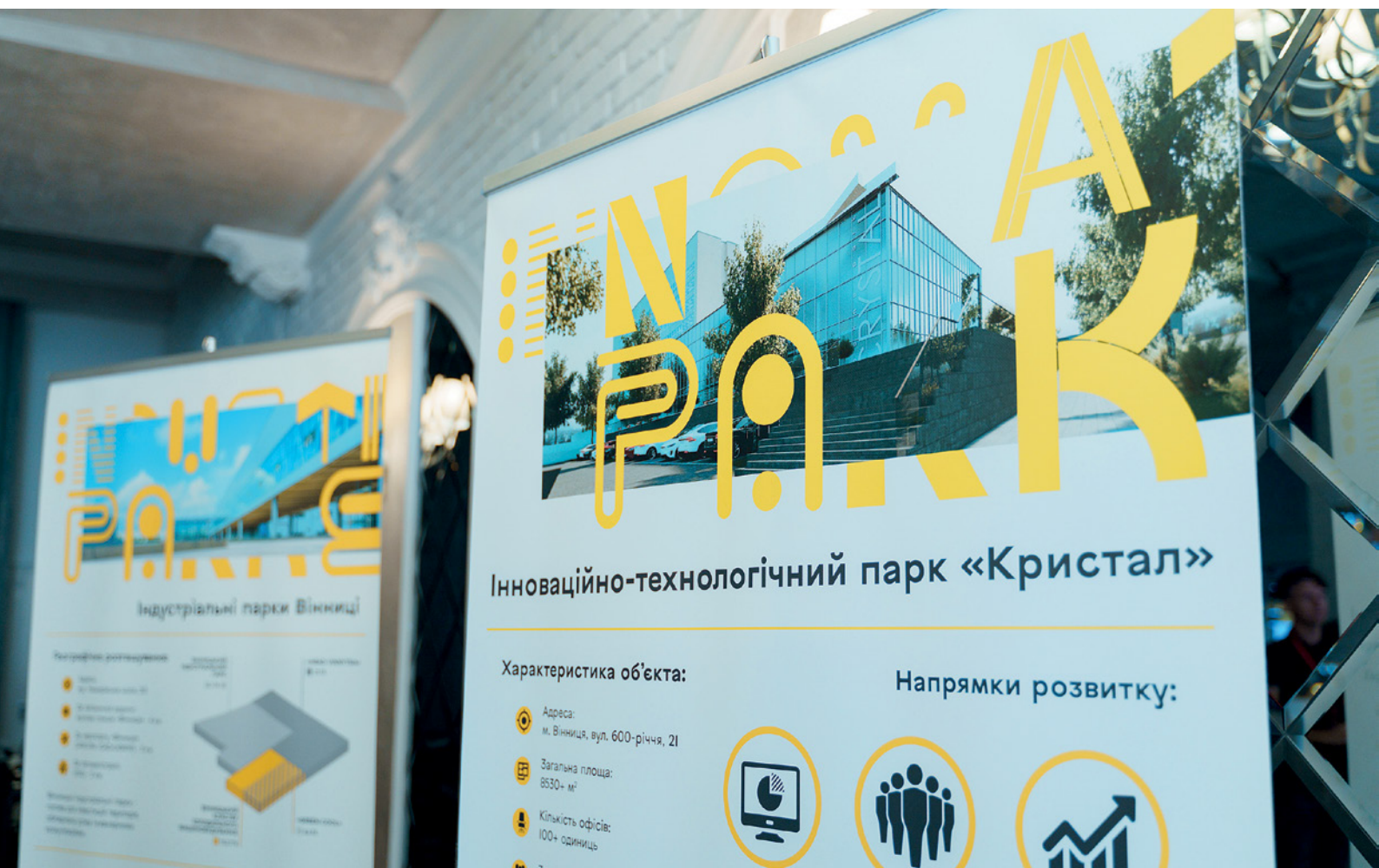
¹⁵ <https://vinnytsia.city/design>

¹⁶ <http://www.vmr.gov.ua/Docs/CityCouncilDecisions/2019/N%1543%2022-02-2019.pdf>

The city of Vinnytsia has great potential for increasing investment attractiveness because of its favourable geographical location and considerable human, industrial, scientific, and educational resources. One of the important challenges facing the city today is attracting additional investments to help create jobs and stimulate economic growth.

The PLEDDG has assisted Vinnytsia in increasing its investment attractiveness by supporting the development of the 2018–2020 Investment Promotion Program for the Vinnytsia Municipal Amalgamated Territorial Community,¹¹ the Vinnytsia Investment Passport,¹² the Invest in Vinnytsia web portal,¹³ the 2020 Vinnytsia Marketing Strategy,¹⁴ and the municipal brand.¹⁵

The 2018–2020 Investment Promotion Program for the Vinnytsia Municipal Amalgamated Territorial Community,¹⁶ approved by the Vinnytsia City Council in late 2017, sets three priorities: the development of an industrial park, a cluster of refrigeration machinery construction, and an innovative technology park. This program differs from similar documents that have been produced by other Ukrainian cities in that it includes standards of work and investor support that are followed in dealing with businesses and investors in international practice. Vinnytsia was the first Ukrainian city to adopt these standards, which include a “single window system,” updates to the information program “Investor’s Guide,” and algorithms of internal interaction between the city council’s



executive bodies in considering and processing investment proposals.

As part of the program to promote the city and develop its positive investment image, the Vinnytsia City Council, jointly with the PLEDDG, developed the Vinnytsia Investment Passport. Experts also provided professional assistance in preparing the technical requirements and developing the concept of the Investment Portal, a key marketing tool designed to demonstrate Vinnytsia's capacities, key benefits, and current investment proposals.

"Vinnytsia offers ready-made investment solutions and undertakes to support the investor from initial contact to the full launch of the enterprise. The convenience of cooperation is driven by synergies and consistency at different levels. The city council cooperates effectively with the oblast state administration, communal enterprises, educators, and members of the public. The Vinnytsia Integrated Development Concept 2030 states that 'Vinnytsia is a city where young people, professionals, scientists, businesses, and tourists want to stay,' and we are working to embody this vision."

Over the past few years, Vinnytsia has been highly active in attracting investments. In 2017 the state-owned enterprise Electric Systems, in cooperation with the American corporation Delphi, opened a plant to produce components for Mercedes-Benz. Today it employs more than 1,500 workers.

In 2015 the Vinnytsia Industrial Park, with a total area of 35.7 hectares, was created on the initiative of the Vinnytsia City Council. An open competition for its managing company was held in August 2017, and the winner was the Vinnytsia Municipal Innovation Center.

Another important economic event took place in April 2017, when the Vinnytsia Refrigeration Engineering Cluster, an industrial park spanning more than 19 hectares, was created on the initiative of the Vinnytsia City Council and the Ukrainian Beer Company. Its management company, Industrial Investment Company LLC, was selected through open competition in August 2018.

The first enterprise launched in the Vinnytsia Refrigeration Engineering Cluster was a plant run by the Green Cool holding company of the UBC Group, which officially opened in early September 2018. The UBC Group is one of the largest manufacturers of industrial refrigeration equipment in Eastern Europe. It has operated in the market for over 20 years, supplying products to nearly 120 countries to such well-known brands as Coca-Cola, Pepsi, Carlsberg, Heineken, AB InBev, SABMiller, Molson Coors, and Nestlé.



VITALII POHOSIAN
Director of the Department
of Economy and Investments
at the Vinnytsia City Council
(2015–2019)

The Green Cool plant has also enhanced the city's image. The UBC Group has branches on almost every continent, so other companies are learning about Vinnytsia as a comfortable investment city. Today, the plant employs 500 people. Recruitment continues, as there is a need for qualified personnel, particularly engineers. Green Cool cooperates actively with universities and, by participating in Open Door and Career Days, is expanding its personnel by hiring young workers. Next to the plant is a land lot that is also part of the Vinnytsia Refrigeration Engineering Cluster. Thus, a city council team, together with the management company, is looking for investors that will build production facilities on this site.

In May 2018 a Memorandum of Understanding was signed by the Vinnytsia City Council, the Vinnytsia Oblast State Administration, the Vinnytsia Municipal Innovation Center, and HEAD International Holding GmbH to build a factory to manufacture winter sports equipment in Vinnytsia. In 2019 HEAD Vinnytsia LLC initiated the creation of the Winter Sports Industrial Park, which was entered in Ukraine's Register of Industrial Parks in October 2019. Created for a period of 50 years, the industrial park spans 25 hectares of land. HEAD plans to start construction work in 2020. This undertaking will create an estimated 1,000 new jobs.

In early 2019 the KNESS Group opened Ukraine's largest solar panel plant in Vinnytsia, where 200 people are now employed.

One of the main goals of the Vinnytsia Municipal ATC for 2020 is to build utilities and highways to the city's industrial parks, attract new investors to the parks, and transform them into attractive sites for new modern industries.

Another important project that the city council is working on is the creation of a municipal innovation and technology park to serve as the foundation of a support ecosystem for entrepreneurs, startups, and R&D entities. To this end, a session of the city council approved the Concept of Development of the Crystal Innovative Technology Park in October 2019. The existing on-site facilities will be reconstructed to house the park.

The Vinnytsia City Council approved the Vinnytsia Marketing Strategy in order to further enhance the city's investment attractiveness. In 2020 the plan is to implement the strategy by using an integrated approach to tourism development and the promotion of the territorial brand and the Vinnytsia Municipal Amalgamated Territorial Community. This is expected to create a unique image of the Vinnytsia Municipal ATC as a region of sustainable leadership — innovative, tolerant, and balanced.

Poltava oblast

Poltava oblast is a highly developed region in central Ukraine. According to the Ministry for Regional Development, Construction, Public Housing, and Utilities of Ukraine, Poltava oblast continued to rank among the top regions in its 2019 rating in the following areas: economic efficiency, investment development, foreign economic cooperation, and financial self-sufficiency.

Over the past five years, the region has been one of Ukraine's top ten regions in terms of attracted investments. Poltava oblast is home to 244 enterprises with investment capital from 43 countries. The main investors are from the UK, Switzerland, and the Netherlands.

Poltava oblast has a number of investment advantages, including a favourable geographical location, powerful industrial and agro-industrial complexes, and labour resources. The region's key investment document is the 2017–2020 Poltava Oblast Program for Investment Attraction, Economic Cooperation, and Positive Image,¹⁷ which sets the following priorities: improving the environment for attracting investments, developing export opportunities for regional producers, supporting regional development institutions, territorial promotion, and facilitating the creation of industrial parks.

¹⁷ <http://www.oblrada.pl.ua/ses/7/12/315.pdf>



¹⁸ http://www.adm-pl.gov.ua/sites/default/files/upload/invest/standards_poltava_region_2017.pdf



MARIA DOLZHENKO
head of the Directorate of
Investment Policy, Foreign
Economic Activity, and
International Cooperation at
the Department of Economic
Development, Trade, and
Investment Attraction,
Poltava Oblast State
Administration

¹⁹ <http://books.simon.com.ua/invest-pl-html>

²⁰ <http://pobl-invest.gov.ua>

²¹ <https://decentralization.gov.ua/areas/0532/gromadu>

In 2017, in line with the Program's objectives, PLEDDG experts provided support to the Poltava Oblast State Administration in developing Methodological Recommendations for Investor Attraction and Support in Poltava Oblast.¹⁸ This document unifies and optimizes the preparation of investment materials and the attraction and support of investors in the oblast, thereby contributing to the successful implementation of investment projects in the region. These materials are available on the Vinnytsia OSA website. They can be used when working to attract and support investors, both at the municipal and regional levels.

"The methodological recommendations have introduced a unified approach to information preparation (data files for land lots and production facilities attractive to investors), which facilitates the rapid gathering from various sources of available, detailed information that does not require significant refinement. The recommendations have also identified a single mechanism for processing a request from a potential investor, namely, the speed and completeness of the information provided."

That same year the State Agency for Investment and National Project Management of Ukraine, jointly with the Poltava Oblast State Administration and the Poltava Regional Center for Investment and Development, prepared the Investment Passport of Poltava Oblast with the support of the PLEDDG.¹⁹ The region has not had this type of document for at least the past seven years. The region's high-quality business card is an indispensable tool for presenting its potential in business negotiations and meetings with foreign and domestic investors. The investment passport outlines the benefits of the region and presents investment proposals, including a free database of land lots and idle production enterprises available for purchase or lease. The passport is published on the website of the Poltava Oblast State Administration and is also distributed at events, forums, thematic exhibitions, and official meetings between the region's leaders and international partners. In addition, the Poltava Oblast State Administration, jointly with PLEDDG experts, has developed the Investment Portal of Poltava Oblast.²⁰ This investment tool highlights the region's economic potential: strengths, priority investment areas, and promotional materials. The website's traffic statistics show that it is accessed not only from Ukraine but also from the United States, United Kingdom, Germany, Latvia, Poland, and other countries.

Since the launch of the decentralization reform, 57 ATCs²¹ have been created in the oblast, of which 13 are among Ukraine's top 20 ATCs in terms of financial capacity. The communities of Poltava oblast differ in their economic indicators, development vectors, and investment priorities, so the PLEDDG has joined the project to create a platform for learning, dialogue, and the exchange of experience between communities on attracting investments and implementing relevant projects. Thus, ATC representatives have been able to take advantage of the opportunity to participate in training webinars on how to prepare investment projects, develop high-quality community investment passports, and create development agencies.

“Poltava oblast has actually become a pilot project for the PLEDDG, as this was the first time that several training cycles were conducted for the representatives of the partner cities and the ATCs. Training sessions, video conferencing on the WebEx platform, a competition of investment passports developed by the communities with consultant support from PLEDDG experts, as well as the region’s Investment Portal, Investment Passport, and economic forums, are just a partial listing of the key activities that took place with the direct support of the PLEDDG consultants.”

The most successful training program was the one devoted to the use of investment tools, which resulted in communities learning not only how to analyze their economic potential and investment attractiveness effectively, but also how to create investment passports. In the outcome, a competition of community passports was held, which served as an additional incentive to produce a quality product.

“Thanks to the support of the Poltava Oblast State Administration and PLEDDG experts, we were able to create a modern and competitive investment passport of the Pyriatyn ATC. We actively distribute printed investment passports at events both in Ukraine and abroad: Germany, the Netherlands, Poland, and Latvia. In parallel, investment proposals are submitted for posting on regional and national electronic investment resources. In addition, we are working hard to raise extrabudgetary funds to implement projects that are important to the community. For example, the project proposal to create the tourist attraction ‘Gas Station Queen’ has been submitted to the Ukrainian Cultural Fund competition. Local entrepreneurs are also involved in project implementation. Several meetings have already been held, and a commitment letter has been signed, listing the types of work that will be performed by the entrepreneurs if our application wins.”

For several years in a row, the PLEDDG has been a co-organizer of international investment and economic forums in Poltava oblast: “Poltava Oblast: Creating New Opportunities Together” (2017) and “Dialogue Platform #Poltava Oblast for Investment” (2018). Such events have proved to be successful platforms for interaction between large, powerful communities and newly formed communities in Poltava oblast. Participants have the opportunity to express themselves and present their potential. Although it is too early to talk about attracting large foreign investors to the communities in Poltava oblast, thanks to the change in the mindset of ATC leaders and the application of foreign work models, communities are now serving as small platforms for attracting investments from the standpoint of combining their resource potential, infrastructure, and business environment.

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IRYNA DUDKA
regional coordinator of the
PLEDDG in Poltava oblast

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OLEKSII RIABOKON
head of the Pyriatyn ATC

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MARIA DOLZHENKO
head of the Directorate of
Investment Policy, Foreign
Economic Activity, and
International Cooperation at
the Department of Economic
Development, Trade, and
Investment Attraction,
Poltava Oblast State
Administration

“At the moment, ATCs have changed their tactics on economic development and, in addition to addressing pressing social problems, are considering the community as an area of comfortable living and job creation. Here are some examples of good backing for business initiatives that have been supported at the community and regional levels for example: a family pizzeria in the Shcherbani ATC, the Serhiivska Palianytsia bakery in the Serhiivka ATC, family farms in the Novi Sanzhary ATC, a Premier Socks Ltd. factory in the Machukhy ATC, and sewing shops in the Butenky ATC and Shyshaky ATC.”

Successful examples of investment projects include industrial parks and collaboration with community-based businesses. For example, the Lanna Industrial Park began operating on the site of the Lanna ATC in 2017, and the Omelnyk Industrial Park will start up in the Omelnyk ATC by the end of 2020, attracting at least five investors. These projects are encouraging the creation of new businesses and jobs with decent wages in rural areas. Furthermore, Poltava oblast communities are cooperating with national big companies that are not only doing business and creating jobs in their territory but also developing their social environment. For example, the state-run Naftohaz company operating in the Kolomatske and Machukhy ATCs is exerting a qualitative impact on their day-to-day life. The Bilanivka, Yerystivka, and Poltava mining and processing enterprises, where Ferrexpo AG (Switzerland) is the investor, have been developing successfully for many years in the amalgamated territorial communities of Kremenchuk raion.



Kremenchuk

(Poltava oblast)

Today, Kremenchuk is a dynamically growing city, thanks to the delegation of resources from the central government to the local level. According to Transparency International Ukraine²² and the Institute for Political Education, Kremenchuk is among the top 10 transparent cities in Ukraine. The city occupies a favourable strategic position and is ranked as a powerful industrial center in Poltava oblast. Many enterprises operate here, including the Kriukiv Railway Car Construction Plant, AvtoKrAZ, the Kremenchuk Wheel Plant, and Kredmash, which are the sources of budget revenues at all levels.

During the process of developing the Kremenchuk Development Strategy Until 2028,²³ created with the support of the PLEDDG, the challenges faced by investors in the city were clearly identified and detailed, and solutions were found. It was decided to strengthen the work of the municipal authorities in creating a holistic system of marketing and promotion, developing investment offers and products, establishing systematic work with investors, and improving human resources. Some of these tasks have already been successfully completed.

The policy of structuring and stimulating investment attraction activities is formalized in the 2019–2021 Kremenchuk Investment and International Cooperation Promotion Program. This document identifies the main goals and objectives that will help create conditions for boosting investments and international cooperation. The main executive organization is the Kremenchuk Development Institute,²⁴ a municipal enterprise for international relations and economic development. One of its objectives is to support investment activity in the city. As part of implementing the program aimed at promoting the city and its investment attractiveness, the Kremenchuk City Council, together with the PLEDDG, developed the Kremenchuk Investment Passport,²⁵ which was published on the website of the Kremenchuk Development Institute.

“The investment passport is handed out to official foreign delegations to Kremenchuk and whenever city representatives make official visits abroad. Israel, Slovakia, Lithuania, France, Belarus, and Poland are some of the countries visited by Kremenchuk representatives. Upon receiving the Kremenchuk Investment Passport, potential investors can obtain complete information about the investment and economic potential of the city.”

²² This refers to an investment sector transparency rating covering Ukraine’s 100 largest cities, released in 2018 by the Ukrainian office of Transparency International as part of the Transparent Cities program: <https://ti-ukraine.org/wp-content/uploads/2018/09/Infohrafika.pdf>

²³ <https://krmisto.gov.ua/ua/strategy/browse>

²⁴ <http://kremenchukinvest.com.ua>

²⁵ <http://kremenchukinvest.com.ua/uncategorized/investytsijnyj-pasport-mista>



ANDRII MELNYK
Deputy Director of the
Kremenchuk Development
Institute

In the past year Kremenchuk has already demonstrated success in attracting investments. The Kriukiv Railway Car Construction Plant started localizing the production of General Electric Transportation locomotives in Ukraine. In February 2018 Ukrzaliznytsia OJSC and General Electric Transportation signed a package of documents on a 15-year-long partnership to modernize the locomotive fleet and supply new locomotives. Under this agreement, the Kriukiv Railway Car Construction Plant upgrades locomotives supplied to Ukraine by General Electric.

There are ongoing projects to reconstruct the municipal stadium and build a concrete skate park, which will promote the development of sports tourism. In addition, work is underway to draw up projects within Ukraine's Municipal Infrastructure Development Program, a multi-sector investment program implemented by the European Investment Bank together with the Ministry of Regional Development, Construction, Housing, and Communal Services and the Ministry of Finance of Ukraine. The loan agreement with the European Bank for Reconstruction and Development is worth EUR 7.5 million.

In order to further develop investment tools in Kremenchuk, PLEDDG experts conducted training on preparing investment projects. The participants came from the structural units of the Kremenchuk City Council's executive committee, municipal enterprises, and NGOs. The business forum "International Cooperation: Creating the Future Together" was held in Kremenchuk in 2018 and 2019 with the support of the PLEDDG. These events brought together representatives of regional authorities and local governments in Ukraine; delegations from Kremenchuk's twin cities (Berdiansk, Bydgoszcz, and Svishtov); official delegations from Canada, Lithuania, Poland, Bulgaria, and Ireland; entrepreneurs, foreign experts, and businessmen; and experts from Vinnytsia, Sumy, Ivano-Frankivsk, Kyiv, Zaporizhia, Kirovohrad, Dnipropetrovsk, Cherkasy, and Poltava oblasts.

Zaporizhia oblast

Zaporizhia oblast is one of Ukraine's most technologically developed regions with significant scientific, technical, and industrial potential. A number of factors make it interesting to investors, such as a skilled and competitive workforce, land lots and industrial parks, and the largest volume of available electricity in Ukraine. Foreign investors are already working in the region, but investments are distributed unevenly across its territory, with 94.7% of foreign direct investment going to the city of Zaporizhia. In order to spur the development of the region's entire potential, the top priority of its leaders is to promote the region's investment potential and seek out interesting ideas on developing its territories.

The transformation of the entire oblast into an attractive investment area with a developed industrial complex and infrastructure was the goal declared by the Zaporizhia Oblast Regional Development Strategy Until 2020,²⁶ which was formulated with the support of the PLEDDG. In 2016 the PLEDDG also provided expert and advisory support to the Zaporizhia Oblast State Administration in developing the Investment Passport²⁷ and the Investment Portal of Zaporizhia oblast.²⁸ The Investment Passport of Zaporizhia oblast has become the first high-quality, regional-level investment instrument in Ukraine, identifying top-priority sectors for investment in the oblast's economy: energy, the agro-industrial complex, mechanical engineering, the mining and metallurgical complex, and IT.

²⁶ <https://www.zoda.gov.ua/article/2264/strategiya-regionalnogo-rozvitku-zaporizkoji-oblasti--na-period-do-2020-roku.html>

²⁷ <https://www.zoda.gov.ua/article/2313/investitsiyniy-pasport-zaporizkoji-oblasti.html>

²⁸ <https://investment.zoda.gov.ua>



To date, the vast majority of ATCs in Zaporizhia oblast have their own standardized investment passports that they distribute independently at events in which they take part. In addition, the Investment Portal of Zaporizhia oblast is designed in such a way that ATCs can independently add their investment projects, vacant land lots, and commercial offers. Thus, communities do not need to expend resources on creating their own websites, but instead use the regional investment portal.

In order to improve the region's investment climate, the PLEDDG also supported the development of a methodology and standards for attracting and supporting investors in Zaporizhia oblast.²⁹ Thanks to this document, the ATCs of Zaporizhia oblast have access to comprehensive information on the tools and mechanisms for attracting investments, as well as technical methods of communicating with investors. The methodological recommendations are explanatory in nature and intended to assist local authorities in systematizing and implementing the best domestic and world practices of regional-level investment management, unifying and optimizing the preparation of investment materials and products, territorial marketing, and ensuring the high quality of investor support.

²⁹ <https://investment.zoda.gov.ua/uk/standarti-roboti-z-investorami>



ARTUR BOIKO
head of the Department
of External Relations and
Foreign Economic Activity at
the Zaporizhia Oblast State
Administration

“It is up to each region to find the tools it uses to attract investment. Together with PLEDDG specialists, Zaporizhia oblast has introduced and is successfully implementing standards and methodology for attracting investments in the economy of both the region as a whole and each ATC.”

PLEDDG experts are also helping to develop the Investment Attraction Strategy for Zaporizhia oblast. This document will essentially be a methodology for attracting investment. Its top-priority goals are to develop the business ecosystem, which involves the creation of a system of institutions for attracting and supporting investors; improve the organizational and financial support for the activities of these institutions; increase the competence of the personnel; develop international collaboration and information support of investment processes; and promote the region through marketing.

In addition to the direct development of investment attraction instruments, training in the use of such tools is an important component of enhancing the capacity of ATCs in Zaporizhia oblast. In recent years the PLEDDG, in cooperation with the Department of External Relations and Foreign Economic Activity at the Zaporizhia Oblast State Administration, has conducted a series of training events, where communities have learned to fully leverage opportunities for attracting investors.



OLEKSII IVANCHENKO
representative of
UkraineInvest's Investment
Promotion and Support
Office in Eastern Ukraine

“Thanks to the work of PLEDDG experts, the standards and methodology for working with investors were developed and adopted in Zaporizhia oblast and subsequently implemented at the national level. These standards and methodology have significantly increased the capacity of ATCs and cities in the region to attract foreign investment. The local government's dynamic activity, available land lots, and labour force have become the success factors in attracting investment in the Vesele ATC in Zaporizhia

oblast. Among other developments, a 10 MW solar power plant has been built there, and companies producing aircraft and sports cars have gone into operation. The active communities of Zaporizhia oblast also include the Shyroke ATC and Balabino, a settlement near Zaporizhia.”

In addition to supporting the implementation of investment instruments, the PLEDDG also helps the regional government to create a favourable investment climate in the region and to support investors. The InCo Investment Forum is a platform for the presentation of investment opportunities in Zaporizhia oblast and interaction between the regional authorities, potential investors, business representatives, and communities.

A broad and exceptional understanding of the potential of the region and its individual communities has made it possible to implement a number of interesting, large-scale investment projects in recent years:

- construction of wind farms in Prymorsk, Pryazovske, and Melitopol raions (investors: Wind Power DTEK, EuroCape New Energy)
- construction of three riverside transshipment grain terminals by Nibulon
- launch of Chemical Aviation Technologies, an enterprise geared toward the fully integrated production of XIAT-650 aircraft (in the Vesele ATC)
- start of the construction of the TECHIA eco-technological park, a data processing infrastructure facility in Enerhodar.

“The implementation of the TECHIA eco-technological park project is a direct consequence of the use of investment instruments. In late 2018 the investor’s representatives visited Zaporizhia oblast after seeing the region’s promotional video and noting the tremendous capacity of its energy companies. The investor was interested in setting up a large-scale data center in Eastern Europe. The project required a large amount of electricity and a plot of land near a power company. The investor was presented with the region’s investment passport, along with a 100-hectare lot in Enerhodar two kilometers away from the Zaporizhia Nuclear Power Plant. This proposal perfectly met the investor’s requirements, and at a Cabinet of Ministers meeting in April 2019 the head of the Zaporizhia Oblast State Administration, together with the investor, presented the project to build an eco-technological park. Considering the immense social impact of the project — around 2,000 high-paying jobs, significant tax revenues (UAH 1 billion a year), load shedding in the electricity grid, and the development of innovative telecommunication technology — the project was supported.”



ARTUR BOIKO
head of the Department
of External Relations and
Foreign Economic Activity at
the Zaporizhia Oblast State
Administration

Melitopol

(Zaporizhia oblast)

Melitopol is a large, multi-sectoral, industrial center located near the Sea of Azov. The city was ranked 19th among Ukraine's 100 largest cities in Transparency International Ukraine's rating of investment transparency.³⁰ Melitopol ranks 6th in the international rating of fDi Intelligence, which is part of The Financial Times, in the Direct Foreign Investment Strategy category and the Economic Efficiency subcategory.³¹ Owing to the decentralization reform in Ukraine, more space and opportunities for investors have emerged here.

Small- and medium-sized enterprises play a significant role in Melitopol's economy, which is why the city is prioritizing the development of entrepreneurship, the promotion of local producers, and the attraction of investments in local businesses. To this end, the Integrated Municipal Program, entitled "Promoting Business Development in Melitopol, Zaporizhia Oblast, in 2019-2020," is being implemented.³² The program defines a set of measures aimed at creating favourable conditions for the development of small business in the city and unifying the interests of the municipal authorities and businesses in carrying out socially important projects.

On the mayor's initiative, the Melitopol Development Agency is now working to shape and implement strategies and plans to develop Melitopol. In order to support business, the city's Investment Portal³³ has published relevant information about foreign companies seeking partners in Ukraine.

³⁰ <https://ti-ukraine.org/wp-content/uploads/2018/09/Infografika.pdf>

³¹ Ідеться про рейтинг fDi European Cities and Regions of Future 2018/2019: fDi's ranking of European cities — fDi Intelligence

³² http://mlt.gov.ua/index.php?option=com_content&task=view&id=15155&Itemid=1

³³ <http://invest-melitopol.gov.ua>



Among the companies interested in implementing investment projects on the territory of the city are the Belarusian Metallurgical Plant; Kazyna Zher (Kazakhstan); AZ SERVIS (authorized Volkswagen dealer); SEAT; Audi; Skoda (Czech Republic); and the Belarusian Chamber of Commerce and Industry. The Investment Portal also provides information to local SMEs on possible areas of cooperation between the Export Promotion Office, the Zaporizhia Oblast Development Agency, and exporters operating in the region.

In 2019 PLEDDG experts, together with the members of the Melitopol City Council, supported the development of the city's Investment Passport and were successful in attracting investments:

- a Memorandum of Cooperation has been signed with the German transport company Hegelmann Transporte Group, which plans to open a branch in Melitopol and create up to 100 jobs
- with funding from the European Union, the municipal authorities are implementing seven critical infrastructure projects in Melitopol, namely, providing complete insulation services to three schools, two kindergartens, and two medical facilities
- an industrial park spanning more than 16 hectares has opened; it includes the main office of Nova Poshta, shops, office buildings, and the Expo-Melitopol Exhibition Center.

“When information is systematized, the overall picture becomes clear and plans become meaningful. When we were preparing projects for the investment passport, we took another look at the relevance of the proposals and included some projects in the concept of the Melitopol Development Strategy Until 2030, which we are developing with the help of PLEDDG experts. We are confident that these projects will soon be realized through investments.”



OLEKSANDRA
HRYHOROVYCH
head of the Municipal
Marketing and Tourism
Unit at the Directorate
of Municipal Social and
Economic Development,
the Executive Committee of
the Melitopol City Council

Ivano-Frankivsk oblast

³⁴ Available at <http://www.if.gov.ua> via a search for: 2016-2020 Regional Targeted Program to Promote Investment in the Economy of Ivano-Frankivsk Oblast

³⁵ Available at: <http://pleddg.org.ua>, Section "Municipal Development Strategies" / Ivano-Frankivsk Municipal Development Strategy Until 2028

³⁶ Available at <http://www.if.gov.ua> via a search for: Investment Passport of Ivano-Frankivsk Oblast

In recent years the Carpathian region has become a leader in investment attractiveness, ranking in the top five Ukrainian regions in terms of foreign investments per capita. Investments come from non-residents from nearly 50 countries, so the region's economy is quite diversified. The prospects for its development have to do with the need to change the economic profile and pivot towards high-tech sectors with significant added value, deeper processing of raw materials in the wood industry, increasing export volumes, and so on. The oblast's priority projects are to build transport infrastructure and improve access to the region.

The 2016-2020 Regional Targeted Program to Promote Investment in the Economy of Ivano-Frankivsk Oblast,³⁴ in force today, relies on the main provisions of the Ivano-Frankivsk Oblast Development Strategy Until 2020³⁵ and is instrumental in coordinating the activities of investment process participants. The core of the program is a system of measures to intensify investment flow into the region. The Ivano-Frankivsk Oblast State Administration, together with the PLEDDG, developed the Investment Passport of Ivano-Frankivsk oblast³⁶ in 2017 in order to improve the region's investment conditions. The passport contains regional statistics and information about the oblast's capacities and potentially attractive areas for investors.



“The Investment Passport of Ivano-Frankivsk oblast, developed with the support of the PLEDDG, is the most comprehensive source of information about the region for investors, helping them form a fixed perception of investment opportunities in the regional economy. The passport is distributed at meetings with investors, investment events, forums, and conferences. Giving an investor the Investment Passport at the initial stage of contact is an integral part of image building and proof that the local government is an expert investment partner.”

Successful cooperation with foreign investors has resulted in the construction or technological upgrades of a number of new production facilities in the region in mechanical engineering, wood processing, chemical industry, agricultural production, and alternative energy. Cooperation between the Carpathian region and existing investors takes the form of creating suitable conditions for reinvestment in new projects, familiarization visits to enterprises, and assistance in solving their day-to-day problems.

Ivano-Frankivsk oblast constantly supports and communicates with enterprises with foreign capital. A successful example of the region's interaction with investors was the arrival of Leoni, a company that launched an automotive wiring plant in Kolomyia in 2016 and opened a plant for the production of cable networks for the automotive industry in 2017. Leoni plans to create 5,000 jobs in Kolomyia by 2021. In early 2018 the management of the Leoni concern decided to build another plant to manufacture electrical wiring for cars in Burshtyn. A number of other investment projects are currently underway in the region, including the construction of a biogas plant (Danosha Ltd.) in Halych raion and a plant to produce gypsum mixtures and dry plasters (Troianski Hipsy, a privately owned company) with the participation of a French investor, Saint-Gobain. (The plant is expected to produce 100,000 tons of building mixtures per year, using raw materials from the Khotymyr gypsum field.)

In 2020 the PLEDDG will continue working to develop the region's investment tools. Ivano-Frankivsk oblast is expected to launch an investment web portal with an interactive feedback function that will become a tool for interacting with potential and existing investors. It will feature an online investment map of the region, showing investment opportunities and available infrastructure.



OLEH SACHKOV
chief specialist of the
Investment Unit of the
Department of International
Cooperation, European
Integration, Tourism, and
Investment at the Ivano-
Frankivsk Oblast State
Administration

City of Ivano-Frankivsk

(Ivano-Frankivsk oblast)

³⁷ According to the State Statistics Service of Ukraine as of 1 January 2019

³⁸ This is an investor sector transparency rating covering Ukraine's 100 largest cities, released in 2018 by the Ukrainian office of Transparency International as part of the Transparent Cities program: <https://ti-ukraine.org/wp-content/uploads/2018/09/Infohrafika.pdf>

³⁹ <http://invest-if.com/uk/>

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IHOR POPADIUK
head of the Directorate
of Investment Policy

Ivano-Frankivsk is one of Ukraine's leading cities in terms of attracting direct investment. In 2018 the city ranked second among Ukraine's regional centers, with USD 1,953.9 attracted per capita,³⁷ and first in the investment sector transparency rating of Ukraine's 100 largest cities by Transparency International.³⁸

This victory is due, among other things, to the PLEDDG, which, together with the Directorate of Investment Policy, initiated the development of the Ivano-Frankivsk Investment Portal,³⁹ the city's recognized best practice. Created to present the city's investment potential, the portal features all available information on land and production facilities that are available for investment projects and presents successfully completed investment projects. In addition, the portal has an interactive investment map showing industrial parks — the city's greenfield and brownfield sites.

“The investment portal was developed by volunteers from Softserve so that investors could obtain information with one click. According to Transparency International Ukraine, the portal's most transparent indicator is information on investment properties and projects offered by the municipal government regardless of ownership type.”

In addition to the portal, the PLEDDG provided expert and consulting support in the development of the Ivano-Frankivsk Investment Passport.⁴⁰ It was created jointly with Credit Rating, a national rating agency, for domestic and foreign investors considering investing in the city's economic and social spheres.

⁴⁰ <http://www.mvk.if.ua> via a search for: Ivano-Frankivsk Investment Passport



Two language versions of the passport, Ukrainian and English, are published on the official website of Ivano-Frankivsk.⁴¹ The city's investment attractiveness has peaked since August 2018.

⁴¹ <http://www.mvk.if.ua>

Thanks to these investment instruments, in 2018 alone, Ivano-Frankivsk negotiated with 16 foreign and Ukrainian companies and organizations to attract investments in its economy: Global BOD Group (Lithuania); Gracel Business Solution (Romania); Arvato Bertelsmann CRM Solution (Romania); CMX Solutions GmbH (Germany); Ernst & Young, Global Limited (UK); BFi Jaha Solar Enerji (Turkey); Mitas Enerji (Turkey); Power Green Enerji (Turkey); Getas Global Energy Trade Co. Inc. (Turkey); Eser (Turkey); Marubeni Corporation (Japan); Kreston GCG (Ukraine); AuxBridge (Ukraine); KPMG International (Ukraine); the Eurotech retail company; and UkraineInvest (Ukraine). However, the main problem in attracting investors to Ivano-Frankivsk is that there are no lots larger than 10 hectares. The city leaders thus decided to form one large investment land lot spanning more than 14 hectares in the Khryplyn Industrial Area.

In 2020 Ivano-Frankivsk plans to expand its production facilities and create jobs at existing enterprises, including through foreign investments. Two new workshops have been opened in the Karpaty Production Association, a state-owned enterprise, to implement a Skoda project. Tyco Electronics Ukraine Ltd. plans to launch a new production line for a Nissan project, while a local company, Intellcom Ltd., is building new production lines at its plant. These enterprises alone will employ approximately 2,000 people.

Despite the presence of big business in the city, 99.9% of the total number of economically active businesses are small- and medium-sized enterprises (SMEs), and this is where the prospects of Ivano-Frankivsk's economic development lie. SME investment and development support are a top-priority component of the Ivano-Frankivsk Development Strategy Until 2028,⁴² presented in October 2017 at the International Investment and Economic Forum "Partnership and Prospects," which is regularly supported by the PLEDDG. This annual Ivano-Frankivsk event has become an established platform for interaction and experience exchange between the authorities, citizenry, local entrepreneurs, potential investors, and representatives of international technical assistance agencies.

⁴² <http://pleddg.org.ua>, Section "Municipal Development Strategies" / Ivano-Frankivsk Municipal Development Strategy Until 2028

"We are trying to support the development of a comfortable and creative environment for sustainable economic development, in which investors will not feel they are left to deal on their own with current challenges, but where they will be able to find advice and support and as a result be satisfied with having invested in our welcoming city. One such event is the International Investment and Economic Forum 'Partnership and Prospects.' The Forum has already demonstrated the city's economic and investment potential and has become a good way of establishing effective communication between representatives of partner cities, foreign diplomatic missions in Ukraine, international financial institutions, foundations, business, education, culture, and heads of cities and regions."



IHOR POPADIUK
head of the Directorate
of Investment Policy

3

CONCLUSIONS
AND TIPS:

WHAT COMMUNITIES
SHOULD CONSIDER

WHEN DEVELOPING
THEIR INVESTMENT

INSTRUMENTS

AND ATTRACTING
INVESTMENTS

1. Begin by critically assessing the investment benefits and needs of the territory to **identify priority investment areas** based on this analysis.
2. **Create a local economic development agency** in the form of a municipal enterprise that can self-finance by providing services and implementing local economic development projects. It is critical for such a company to be headed by a person who not only has experience in preparing and implementing socioeconomic development projects but also is ready to act proactively and creatively.
3. Perform **benchmarking** on your own and find role models — successful projects that have already been implemented by communities in Ukraine and abroad and have created jobs, increased exports, and introduced innovative technologies that open up prospects for smart specialization.
4. Based on an analysis of the investment advantages and needs of the territory and priority industries, develop an **investment attraction strategy**. The availability of this document and a detailed action plan will help attract investments systematically and prevent the dispersion of resources.

“The most important key components of an investment-attraction strategy are enhancing the competence of the staff, developing community institutions that purposefully engage in investment attraction, and active territorial marketing.”

5. Once the strategic goals and directions of the investment policy have been identified, the next steps are the **inventorying and deeper analysis of available resources**, particularly regarding potential locations, human resources, logistics, and related businesses in the region.
6. **Focus your efforts on attracting investments in several sectors** that have a competitive edge (in comparison with the main competitors) and which are among the key growth sectors and contribute to the capacity building of local industry.
7. Once the strategy and available resources have been identified, start **creating the necessary investment tools**, such as:
 - an investment passport and/or investment web portal of the territory
 - a list of greenfield and brownfield properties with all the necessary documents and a complete analysis of the grid connection status. The site must have well-developed infrastructure and properly issued legal documents
 - an industrial park that can also be an effective tool for organizing the territory for industrial development and providing investors with certain tax and customs benefits
 - information on the development of higher and vocational education institutions, training programs for local business



OLEKSANDR DUDKA
investment consultant
of the PLEDDG



professionals, and laboratories in collaboration with business and with the aid of modern equipment

- information on high-quality transport connections with major cities and access to central highways
- information materials, standard investor interaction procedures, and feedback tools, such as regular meetings with local businesses, surveys, dedicated web resources, etc.



“

OLEKSANDR IHNATENKO
senior expert on interagency cooperation and economic development of the PLEDDG

8. **Disseminate information about investment opportunities** in the territory to potential investors and the business community. The key element of the communication system will be the **investment portal** of an oblast, city, or ATC, whose structure should meet the needs of potential investors and contain accurate information in English.

“Common mistakes when developing investment instruments include the preparation of nothing more than information materials and presentations of land lots. In fact, other important factors are the level of local education, the financing of upgrades and connections to the electricity grid, organizing transport connections, and interaction with local business. Attracting investors is a complex activity that usually requires a lot of effort and smaller volumes of financial resources than might seem at first glance. When a foreign investor expresses interest in an investment project, it is important to provide him/her with quality services and full support towards a positive investment decision. The professionalism and efficiency of local authorities actually play a decisive role in attracting foreign investors to the region.”



9. **Establish systematic and professional investment attraction activities.** Among other things, consider the investment resource when developing strategies and annual socioeconomic development plans. Planning is a crucial step in the success of investment-attraction activities. Correctly defined goals of development strategies, backed by a well-developed investment attraction program, will help systematize activities, set priorities, and make use of available resources with maximum efficiency.



10. **Collaborate with oblast state administrations** and regional development agencies. Oblast state administrations work with UkraineInvest, an investment-attraction office under the Cabinet of Ministers of Ukraine, and such cooperation enables the community to attract significant investments.



11. Prepare investment proposals and **participate** actively in events in Ukraine and abroad.

“

ULIANA KHROMIAK
Deputy Chairman of the Supervisory Board of the UkraineInvest Investment Attraction and Support Office

“The active position of the community leader and the presence of a professional team are the prerequisites for successful and sustainable territorial development. The leader must understand that only continuing professional development and team development can offer an effective response to the new economic challenges of today and contribute to the community's economic development. The main thing is to find motivational factors for each team member as well as for the members of the community.”

PARTNERSHIP FOR LOCAL ECONOMIC
DEVELOPMENT AND DEMOCRATIC
GOVERNANCE PROJECT

30/39 Shchekavytska St., office 27, Kyiv, 04071

Tel.: +38 044 207 1282

E-mail: office@pleddg.org.ua

www.pleddg.org.ua