



**CHERKASY
REGION
DEVELOPMENT
STRATEGY
2020**





Dear Cherkasy community.

The history of independent Ukraine turned a new page last year. The Revolution of Dignity supported by the people of Ukraine has led to the signing of the Ukraine-European Union Association Agreement. This agreement gives our country the possibility to move from partnership and cooperation to political association and economical integration.

Together we made an important choice to implement European standards of life and social values.

We understand that this goal cannot be reached immediately. It requires tremendous efforts and consistent unanimous actions. Only joint efforts with a clear roadmap will drive Cherkasy forward to the European level of life.

Cherkasy Region Development Strategy 2020 should become such a roadmap for us. We created it together with you. This is not an ordinary «government for the sake of government» strategy, but a meaningful document written by community and for community.

The Strategy is designed taking into account public opinion and expert opinions of specialists, scientists and business representatives. It was created based on the analysis of the results and mistakes of previous policy documents.

For the Strategy development we used the regional development planning guidelines stated in the European Union Program «Support to Ukraine's Regional Development Policy».

The Strategy concerns everyone. It determines such directions of regional development that will promote creation of new workplaces, consolidation of the civil society, improvement of life quality in the cities and on rural territories.

Local communities have a special role. The level and quality of the Strategy implementation depends on the active position of local communities, their participation in projects and actions implementation. Strong and efficient local communities are a cornerstone of prosperous Cherkasy region!

We believe that Cherkasy development Strategy implementation is our joint responsibility. We are not afraid of difficulties. We move on for the sake of well-being of present and upcoming generations.

We are faced with the difficult task of the Strategy implementation.

May we have success in achieving this goal!

A stylized, handwritten signature in blue ink, consisting of several fluid, overlapping strokes.

Head of Regional State
Administration



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- SWOT – the analysis of strengths and weaknesses, favorable opportunities and threats
- NPP – Nuclear Power Plant
- AIC – Agro-Industrial Complex
- RDA – Regional Development Agency
- ATO – Anti-Terrorist Operation
- ATR – Administrative-Territorial Reform
- GDP – Gross Domestic Product
- TEA – Type of economic activity
- HEI – Higher Educational Institution
- MIC – the Military-Industrial Complex
- GRP – Gross Regional Product
- HPP – Hydropower Plant
- State
- Standards – State sanitary rules and norms
- NSRD – National Strategy for Regional Development
- EU – European Union.
- HCS – Housing and Communal Services
- MM – Mass Media
- GPFM – General Practice of Family Medicine
- LU – Law of Ukraine.
- IT – information technology
- SMB – small and medium businesses
- RSA – Regional State Administration
- LSGB – Local Self-Government Bodies
- UN – United Nations
- HC – Housing cooperative
- PSOB – Public Self-Organization Body
- VEI – vocational education institutions
- WG – Workgroup
- DSA – District State Administration
- SPP – Solar Power Plant
- BE – Business Entity
- TPP – Thermal Power Plant
- MSW – municipal solid waste
- NPE – natural person-entrepreneur
- ASC – Administrative Services Center

ABBREVIATIONS

INTRODUCTION



The Revolution of Dignity and the struggle for the freedom of Ukraine created a new social paradigm. Ukraine is moving into a new period of its history and Ukrainian people have a chance to turn Ukraine into a country of European standards.

The processes of decentralization, change of approaches to regional development are aimed at strengthening the role of local communities and authorities. The tendency to use own resources efficiently and improve local cohesion is becoming more and more important.

The main document of mid-term regional development is «Cherkasy Region Development Strategy 2020».

The Strategy is developed on the basis of the Law of Ukraine «On Stimulation of Regional Development», taking into account the State strategy of regional development of Ukraine, the Strategy for Sustainable Development «Ukraine – 2020» and other documents, using the best European and Ukrainian experience and the experience of implementing «Cherkasy Region Development Strategy 2015».

This Strategy was designed using the developments of local and foreign science, public opinion, expert advice on solving the problems and reaching the goals of regional development. The Strategy implementation is possible by involving public authorities, population, business and social organizations.

The Strategy is based on target-oriented and project-based approaches of solving the problems of the region.

The development of the Strategy became an important tool of establishing social partnership between the Regional State Administration (RSA), Regional Council, district administrations, city and district councils, universities and institutes and a wide range of civic organizations. The fact that the Strategy has been arrived at by involving all the stakeholders ensures the social support for the implementation of the Strategy programs, actions and projects.

The Strategy has an ambitious goal to turn Cherkasy region into an example and model of regional reform, to create a harmonious region of sustainable development, where innovative high-tech industry, ecological agriculture, recreational and historical tourism, high quality of life and safe environment.

The Strategy determines the goal, the vectors of social and economic reforms, priorities, indicators of formation and development of the region.

The adoption of this document should become the basis for strategic planning in the region, for regional programs adjustment and their harmonization with the prospects determined by the Strategy.

APPROACH, METHODS AND THE PROCESS OF THE STRATEGY DEVELOPMENT



Strategic planning is a structural means for managing changes and reaching consensus in the region, creation of common vision of future development, a constructive way of identifying the problems and harmonizing of the goals, tasks and strategies that need to be implemented to solve them. Strategic planning is also a powerful tool of uniting the efforts of both business and local authorities for creating public-private partnerships. It has a positive effect on local business sphere and competitive status of the community, influences solving other problems in relation to the living standards of every citizen.

The process of the Strategy development was of ascending character. It was outlined by the workgroup that defined the ways of development and areas of implementation of actions.

Terms of planning tools were determined on the basis of the combination of a long-term strategic plan and medium-term cycles of its implementation. Strategic goals and actions are determined in such a way and they have character of long-term (6 years) ways of development, while programs are aimed at the implementation of high priority tasks (3 years). Actions are the key component of the Strategy and determine scenarios and ways of reaching strategic goals.

Strategy development was based on the following principles:

Partnership	The character of the strategic development is based on the results of both, the varied consultations, aimed at reaching the consensus, and the reasonable community expectations. All the stakeholders (authorities, businessmen, scientific organizations, entrepreneurs associations, enterprises and community members) were invited to take part in decision-making and developing the strategic goals.
The principle of joint participation of public and private sectors	It provides a broad social consensus and evident public support for the Strategy. All steps were worked out in the way excluding the excessive influence of the development process members, involving specified persons, who adopt decisions of the stakeholders, experts, members of social organizations etc.
Viability	The basis of providing viability is to keep proper balance and consistency of internal components of the Strategy (goals, actions). Another way of providing viability is to develop comparative advantages determined according to the SWOT-analysis results (developing of opportunities that soften evident flaws and drawbacks). Besides, we apply the matrix of weak points and threats to detect the synergy links between them that can negatively affect the viability (for risk management).
Integration	It was provided in two ways: 1) integration of common local needs on regional level based of territory and content. It means that achieving any regional goal will also show on the local level. Integration is possible due to active participation of stakeholders. 2) integration as a multidimensional plan of development of high-priority sectors and areas of activity ensures elimination of conflicts and negative effects. In such a way integration provides focusing on compatibility and synergy of actions.
Innovation	Applied as a principle in the process of projects identification and mostly concerns suggested approach and the most efficient using of available resources.

The hierarchy of strategic plans	Strategic plans of higher level have more general character and lay the foundation for lower level actions to be determined.
The institutional memory	Creation of the project of the Strategy was based on the results achieved during development of previous strategic documents, in particular, the Strategy of Cherkasy regional development till 2015.
Subsidiarity	Determination of the strategic actions, starting from the lowest level (based on the local communities needs), was carried out using the resources of regional development.

STAGES OF THE STRATEGY DEVELOPMENT

1. Organization of the work

Workgroup (WG) is a group of people that create the strategic plan of regional development. During the sessions WG present and discuss all areas of work and adopt appropriate decisions. In order to arrange narrow specialization discussion they conducted focus-groups work (consisting mainly of WG-members).

2. Implementation of socio-economic analysis and SWOT-analysis

The starting point of the process of the Strategy development is statistics inventory. The strategic analysis is more important than examination of statistics indexes, as it implies estimation of structural, political, economical and social conditions. In this meaning quantitative and empirical aspects have close relation to qualitative aspects.

Considering Cherkasy region specificity socio-economic analysis, comparative advantages, challenges and risks are the basis of the strategic planning. They combine regional needs and ways of problems solving.

After analysis of the situation we commenced the potential analysis of Cherkasy region. This work was based on the SWOT-analysis. In practice WG defined strengths of the region, ways of development, weaknesses and external threats. During the sessions WG conducted brainstorming aimed at defining the synergetic interaction of factors within each SWOT-analysis components which was aimed at defining of strategic orientation, comparative advantages and providing of risk-management.

Detected strong and weaknesses, opportunities and threats set the clear view of the current situation, problems and potentials of the regional development, and therefore become a bridge between socio-economic analysis and the Strategy. Moreover, the orientation of the Strategy and the main components of the strategic goals become evident in the end of this stage.

The results of the implementation of the stage are the following: 1) The socio-economic analysis of Cherkasy region; 2) SWOT-analysis and SWOT-matrix; 3) Comparative advantages, challenges and risks of the region; 4) the scenarios of regional development.

External and internal analyzes provide defining of main problems of the of the economical regional development and together with the Regional Profile data serve for the formulation of the strategic directions and goals of development till 2020.

3. Defining of the strategic Vision

WG define the strategic Vision of the regional development. The Vision is an expected status of the socio-economic system in the future that can be indicated by the specific date. The correct formulation of the Vision with precise indication of components of the general goal of development is very important for the successful implementation, further monitoring and estimation of its fulfillment.

The strategic Vision reflexes the status of the region achieved as the result of the Strategy implementation and shows that very specific result expected to happen in future.

4. The formation of strategic and operational goals with appropriate actions

The strategic goals were determined in the most general features at least for 6 years. This term was defined to create the strategic platform for cycles of implementation with duration of 3 years each and to avoid necessity of repeating the process of the strategy development for interim period and checking the plans viability in the long-term prospect. The strategic goals were determined on the basis of comparative advantages of the region taking into account the challenges, and possible obstacles and risks during the development.

Operational goals were determined as landmarks during achieving of the strategic goals that imply the implementation of necessary actions.

These actions were determined in order to achieve appropriate strategic goals till 2020. Mentioned actions of the strategic goal are bound to the operational goals in order to form the precise structure of all components of the Strategy. In general, actions constitute the combination of the regional actions (development projects) and reforms which create the basis for the further development of the potential and achievement of goals.

The most important result of the process of the Strategy building is: responsibility for Strategy at the regional and local levels, improving of partner-groups capacity, their accountability and responsibility for implementation.

The creation of the Plan of the Strategy implementation also begins at this stage. The Plan is based on the determined strategic and operational goals (after their adoption). Working subgroups coordinate specific actions that should be taken in order to reach the general and specific goals. Tasks imply defining of group members liable for terms of the implementation and defining of the necessary resources. The Plan of the implementation is developed according to each strategic and operational goal and submits «the goals tree». It is formed by the «general-to-specific» principle and bears the high level of detalization.

5. The public discussion and adoption of the Strategy

Having the Strategy and the implementation Plan developed WG initiate public auditions (or other forms of public discussions). After

a public discussion the revised Strategy is submitted and adoption to Cherkasy regional Council as the main document with the defined policy of the economic development of Cherkasy region.

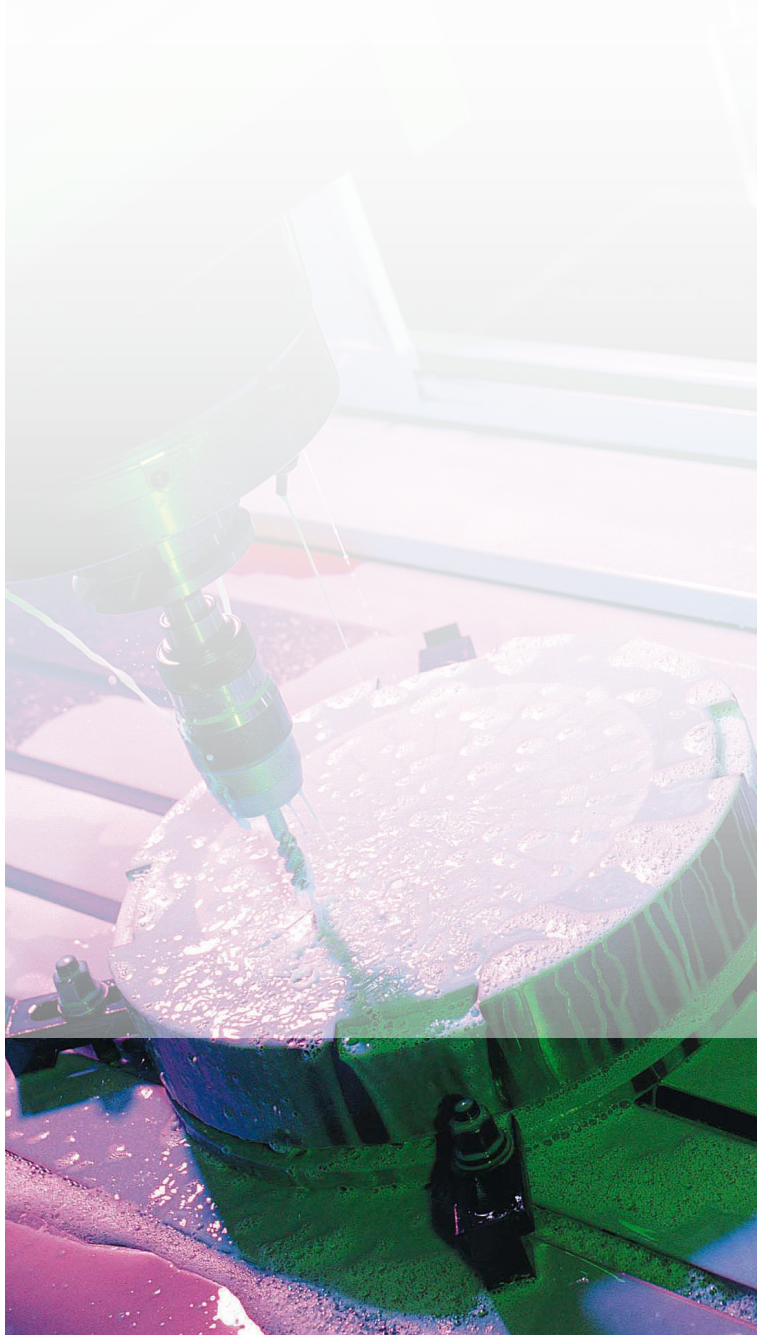
6. Monitoring and implementation

It is necessary to create the system of monitoring of its implementation in order to provide the appropriate level of responsibility for the Strategy implementation. Such a system should include the Monitoring Authority, the Document (Regulations) about the system of monitoring of the Strategy implementation.

In general, the Strategy is the basis for its implementation through projects of regional development that emerges from the operational goals of the Strategy, and the base for adoption of administrative and budget decisions in the areas of regional development.



SUMMARY OF THE REGIONAL SOCIO-ECONOMIC DEVELOPMENT



Cherkasy region was founded on January 7, 1954.

Cherkasy region is located in the central forest steppe part of Ukraine, in the middle reach of the Dnipro and Southern Bug. It borders on Kiev region in the North (340 km length), Poltava region in the East (212 km length), Kirovohrad region in the South (388 km length) and Vinnytsia region in the West (124 km length).

3.1. GENERAL CHARACTERISTICS OF THE REGION

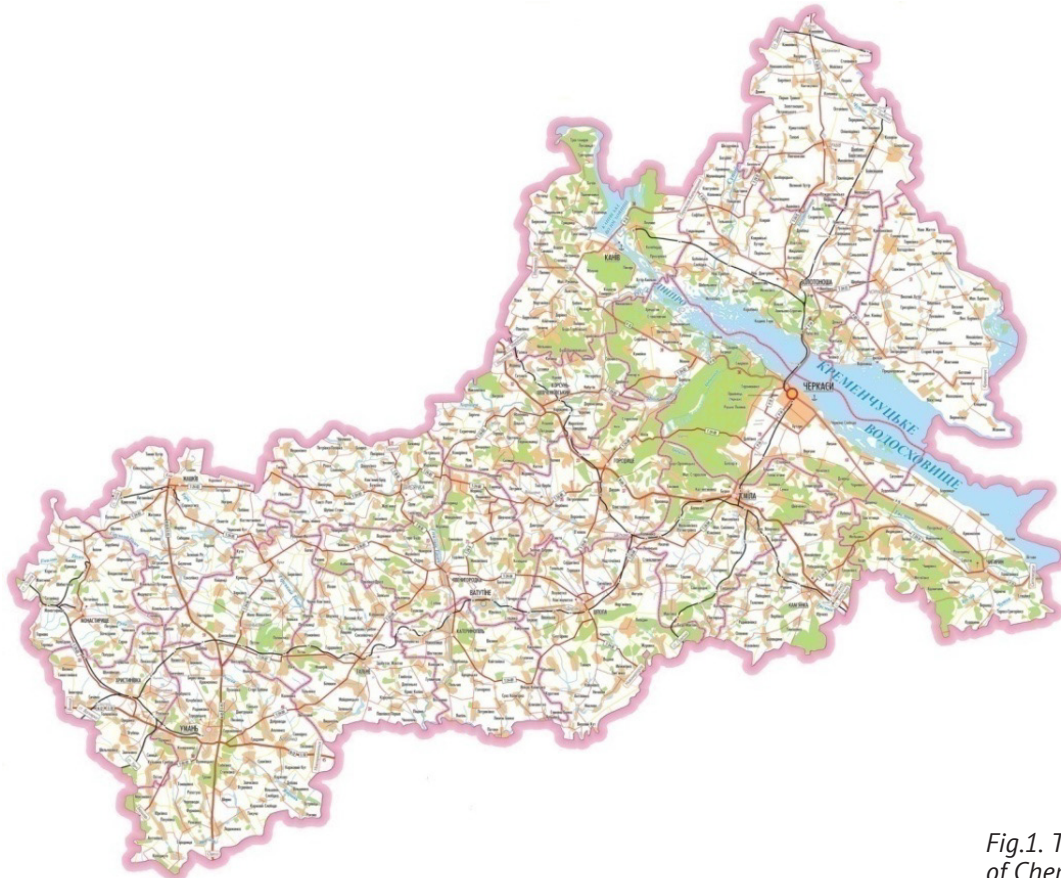


Fig.1. The map of Cherkasy region

Cherkasy region area is 20.9 thousand sq. km. It is 3.5 % of the territory of the State (18th place in Ukraine). The population is 1,259.9 thousand people.

The region is mainly flat and conditionally divided into two parts: right-bank and left-bank. The vast part of right-bank is located within the Dnipro Upland with the highest top of the region 275 m above sea level (near Monastyryshche). On the adjoining part of the Dnipro we can find Irdyn-Tyasmyn swampy lowland and Kaniv hills. The left-bank part of the region has lowland relief as it is situated within Dnipro Lowland.

According to the political division the region consists of 20 districts, 6 cities of regional subordination (Cherkasy, Vatutine, Zolotonosha, Kaniv, Smila, Uman), 10 cities of district level, 15 urban-type settlements, 824 rural settlements.

The most populated localities within the region are the following cities: Cherkasy (286th. people), Uman (86 600 people), Smila (68 700 people), Zolotonosha (29 300 people) and Kaniv (25 300 people).

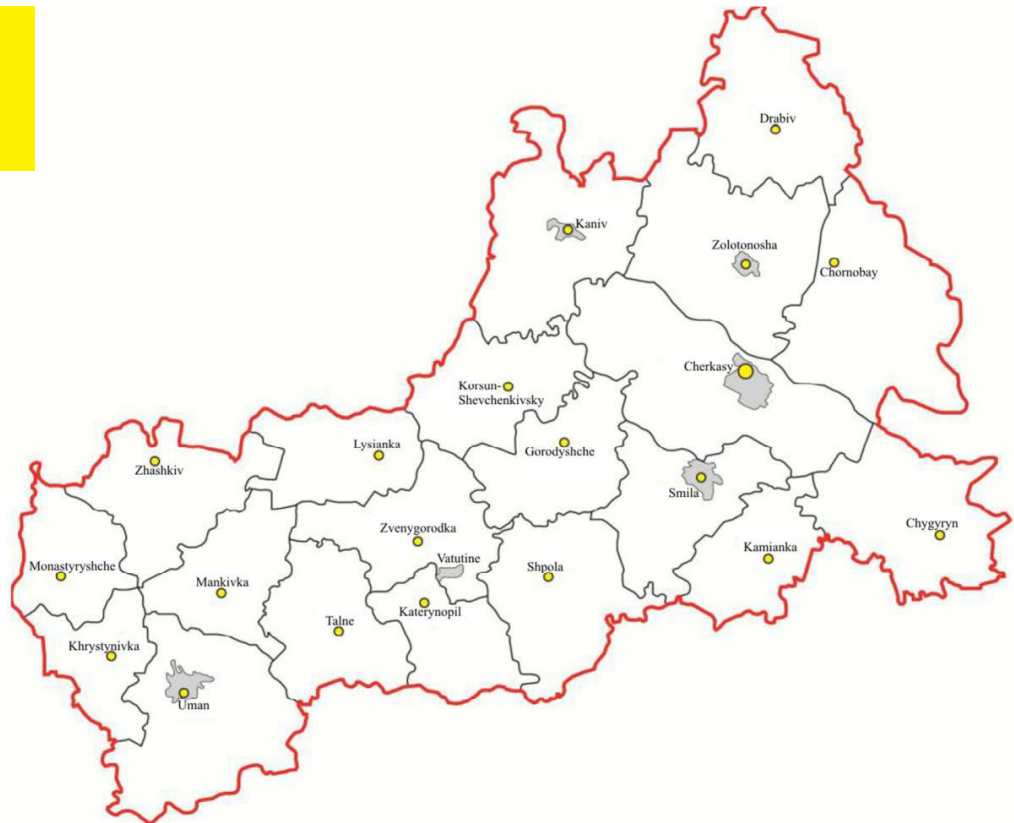


Fig. 2. The political division of Cherkasy region

Part of the region refers to the zone of radioactive contamination in consequence of the Chernobyl accident. This part includes 4 localities listed to the unconditioned zone of obligatory resettlement, 99 localities listed as the zone of guaranteed voluntary resettlement.

3.2. NATURAL RESOURCES OF THE REGION

Cherkasy region has temperate continental climate that means mild winter with frequent thaws, warm summer. All this is favorable for the development of agricultural production.

The agricultural area makes up 1,486.9ths.ha of the 2,091.6ths. ha of the general area of Cherkasy region. The farmland makes up 1,450.8ths.ha of the general area of the region (69.4% of the region area). The agricultural land is of 338,600 ha. The built-up land of the region makes up 84 500 ha. There are 15 500 ha of open land with no vegetation or with a slight one. 138,800 ha are under water. Open swampy land makes up 30,400 ha.

The soil cover is mainly formed of typical black and heavily degraded soils that occupy 53.7% of the soil. Thereby, the region has the strongest background for the organic agricultural production development.

The area of the region has deposits of fossil fuels, ore (metallic), non-metallic minerals and mineral waters.

The region is rich in non-metallic minerals (granite, clay such as bentonite, kaolin), quartz sand. The stock of coal and peat is the main fuel resource of the region.

In Cherkasy region, there are 257 mineral deposits including 250 of local importance and 7 deposits of the State importance.

The forest of the region is of flat type and is listed to the forest

steppe zone. In general, the climate of the region is favorable for growing of a wide range of tree and shrub species and, first of all, high-performance oak and pines.

Cherkasy region is located in two main Dnipro and Southern Bug river basins: the Dnipro basin is 12 000 sq. km. and Southern Bug basin is 8 900 sq. km. The density of the river network is well-developed and makes up 0.2-0.54 km./sq.km.

CHERKASY REGION

GEOLOGIC MAP. MINERAL AND RAW MATERIAL RESOURCE OBJECTS

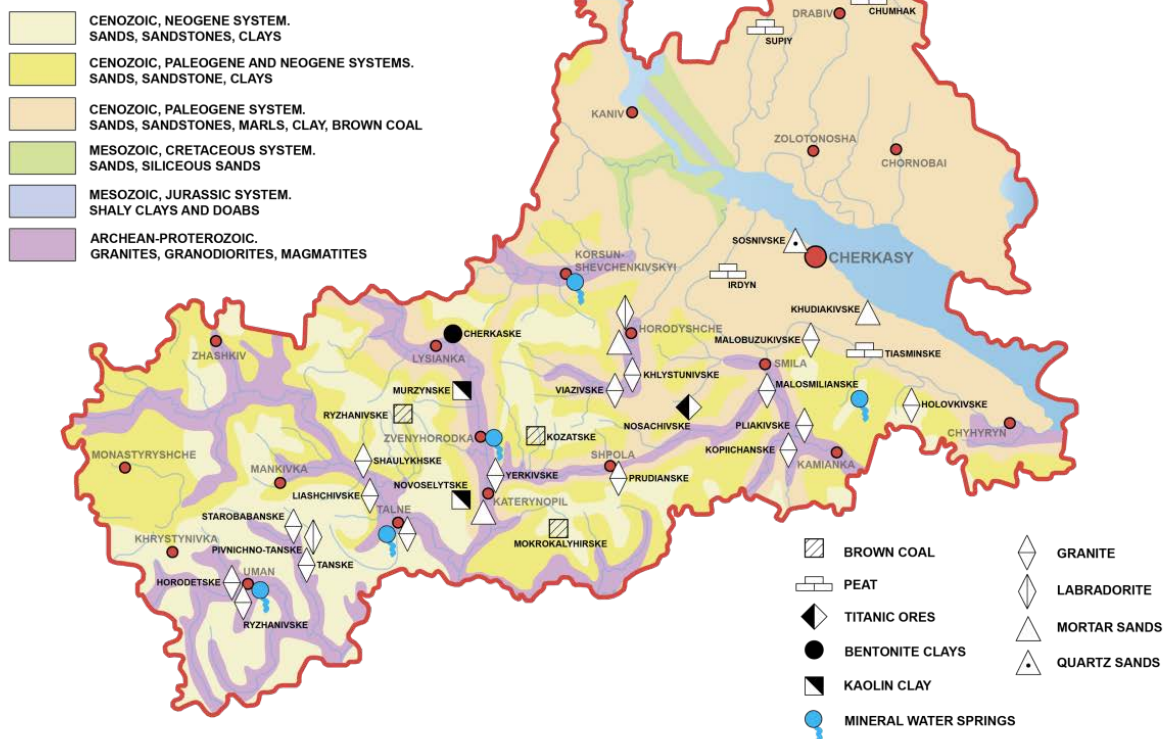


Fig.3. Map of mineral and raw material resource objects of Cherkasy region

The biggest reservoir is located on the Dnipro. It is Kremenchug Reservoir with the general area of water surface of 2 252 sq.km and the full capacity of 13,520 million cu. m.

Natural areas of the region make up 527 territories and objects of Nature reserve fund.

Public accounting includes 9,078 historical monuments, of which: 7,169 in archaeology, 1,552 in history, 184 in architecture, 173 in monumental art. 93 monuments are of national importance and the rest are of local importance.

On the territory of Cherkasy region there are 9 national and state history and culture and natural funds, and National arboretum «Sofiyivka».

Since the formation of Cherkasy region, the population had been increasing and fetched up its top figure of 1,531.6ths. persons in 1990. As of 01.01.2014 this number makes up 1,259.9ths. persons of which 712.4 (56.5%) live in urban localities and 547.5 (43.5%) live in rural settlements. The population density of the region is 60.3 people per sq.km.

3.3. DEMOGRAPHY AND WORKFORCE

Despite some improvement the demographics stays complicated. The general birth rate (9.6‰) is lower than average in Ukraine (11.1 ‰), and mortality rate is one of the highest in the country (in the region 16.2‰, in Ukraine – 14.6‰).



Fig.4. The total birth rate in Ukraine in 2013 (per 1 thousand of population)

The determinative factor of population decrease is natural reduction. During 2013 the number of population decrease by 8,900 people (by natural reduction population decreased by 8,400 people, by migratory reduction it decreased by 500 people).

According to Ukrainian Population Census the portion of Ukrainians in the ethnic composition is 93.1%, so Cherkasy region is mono-national.

The gender structure of the population is characterized by women prevailing under men. As of 01.01.2014 the number of woman fetched up the number of 681,900 people (54.3 of the general amount of the resident population), the number of men reached 574 400 people (45.7%).

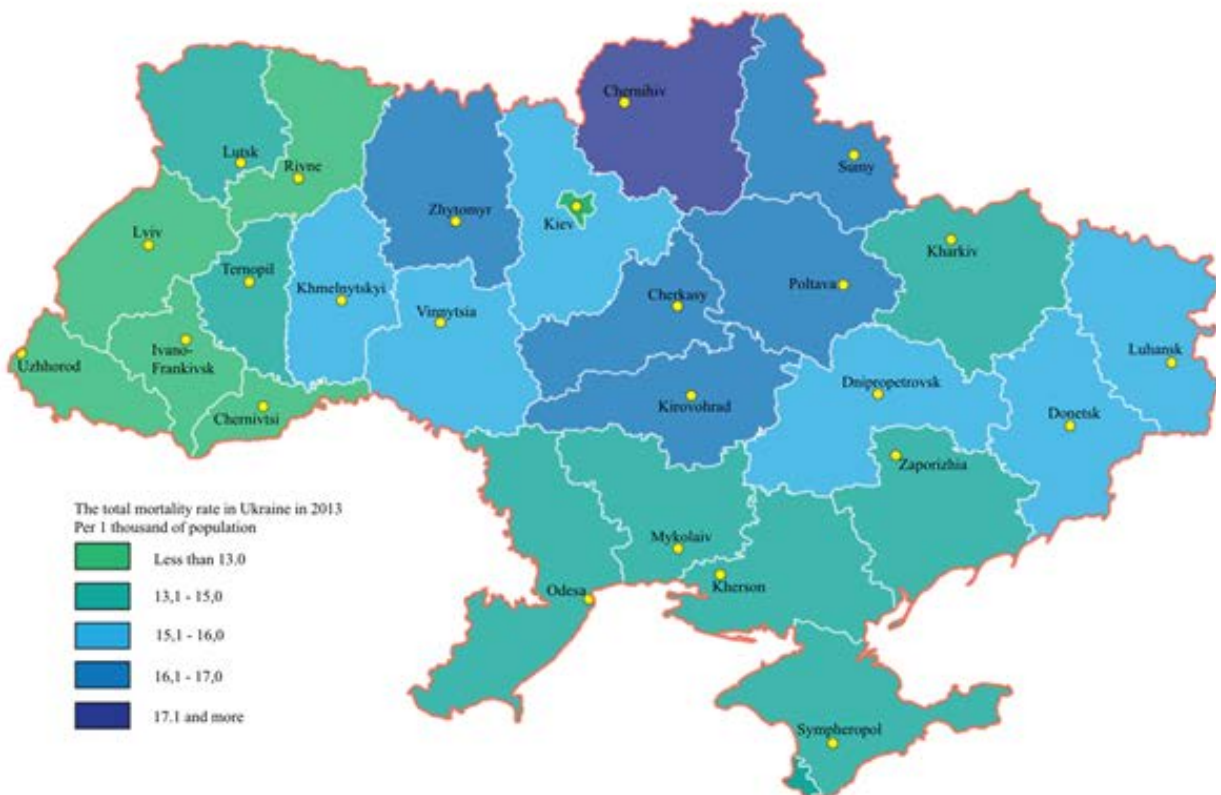
The average age of the region is 42.1 that is higher than the average age in Ukraine (40.6).

During the last five years the level of employment of people at the age of 15-70 grew from 57.3% in 2009 to 59.9% in 2013.

According to the methodology of the International Labor Organization, the level of unemployment of people at the age of 15-70 in the region decreased by 1.9% (from 10.8% in 2009 to 8.9% in 2013).

Cherkasy traditionally contributes to the development of the system of scientific staff training. There are 8 institutions of

higher education of III-IV levels of accreditation, 23 educational institutions of I-II levels of accreditation (5 universities, 3 institutes, 17 colleges, 2 specialized schools, 4 technical colleges).



Two universities are of national importance. At the beginning of 2013-2014 academic year in the higher educational institutions there were 44,500 students: 33,700 students in the institutions of

Fig.5. The total mortality rate in Ukraine in 2013 (per 1 thousand of population)

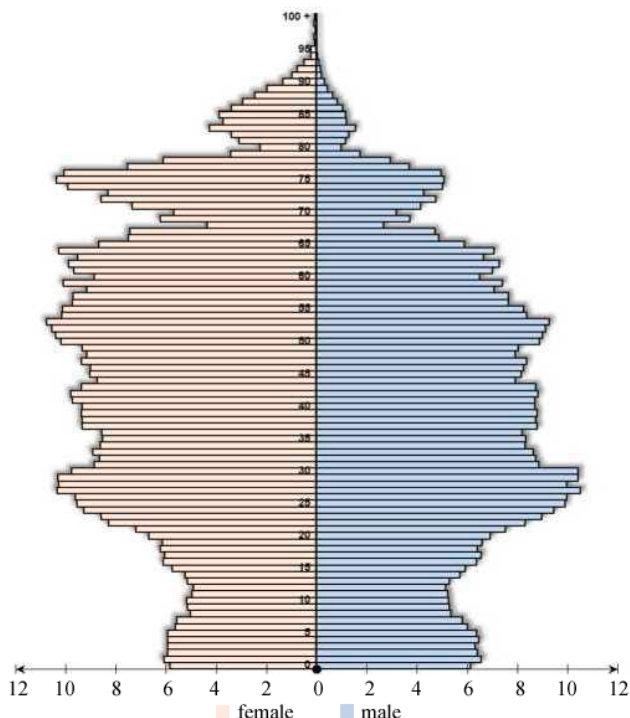


Fig.6. The division of sustainable population of the region by gender and age

Services of passenger traffic in the region are provided by 32 companies, serving 375 routes and 64 private entrepreneurs, serving 176 routes. Passengers have the opportunity to use the services of one bus terminus, 30 bus stations and hundreds of bus stops, which are located in the rural settlements and along the bus routes of public use.

The services of railway transportation in the region are provided by the Shevchenko management of railway transportation of the Odesa Railway, Kozyatyn and Darnytsya management of transportation of the South Western Railway.

River transport is an important sector of the economy that has a great potential in the region, especially in combination with other branches of transport (air, road, river). The region hosts 150 kilometers of operating navigable river ways.

Unfortunately, the field of air transport is in decline. However, during 2010-2014 Cherkasy Airport is saved, which allows its full rehabilitation. The capacity of runway allows taking cargo aircraft IL-76.

THE ENERGY SECTOR

The actual production of electricity in 2013 in the Cherkasy region was 2,1 bln. kWh. when consumed 3.1 billion. kWh. The biggest part was produced by the Kaniv HPP (55.7%), the second powerful energy company is Cherkassy CHP which produced 40.2%. Cherkasy region is in the list of regions of Ukraine with energy shortage.

CHERKASY REGION
LOCATION OF POWER GENERATING CAPACITY OF THE CHERKASY REGION

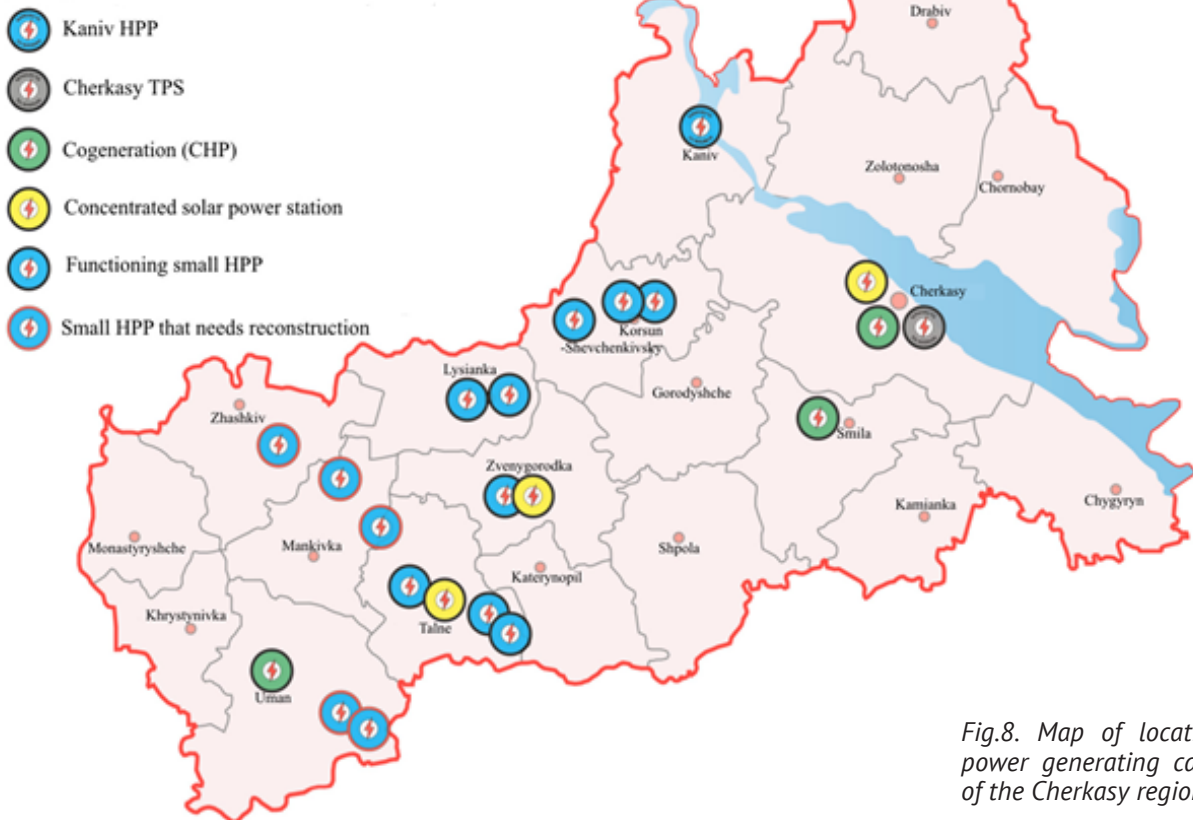


Fig.8. Map of location of power generating capacity of the Cherkasy region

Today, the existing power supply system in the region does not meet the reliability.

Cherkasy region is among the five regions of Ukraine (together with the Vinnitsa, Zhitomir, Khmelnytsky and Poltava), where there are the most of existing small hydropower plants.

Since 2011, three solar power stations (SPS) were commissioned. There also are 6 cogeneration plants in the region.

HOUSING AND UTILITIES

In Cherkasy region district heating services are provided by 19 thermal power plants.

There are 162 boiler houses: 130 local council boilers and 32 departmental boiler houses. 471 boilers are operated in the field of municipal heating boiler houses. 91% of boiler plants is running on natural gas.

The length of heating networks in double pipe calculation is 550.4 kilometers.

Losses in heating system pipelines are 13%. Total depreciation of heat networks in the region is 70 percent.

The length of water supply networks area is 4 015.8 km, of which 853 km (21.3%) is in disrepair. In 2014 the emergency network were decreased by 2%. Water sector facilities operate 528 pump units, 198 units of which (38%) are in emergency state and require replacement.

Water in most areas is from the underground sources, though, in Zvenyhorodka and Korsun-Shevchenkivsky it is taken from the open water reservoirs and in Cherkasy and Uman there is mixed water supply system.

The quality of drinking water in nine areas of the region (in Zolotonosha, Vatutine, Kamenka, Horodyshe, Chyhyryn, Talne, Katerynopil, Chornobay, Mankivka) does not meet the requirements of State Standards «Hygienic requirements to drinking water intended for human consumption» 2.2.4-171-10. Year after year, the terms of permits of its supply with deviation from the existing standard are prolonged but measures to improve this situation are not carried out due to the large financial costs for their implementation.

The length of sewerage networks of the region is 1 166.5 km.

Total housing area of the region is 34 077.0 ths. sq.m.

Today in the region there are 445 registered condominiums, representing 11% of the total amount of multi-storey buildings.

CONSTRUCTION

There are 702 construction companies in the region. In 2009-2013 these companies made construction works which cost 3 312.2 million UAH and put 7267 facilities into operation.

In 2013 the amount of put into operation housing was 129.7 ths. sq.km of total area. According to the pace of putting the dwellings into operation (in 2013) the region took the 6th place among the neighbor-regions and some regions which belong to the same region typology.

87.1% of the total housing in cities and districts of the region is made by individual developers, indicating a slight amount of multi-family housing construction.

EDUCATION

At the end of 2013 the total number of educational institutions fetched up the number of 1,460 units – 30 higher (8 – III-IV levels of accreditation and 22 – I-II levels of accreditation), 23 vocational, 659 secondary, 55 establishments of additional education of children and 693 pre-school educational institutions.

The percentage of coverage of all forms of pre-school education for 3-7-olds has increased from 70% in 2009 to 97.7% in 2013 (27.7%).

At the end of 2013 642 secondary schools functioned in the region, which enrolled 109.3 ths. students (in 2009 – 685 secondary schools and 125.5 ths. students).

Today there are 87 educational districts in the region (during 2009-2013 there were created 58 educational districts) where the supporting educational institutions introduced an appropriate educational material base.

In 2013, educational institutions have been provided with 11 053 computers. All of the educational institutions of the region are connected to the Internet.

The students' transportation to place of study is provided by 168 school buses.

Since 2009 the network of establishments of additional education for children has been reduced from 57 in 2009 to 55 in 2013. Also there are 22 boarding schools.

Vocational education of the region during 2009-2013 is represented by 23 public vocational education institutions.

140 professions were licensed by vocational education institutions of the region in 2013 (in 2009 – 121 professions). Training of workers was conducted by a combination of 421 of the aforementioned professions (2009 – 408 professions).

Buildings of Education Fund are mainly in satisfactory conditions. 26 objects of the Educational Fund have been built or restored in 2009-2013.

HEALTH

Medical care in the region is currently available in 250 medical institutions and their separate structural units, 226 of which provide outpatient care, and in 540 obstetric and paramedic stations. The renovation of medical equipment in health facilities is relevant.

A consistent work on the development of primary health care based on general practice of family medicine is carried out. In the last five years there 40 new ambulatories of general practice and family medicine were started.

A municipal institution «The regional center of emergency medical care and disaster medicine of Cherkasy regional council was created in the region. This is the separate and the only legal entity responsible for pre-hospital stage of emergency medical care in the region.

On the basis of offices of the municipal institution «Cherkasy Regional Hospital of Cherkasy regional council» there was created thoracic regional center and regional center of dental surgery. As part of the therapeutic department of the municipal institution

«Cherkasy Regional Hospital for disabled veterans of Cherkasy regional council» there was created the Rehabilitation Center for participants of anti-terrorist operations where 50 beds can be fit. The reconstructed clinic and emergency department and new-built intensive care unit Kaniv central district hospital was opened in Kaniv.

The provision of ambulance crews in the region is on average 0.79 to 10 ths. population to a standard 0.7.

During the period of 2009-2013 the health budget increased by 506.1 million. UAH (by 40%) and in 2013 amounted to 1 273.5 million. UAH

The level of staffing of family doctors regular appointment by legal entities is low and in 2013 amounted to 68.6%.

General and primary morbidity of the entire population of the region, including rural areas, in general and in all age groups in recent years has tended to decline.

Index of availability of beds in the hospitals of the region is almost at the average level (80.5) and is 81.0 to 10 ths. population.

CULTURE

740 libraries, 740 cultural centers, clubs, centers of culture and leisure, 38 primary specialized art schools, 2 higher artistic educational institutions of I-II levels of accreditation, 2 theaters, 2 concert facilities and 105 cinema facilities are functioning today.

Providing of the population with club and library facilities meets current standards. But in general, the network of cultural institutions and the approach to work and management of socio-cultural development need improvement to provide equal access for the regional residents to cultural values and to create favorable conditions for creative development. To solve these problems will favor the development of other areas of economic and social life, including the growth of the tourism industry.

SOCIAL SECTOR

Social services in the region are provided in 27 regional centers.

As of 01.01.2014 176.3 ths. families (by 33.6 ths. families more than in 2009) realized their entitlement to state social aid.

The total amount of charges of different types of state social aid for 2013 amounted to 1 194.4 million UAH (by 710.8 million. UAH more than in 2009).

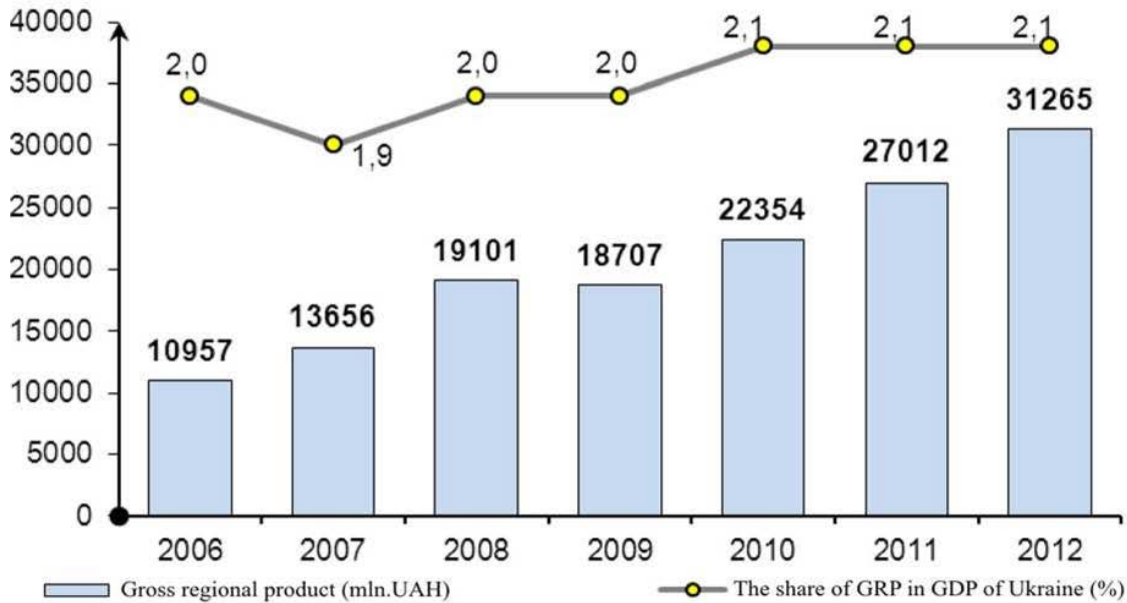
Today Cherkasy region is home to about 500 ths. citizens who according to the current law use privileges for housing and communal services, fuel, reduced fare.

Index of coverage of orphans and children deprived of parental care by family education increased from 73.7% in 2009 to 88.4% in 2013 (by nearly 15%).

The index of physical volume of GRP (in comparative prices) for 2012 was 100.9%, which exceeds the Ukrainian average index by 0.7%. In per capita this index is 24,558 UAH.

By the structure of the economy Cherkasy is industrially-agrarian region. The share of industry in the structure of gross value

added is 23.9% (including 0.7% – mining industry), the share of agriculture – 21.8%, wholesale and retail trade, repair of motor vehicles and motorcycles, temporary accommodation and catering – 13.3%, transport, storage, postal and courier activities, information and communication – 8.2%, education – 7.5%, public



administration and defense, compulsory social insurance – 5.3%, health care and social assistance – 4.4%.

Fig.9. Gross regional product area and its share in GDP Ukraine

THE INDUSTRIAL POTENTIAL

The industry of Cherkasy region is represented by more than 550 major enterprises. In a cutaway of economic activities the foundation of regional industry production is manufacture of food products, beverages and tobacco products – 50.6%, chemicals and chemical products – 16.5%, supply of power of steam and air conditioning – 12.7%, engineering, except repairs and installation of machinery and equipment – 5.2%.

By results of 2013 the volume of industrial production was 30.7 billion. UAH (2.5% of the national volume). By results of 2013 according to the volume index of realized industrial production per capita the region takes the 9th place among Ukraine's regions.

Cherkasy region has formed a strong potential of food industry, represented by more than 80 major companies. The region produces nearly one third (32%) of the national volume of poultry meat, almost 44% – alcoholic beverages, 13% – fat cheese.

Chemical industry is the leader in the production of fertilizers in national volumes: 17.2% – urea (carbamide), 37.9% – ammonium nitrate (saltpeter), 17.5% – anhydrous ammonia. The production activity in the area is carried out by 9 companies. The head of the industry is OJSC «Azot», employing more than 4 300 workers, with the share in sales volumes is about 90%. More than 28% of its products is sold in foreign markets.

Engineering is a strategically important sector of the regional industry, which includes 30 companies. In 2013, the automobile industry produced: passenger cars – 12.9%, trucks – 22.6%, buses – 15.6% (of the national volume).

In recent years in almost 40% of industrial production are being provided by five largest industrial enterprises: OJSC «Azot», Pr-JSC «Myronivka Poultry», OJSC «Cherkasyoblenergo» separate unit «Cherkasy HPP» JSC «CherkasyKhimvolokno», AU «Automobile Assembly Plant №2» OJSC «Automobile Company «Bogdan Motors».

The high degree of depreciation of fixed assets in the industry (from 40% to 90%) leads to reduce the competitiveness of products in domestic and foreign markets. Meanwhile, in the territory of Cherkasy region there remains a significant amount of unused space that could be a potential reserve for the industrial potential increase.

AGRO-INDUSTRIAL COMPLEX

Agro-industrial complex of the region has potential for the growth of gross agricultural production, and providing the population with quality food products.

Agricultural production is carried out by 835 agricultural enterprises which cultivate 65% of the total area of arable land, 1 208 farms, which have in use more than 139 ths. ha of arable land.

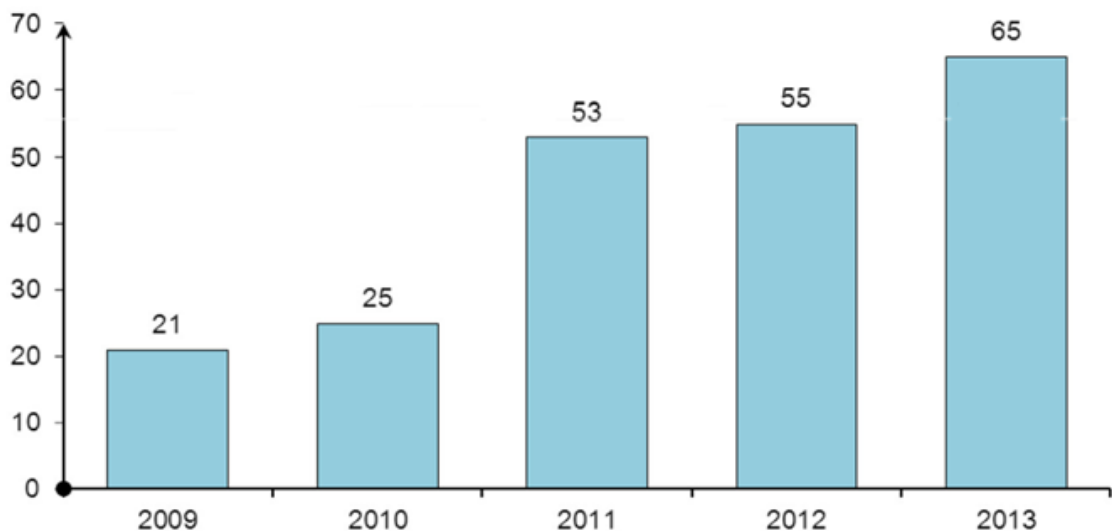


Fig.10. The dynamic of creation of agricultural service cooperatives in the region

Over the past five years, agriculture in Cherkasy region is being characterized as profitable.

In 2009, the total net income of agricultural enterprises amounted to 698.7 million. UAH, in 2010 – 811.2 million.UAH, in 2011 – 1 434.3 million.UAH, in 2012 – 1798 mln.UAH, in 2013 – 761.2 million.UAH.

Per capita of the region there is 1.6 ha of agricultural land and 1.1 ha of arable land, which is by 64% more than the average in Ukraine.

The volume of gross agricultural output over the last five years increased by 3,137 mln. UAH and for 2013 it is 14.9 billion UAH. In

the structure approximately 39.6% comes from livestock and 60.4% from the plant growing.

In the production of agricultural products per capita Cherkasy region takes the 1st place in Ukraine.

In the region there has been conducted work concerning the creation of agricultural service cooperatives.

Thus, in 2009 there were 21 ASC, in 2010 – 25 ASC, in 2011 – 53 ASC, in 2012 – 55 ASC, in 2013 – 65 ASC.

Grain crops (50%) and industrial crops (29%) prevail in the structure of sowing, potatoes and vegetables make up 6%, fodder crops – 9%.

While analyzing vegetable and potato industry, there is the stable production of 329-350 ths. tons and 750-800 ths. tons respectively. The highest yield capacity of fruits was observed in 2012 – 161 900 kg / ha of potatoes, in 2011 – 155 600 kg / ha.

For receiving the harvest of grain crops in the region, there are 32 crops receiving companies with a total capacity of about 1.8 mln. tons and stocks of agricultural crops with a total capacity of 1.3 mln. tons.

At the same time there is insufficient level of development of the agricultural sector infrastructure – fruit and vegetable warehouse, infrastructure of wholesale etc.

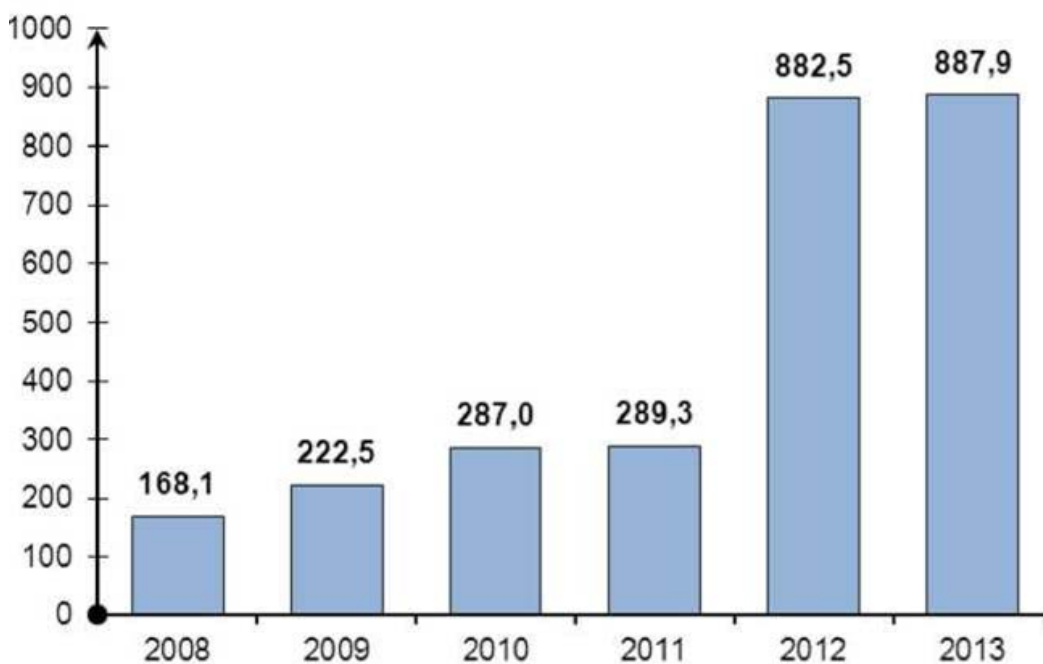
It is worth noting that in Cherkasy region there is a wide range of institutions that perform scientific and technical work in the field of agro-industrial complex.

INVESTMENT ACTIVITY

In recent years the main source of capital investments financing is own funds of enterprises and population funds.

The largest share of capital investments in the region's economy during 2013 was placed in the industry – 1 133.3 million. UAH (33.2%) and agriculture, forestry, fisheries – 1 042.6 million. UAH (30.5%).

Fig.11. The total amount of foreign direct investment in the regional economy, mln. USD



Territorial structure as well as the branches investing structure of the capital investment is uneven. At Kanev, Katerinopil districts there is no foreign investment.

For 01.01.2014 foreign direct investment amounted to 887.9 million. USD that does not meet the potential of the region (by 0.61% more investment than at the beginning of 2013), or 705.9 USD per capita.

FOREIGN ECONOMIC ACTIVITY

During 2009-2013 the foreign trade turnover increased 2.2 times and took place expansion of trade scope to the 116 countries, with which the region has foreign economic relations.

However, in 2009-2013 due to the actions of Russian Federation that concerned complications of the import of Ukrainian products, foreign trade cooperation between enterprises of the two countries tends to decrease.

In recent years, export of goods and services in Cherkasy region increased. 2009-2013 is characterized by the increasing exports due to the following groups of goods: grains, fats and oils of animal or plant origin, machinery and equipment. At the same time there was a decrease of exports of the main export product of the region – fertilizer (10%).

Currently, there is a gradual shift from the traditional market of Russia toward the countries of the European Union.

CONSUMER MARKET

The growth rate of retail trade in 2013 amounted to 108.8% (in Ukraine – 108.7%). However, despite the high level of development of the consumer market in the region, the main problem, typical for the most regions of the country, is the improvement of the system of commercial services, especially in rural areas.

The infrastructure of the commercial and restaurant trade network of the region has about 9.5 ths. objects of all types of property, of which 71% – shops and drugstores, 16.7% – kiosks and gas stations, 12.3% – restaurants facilities. If compared to 2009, commercial network in 2013 increased by 830 units (by 11%).

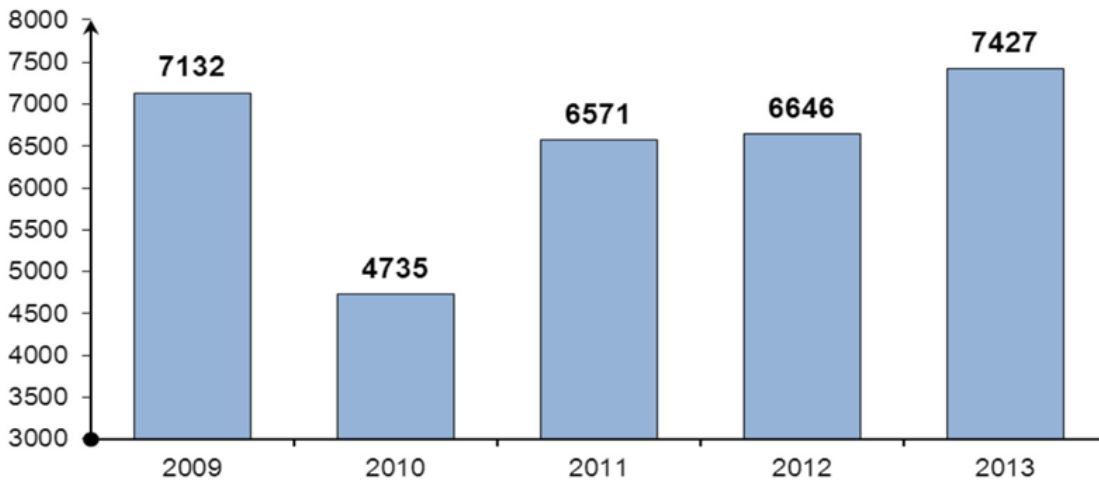
A significant part in fulfilling of needs of the population in goods belongs to markets, which share in the total sales of consumer goods is more than 30 percent.

The provision of the total sales enterprises area for the population – legal entities and individuals in 2013 was 345 sq. m. per 1 000 people, that exceeds the standard (323 sq. m. per 1 000 people).

ENTREPRENEURSHIP

According to the results of 2013 in the region there were 7 427 functioning small businesses, which employed 45 000 people. In addition, the region recorded about 53 000 individuals-entrepreneurs.

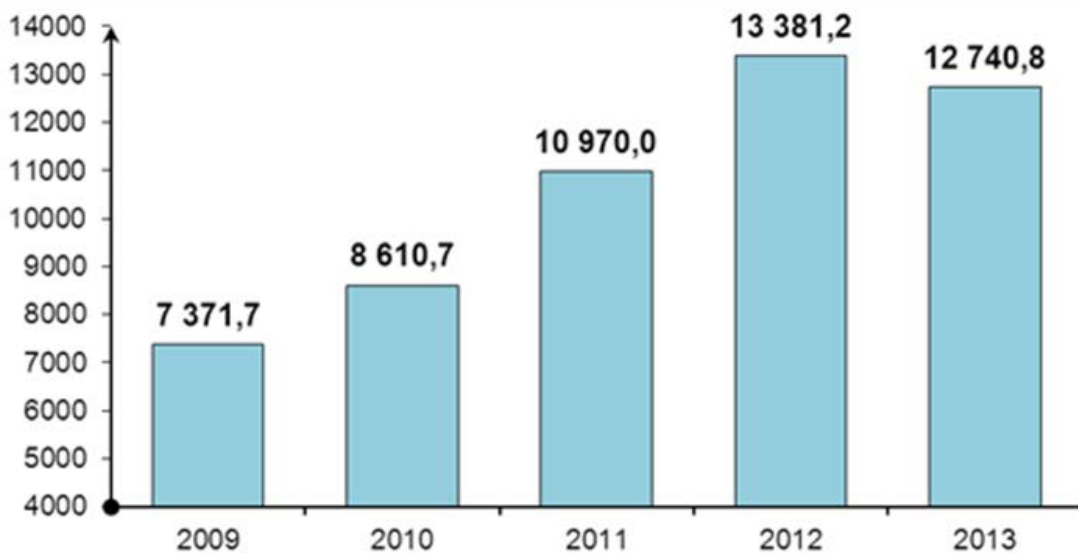
Since 2011 there has been a tendency of increasing the number of small businesses. Their number increased from 6 571 units in 2011 to 7 427 units in 2013 (by 11.5%).



During the period of 2009-2013 there was the growing number of small companies to 10 ths. of present population from 43 companies in 2010 to 59 companies in 2013 (by 27.1%).

Fig.12. The number of small regional companies in 2009 - 2013, units

The sales of products (goods and services) of small enterprises fetched up 12.7 billion. UAH that is 21.1% of total sales.



As in previous years, the structure of main economic activities of small enterprises is dominated by wholesale and retail trade, repair of motor vehicles and motorcycles. However, while in 2009 55.6% of small enterprises was occupied in this area, by the end of 2013 their number was 25.5%. The number of small enterprises in agriculture, forestry and fisheries increased from 10.9% in 2009 to 23.2% at the end of 2013.

Fig.13. Sales of products (goods and services) of small enterprises of the region in 2009 - 2013

TOURISM

The region has 207 registered travel agencies, including 19 tour operators. There are 76 hotels and 758 restaurants facilities, 3 tourist information centers.

Over 2013 historical and cultural sites of the region were visited by more than 700 ths. tourists and sightseers, which is 25% higher than the previous year index.

However, the development of the tourism industry of the region does not correspond to its tourist and recreational potential, since there are historical and cultural reserves, monuments of history and architecture. The number of tourist to the region is increasing very slowly.

In recent years the tendency of increase in revenues to budgets of all levels was introduced in the region.

The main source of own revenues of local budgets is tax on personal income, which is nearly 75%.

In terms of the budgetary provision per capita (1694 UAH) Cherkasy region is in better conditions than its neighbours (Kirovograd – 1670 UAH, Vinnitsa – 1491 UAH).

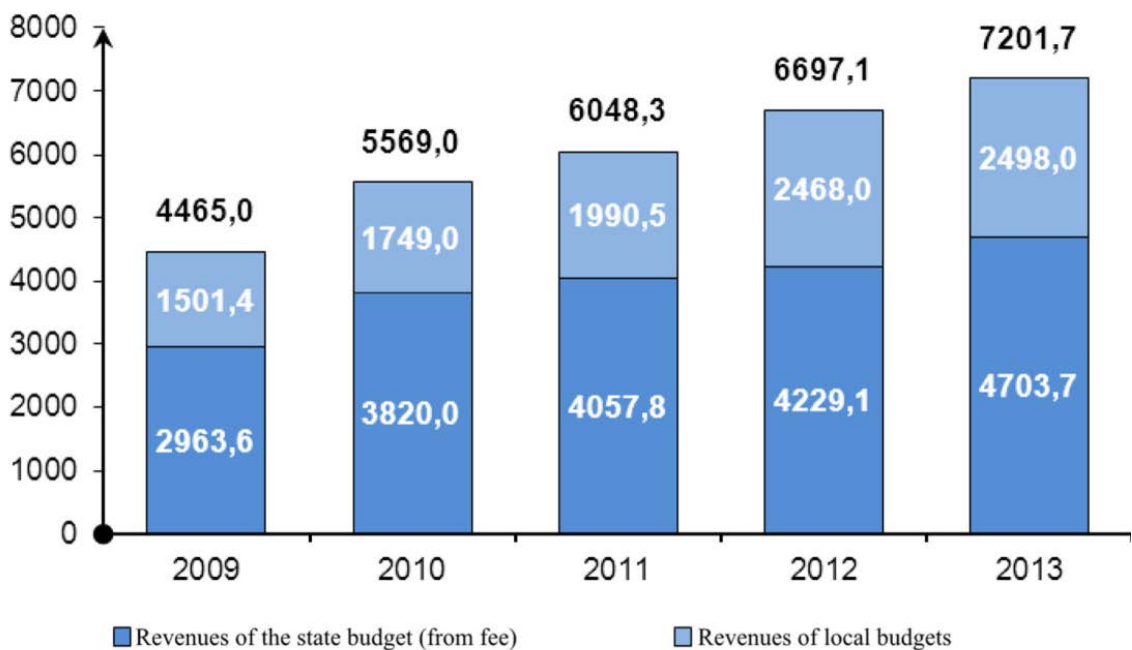


Fig.14. Dynamics of revenues to budgets of all levels in the region, mln. UAH

Over the past five years the proportion of budget allocation among the territories of the region has slightly changed. While in 2009 the own revenues to budgets of 6 cities of regional importance exceeded revenues to budgets of 20 districts by 83.8 million. UAH. (15.9%), in 2013, budgets of districts received revenues by 69 mln. UAH (by 7.2%).

An important component of socio-economic development of each territory is revenue to the development budget. Its role increases, but today it is insufficient enough to have a real impact on the dynamics of economic processes in the region.

The greatest potential of revenues to the development budget is concentrated at the budgets of cities of regional importance.

During the period 2009-2013 the real income of the people of the region per capita increased by more than 70 percent, average monthly salary – almost by 75 percent.

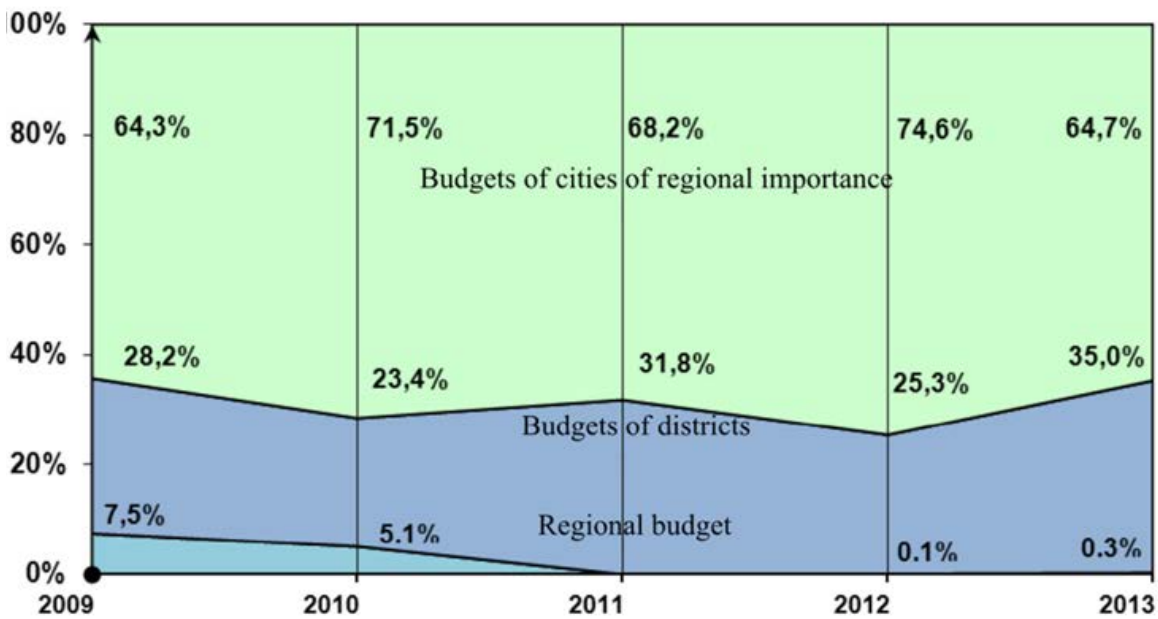


Fig.15. Dynamics of the budget structure of the region development by types of local budgets

The natural vegetation of Cherkasy region has undergone significant changes as a result of human activities. In order to preserve the biodiversity in the region the work on the protection of species of plants and animals listed in the Red Book of Ukraine, and other international conventions, was continued.

Over the past five years the amount of pollution emission into the air from stationary sources in the region increased and in 2013 their amount fetched up to 73.1 ths. tons (1.7% of the emissions in Ukraine); from mobile sources – 76.9 ths. tons (3.2% of the emissions in Ukraine).

The region has 1037 rivers, the largest of which is Dnipro (its length within the region is 150 km), 7 medium rivers – Ros, Tyasmy, Hnyly Tikych, Hyrsky Tikych, Supy, Yatran, Velyka Vys and small rivers and streams.

According to statistics, the volume of polluted sewage water increased more than 2 times (from 4.01 million cu.m. in 2012 to 8.29 million cu.m. in 2013).

During 2013 in the region 1.5 mln. tons of waste were produced. Among them – about 1 mln. tons of industrial waste of I-IV hazard classes (including 0.6 ths. tons of waste of I-III hazard classes. 99.9% of the total number is formed by wastes of IV hazard class) and 490 ths. tons of solid waste.

By 01.01.2014 in the region there had appeared 4.3 million tons of waste of I-IV hazard classes.

Allotted warehouses for storage of unsuitable or prohibited pesticides are objects of potential environmental hazards in the region.

In the region there are 437 places of solid waste removal with total area of 513.24 ha, a part of which is exhausted or exploited with violations of environmental safety.

3.7. ECOLOGY

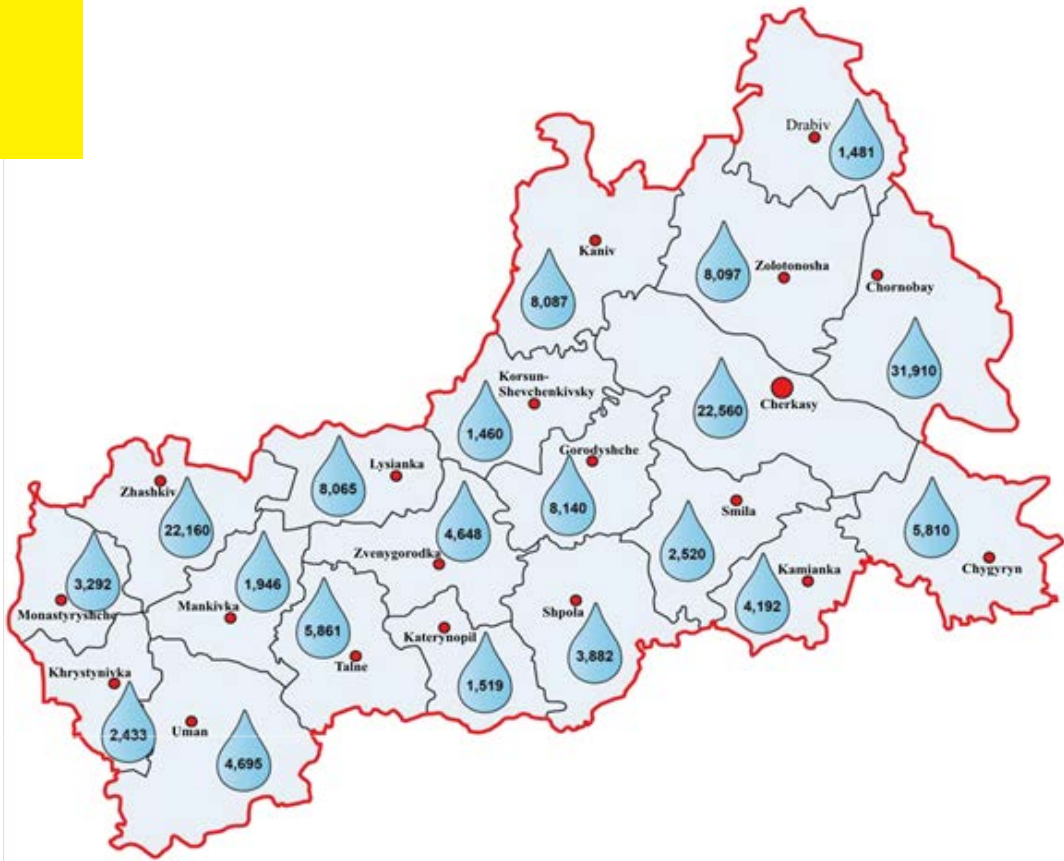


Fig. 16. The distribution of actual data of consumed water in the region in terms of districts, mln.cu.m.

For effective improvement of solid waste management it is necessary to introduce separate collection of municipal waste at the population level and construction of a solid waste sorting and waste recycling facilities in order to reuse the resource of evaluation component of municipal waste.

The most powerful enterprises engaged in environmentally hazardous activity belong to the chemical industry, energetics and agro-industrial complex.

**3.8.
CHERKASY
REGION
POSITIONING
AMONG
OTHER REGIONS
OF UKRAINE**

According to the positioning of Cherkasy region among the regions of Ukraine, the assessment of the situation takes into account the comparison of its key indicators of development with the neighboring regions and regions belonging to the same group.

Among a certain group of the neighboring regions and regions belonging to the same type (Kiev, Poltava, Kirovohrad, Vinnytsia, Khmelnytsky, Zhytomyr regions), Cherkasy region rates third in terms of per capita GRP.

In terms of gross regional product per capita among the regions of Ukraine Cherkasy region takes the 12th place. At the same time, according to the rate of its growth over 2005-2012 the region occupies a prominent place in the top three, giving the first and second places to Kyiv and Dnipropetrovsk regions.

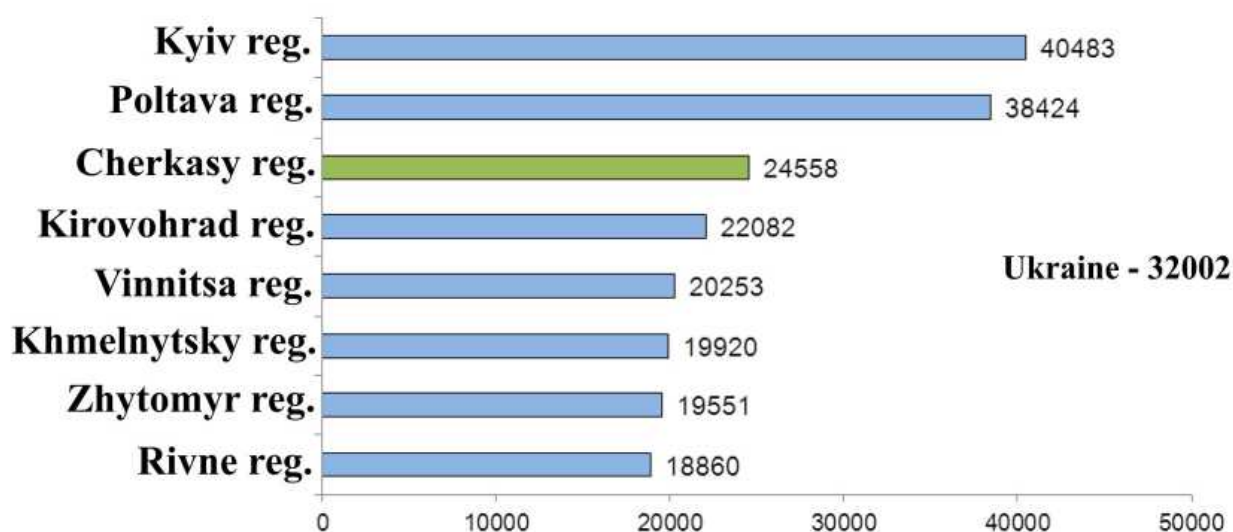
In 2013, the share of the region in the nationwide scope of the realized industrial production (excluding changes of the main form of economic activity on enterprises) is 2.2% (the 11th place among the regions of Ukraine).

Table 1. The comparative characteristics of Cherkasy region

Territory	Area, ths. sq. m.	Population, ths. persons	Urban population, %	Rural population, %	Nativity rate per 1 ths. persons	GRP (2012), mln. UAH	GRP per capita (2012), UAH	Share of the region the GRP, %
Ukraine	603.5	45426.2	68.7	31.3	-3.5	1459096	32002	100
Cherkasy	20.9	1260.0	56.3	43.7	-6.6	31265	24558	2.1
Zhytomyr	29.9	1262.5	58.6	41.4	-4.6	24849	19551	1.7
Rivne	20.1	1158.8	47.8	52.2	2.5	21795	18860	1.5
Khmelnysky	20.6	137.0	55.8	44.2	-4.6	26237	19920	1.8
Kirovohrad	24.6	987.6	62.4	37.6	-6.0	22056	22082	1.5
Kyiv	28.1	1725.5	61.6	38.4	-3.9	69663	40483	4.8
Poltava	28.8	1458.2	61.7	38.3	-6.8	56580	38424	3.9
Vinnytsia	26.5	1618.3	50.4	49.6	-5.0	33024	20253	2.3

The amount of realized industrial production per capita is 23.4 ths. UAH (the 9th in Ukraine).

The share of gross agricultural production in the nationwide scope is 5.9%, which corresponds to the 5th place among the regions of Ukraine.



In terms of amount of agricultural production per capita Cherkasy region takes leading places among the regions of Ukraine (in the region – 11 821 UAH, in Ukraine – 5559 UAH).

The volume of capital investment per capita is 2 707.3 UAH, (the 20th place in Ukraine).

Fig.17. Gross regional product per capita in 2012, UAH

The volume of foreign investment per capita is 705.9 USD (the 8th place in the state).

The coverage ratio of export under import – 1.55 (the 9th place in Ukraine).

The average monthly salary is 2682 UAH (the 16th place among the regions of Ukraine).

The index of employment is higher than in the neighboring regions, and comprises 59.9%. The unemployment rate in Cherkasy region is high – 8.9% (the 5th place in Ukraine).

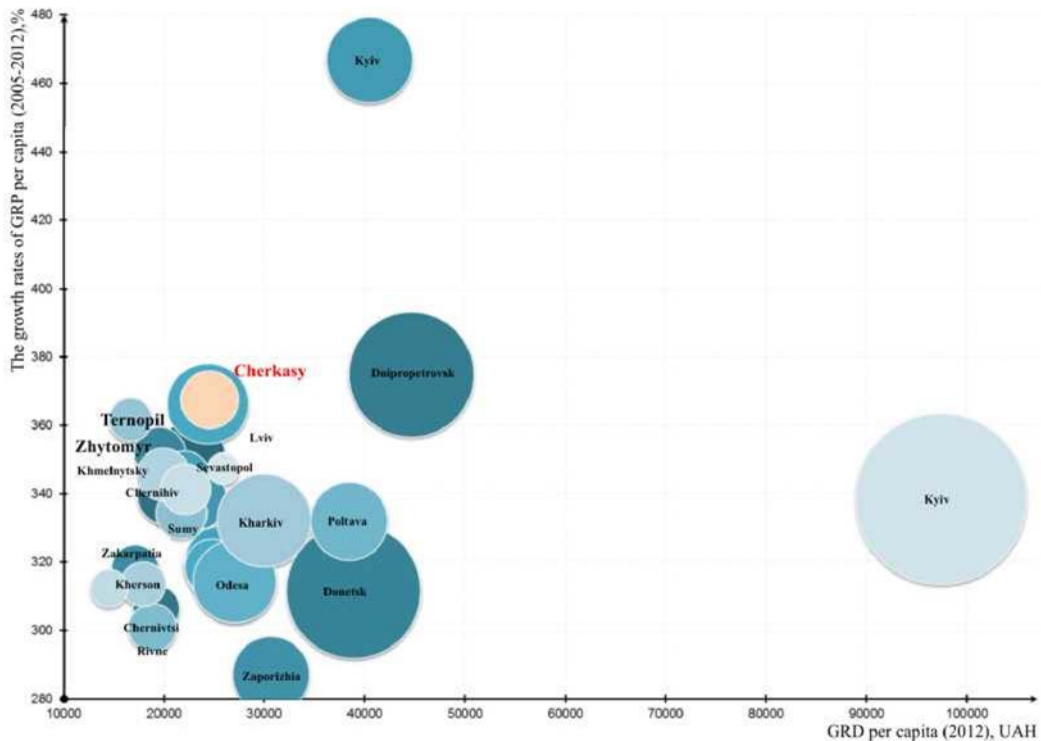


Fig.18. The growth rates of GRP per capita in the regions of Ukraine

In terms of gross regional product per capita among the regions of Ukraine Cherkasy region takes the 12th place. At the same time, according to the rate of its growth over 2005-2012 the region occupies a prominent place in the top three, giving the first and second places to Kyiv and Dnipropetrovsk regions.

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4

MAIN FACTORS AND SCENARIOS OF REGIONAL DEVELOPMENT



SWOT-analysis of Cherkasy region was carried out at the advanced meeting of the working group, taking into account the development of the region and its trends, topical issues of the economic complex and social sphere, conclusions to the sections of analytical and descriptive part of the strategy (the socio-economic analysis of the region development in 2009-2014) and suggestions submitted by members of the working group on designing the Strategy of Cherkasy region development until 2020.

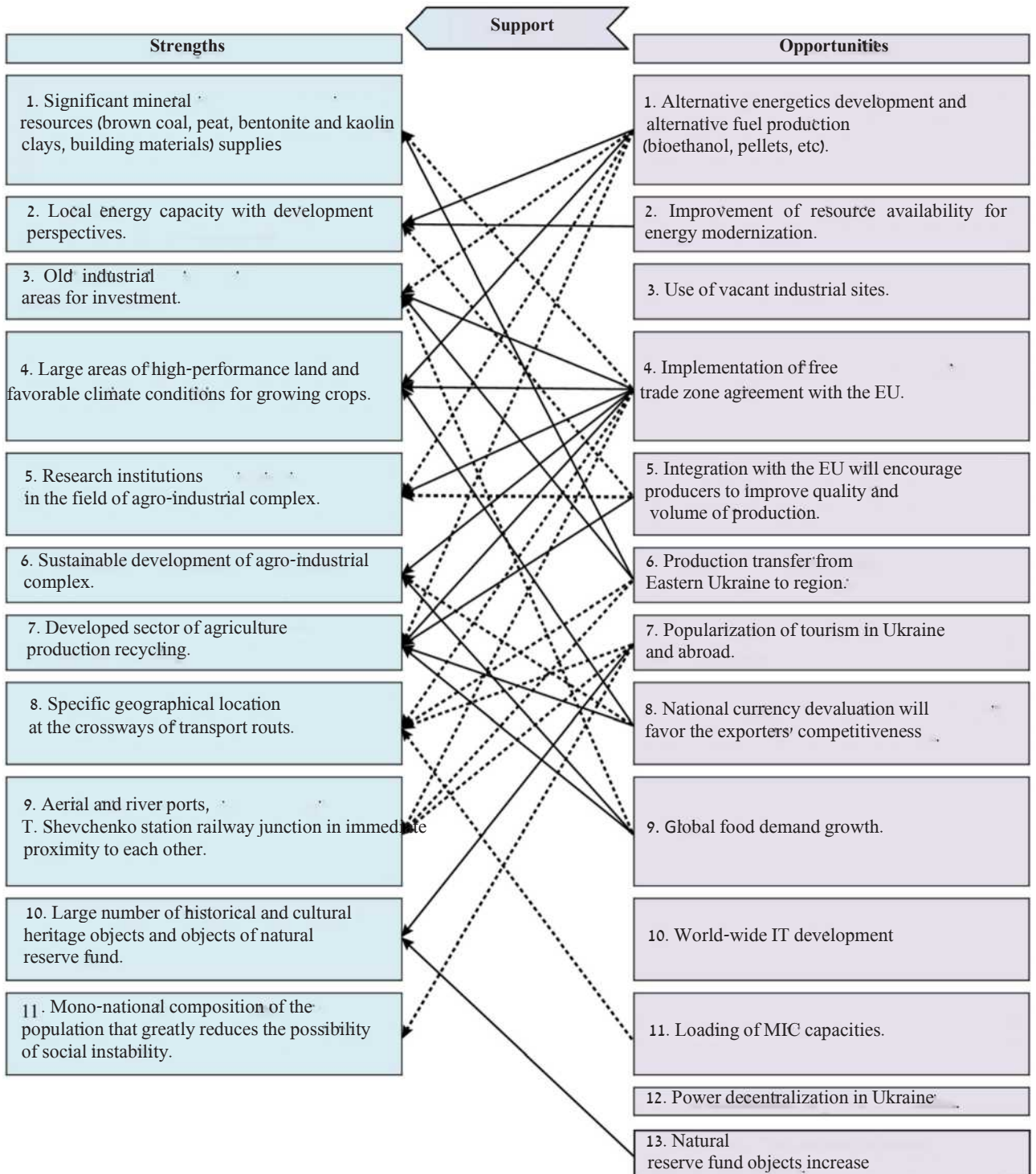
Strengths	Weaknesses
1. The presence of significant funds of mineral resources (brown coal, peat, bentonite and kaolin clays, building materials).	1. Significant disproportions of levels of economic development among regions.
2. Availability of local energy power with the prospect of development.	2. High degree of depreciation of industrial material and technical bases.
3. Availability of old industrial areas for investment.	3. The high power consumption on production.
4. Large areas of high-performance land and favorable climate conditions for growing crops.	4. The current scheme of energy supply has a limited capacity for connection of new energy-intensive consumers.
5. The presence of research institutions in the field of agro-industrial complex.	5. Insufficient development of agricultural infrastructure (vegetable and fruit warehouses).
6. Sustainable development of agro-industrial complex.	6. The high concentration of agricultural land (in landowners' hands), lack of control over the use of land resources.
7. The developed sector of agriculture production recycling.	7. Poor condition of pavement (almost 80% roads are deteriorated).
8. Specific geographical location at the crossing of transport routs.	8. Lack of transport links between the right- and the left-bank parts of the region.
9. Availability of aerial and river ports, the railway junction of T. Shevchenko station in immediate proximity to each other.	9. Lack of public awareness of the hiking trails and undeveloped infrastructure.
10. A large number of historical and cultural heritage objects and objects of natural reserve fund.	10. Small enterprises have an insufficient share in total sales (goods and services).
11. The mono-national composition of the population that greatly reduces the possibility of social instability.	11. The insufficient innovation activity of economic complex
	12. The lack of foreign investment.
	13. Significant unemployment rate, a high share of seasonal unemployed population.
	14. Low solvency of the population.
	15. Decrease of the number of the youth, population aging (leads to the load on the labor remuneration fund), the outflow of young people.
	16. Depreciation of municipal infrastructure.
	17. Overloading local landfills of solid wastes.

	18. The regional waste storage of unknown, unsuitable and prohibited for use chemical pesticides that require immediate disposal.
	19. The poor state of wastewater treatment plants in the settlements of the region.
	20. A large number of water objects that require improving of hydrological regime and sanitary condition.
Opportunities	Threats
1. The development of alternative energetics and production of alternative fuels (bio-ethanol, pellets, etc).	1. Rising of world prices for energy sources.
2. Improving of the availability of resources for energy modernization.	2. High cost of borrowed funds.
3. Use of vacant industrial sites.	3. The instability of the national currency.
4. Implementation of the agreement on free trade zone with the EU.	4. The development of the underground economy.
5. Integration with the EU will encourage producers to improve the quality and volumes of production.	5. Competitive threat related to the access of European producers to Ukrainian markets.
6. Production transfer from Eastern Ukraine to region.	6. Russia-oriented outlets loss.
7. Popularization of tourism in Ukraine and abroad.	7. Staff loss due to visa regime simplification.
8. National currency devaluation will favor the competitiveness of exporters.	8. Military actions in Eastern Ukraine.
9. Global food demand growth.	9. Lack of effective actions to fight corruption.
10. World-wide IT development.	10. Change of political course in the country.
11. Loading of MIC capacities.	11. High degree of power centralization in Ukraine.
12. Power decentralization in Ukraine.	12. General deterioration of the socio economic situation.
13. Natural reserve fund objects increase.	

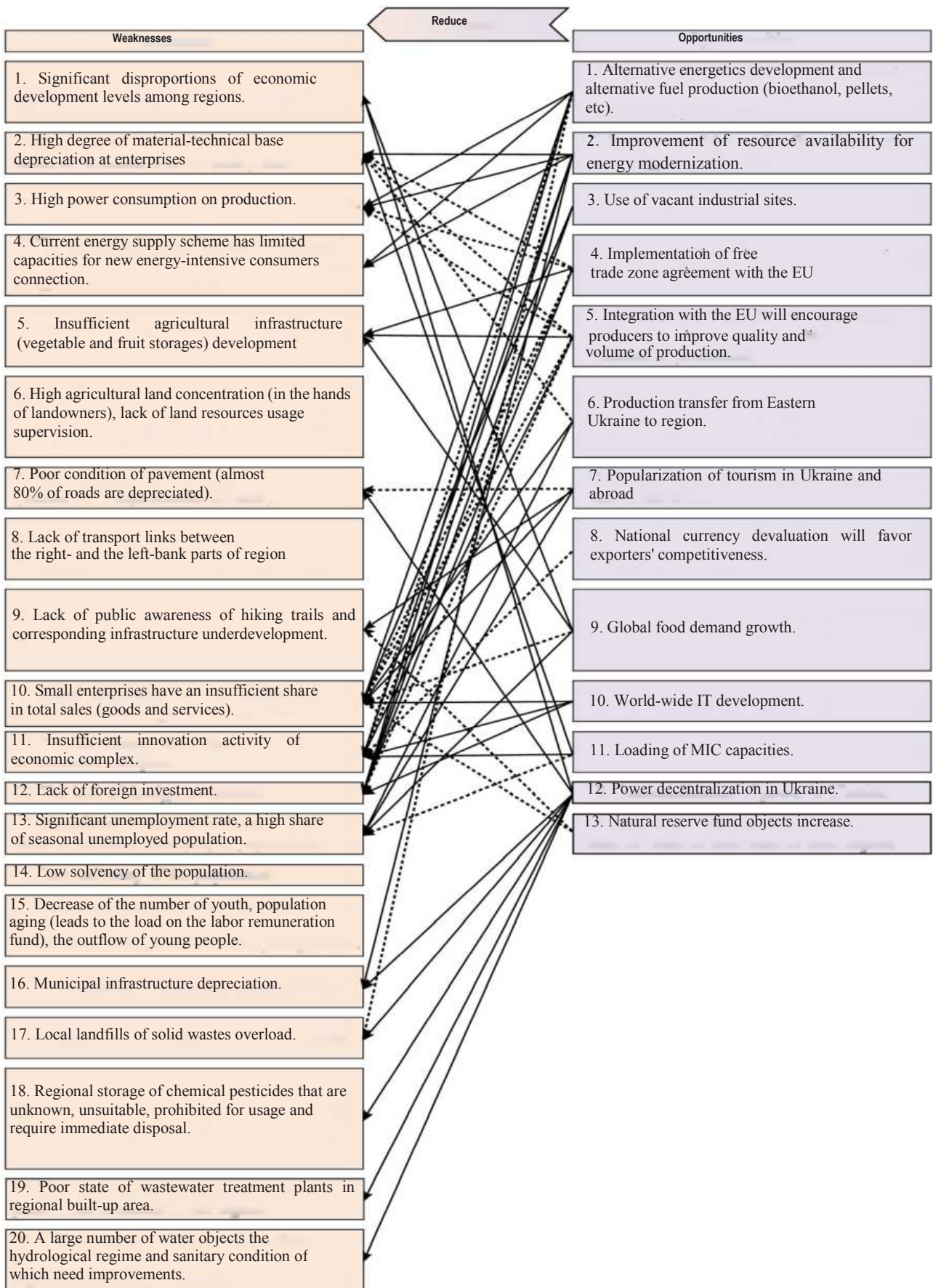
4.2.
SWOT-MATRIX
OF THE REGION

SWOT-matrix reveals the interconnections between «internal» (strengths and weaknesses) and «external» (opportunities and threats) factors which possess strategic importance for Cherkasy region. The solid line represents the strong interconnection, dashed represents the poor one. These interconnections enable to define comparative advantages, challenges and risks, which are the basis for a strategic choice: the formulation of strategic and operational goals for a long-term perspective of regional development.

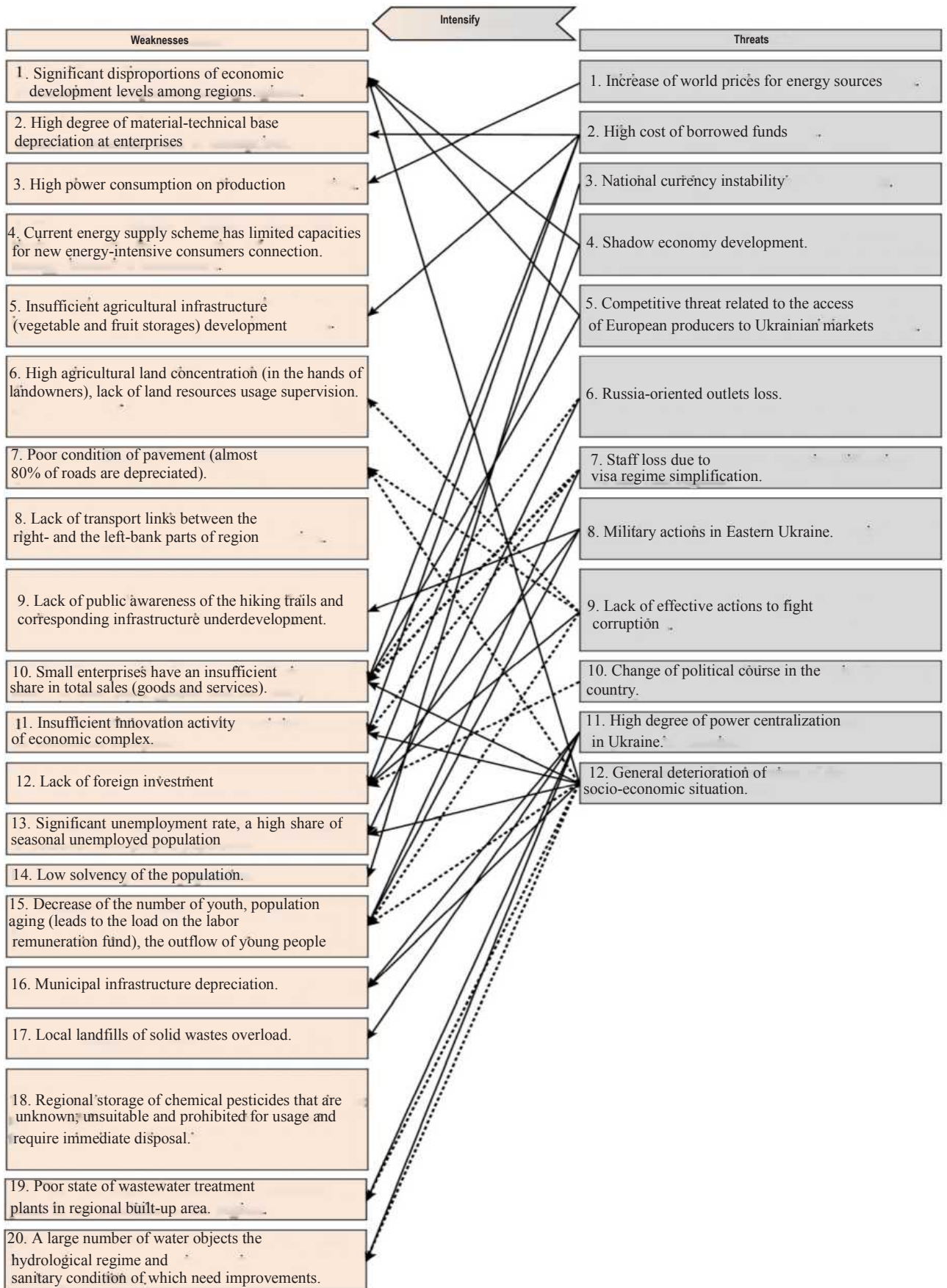
Comparative advantages



Challenges



Risks



COMPARATIVE ADVANTAGES

(defined as a result of the analysis of strengths and opportunities)

Availability of large areas of high-productive lands, favorable climate conditions for growing agricultural products, sustainable development of agro-industrial complex, developed sector of agricultural products processing is the comparative advantage in terms of prognosis of global food demand growth and active cooperation with the European Union (realization of free trade zone agreement with the EU), and opportunities of local exporters in the field of AIC to use currency devaluation.

Cherkasy region has a great deal of historical and cultural heritage and many objects of natural reserve fund (which may grow in the future). In particular, the historical and cultural aspects are intensified by mono-national composition of population as Cherkasy is entirely located in one historical region – Middle Naddniprojanshchyna, which is depicted in authenticity of traditions and culture in general. Modern trends of tourism popularization in Ukraine and abroad, as well as enhancing of SMBs initiatives in this sector of the economy, in its turn, only promote the further tourism development in the region.

Ukraine has a practical chance to realize the benefits from free trade zone agreement with the European Union. Cherkasy region is located within transport crossroads; there are air and river ports, railway junctions in immediate proximity to each other. The specific geographical position in the center of Ukraine is a comparative advantage in attracting the region to interregional and international transit of goods and services or transport accessibility usage in tourism industry.

Availability of raw-materials waste base in agricultural sector can be used for further processing in order to create alternative sources of energy. Also, the availability of large areas of agricultural land could be used for growing crops to produce energy. In addition, the region has energy minerals, enterprises with potential for re-profiling to the production of alternative fuels, opportunities for energy production, using the energy of nature (water, sun). All of the above introduces possibility for the development of alternative energy and energy from natural sources.

CHALLENGES

(defined as a result of the analysis of weaknesses and opportunities)

– Signing of free trade zone agreement with the European Union will promote increase in the share of products with high added value rate and henceforth support of our export potential.

– Ability to sale products to the EU markets (including sales on preferential terms) with relatively inexpensive work force is expected to enhance the investment attractiveness and favor placing of new companies in the state and in the region, in particular.

– Further processes aimed at business climate improvement, could serve as an incentive for small and medium-sized business development, and thus new workplaces creation.

- Global food demand growth will stimulate agricultural products volume increase and, correspondently, the amount of grain, vegetable and fruit warehouses. Also, the implementation of free trade zone agreement with the European Union will improve the current state of agricultural infrastructure network facilities in the region that, in its turn, will position Cherkasy region as one of the leading regions of Ukraine in the agricultural sector of economy. This will encourage producers to expand the infrastructure facilities base and upgrade available ones.

- Introduction of alternative energy sources will help to create conditions for increasing in the energy security of the region.

- Power decentralization process, administrative-territorial reform will lead to improvement of the financial sufficiency that could serve as means to solve the issues of infrastructure development and to reduce the disproportions in development of areas. Development of the local communities' cooperation can help to consolidate resources for solving the priority issues, including environmental ones.

RISKS

(defined as a result of the analysis of weaknesses and threats)

- One of the negative trends specific for both Ukraine and Cherkasy region in particular, is the deepening of disproportions between central and peripheral areas. In particular, this is reflected in the growth of intraregional differentiation of socio-economic development of the region. The general deterioration of the socio-economic situation in the country and the progressive development of the shadow economy accelerate this process. In addition, access of European goods to the markets of Ukraine will create a competitive threat to local producers that also affects the growth of economic disparities between districts.

- The technological level and competitiveness of production may deteriorate because of long-term economic recession and worsening of the investment climate in Ukraine. High power consumption of companies in the region creates additional pressure in the face of rising prices of energy sources.

- A major problem today is the outflow of young people from peripheral areas, especially from rural settlements, to more attractive and perspective in the context of economic growth and career opportunities – to big cities or abroad. Therefore the share of young people in the total population structure decreases. The simplification of the visa regime with a number of countries, in addition to the obvious benefits, can also result in negative consequences. That is the increase of the percentage of immigrants, especially young professionals, and the «brain drain». The decision of young people to leave the rural area is suggested by overall negative socio-economic trends in the country and by recent events, military operations in the East of Ukraine.

– Innovation is an integral part of the socio-economic and technological progress of any territory. Unfortunately, this aspect is neglected in the economic complex of Cherkasy region. Of course, this trend can be traced against the background of the general regressive socio-economic processes in the country, as producers are more focused on maintaining of the existing profits than on investing in the latest manufacturing processes in-house. In addition, the loss of qualified staff («brain drain») leads to the weakening of the intellectual potential of the region. Another factor that affects the innovation activity of economic complex of the region is the high cost of borrowed funds.

– There is a significant risk of reduction in household income and thus the reduction of the effective demand and the increase in social tensions.

– There is the possible growth of waste problems, such as storage and processing of crops protection chemicals and other hazardous waste, local environmental issues (including water-logging, degradation of land resources), deterioration of the hydrological regime and sanitary conditions of a significant number of water objects, decline in the efficiency of the disposal sewage systems in the region etc.

4.4. SUBSTANTIATION OF REGIONAL DEVELOPMENT SCENARIOS

Strategic planning of the region development is implemented in fundamentally different geopolitical and geostrategic circumstances that Ukraine finds itself after the Revolution of Dignity. During the mentioned above period Maidan evolved from the classic civil protest to the phenomenon of the supranational scale that changed the country drastically. A “quantum leap” occurred in the public mind and it quickly raised the motivational and behavioral standard and social expectations. The Russian aggression in March that began with the annexation of the Crimea, and evolved into a full-scale military action by Moscow scenario, changed the picture of world politics. It was not for the first time in the history when Ukraine appeared at the epicenter of geopolitical fault, on the verge of a clash of two civilizations: Western (European), which is based on political and economic freedom of the individual, and Eastern (despotic), based on the full obedience of the human to the state. However, perhaps, for the first time, Ukraine in its opposition to Russia received the support of the entire civilized world and a chance for the European perspective and, therefore, the chance to avoid the «inertial» scenario of its development: the further economic stagnation until the collapse of the state as a system.

The modeling of scenarios of the Cherkasy region development is possible only against the background of these new political and economic realities.

BASIC SCENARIOS – ASSUMPTIONS:

1. GDP per capita in Ukraine during the period 2015-2016 will fall down and at the end of the period will be 2-4%, and after 2016 we will observe an increase of 1-3% per year.

2. In the coming years the tax burden on business entities and population will not decrease. One can expect the simplifying for the rules of business management.

3. The smooth devaluation of currency will continue and it will stimulate commodity production for export but at the same time it will reduce the buying power of the population.

4. The significant redistribution of tax revenues between the state and territories in favor of the latter is expected.

5. The EU standards for products made in Ukraine will be gradually introduced in Ukraine.

6. The movement of goods to and from the EU will be duty-free and it will favor the good turnover between Ukraine and the EU.

7. Investment climate in Ukraine will be better. The country will become more attractive to European investors.

8. There will be a constant growth of prices of fuel and energy resources, especially for the population and public utilities.

9. The incomes of the population for the next 2-3 years will be relatively low (compared with 2012-2013), then they will gradually grow.

10. The access to loan capital for companies for the next 2-3 years will be limited. Then, the access to credits should be significantly improved.

11. The level of corruption will gradually decrease and the trust of citizens and businesses to public institutions will increase.

12. The shadow economy will gradually decrease.

THE PESSIMISTIC SCENARIO: REGION IS MOVING INERTIAL, SOCIO-ECONOMIC SITUATION OF THE COUNTRY DOES NOT FAVOR THE DEVELOPMENT.

During the economic and political transformation of the Ukrainian society “after Maidan” the interregional competition will naturally increase: state regional policy will generate incentives for regional development, along with the introduction of the ATR, and it will open new opportunities for the regions, and those who are the most ready for such changes will take advantages. The barrier for rapid changes will be inertia of the prior socio-economic structure, especially resistant in material and manufacturing area, with its organizational and legal relations between the institutions of government and society. An additional barrier to social and economic growth can be a frequent rotation of regional authorities. According to the pessimistic scenario the region will reduce the macroeconomic indicators: GRP after 2016 will increase within 1.5-2%. The volume of production and sales of industrial products will fall because of ill-timed introduction of European markets by Ukraine, poor quality of products that does not meet EU standards and inability to compete with European manufacturers.

The economy of the region (socio-economic analysis) almost will not change. Agro-industrial complex will still occupy the leading position. However, the lack of agricultural infrastructure improve-

ment, low innovativeness of agro-industrial enterprises, high concentration of agricultural lands in the hands of landowners and lack of control over the usage of land resources, intensified by the absence of efficient actions to fight the corruption, will not give enough opportunities to develop the agricultural complex and to increase the amount and quality of production. The share of agricultural production in the GRP of the region will remain at 22-25%.

There will be no changes in the industrial sector. The main share will include the production of food, beverages and tobacco products (over 50%) and chemical products. But export will be considerably reduced because of the prohibition of Ukrainian goods to be supplied to the markets of the Russian Federation. The industry of the region will remain at the same level or the situation may become even worse because of the lack of investment resources for the modernization of industry and high energy consumption for production.

These trends do not favor improving the quality of domestic production in accordance with European standards and increasing its competitiveness in European markets. The small and medium-size business will also develop slowly.

A significant level of unemployment, seasonal unemployment, instability of the national currency, military operations in the East of Ukraine will lead to migration, particularly of young people, to the European countries, that will be favored by the simplification of visa regime with EU countries.

THE OPTIMISTIC SCENARIO: REGION ACTIVELY TAKES ADVANTAGE OF THE RAPID SOCIO-ECONOMIC DEVELOPMENT.

In this scenario the region becomes a model and example of socio-economic transformation in the country.

The main priority of the regional management will be the rapid introduction of the ATR and regional development, including development of human resources. The background for effective implementation of regional investment policy will be introduced. It will result a significant investment resource for new high-tech enterprises in both the industrial and the agricultural sectors will be involved to the region. The economic profile of the region will steadily shift towards high-tech innovative sectors: engineering, instrumentation, alternative energy development, IT sectors etc. The region will conduct the technological modernization of export-oriented enterprises of light and food industries and their products will appear in the European markets.

In agro-industrial complex the shifting will move toward small businesses and cooperative associations. Agricultural products will be manufactured according to the European standards.

The integration with the EU, the development of IT technologies, promotion of tourism, serves as impetus for the development of SMB's, which will help to get the support of foreign investors.

The need for skilled staff as the result of technological modernization of industry is satisfied by the improvement of education, training and re-training in universities, vocational schools, and in the graduation classes while getting secondary education.

Decisive changes in the administrative structure will give significant financial resources for the community level. Their resource base will be reinforced through the devolution of authority for the territorial resource management. The social and municipal infrastructure begins developing due to the decentralization of power and that enhances quality of life in the region.

The level of human development of the region increases and moves further to the European standards.

THE REALISTIC SCENARIO: THE REGION IS MAKING EFFORTS FOR ITS DEVELOPMENT, THOUGH THE SOCIO-ECONOMIC SITUATION IN THE COUNTRY DOES NOT FAVOR THE DEVELOPMENT.

The scenario is based on the inevitable emergence of certain objective constraints on the path of rapid modernization of the country and the region. Public expectations will motivate the central and regional authorities to reform the socio-economic system, but the inertial processes in the area of material production and even in the public consciousness will inevitably become barriers to the rapid implementation of reforms.

Main factors that form the system will be the first leaders of the country and the region. The result will depend on their determination, desire and ability to engage active part of the population («agents of influence») in the processes.

The main task of the political leadership of the region will be the formation of irreversible changes in people's minds related to the need for socio-economic and technological modernization of the country and the region.

The main partner of the new government must be an economically active and creative segment of the population, young people and the community.

Public support for reform at the regional level will affect the move to the optimistic scenario that can happen in a year or two.

MISSION AND STRATEGIC VISION OF REGIONAL DEVELOPMENT



The socio-economic analysis of the region shows that despite the existing economic potential of the region, which prevails in certain areas compared with similar regions of Ukraine, according to some indicators of social and economic areas that significantly affect the quality of life of citizens, the situation in the region does not satisfy Cherkasy dwellers to the full. Thus, as the person and the quality of his or her life (bringing it closer to the European level) is the main strategic goal of the regional development, it was decided to form a new mission and the strategic vision of the regional development:

THE STRATEGIC MISSION:

Cherkasy region is a model of cohesion of community efforts aimed at achieving a common goal – the European standards of living as a result of economic prosperity of the region.

THE STRATEGIC VISION OF THE REGIONAL DEVELOPMENT:

Cherkasy region is the cradle of Ukrainian statehood, the country rich in historical and cultural heritage, known in Ukraine and outside it, the region that provides a platform for the free implementation of various business projects and exchange of experience between leading experts in many branches of the economy. This is the area of personal development and self-fulfillment of inhabitants of the region, which creates conditions for comfortable living, high-paid work and safe rest of countrymen.

The way to achieve the strategic vision is provided in accordance with the analyzed and selected strategic goals. Their determination is specified, on the one hand, by powers of preparation participants and implementation of the Strategy and, on the other hand, by the availability of political will and tools of influence.

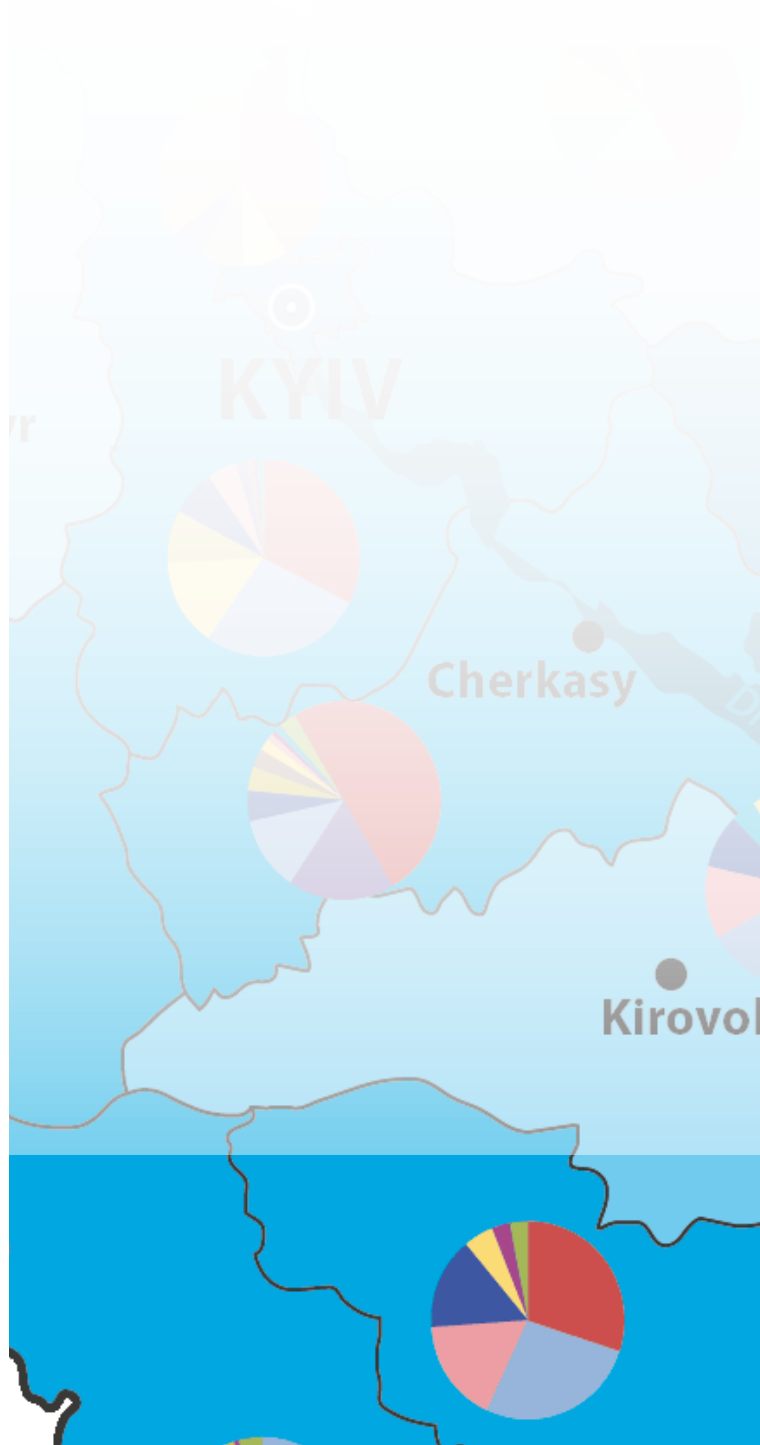
Strategic Vision will be achieved through the implementation of strategic goals:

Goal 1	Goal 2	Goal 3	Goal 4
The improvement of the competitiveness of the region	The development of rural territories	Human capital development	Environmental safety and conservation

Selected strategic goals will be implemented through the system of operational goals. In terms of development planning of such a complex, multi-vector formation as a region, one provides the definition of operational goals, tasks for specific areas – districts, cities, towns and villages.

The Strategy implementation of the regional development should help to transform its economy into more competitive, due to the inflow of both direct foreign and domestic investment in perspective sectors, stimulation of entrepreneurship development, efficient use of natural resources, which ultimately will have a positive impact on the increase of the export potential of local manufacturers and development of new sales markets.

STRATEGIC AND OPERATIONAL GOALS AND OBJECTIVES



Strategic goals	Operational goals	Tasks
<p style="text-align: center;">1. The improvement of the competitiveness of the region</p>	<p>1.1. Stimulating the investment attraction</p>	<p>1.1.1. Creating a positive investment image of the region 1.1.2. Preparing investment products 1.1.3. Creating a system of investment support 1.1.4. Developing logistics and transport potential 1.1.5. Developing the city planning documentation</p>
	<p>1.2. The improvement of energy efficiency</p>	<p>1.2.1. Creating conditions for the development of the alternative power system 1.2.2. Implementing energy-saving technology</p>
	<p>1.3. The improvement of regional development management</p>	<p>1.3.1. Creating conditions and incentives for communities interaction to solve issues together 1.3.2. Improving the availability and quality of services provided by state and local authorities 1.3.3. Creating conditions for dynamic growth of resource support for the development of local communities 1.3.4. Improving the quality of staff reserve of executive authorities and local self-government</p>
	<p>1.4. The creation of favorable conditions for the small and medium businesses development</p>	<p>1.4.1. Developing business support infrastructure 1.4.2. Promoting local producers in exporting the products 1.4.3. Information support for local producers and promoting local brands 1.4.4. Improving conditions for the development of IT field</p>
	<p>1.5. The development of tourism and recreation industry</p>	<p>1.5.1. Improving infrastructure of recreation areas 1.5.2. Developing tourist sites, products and networks 1.5.3. Tourism promotion of the region</p>
<p style="text-align: center;">2. The development of rural territories</p>	<p>2.1. The diversification of agricultural production structure and improvement of products processing</p>	<p>2.1.1. Creating the conditions for maintaining communal and cooperative ownership (in the fields of stockbreeding, vegetable and fruits growing, long-term storage for agricultural products, and agro-processing) 2.1.2. Educational and informational support for the rural population including agricultural cooperation, improving training for small businesses in rural areas 2.1.3. Developing organic agriculture 2.1.4. Improving the access to markets for agricultural producers</p>

	2.2. The development of rural territories and suburbs around cities and towns	2.2.1. Improving transport infrastructure to brake barriers of the economic development of villages 2.2.2. The development of self-employment and non-agricultural businesses, including rural green tourism 2.2.3. Improvement of medical services in rural areas 2.2.4. Improving access to public information for rural population
3. Human capital development	3.1. The improvement of the population adaptability to the needs of the labor market	3.1.1. Improving training of young people for the regional labor market conditions 3.1.2. Improving training of staff for the needs of the regional economy including the development of life-long education
	3.2. The improvement of awareness and social activity of the regional population	3.2.1. Developing leadership qualities of population 3.2.2. Involving regional residents into solving local problems 3.2.3. Creating conditions for healthy living including the recreation and physical culture field 3.2.4. Preserving and developing national culture, regional traditions, increasing historical awareness and patriotic education of the population 3.2.5. Developing regional information space
4. Environmental safety and conservation	4.1. The creation of conditions for the improvement of environment	4.1.1. Improving the ecological culture of the population 4.1.2. Improving environmental monitoring system
	4.2. The improvement of waste management	4.2.1. Promoting reduce solid waste disposal 4.2.2. Increasing utilization volumes of industrial waste and complete cleaning the region of unknown, unsuitable and prohibited for the use chemical plant protection products (pesticides)
	4.3. The development of the ecological network, nature reserve fund, conservation of biological and landscape diversity	4.3.1. Preserving natural areas, rare and endangered species of flora and fauna 4.3.2. Conserving forests and green spaces in localities of the region 4.3.3. Restoration of broken land and soil fertility
	4.4. The improvement of the water objects and atmospheric air condition	4.4.1. Creating water protection zones 4.4.2. Reducing discharge volumes of polluted wastewater and improve the quality of drinking water 4.4.3. The introduction of technologies to reduce emissions of pollutants into the air, including those from motor vehicles

Strategic goal «The improvement of the competitiveness of the region» is a basic strategic goal, which is to provide structural changes in the real sector of economy, promote the development of innovative production, supported by investment capital, and provide conditions for business development.

Today, improving the competitiveness of the region is the condition for economic survival of the region, since while preserving current trends we face a substantial threat of the further development of negative processes. Economy of the region is characterized by technological backwardness and high energy consumption, low levels of investment and small share of products with high added value. With intensification of trade disputes with Russia the volume of foreign trade sales is being reduced. New primarily European markets are still unable to compensate for afore cited losses. Economy of the region needs new investments, along with support for enterprises (SMBs), capable to quickly adapt to changes in the environment and mostly compensate for the lack of workplaces in other sectors of the economy. However, the entrepreneurship development does not correspond to the potential of the region, mainly due to an unfavorable business environment, insufficient entrepreneurial skills of the population, a significant tax burden and the unavailability of financial resources.

Additional potential for creating high-paid workplaces is associated with the development of SMBs in tourism and, new for the region, IT-field.

To stimulate and coordinate developmental processes in the region there is a need to improve management of regional development and create preconditions for improving the interaction between communities in solving common issues.

The main threats in the economic field for the region are:

- significant reduction in the number of workplaces in the food and engineering industries, agriculture, reduction in the number of small businesses and individual entrepreneurs, both because of market fluctuations, and because of the modernization of production, and therefore, the reduction of budget revenues;

- in terms of reducing income from foreign and domestic investments there is further increase of the level of depreciation of major means and tools in most enterprises;

- further deepening of the differentiation of districts development as a result of low motivation for small business development;

- reduction of the competitiveness of products of local companies as a result of rising world energy prices. Thus, attraction of investments, carrying out policies to stimulate the development of SMBs, promoting development of export opportunities with the support of local producers in the do-

6.1. STRATEGIC GOAL 1. THE IMPROVEMENT OF THE COMPETITIVENESS OF THE REGION

mestic market will help to achieve the strategic goal. The development of the IT industry will provide innovativeness to the mentioned process.

Achieving the strategic goal is assumed through the implementation of the five operational goals:

Strategic goal 1. The improvement of the competitiveness of the region				
Operational goal 1.1	Operational goal 1.2	Operational goal 1.3	Operational goal 1.4	Operational goal 1.5
Stimulating the investment attraction	The improvement of energy efficiency	The improvement of regional development management	The creation of favorable conditions for the small and medium businesses development	The development of tourism and recreation industry

Activities within this strategic goal correspond to the strategic goals: 2. The development of rural territories 3. Human capital development and 4. Environmental safety and conservation. Some interventions of these strategic goals will directly and indirectly assist the development of economic potential and the increasing competitiveness of the region.

It is expected that the implementation of the strategic goal 1 in the medium-term perspective will lead to the following results:

- attracting domestic and foreign investments to the regional economy;
- reduction of energy dependency of companies in the region;
- development of small and medium business;
- the creation of new workplaces;
- reducing the depreciation of fixed assets of enterprises;
- a way out of the underground and development of IT-field;
- expansion of export opportunities and opening new markets;
- expansion of the use of tourism resources and increasing the attractiveness of objects and settlements that have tourism potential;
- improving the quality and availability of services provided by state and local self-governments;
- improving the infrastructure and services around objects and monuments;
- increasing financial capacity of local communities;
- increasing incomes of the population.

OPERATIONAL GOAL 1.1.

STIMULATING THE INVESTMENT ATTRACTION

As the modern world experience shows, investment becomes a main tool of economic development, implementation of new technologies and best practices in the region. This, in its turn, creates pre-conditions for the construction of new industrial enterprises, introduction of innovative technology processes and production of new things, and, as a consequence, increase of overall competitiveness of the regional economy.

By volume of capital investments the region occupies the 16th place in Ukraine. The main source of capital investments financing in recent years is own funds of enterprises and population funds.

Cherkasy region has the free zones of industrial infrastructure that could become a platform for creating new productions with technical and technological renewal of production cycles. First of all, these zones include unused facilities of engineering and chemical industry, as well as unrealized potential for investment in operating businesses (including chemical and food industries) to expand the product range and modernize of the fixed assets and production processes.

At the same time, we should pay attention to a number of negative factors hindering the flow of investment to Cherkasy region. First of all, it is imperfect and unstable regulatory and legal framework, the low level of investments protection, limitations and the high cost of credit, corruption and price risks, the lack of an effective system of investment support, burdensome tax system.

The above mentioned factors, as well as insufficient level of economic and innovations development of Cherkasy region and trends of aggravation of general competition for investment resources, dictate the need to increase the investment attractiveness of Cherkasy region, coordination of efforts to promote investment in the region, designing of attractive investment offers, a systematic approach in support of identified priority fields for the development of the region. Development of investment infrastructure is important as well as, improving the informative, legal and other aspects of the support of implementation investment projects, ordering the town planning documentation for the purpose of increasing the attractiveness of investment projects implementation.

EXPECTED RESULTS:

- improvement of investment attractiveness of the region, creating a positive image of the region;
- systematization of FDI of the region, the implementation of relevant programs, actions by regional authorities;
- development of investment infrastructure of the region;
- preparation of attractive investment products;
- introduction of innovative technologies and processes in the region;
- stimulate the deployment of new companies in the region;
- create new workplaces.

INDICATORS

- number of realized investment projects or set up new businesses;
- the amount of capital investment or development capital investment dynamics in comparative prices;
- dynamics of foreign direct investment;
- the share of foreign direct investment in industry, agriculture and building field in the total volume of foreign direct investment;

- dynamics of foreign direct investment per capita;
- increasing the number of countries-investors.
- Establishment and operation of regional urban cadastre at the regional and basic levels.

Tasks	Possible areas of implementation of projects and programs
1.1.1. Creating a positive investment image of the region	<ul style="list-style-type: none"> – Promotion of investment potential of the region (the organization of investment site, participation in international exhibitions, forums and promotion of positive examples of projects in the region); preparation of promotional materials; increase of the professional level of offices / departments staff. – Implementation of information and analytical support elements to facilitate the reorientation of regional enterprises to new markets. – Carrying out investment forums.
1.1.2. Preparing investment products	<ul style="list-style-type: none"> – Stocktaking the regional free areas with industrial infrastructure for further investment promotion. – Study of the potential business niches on import substitution. – Preparation of new investment offers. – Preparation of land of the “Greenfield” type and objects of the “Brownfield” type. – Support of the institutions for investment promotion. – Formation of the concept and feasibility study of placing industrial parks in the region.
1.1.3. Creating a system of investment support	<ul style="list-style-type: none"> – Creating and implementing mechanisms of investment support necessary for use in executive bodies and local authorities. – Increasing the qualification of responsible executives about work with potential investors.
1.1.4. Developing logistics and transport potential	<ul style="list-style-type: none"> – Studying flows of commodity transportation. – Concept and feasibility study for the creation of a logistics center. – Construction, reconstruction, capital and current repairs of roads and road infrastructure.
1.1.5. Developing the city planning documentation	<ul style="list-style-type: none"> – Development of master plans of territories, settlements zoning plans and detailed plans of territories. – Promoting the development of district planning schemes and schemes of development of territorial communities in the region according to the current domestic and international requirements, including ecology and environmental protection. – Establishment and operation of regional urban cadastre at the regional and basic levels.

OPERATIONAL GOAL 1.2.

THE IMPROVEMENT OF ENERGY EFFICIENCY

In modern conditions the problem of energy efficiency is becoming increasingly important. Reducing energy spending results in cost savings, promotes regional competitiveness and improves economic security of the country. Increase of the energy efficiency allows to overcome the pressure of dependence on energy resources, to solve issues of reliability of supply. For owners energy efficiency is the key to competitiveness and access to new markets.

Today the cost-effective usage of energy is the most important and economically expedient, but at the same time, the least used.

Due to the limitation of natural gas supply from Russia there is a very acute question of energy saving. On these grounds

there are threats that have a negative impact on the economy of both the country and the region in particular. Rates are being raised by enterprises of housing and communal services that leads to the increase of local spending on maintenance of establishments of budget and social sphere.

In such circumstances, there appears a need for actions in the energy efficiency development of Cherkasy region, including the creation of the necessary conditions for the development of housing and communal services, which use energy-efficient technologies, energy and services market demonopolization, upgrading existing facilities and implementation of new technologies using alternative energetic, implementation of the mechanism of energy efficiency actions stimulating at the legislative level.

EXPECTED RESULTS:

- reduction of the energy dependency of the region;
- reduction of natural gas consumption in the economic complex of the region;
- reducing the power consumption of industrial production;
- reduction of energy consumption in the budgetary institutions of the region;
- improving the quality of housing and communal services;
- formation of producers of alternative fuels and energy efficient equipment;
- use of innovative energy saving technologies;
- development of housing and communal services and creation of a competitive environment;
- reducing harmful emissions.

INDICATORS:

- the number of realized energy efficiency projects;
- the number of boilers that run on alternative fuel;
- the volume of substituted natural gas due to energy efficiency projects and actions in the budget and public utilities sectors;
- percentage of heat losses in backbone network after optimization;
- share of budgetary institutions, which are heated by alternative fuels;
- the amount of electricity produced from renewable energy sources.

Tasks	Possible areas of implementation of projects and programs
1.2.1. Creating conditions for the development of the alternative power system	<ul style="list-style-type: none"> - Providing access to technologies of alternative energy sources using. - Create a land bank, including suitable areas for placement of renewable energy objects according to the type of energy producing. - Realization of projects of small hydro-energetic and bio-energetic in some rural areas (e.g. planting energy crops). - Conducting the information campaigns for the population about the feasibility and economic efficiency of alternative fuels usage. - Installation of heating and hot water systems in the budgetary institutions, such systems that are working on renewable energy and alternative fuels. - Implementation of solid waste recycling for secondary usage.

1.2.2. Implementing energy-saving technology	<ul style="list-style-type: none"> - Organizing development of production and batch production of energy saving equipment. - The use of agricultural waste to produce renewable energy. - Development of feasibility studies and projects of energy production from renewable sources. - The use of energy efficient technologies in public enterprises and budgetary institutions of local communities, including - adaptation of heating boilers to alternative fuels (straw, sawdust, pellets etc.), the use of electric heat-accumulating heating, conduction of the sanitation (thermo-updating) of buildings and other activities.
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OPERATIONAL GOAL 1.3. THE IMPROVEMENT OF REGIONAL DEVELOPMENT MANAGEMENT

Decentralization of power, the reforms of local government and administrative-territorial structure are the main goals of the State Strategy of Regional Development of Ukraine till 2020.

Cherkasy is agrarian-industrial region with well-developed network of rural settlements. However, today in Ukraine and in Cherkasy region there is a tendency to migration from rural to urban areas caused by significant gap in quality of life and accessibility of services for residents of villages and towns.

High rates of urbanization are a threat depopulation and decline of rural areas. For agricultural Cherkasy region this threat includes risk of loss of significant part of economic, social and cultural potential of the region.

So, now it is necessary to take immediate preventive measures to neutralize such threats. First of all, we need to create the conditions for further development of local communities, their cooperation in solving common problems. It is also important to ensure access of the population to quality public services and public information. The ultimate goal is to provide high quality of life throughout the region.

Rational regional development is based upon effective cooperation of the authorities and the public, quality of services granted by executive authorities, local governments, and activity of the community. Urgent issue is the formation of professional staff reserve of the civil service and local government with public participation. Increase of openness of the authorities and officials, improvement of the community informing, improving accessibility to public information, the creation of conditions for effective cooperation of communities in solving common problems, rational management of local resources – each item in this list is a component of successful implementation of the set operational goal.

EXPECTED RESULTS

- ensure effective coordination of stakeholders to implement the Strategy;

- providing support for projects implemented on the principles of cooperation of local communities;
- increase of volumes of grant funds for the realization of the regional development projects;
- consolidate the efforts of local communities relating to management of local natural resources;
- availability of master plans of settlements planning and schemes of the regional local communities planning;
- availability of master plans and development schemes of local communities in the region;
- improvement of the system of administrative services and the development of e-governance;
- improve institutional support for the development of local communities;
- formation of professional staff reserve of executive authorities and local governments;
- increase of financial capacity of local communities;
- improving the socio-economic and cultural development of the territory of the region.

INDICATORS:

- number of realized joint projects of local governments and the public;
- number of realized joint projects of local governments;
- number of communities in the region that have corrected (updated) master plans;
- number of consultations with the public in the form of public discussions (direct form) and studying of public opinion (indirect form);
- growth rate of local budgets of communities;
- growth rate of tax revenues of local budgets per capita of local community.

Tasks	Possible areas of implementation of projects and programs
1.3.1. Creating conditions and incentives for communities interaction to solve issues together	<ul style="list-style-type: none"> - Initiating programs of development and support of local communities cooperation, which provide economic incentives to merge local communities. - Creation of Internet portals for local authorities with a wide range of informational and communication functions. - Implementation of social projects developed by public organizations and creative fellowships. - Promoting the implementation of mechanisms of public control in all spheres of government and local businesses activity. - Conduction of consultations with the public in the form of public debate and the study of public opinion on socially relevant issues.
	<ul style="list-style-type: none"> - Ensuring the informing of stakeholders regarding the benefits and opportunities of cooperation with local communities to solve common problems. - Implementing the training programs for community activists concerning effective tools of public administration and local government. - Implementation of programs of public informing. - Consolidation of efforts of local communities concerning management of land and water resources.

<p>1.3.2. Improving the availability and quality of services provided by state and local authorities</p>	<ul style="list-style-type: none"> - Improving the system of administrative services and the development of e-government. - Improving the quality level of administrative services for the rural population. - Improving the quality and availability of education and health services through the conversion from the financing institutions to financing services; optimization of the institution network of branches. - Promoting the development of the Internet field (fiber, standards 3G and 4G), and access to the Internet especially in rural areas. - Ensuring the availability of the necessary for the public information on the sites of regional and local authorities. - Increase openness of authorities and local government officials through free access to projects and decisions of the authorities. - Creation of the regional development agencies. - Ensuring the consideration of public opinion in adoption of management decisions through the mechanisms and results of sociological research. - Creation of information and resource centers with access to socially significant information (including the library); conducting educational work with the public and business. - Offering WI-FI in public places.
<p>1.3.3. Creating conditions for dynamic growth of resource support for the development of local communities</p>	<ul style="list-style-type: none"> - Search for additional ways of filling local budgets. - Attracting international technical assistance for the implementation of regional development projects. - Consolidation of efforts to fill the State Register of rights to immovable property for the effective collection of tax on property not similar to land. - More efficient use of available natural resources and municipal property of local communities. - Gain the control over the completeness and timeliness of payments to the budget. - Conducting advocacy concerning implementation of reforms in the tax and budget legislation.
<p>1.3.4. Improving the quality of staff reserve of executive authorities and local self-government</p>	<ul style="list-style-type: none"> - Improving the training of specialists of local governments, executive and public activists. - Creation of the public effective staff reserve of managers of executive authorities and local governments.

OPERATIONAL GOAL 1.4. THE CREATION OF FAVORABLE CONDITIONS FOR THE SMALL AND MEDIUM BUSINESSES DEVELOPMENT

An important factor in economic growth in the region is the state of development of small and medium businesses, as an indicator of the level of economic activity of the inhabitants of the region, on the one hand, and the assessment of the business climate in the region, on the other.

SMBs forms the competitive environment, creates jobs, provides employment and self-employment of the population, supports the development of local economies and markets, provides tax revenues to local budgets etc.

The share of small enterprises in the total number of regional companies in 2013 reached 93.6%. However, the volume of products (goods and services) of small enterprises is only 21.1% of total sales. There is uneven distribution of SMBs by types of

economic activity, particularly wholesale and retail trade, repair of motor vehicles and motorcycles is prevailing. Production of significant share of businesses is not certified or does not meet the requirements of European standards.

In the region there is unevenly placed the objects of the infrastructure of businesses and financial institutions support. The number of such important objects of the infrastructure of businesses and financial institutions support as investment and leasing companies, business incubators, business centers, business associations and others is not sufficient. Subjects of SMBs have very limited access to financial resources needed for business. Financial mechanisms offered by commercial banks without quality mortgage and profitable credit repayment terms are mostly unattainable.

To achieve the operational goal in Cherkasy region there is expected the further implementation of the state policy in fields of small and medium business and administrative services, state regulatory policy and permitting system in the field of economy and licensing, development of business support infrastructure, promoting the access of local producers to foreign markets, staff training and further information and advisory support to the SMB sector, the development of the IT sector.

EXPECTED RESULTS:

- increase of the number of SMBs in manufacturing;
- increase of the number of SMBs that implement innovation, energy and resource saving, clean technologies;
- establishing contacts between large industrial enterprises and SMBs;
- increasing the efficiency of existing infrastructure of businesses and financial institutions support and their services to business enterprises;
- simplify licensing procedures for small and medium enterprises;
- more efficient funds to support SMBs;
- increasing the share of exports produced in the SMB sector;
- increase of the number of SMBs engaged in foreign economic activity;
- improving the quality of products made in the SMB sector;
- increasing the share of SMBs in high-tech sectors, particularly in the IT area;
- increase of the number of specialists in the IT sphere in the region;
- increasing the number of employees on NPE and SMBs;
- increasing revenues to local budgets from the activities of SMBs;
- more effective provision of information and consultancy services for starting and doing business for the unemployed.

INDICATORS:

- dynamics of the number of SMBs per 10 000 people;
- the share of small and medium enterprises in the volume of products (goods and services);

- number of employees in the sector of SMBs (including NPE);
- number of SMBs certified by the standards of ISO;
- dynamics of revenues to the consolidated budget from small businesses;
- volumes of export;
- objects of the infrastructure of businesses and financial institutions support.

Tasks	Possible areas of implementation of projects and programs
1.4.1. Developing business support infrastructure	<ul style="list-style-type: none"> – Establishment of business incubators and business centers. – Creation of information and advisory centers for small and medium businesses. – Creation of business associations and support for them. – Improving the regulatory environment. – Improving the efficiency of ASC. – Conduct training, consulting SMBs. – Industry research on the SMBs sphere. – Enhancing cooperation of employment services and employers with educational institutions of the region concerning expansion of the list of professions demanded in business. – Improvement of the financial support of businesses, including the Regional Fund for Entrepreneurship around Cherkasy region. – Informing entrepreneurs through the media and the Internet about changes in the legislation of Ukraine and innovative technologies that can be applied in the regional economy.
1.4.2. Promoting local producers in exporting the products	<ul style="list-style-type: none"> – Training of SMBs concerning practical implementation of quality management systems. – Promotion of implementation of modern quality management systems in business (especially the food safety system HACCP). – Promotion of commodity production of the producers in the region for new international markets with support of foreign diplomatic missions. – Promotion of advanced technologies of processing of local raw materials. – The development of innovative forms of entrepreneurship.
1.4.3. Information support for local producers and promoting local brands	<ul style="list-style-type: none"> – Information support for local producers and promotion of local brands, including using symbols of the most famous tourist and recreational zones in the region, including Chyhyryn, Kaniv etc. – Organization and participation in forums, seminars, conferences, exhibitions, fairs involving small and medium businesses. – The competition for the best local brand and innovations among entrepreneurs. – Visualization of locally produced goods. – Promotion of cooperation between local producers and retailers.
1.4.4. Improving conditions for the development of IT field	<ul style="list-style-type: none"> – Creation of IT business incubators. – Empowering schools in training IT professionals. – Bettering of IT professionals training. – Conducting forums, conferences, international exchange programs. – Promoting the transfer of the old factory, industrial buildings for conversion into creative and co-working centers.

OPERATIONAL GOAL 1.5. THE DEVELOPMENT OF TOURISM AND RECREATION INDUSTRY

Tourism is one of the most promising sectors of the economy in Cherkasy region. The region has objective and grave backgrounds for its development: climate, historical and cultural potentials, picturesque landscapes, attractive tourist routes, architectural monuments, a network of territories and objects of nature preserve funds and recreational opportunities.

Cherkasy is a mono-national with a significant manifestation of patriotism among countrymen who emerged on the historical origins and preservation of authenticity of local traditions and customs. Today it is a significant advantage, even in the development of the tourism industry.

An important element of tourism is a promotion of the regional tourism product. Thus the creation of tourist information centers – specialized establishments equipped with modern technology, that can promptly provide tourists and others travelers with useful information about the tourism potential of the region, is one of the conditions for the successful development of the field.

Today questions of discrepancy of levels of development of the tourism industry and existing potential in Cherkasy region remain problematic.

It should be understood that the region in this area will compete with other (particularly neighboring) regions which also have considerable tourism potential. And the victory in this competition will largely depend on the effectiveness of the interaction of all stakeholders.

EXPECTED RESULTS:

- growing image of Cherkasy region as a tourist place;
- activation of tourism, tourism infrastructure connection with other areas of socio-economic and cultural development of the region, ensuring a balanced regional development and management of tourist environment;
- reactivation of mechanisms of public-private partnerships and concessions in infrastructure and tourism projects;
- the preservation and enhancement of historical, cultural and natural heritage;
- development of new complex tourist products, infrastructure and services around specific objects and monuments;
- certification of objects of tourist infrastructure;
- marketing the tourism potential of the region;
- creating systems of tourists informing;
- development of skills in the field of green tourism; finding specific economic niches by new subjects, particularly in the craft;
- improving staffing of tourism development and hospitality sector;
- improvement of recreational areas, including water objects.

INDICATORS:

- number of objects of tourist infrastructure and excursion routes;

- dynamics of the number of tourists and sightseers;
- volume of tourist services;
- the volume of tourist services per tourist;
- number of reconstructed and newly constructed tourist infrastructure facilities;
- dynamics of the number of trained professionals in the tourism and recreation industry.

Tasks	Possible areas of implementation of projects and programs
1.5.1. Improving infrastructure of recreation areas	<ul style="list-style-type: none"> - Study of water facilities and recreational areas on them. - Construction of recreation and health areas, parks and other environmental objects. - Reconstruction of park areas. - The development of recreational activities in the territories of nature reserve fund. - Creation of the passport of recreational areas in the Cherkasy region.
1.5.2. Developing tourist sites, products and networks	<ul style="list-style-type: none"> - Development and introduction of new tourist and excursion routes. - Improving the transport infrastructure around tourist sites of the region. - Preservation of the historical, cultural and archaeological heritage integrity. - Creating a tourism zoning of Cherkasy region. - Identification and marking of travel and recreation objects. - Creation and reconstruction of small objects of tourists service (public restrooms, playgrounds etc.). - Ordering of the territories of recreational purposes, tourist routes, river banks. - Development of tourism resort on the Dnipro bank. - The development of ethno-cultural and event tourism. - The development of children's and youth tourism. - The development of medical tourism. - Conducting periodic mass annual exhibitions, fairs and festivals that include a variety of attractions, animation programs, tastings. - Development of infrastructure for winter sports. - Development of the regional inclusive tourism (for disabled people, ATO members, Chernobyl liquidators and other stratum of society) as a modern type of medical and social rehabilitation. - The development of active kinds of tourism: hunting and fishing. - Development of green tourism. - Long-term lease of historical and cultural sites and monuments. - Organization of trainings and seminars for beginner entrepreneurs in rural tourism. - Training of specialists in the field of tourism, including tour guides with the knowledge of foreign language. - Monitoring the quality of tourist services.
1.5.3. Tourism promotion of the region	<ul style="list-style-type: none"> - Support of the main tourist site of the region. - Creating a network of tourist information centers. - Publication and distribution of promotional tourism materials (souvenirs, postcards and guidebooks, event calendars). - Create an event calendar. - Illustration of important events and tourist attractions. - Creation of the map of tourist routes of Cherkasy region. - Promotion of tourism potential through the media, online resources etc. - Participation in national and international tourism exhibitions. - Organization of mass tourism events at international level. - Holding of marketing, analytical, sociological researches in the field of tourism. - Organizing and conducting familiarization tours for representatives of travel agencies and media.

The development of rural areas is traditionally associated with agricultural production. However, the experience of successful countries suggests that rural development is, first of all, ensure of comfortable living standards, achieved by finding solutions to a complex of issues. In particular, the development of the agricultural sector, which provides workplaces in rural areas and food sufficiency, development of transport, social and other infrastructures that facilitate unlocking the economic potential of the territory and allows to self-realize and organize leisure time of residents.

In rural areas there live more than 43% of the population, higher than average in Ukraine (31%). The demographic prognosis foresees the reduction of the share of the rural population. The structure of agricultural production for the past 20 years has undergone significant changes, which led to significant changes in the quality of life in rural areas. Privatization of land and a new approach to the market economy did not give the expected results. Prices for agricultural commodities and food products reach the level of developed countries of Europe, while employment in husbandry and stockbreeding does not make enough profit to employees and their families in rural areas. Instead, farmers, especially small ones, faced with an unstable market situation, trying to improve productivity using outdated traditional technologies. Lack of effective management in stockbreeding and planning system led to a decrease in the number of livestock, causing soil depletion due to lack of sufficient organic fertilizers.

The agricultural sector is at present unable to provide sufficient employment for the rural population. Weak employment opportunities and decline of social infrastructure in rural and suburban areas are key reasons for the low quality of living and as a result outflow, particularly of young people, and the general aging of the population, creating additional pressure on the cities of the region and accelerates the decline of traditional villages. The village has become with no perspective for young people and is actually dying. Mostly old-aged people live there. The village is rapidly losing the cultural, social and economic infrastructure. For rural areas is typical by small settlements.

This situation requires a comprehensive approach to rural development mainly through policy and interventions of authorities (regional and local), supplemented by actions that can be performed with this Strategy.

Considering the comparative advantages, challenges and risks of the region, and also the possible impact on solving the existing problems within strategic goal 2 «The development of the rural territory» we should focus our attention on:

- economic intervention associated with the diversification of agricultural production, increase of added value of agricultural production; forming additional income of individual households through supporting small and medium agricultural producers (service cooperatives, utility companies, producer associations);

– socio-economic intervention aimed at preservation and enhancing of the employment potential of rural areas and aimed at development of rural infrastructure in cases where such infrastructure can significantly intensify the economic and social development, improve the environment and increase awareness of the population.

Achieving the strategic goal is assumed through the implementation of two operational goals:

Strategic goal 2. The development of rural territories	
Operational goal 2.1	Operational goal 2.2
The diversification of agricultural production structure and improvement of products processing	The development of rural territories and suburbs around cities and towns

Activities within this strategic goal correspond fully to the strategic goal 1. The improvement of the competitiveness of the region, 3. Human capital development and 4. Environmental safety and conservation. Some of interventions of these strategic goals will both directly and indirectly contribute to development of rural areas.

It is expected that the implementation of strategic goal 2 in the medium-term period will lead to the following results:

- improving the efficiency of agricultural production;
- diversification of agricultural production;
- increase of the share of agricultural products of regional manufacturers in the structure of population consumption of the region;
- increasing individual households income;
- create new workplaces in rural areas;
- increasing the number of self-employed people in rural areas;
- reduction of the dynamic of the aging of the population in rural areas;
- improvement of engineering and social infrastructure in rural areas.

OPERATIONAL GOAL 2.1. THE DIVERSIFICATION OF AGRICULTURAL PRODUCTION STRUCTURE AND IMPROVEMENT OF PRODUCTS PROCESSING

At present Ukraine is on the path to European integration. Nowadays, when technologies and market needs are changing with unprecedented speed, to diversify the structure of agricultural production according to market requirements, including Europe ones, is especially important if our country is planning to be competitive.

Cherkasy region has significant opportunities to transform the agricultural sector into a highly efficient, exportable segment of the economy through increasing economic activity in the region, increase of its investment attractiveness, the use of new technologies in production and entering new markets that are open to us gratefully to European integration.

Favorable climate conditions, abundance of water resources, fertile land owned by Cherkasy region and the specific geographical location in Central Ukraine create opportunities for implementation of still un-

used agricultural potential in the field of vegetable, fruit, meat production and processing of food products, manufacture of ecologically pure products. Unfortunately, mentioned possibilities often stay unused. Prime cost of production isn't different from prices in other countries, but the high intermediate costs (large number of intermediaries, taxes, lack of adequate warehouse facilities, distribution centers, etc.) affect the high price sales. For years, the big problem of this market segment is a significant delay in the development of the logistics.

For the time of structural changes it appears to be necessary to adapt workers of the industry to modern conditions of production. Reproduction of the employment potential of agriculture and raising skills level are the priorities of agricultural policy.

EXPECTED RESULTS:

- increasing the efficiency of agricultural production;
- increasing individual households income;
- increase in gross domestic product of agricultural production;
- diversification of agricultural production;
- the creation of mechanisms that encourage the organization of basic agricultural market;
- the establishment and functioning of market centers for agricultural products in urban areas;
- create new workplaces in rural areas;
- improving the quality of human resources in rural areas;
- improve access of agricultural products to local, national and international markets;
- reduce possible impact on intermediaries for the final product;
- availability of services, transfer of technologies, innovative solutions and know-how to agricultural producers;
- development of agricultural production chains;
- introducing new breeds of livestock and poultry in the area of livestock and agricultural crops for more efficient agricultural production;
- the possibility for farmers, especially small farmers, to have access to the financial resources necessary to improve technology and innovation, use of new, more productive crops and breeds for agriculture;
- ensure of a sufficient number of objects of agricultural infrastructure.

INDICATORS:

- number of small and medium-sized agro-businesses;
- efficiency of agricultural production from 1 hectare;
- number of agricultural markets in the region;
- number of appropriate warehouse facilities (modern vegetable stores) for long-term storage;
- number of exporters of agricultural products and processed products;
- the volume of exports of agricultural products and processed products;
- productivity of livestock and poultry in the stockbreeding industry and crops capacity on farms;

- amount of loans and micro-credits provided to farmers;
- share of organic farming in the total volume of agricultural production;
- number of agricultural enterprises with high innovation component.

Tasks	Possible areas of implementation of projects and programs
2.1.1. Creating the conditions for maintaining communal and cooperative ownership (in the fields of stockbreeding, vegetable and fruit growing, long-term storage for agricultural products, and agro-processing)	<ul style="list-style-type: none"> – Promote the establishment of cooperative agricultural facilities for long-term storage. – Purchase of equipment for cooperatives (communal enterprises) in the area of vegetable and berry growing. – Purchase of equipment for cooperatives in the dairy stockbreeding industry. – Create a selective base for crops and livestock breeding. – Development of cooperatives in fields of sheep, rabbits, goats, fish farming and breeding other types of domestic animals and poultry according to traditions and trends of development in certain rural areas. – Facilitating the purchase of agricultural machinery. – Creation of cooperative seed farms with production of seeds of vegetables.
2.1.2. Educational and informational support for the rural population including agricultural cooperation, improving training for small businesses in rural areas	<ul style="list-style-type: none"> – Specialized training seminars, including those on the development of business plans. – Creating training and production companies based on vocational schools in rural areas. – Equipping the training workshops of vocational schools in order to improve professional skills of businesses in informational technologies, rural green tourism. – Training and consultations for private farms, initiatives to create a business in rural areas. – The competitions held to support young people interested in resettling in rural areas. – The introduction of “universal” profession – agricultural worker. – Conduct training on selecting work for breeding cattle.
2.1.3. Developing organic agriculture	<ul style="list-style-type: none"> – Forming a culture of production and consumption of organic farming products. – Promoting research, training and consultancy on organic agriculture, creation of laboratories for the production of organic products. – Monitoring of the environmental conditions of agricultural land. – The development of soil and ecologically safe technologies of growing crops and informational campaign for small agricultural producers about potential production and marketing of organic products. – Modernization of production facilities and technologies of ecologically pure production. – Cooperation of small businesses of the region with public, private, closed public catering establishments for sales of organic products. – Implementation of investment projects on establishment of modern enterprises for the production of organic and ecologically pure products. – Set-up of growing of ecologically pure fruit and vegetable products. – Establishing the production of ecologically pure animal products.
2.1.4. Improving access to markets for agricultural producers	<ul style="list-style-type: none"> – Establishment of retail markets of agricultural products. – Support to agricultural producers through the formation of cooperative associations, marketing associations, processing companies, which would help in the marketing of products, including organic ones. – Advisory support to agricultural producers on product certification. – Development of business plans for small farms, cooperatives involving science and following promotion of such plans to European programs and grants. – Information support to local producers.

OPERATIONAL GOAL 2.2.

THE DEVELOPMENT OF RURAL TERRITORIES AND SUB-URBS AROUND CITIES AND TOWNS

During recent years the disproportions in the development of the center and the periphery are becoming more noticeable. Low business activity, significant lack of investments in development and activity of the peripheral areas cause their gradual decline. This leads to the outflow of a large share of the population from these areas to the center (especially to Cherkasy), destruction and deterioration of municipal infrastructure (especially the roads conditions), low income of rural population, decline of social sphere (education, cultural activities, medicine etc.).

A key factor that will promote solving of these problems is cash investments. Therefore, one of the primary ways of implementing this operational goal is to expand business opportunities for the rural population. We should work towards improving the competitiveness of agricultural production by promoting goods of local producers, improving entrepreneurial skills of the rural population. One of the options for improving the structure of rural businesses is the increase of the number of agricultural service cooperatives, creation of clusters within rural and urban processing industries and tourism.

The development of entrepreneurship will help to render active the investments in rural and suburban areas. Thus, it will enable development of rural and suburban infrastructure: repairs of pavements and roads, improvement of housing and communal services, the revival of rural education, culture. The urgent issue is the quality of medical services in rural areas. An important goal is to increase the number of medical clinics, health posts, improving the quality of primary health care.

An important aspect of the development of peripheral areas is also the increase of employment in rural areas. The creation of new enterprises will favor the increase of the number of new workplaces and increase of the income of the employed population. These factors if combined will help to reduce migration from rural and suburban areas.

EXPECTED RESULTS:

- improvement of rural roads;
- improvement of a significant number of social infrastructure;
- improving the quality of health services in rural areas;
- improving the quality of public services in cultivation, transport and other services;
- increasing the competitiveness of agricultural products;
- create new workplaces in rural areas;
- improving the quality of human resources in rural areas;
- increase of income in individual households;
- free access to public information.

INDICATORS:

- ratio of urban and rural population;

- number of small agricultural producers (up to 100 hectares of land under cultivation);
- number of active agricultural cooperatives;
- standard of ambulance arrival to the necessary place;
- number of villages providing outpatient clinic.

Tasks	Possible areas of implementation of projects and programs
2.2.1. Improving transport infrastructure to break barriers of the economic development of villages	<ul style="list-style-type: none"> - Formation and publication of the register (ranking) of rural roads that need repair, the roads which will help to unlock (activate) the economic potential of villages. - Repair of rural roads under a defined list. - Construction of rural roads under a defined list.
2.2.2. The development of self-employment and non-agricultural businesses, including rural green tourism	<ul style="list-style-type: none"> - Conduct an intensive training course for rural youth on starting a business in the village. - Increase of motivation to rural entrepreneurship development in rural areas. - Purchase of equipment for agricultural cooperatives. - Implementation of projects of supporting non-agricultural businesses in rural areas (the provision of public services, development of tourist infrastructure). - Information campaign and procurement of planting material of rare types of agricultural products for small producers. - Conducting master classes that will allow visitors to get acquainted with local life. - Production of souvenirs native for traditions peculiar to a certain area. - Creating "thematic villages". - Provision of educational festivals.
2.2.3. Improvement of medical services in rural areas	<ul style="list-style-type: none"> - Development of a network of primary health care. - Reconstruction of health posts into the medical clinic in the localities, especially remote from medical care. - Purchase of vehicles and equipment for rural clinics.
2.2.4. Improving access to public information for rural population	<ul style="list-style-type: none"> - Ensuring the availability of the information necessary to the public on sites of regional and local authorities. - Computerization of libraries and provision of access to the Internet from public-school libraries and the creation on their base of points of access to official information. - Providing access to information for disabled people.

**6.3.
STRATEGIC GOAL 3.
HUMAN CAPITAL
DEVELOPMENT**

Human capital is probably the most important potential of Cherkasy region that needs to be used in order to force economic development. The development of human capital is being carried out by the complex interaction of the state, population and business. However, the leading role in this process, creating conditions for the development of human capital, should belong to the state.

Today, unfortunately, unfavorable conditions for the development of human capital have formed here, and this entails its deterioration in the long-term perspective, makes a destabilizing effect on the economy development.

Current trends reflect the slight development of leadership and entrepreneur abilities in Ukraine and on the territory of Cherkasy region in particular. Among the reasons are the historical effect of preceding economic and political systems and the low efficiency of

the totality of actions to solve the problem. Today the one problem is sharply described – the problem of identifying leadership and the most active groups for activation of processes of self-organization of region residents in solving local dilemmas in an unstable socio-economic situation.

The strategic goal is, first of all, focused on the human, and the implementation of tasks of this goal will help to improve the demographic situation and prolong citizens’ active period of life. The achievement of this goal is only possible due to the maximum activation of the public as to the formation of citizenship opinion on effective behavior in the modern labor market, introduction of healthy lifestyles and social activity.

Changing the paradigm of strategic development of human capital will focus on quality of life, as a component of regional competitiveness, will stimulate business activity of population and attract investments.

Considering the above mentioned, we can define the main threats in the development of human potential to Cherkasy region. They are:

- demographic problem in the region;
- decrease of real incomes of the population;
- deepening discrepancy between supply and demand on the regional labor market;
- growth of imbalance of economic and social guarantees for professional fulfillment of younger and older generations;
- further easing of actions toward self-organization, concerning resolve of community problems;
- outflow of «underground» highly skilled professionals from the region, including the risk of losing opportunities for IT sector development;
- deviation and shattering the unity of national spirit, development of regional culture, traditions and customs as a result of globalization and the current geopolitical situation.

So the usage of possibilities to reduce the gap between the expected and the current level of development of the described processes will allow creating a fundamentally new system of enrichment and further development of human capital.

Achieving the strategic goal is assumed through the implementation of two operational goals:

Strategic goal 3. Human capital development	
Operational goal 3.1	Operational goal 3.2
The improvement of the population adaptability to the needs of the labor market	The improvement of awareness and social activity of the regional population

Activities under this strategic goal correspond to the strategic goals 1. The improvement of the competitiveness of the region, 2. The development of rural territories and 4. Environmental safety and conservation. Some of these strategic goals interventions will directly and indirectly promote the development of human poten-

tial. Along with this, activities under this strategic goal will complement the achieving of the rest of strategic goals, because the basis of the implementation of any project is always the human.

It is expected that the implementation of the Strategic goal 3 in the near future will lead to the following results:

- ensure of the effective direct connection between education and the regional labor market;
- reducing unemployment, especially among young people;
- improvement of social infrastructure, including sports;
- increasing the share of entrepreneurs in the economically active population;
- the inclusion of a wider range of people to active public life, including vulnerable groups;
- using additional resources received from self-organization of the population and reduction of budget funds for solving local problems;
- polarization and promotion of regional population to healthy lifestyles;
- raising awareness of the region's residents in the sphere of culture, history, customs and traditions;
- raising level of awareness and communication between local communities;
- improvement of regional human development index.

OPERATIONAL GOAL 3.1.

THE IMPROVEMENT OF THE POPULATION ADAPTABILITY TO THE NEEDS OF THE LABOR MARKET

Cherkasy region needs to solve problems in the field of natural and mechanical movement of the population. The reduction and aging of the population, high levels of premature mortality in working age, increase of immigration outflow of laborers with vocational and higher education, the transformation of the economic system, changes of requests concerning the most popular professions clearly creates an imbalance between the volume of demand and supply in the labor market and therefore there is barrier in adaptability of the population to the needs in a certain market.

The defined operational objective is aimed at minimization of losses from a number of serious problems existing in Cherkasy. In particular, it is the question of monitoring the labor market and the continuous adjustment of the education system at all levels, the absence of a mechanism of legal and regulatory, material and technical provision, staffing, promoting for the implementation of quality education for further efficient and accessible employment, falling prestige of working occupations and so on.

Staff training for the needs of the regional economy, including the development of life-long education, is not carried out to the full. Re-thinking of approaches to the implementation of the certain sector of the labor market, implementation of actions to develop leadership and communication skills of all working age groups, conducting education-

al campaigns for the population on reacting to the challenges of the present time – all this brings the interaction of employers with those who need the workplace in a new high-quality format.

EXPECTED RESULTS

- available practice-oriented education system;
- reduction of the imbalance between the needs of the economy for labor force and training of the qualified staff by educational institutions;
- improvement of material and technical basis and optimization of the structure of vocational education;
- increase in economic activity and employment, reduction of unemployment;
- availability of specialists’ professional development for the economy sectors;
- provision of conditions for teaching staff’s professional self-realization;
- improvement of career guidance work with youth;
- development of distance studying at educational institutions;
- development of gender-sensitive programs of career guidance for overcoming professional segregation in the labor market;
- reducing unemployment, especially among young people.

INDICATORS:

- share of employed people over the age of 45 and socially vulnerable population groups;
- share of unemployment among young people;
- number of institutions with the implemented system of life-long learning;
- employment rate of graduates that work in the field they majored in.

Tasks	Possible areas of implementation of projects and programs
3.1.1. Improving training of young people for the regional labor market conditions	<ul style="list-style-type: none"> – Formation of an optimal network of vocational schools. – Research of perspective needs of regional labor market. – Involvement of employers in the development and approval of curricula, programs; assistance in improving (modernizing) of material- technical base of vocational schools. – Monitoring of needs of regulatory, material- technical, staff provision of implementation of integrated and inclusive education in schools. – Development and implementation of inclusive education curricula, distance education followed by social adaptation and integration into all spheres of life of disabled persons. – Improving career guidance to youth. – Reorganization of ungraded rural schools. – Provide schools with modern computers, the use of IT-technologies in the educational process. – Implementation of project-based educational programs. – Promote volunteerism as a stage for future employment. – Training on entrepreneurial thinking among students and unemployed adult population. – Introduction of social advertisements of prestige of working professions; creating a positive image of vocational schools; conducting regional fairs and exhibitions of labor professions. – Promotion of educational districts.

<p>3.1.2. Improving training of staff for the needs of the regional economy including the development of life-long education</p>	<ul style="list-style-type: none"> – Promotion of the dual training system. – Implementation of the development of leadership and communication skills of the population. – Implementation of training of skilled workforce according the enlarged professions. – Stimulating gifted youth and the best educators that are engaged in design, research activities have their own methodological development. – Conduct educational activities aimed at the development of legal identity and gender culture of citizens. – The organization of training courses for non-formal adult education, including literacy training in a broad sense (computer, functional, social literacy); vocational training (training, retraining, continuing education). – Establishment of an electronic database of non-formal education services that are provided by civil organizations of the region. – Establishment of structure (information portal), which would provide analysis of current and future staff needs of the regional labor market. – Providing of social and educational support for people with disabilities and their integration in educational and social environment, creating conditions for development and self-realization.
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OPERATIONAL GOAL 3.2.

THE IMPROVEMENT OF AWARENESS AND SOCIAL ACTIVITY OF THE REGIONAL POPULATION

Identifying and support of active community prepared for the challenges that the region faces in the course of social change is the basis for the formation of pro-active segment of population that is characterized by deep knowledge, developed abilities, vast intellectual and creative potential.

One of the important tasks aimed at achieving the operational goal is spreading the practice of social activity of community residents, organizing their cooperation, creating conditions for more efficient use of common resources. Support of civil initiatives will stabilize social processes and ensure higher level of trust to local authorities.

In addition, it is important to develop leadership and entrepreneurial skills of the population. These skills are the foundation for new economic initiatives and creating new workplaces, especially in the segment of self-employment. Entrepreneurial thinking and skills of business decision-making can be formed due to introduction of appropriate projects based on methodologies that have proved successful in different countries of the world.

Organization of effective youth policy is a strategic process, as it is essential that we should not waste the potential of human development at the early stages of life. The main direction and the principle of cooperation and interaction with students is that some part of responsibilities and administrative decisions should be delegated from executive bodies to an active youth community.

The experience of many developed countries demonstrates significant advantages of directing social activity of residents into the domain of improving community well-being, supporting objects of social infrastructure and other socially important issues that traditionally act as recipients of budgetary funds.

Formation of residents' active position in matters of healthy lifestyle, preserving regional traditions and customs and promoting

patriotic education is an effective way to invest relatively small resources to achieve significant results in the future.

EXPECTED RESULTS:

- raising public and social activity of youth;
- increasing the number of young people involved in the development, organization of and participation in youth projects and events;
- increasing the number of youth organizations and their level of participation in management decision-making;
- diversify and increase of the number of events in the field of youth policy, using innovative methods and forms of work with young people;
- development of student government;
- creation of community organizations in most localities of the region;
- improvement of public welfare with the participation of civil initiatives;
- adjustment of cooperation between government, community, youth, sports organizations, representatives of different religious confessions, physicians and educators towards the creation of economic, material and technical pre-conditions for maintaining and improving public health and promote physical culture, sport and the principles of a healthy lifestyle;
- forming modern infrastructure in culture and implementation of new approaches to the management of social and cultural development;
- promote the recovery, preservation and development of regional traditions and also development of modern art technologies;
- creating equal opportunities for access to cultural values and personal development resources;
- creating favorable conditions for search, support and development of gifted children and youth;
- equal access of legal entities and individuals to public information;
- raising public awareness about events of local, regional, national and international importance;
- maximum Internet coverage of the region;
- filling the information space with quality, timely and objective information, fulfilling the needs of the region in the information and publishing products;
- fulfilling the needs of the region in the information and publishing products;
- formation of regional public broadcasting network by territorial communities.

INDICATORS:

- the number of active youth organizations;
- number of youth projects and activities and the number of young people involved in their design, implementation and participation;
- the share of school-age children involved in sports clubs;
- number of new infrastructure for a healthy lifestyle (sports facilities, clubs, training facilities etc.);

- the number of visits to museums, libraries and other cultural institutions;
- number of historical, cultural, archaeological, historical and cultural preservations;
- number of students in music schools and schools of aesthetic education;
- the number of subscribers in and users of the electronic media and the Internet network;
- number of publications of socially necessary literature for full or partial funding from local budgets;
- amount of borrowed funds for the development of regional public broadcasting.

Tasks	Possible areas of implementation of projects and programs
3.2.1. Developing leadership qualities of population	<ul style="list-style-type: none"> – Support for the youth and children’s public organizations, student government; holding the competition of projects of youth organizations. – Improving the capacity of self-organization of school youth. – Conduct a series of trainings on leadership and communication skills of young people. – Conduct an intensive training course for rural youth on starting a business in the village. – Development of international youth cooperation. – Holding competitions of business-plans. – Involvement of youth associations in activities of local authorities and local governments. – Promoting a positive image of “young entrepreneur” in the media.
3.2.2. Involving regional residents into solving local problems	<ul style="list-style-type: none"> – Public participation in the discussion and solution of socially important issues and the operation of local development programs. – Promoting the creation of community organizations (COs). – The competition to support socio-economic development projects of local communities. – Promote the establishment of resource centers of local communities and Agencies of local development. – Implementation of projects of information and analytical support of local government. – The introduction of electronic petitions on sites of Regional Council and Regional State Administration.
3.2.3. Creating conditions for healthy living including the recreation and physical culture field	<ul style="list-style-type: none"> – Conducting thematic information activities aimed at support of the healthy lifestyle. – Formation of motivation to healthy lifestyle through short-term educational programs. – Establishment of charitable consulting and diagnostic centers for social and psychological care. – Prevention of HIV / AIDS, alcohol and drug use among children, pupils and students. – Conducting information activities on resistance and preventing violence in educational institutions; programs aimed at teaching teens of sexual and reproductive health. – Creation of children / sports playgrounds in regional centers and rural areas. – Support of a network and development of material and technical base of children and youth sports schools in the region. – Support and improvement of children and youth sports schools of the region. – Holding public events to promote healthy lifestyles. – Use of the public advertisement about health. – Development of “healthy aging strategy.”

<p>3.2.4. Preserving and developing national culture, regional traditions, increasing historical awareness and patriotic education of the population</p>	<ul style="list-style-type: none"> - Restoration and conservation of archaeological, historical, culture and landscape art monuments. - Development and application of methods, guidelines and projects using archaeological, historical, cultural, landscape art monuments for the organization of tourist activity. - Support for masters of traditional folk crafts. - Support for masters of folk crafts. - Certification of cultural heritage of local importance. - Hold contests festivals in various areas of cultural, artistic and creative activities. - Development and distribution of social advertising materials to enhance the motivation of young people to preserve the traditions of the region. - Information activities aimed at highlighting historical events, memorials and cultural heritage of the region. - Development of interregional and international relations and cooperation with international organizations. - Creation of a common historical and cultural network that includes historical and cultural preservations, museums, recreational facilities, objects of nature preserve fund, parks. - Creation of the centers of patriotic education of youth, conduction of training seminars. - Promoting the achievements of Cherkasy region. - Introduction of interactive museums. - Providing libraries and educational and cultural institutions with scientific reference publication of civic and patriotic and local history directions. - Promoting "dialogue of generations" and strengthening in the minds of residents the belonging to Cherkasy region.
<p>3.2.5. Developing regional information space</p>	<ul style="list-style-type: none"> - Ensuring availability of the necessary to the public information on the websites of local authorities. - Highlighting of social and economic issues in the media of the region and at the official government pages on the Internet. - Creation of information and resource centers of access to socially significant information. - Updating of the official websites of local authorities. - Offering Wi-Fi access in public places. - Promoting the creation of an Internet portal of civil organizations with a wide range of information and communication functions. - Improve publishing and printing base of the region. - Promoting of the establishment of communities broadcasting.

Environmental safety in the region is considered as the state of environment with guaranteed preventing of ecological degradation and human health. This can be achieved by a set of processes and actions concerning creation of favorable conditions for the renewing of natural resources, life and health of the population as one of the categories of sustainable (balanced) development of the region.

Socio-economic development of the region closely and inextricably related to the state of the environment, the existence of environmental problems and risks in the region. Assessment of the environment in the region shows that ecosystem components undergo negative anthropogenic influence, among environmental problems of the region that need to be solved, the most important is the formation and accumulation of large amounts of industrial and domestic waste, the storage of unknown, unsuitable and prohibited for the use chemical plant protectors (waste from pesti-

**6.4.
STRATEGIC GOAL 4.
ENVIRONMENTAL
SAFETY AND
CONSERVATION**

cides), high level of pollution of the water basin in the region and in the air in Cherkasy, unsatisfactory quality of water supply and sanitation in the localities of the region, high energy consumption on enterprises, lack of nature preserve areas of different types of protection, reduction of diversity of plants and animals species.

Ensuring of sustainable environmental management, greening of economic activity, achieving of safe for human health environment is the basis for environmental safety of the region and can be reached through the implementation of the following operational goals:

Strategic goal 4. Environmental safety and conservation			
Operational goal 4.1	Operational goal 4.2	Operational goal 4.3	Operational goal 4.4
The creation of conditions for the improvement of environment	The improvement of waste management	The development of the ecological network, nature reserve fund, conservation of biological and landscape diversity	The improvement of the water objects and atmospheric air condition

Activity within this strategic goal corresponds with the strategic goals: 1. The improvement of the competitiveness of the region, 2. The development of rural territories and 3. Human capital development.

Implementation of the strategic goal 4 in the medium-term perspective leads to the following results:

- reduction of waste disposal and the burden on landfills;
- increase of the share of harvesting, recycling and use of waste as secondary raw materials;
- complete cleaning of the territory of the region from unknown, unsuitable and prohibited for the use chemical plant protection products (pesticides waste);
- improvement of water facilities of the region, the quality of drinking water;
- reduction of air pollution;
- promotion of functioning system of environmental monitoring at the regional level;
- the preservation and enhancement of biological and landscape diversity. Formation of coherent and representative ecological network;
- improvement of land resources;
- raising awareness of the population about the state of the environment of the region;
- raising ecological culture of the population.

OPERATIONAL GOAL 4.1.

THE CREATION OF CONDITIONS FOR THE IMPROVEMENT OF ENVIRONMENT

The development of industry, transport and agriculture, involvement in economic turnover increasing amount of natural resources used inefficiently and ineffectively and ones which increase the level of anthropogenic burden on the environment of the region and are the major cause of environmental problems.

Poor environmental situation in the region requires urgent solution. Among the actions to improve the environment, the current place has the development of general awareness of population about preservation and care of the environment. Specific emphasis should be placed on the formation of ecological culture of children and youth.

Improving its monitoring system at the regional level is also important in creation of the conditions for the improvement of the environment.

EXPECTED RESULTS:

- improvement of environmental culture and awareness of the population, formation of ecological thinking in economic consumption of natural resources, energy and waste management;
- introduction of environmental education for the formation of a new system of values and behavior patterns of the younger generation and society in general;
- the greening of industries by creating environmental awareness of managers of industrial enterprises;
- increasing number of objects of the infrastructure in order to support patterns of ecological behavior of the population;
- efficient operation of environmental monitoring system at the regional level.

INDICATORS:

- number of educational events, television programs and publications in the media on issues of ecology and environmental protection.

Tasks	Possible areas of implementation of projects and programs
4.1.1. Improving the ecological culture of the population	<ul style="list-style-type: none"> - Conduction educational work. - Formation pro-ecological thinking of population. - Implementation of ecological education for the formation of a new system of values and behavior patterns of the younger generation and society in general. - Establishment of objects of infrastructure to support ecological behavior of the population. - Public participation in decision-making on environmental protection. - Distributing of ecological information through the media, Internet and television. - The publication of educational materials on environmental topics (newspapers, magazines, pamphlets, books etc.). - Contests, conferences, seminars, round tables on environmental issues.
4.1.2. Improving environmental monitoring system	<ul style="list-style-type: none"> - Organization of effective interaction between the subjects of environmental monitoring. - Branching of system of posts observing pollution of environmental and equipping them with modern control devices.

OPERATIONAL GOAL 4.2.

THE IMPROVEMENT OF WASTE MANAGEMENT

One of the problems is actions with unknown, useless and prohibited for use chemical crop protection products (pesticides waste) and their containers.

As of 01.01.2015 there are 15 warehouses with 301,114 tons of unknown, useless and prohibited chemical crop protection products (pesticides waste) in the region.

Storage conditions of majority of pesticides waste do not meet current ecological and health standards. Most of accumulated chemicals were forbidden to use due to their high toxicity and negative effects on human health and environment.

In the region there are 437 places for solid waste disposal (landfills) with a total area of 513.24 hectares, a part of which depleted resources and are operated with violation of environmental safety standards.

Most of the landfills are overloaded and the construction of new ones requires large land areas.

Landfills lead to pollution of soil, air, groundwater and surface water. At the same time millions of tons of different materials are derived from economic turnover, although they could be used as recycled resources while keeping significant amount of natural resources. Out of total amount of municipal solid waste generated in the region, only about 9% are used as secondary raw materials.

EXPECTED RESULTS:

- reduction of waste disposal and load on landfills of solid waste;
- increase of the share of storing, recycling and use of waste as secondary raw materials;
- complete clearing of the region from unknown, useless and prohibited for use chemical crop protection products (pesticides waste).

INDICATORS:

- the amount of recycled waste (percentage of total generated waste);
- amount of landfills;
- number of unknown, useless and prohibited for use chemical crop protection products (pesticides waste).

Tasks	Possible areas of implementation of projects and programs
4.2.1. Promoting the reduction of solid waste landfill disposal	<ul style="list-style-type: none"> - Introduction of the system of separate collection of solid waste for their use as secondary raw material. - Construction of landfills of solid waste that meet established standards. - The introduction of low-waste technologies and new forms of management of solid waste. - Construction of waste recycling and waste sorting lines.
4.2.2. Increasing utilization volumes of industrial waste and complete cleaning of the region of unknown, unsuitable and prohibited for the use chemical plant protection products (pesticides)	<ul style="list-style-type: none"> - Ensure of removal, disposal, destruction and neutralization of unknown, unsuitable and prohibited for the use chemical plant protection products (pesticides) and their containers by specialized enterprises. - Public inventory of storages for unknown, unsuitable and prohibited for the use chemical plant protection products. - Support of development in the field of innovative ways of waste recycling.

**OPERATIONAL GOAL 4.3.
THE DEVELOPMENT OF THE ECOLOGICAL NETWORK,
NATURE RESERVE FUND, CONSERVATION
OF BIOLOGICAL AND LANDSCAPE DIVERSITY**

In the complex issue of environmental protection which covers various aspects of interaction between man and the biosphere in the process of its production activity, preserved ecosystems have multidimensional importance in preserving the pristine landscapes, protection of the genepool and reproduction of biological resources.

Laws of Ukraine «On the State program of creating national ecological network of Ukraine for 2000 – 2015», «On ecological network of Ukraine» provide the establishment of national ecological network in order to restore the natural habitats of wild flora and fauna, improve keeping condition of certain components of biological diversity, strengthening of environmental relationships and ecosystem integrity.

Total area of regional ecological network of Cherkasy region is 759 200 hectares. The most important areas of ecological network include areas and objects of natural reserve fund (63 100 hectares), wetlands (166 300 hectares) and other areas which preserve the most valuable natural complexes.

The share of preserved areas in the region is 3.0% now, in Ukraine this indicator is 6.1%, while in most European countries the territories occupied by preserved areas, on average make up 15%. National strategy of regional development till 2020 envisages that the proportion of the area of natural reserve fund to the area of administrative and territorial unit of Cherkasy region should increase to 6.6% in 2017 and up to 9% in 2021.

EXPECTED RESULTS:

- termination of loss of biological and landscape diversity;
- formation of coherent and representative ecological network;
- preservation and enhancement of protected areas, biological and landscape diversity;
- guarantee of the restoration of used land.

INDICATORS:

- number and area of territories and objects of natural reserve fund;
- number of species of plants and animals in the region that are to be protected;
- area of re-cultivated and restored lands;
- fish productivity of water bodies.

Tasks	Possible areas of implementation of projects and programs
4.3.1. Preserving natural areas, rare and endangered species of flora and fauna	<ul style="list-style-type: none"> - Creation of new objects of nature reserve fund. - Establishment of boundaries in kind of existing objects of natural reserve fund. - Using of recreational potential of territories and objects of natural reserve fund. - Formation of lists of rare and endangered species of flora and fauna. - Actions for the protection and restoration of water biological resources.

4.3.2. Conserving forests and green spaces in localities of the region	<ul style="list-style-type: none"> - Inventory of green plantations in cities and districts of the region. - Increase of green plantations area in the localities of the region, creation of forest plantations. - Landscape reconstruction of existing facilities of green economy.
4.3.3. Restoration of broken land and soil fertility	<ul style="list-style-type: none"> - Conservation of degraded, unproductive and technogenically contaminated agricultural lands and their further reforestation. - Ensure of the percentage of increase of re-cultivated lands. - Using of international experience and new technologies in the restoration of damaged lands and their re-cultivation.

OPERATIONAL GOAL 4.4.

THE IMPROVEMENT OF THE WATER OBJECTS AND ATMOSPHERIC AIR CONDITION

Current state of surface water bodies of the region is characterized by anthropogenic pressure of production activities of economic entities. A lot of insufficiently cleaned and polluted sewage water get into surface water. The reason is the poor operation of cleaning facilities as a result of physical and moral obsolescence of equipment, untimely conducted current and capital repairs.

Deterioration of hydrological and sanitary condition of water bodies also occurs due to breaking economic activity standards in shore protection zones, siltation and contamination of riverbeds and water reservoirs, regulation of runoff, reduction of self-cleaning capacity etc.

This leads to a decrease in water quality and gradual degradation of water bodies, resulting in deterioration of health of the population and the severe deficit of water necessary for economic development of the region.

One of ways to solve this problem is the reconstruction of inefficiently working cleaning facilities, construction of cleaning facilities in localities where they are unavailable. The works aimed at the improvement of technical condition and improvement of water will significantly improve the condition of water bodies in the region.

Also, the development of industry, increase of the number of vehicles lead to increasing air pollution, that resulted in appearing of such phenomena as the greenhouse effect, ozone layer breach, accumulation of harmful gases in the lower layers of the atmosphere. Greenhouse gases produced as a result of industrial activity and vehicle operation intensify the greenhouse effect, leading to climate change.

Introduction of innovative technologies related to fuel economy, using highly effective cleaning equipment at enterprises will allow preserving and restoring the natural state of the air and creating favorable conditions for the normal life activity of the population.

EXPECTED RESULTS:

- reduction of volumes of discharging polluted and insufficiently cleaned sewage waters into water bodies;
- restoration of hydrological and sanitary state of water facilities;

- improving the quality of drinking water;
- reducing air pollution.

INDICATORS:

- coefficient of relative pollution of sewage water that get into the surface water bodies;
- number of water bodies, which underwent cleaning;
- coefficient of relative pollution of drinking water from centralized sources of water supply;
- index of air pollution.

Tasks	Possible areas of implementation of projects and programs
4.4.1. Creating water protection zones	<ul style="list-style-type: none"> - Development of the projects of determination of sizes and the boundaries of water protection zones. - Adherence of land using rules within the water protection zones.
4.4.2. Reducing discharge volumes of polluted wastewater and improve the quality of drinking water	<ul style="list-style-type: none"> - Reconstruction of existing and construction of new cleaning facilities for sewage water. - Construction of local cleaning facilities by enterprises. - Installation of modern forms of cleaning equipment of discharges of pollutants into water bodies. - Works related to the improvement of technical condition of water bodies. - Implementation of innovative water supply technologies. - Modernization and reconstruction of existing water and sewage networks.
4.4.3. The introduction of technologies to reduce emissions of pollutants into the air, including those from motor vehicles	<ul style="list-style-type: none"> - Introduction of modern methods of cleaning of pollutants at businesses in the region. - Creating conditions for attracting of financial resources by enterprises-polluters to modernize productions through the mechanisms of "green investment". - Using European standards of quality of the vehicle fuel. - Improving of road surface. - Development of bicycles and electro-transport. - Construction of bicycle paths.

STRATEGY IMPLEMENTATION AND MONITORING



Since the beginning of the strategic planning we put a stress on the importance of implementation and monitoring of the Strategy realization. The success of the implementation of the Strategy will depend on positive economic and social changes affecting the achievement of its goal and objectives.

The work at the development of the Strategy was attended to by the representatives of business, authorities and local governments, educational institutions, public and other organizations, which provided feasible realization of the strategy and contributed to the trust of the community.

To ensure the proper level of responsibility for implementation of the Strategy we must create a system of its implementation monitoring. Such system is to include: an institution which will carry out the monitoring; Regulation on the monitoring system of the Strategy; system of indicators (results) of the Strategy implementation (quantitative and qualitative).

The Strategy realization will be based on partnership, coordination and harmonization of all key stakeholders.

The Strategy of Cherkasy region development must be implemented through the realization of complex of organizational, financial and information actions of the subjects of the regional development according to the Plan of the Strategy implementation and other regional programs associated with the Strategy, as well as regulations of local authorities aimed at achieving strategic goals defined in the Strategy.

Ensuring the implementation is a managerial task that implies control of the activities of many organizations involved in the implementation of the Strategy. This is the responsibility of an appropriate body of implementation of management, which comprises the representatives of the authorities and local government, community and business. Implementation of projects and actions within the Strategy is the matter reserved to the competence of this body which is responsible for ensuring of the relevance and feasibility of strategic and operational goals and their achievement.

To synchronize the decisions and actions of local governments and local administrations with the goals of the Strategy we must make appropriate changes to the regulations of these institutions, which will imply verification of decisions projects on accordance with the Strategy, define the priorities in using the budgets of the development of administrative-territorial entities in accordance and consequence with Strategy implementation plan.

Regional strategy cannot regulate all the actions of local, regional and national level, implemented in the region till 2020, and securing the achievement of expected results. Therefore, in this scenarios of implementation the Strategy is focused on operational goals and actions that may be realized through aimed influence of local authorities with the active support of the state (subvention for social and economic development of regions, objective subvention, funding from the State Fund for regional development), sequenced

program of donors aid and private investments. The Strategy largely relies on the competence, readiness and willingness of residents of the region to promote changes and improvement.

However, the strategic goals defined by this document actually determine the directions of applying the effort and using the resources (including private investment) for their effectiveness was maximal in terms of achieving the strategic vision defined by the Strategy.

Implementation of opportunities is a task for district and regional authorities, public organizations sector and residents who are engaged in various activities in the area of the region development with the support of projects of international technical assistance.

The strategy is designed in such a way as to enable a parallel implementation of all purposes in order to spread the implementation capacity, territorial distribution of impact and financial affordability, although certain actions are preconditions for implementation of other ones, and therefore are considered to be of priority importance in relation to further actions. In this sense, the order of projects within the plan of implementation of the Strategy is built so as to avoid breaks and gaps in the implementation of related actions of projects.

Methods of the Strategy implementation imply defining of the implementation priorities. It is important to implement the Strategy in two successive and related program cycles (stages) included into two implementation plans:

- First - 2015 - 2017.
- Second - 2018 - 2020.

Every three years, on the basis of the monitoring of the Strategy we should assess the necessities of clarifying or reconsidering certain elements of the Strategy in the light of new trends and circumstances that may arise, and the impact of external and internal factors.

Financial ensurance of the Strategy will be implemented through:

- State Fund for regional development;
- funds of specific targeted state programs and budget programs of central authorities that are aimed at the development of the relevant area in the regions;
- subventions and other transfers of the state budget by local budgets;
- local budgets;
- international technical assistance, international financial organizations;
- investors funds, enterprises own funds.

MONITORING OF THE IMPLEMENTATION OF THE STRATEGY

During the monitoring a number of problems are solved:

- Control over the Strategy implementation on the whole.
- Assessment of achievement on strategic goals progress, advancement to operational goals.

- The Strategy goals clarification and updating resulting from the analysis of information as for the changes in external and internal factors of the region development.

- Maintaining the institutions and structure of strategic planning.

Monitoring is based on consideration of a limited number of selected indicators. They are divided into Indicators of achievement: strategic vision; strategic goals; operational goals and implementation of projects.

The introduction of the monitoring system implies the use of indicators within the concept of «entering, process, output, result». On this base we can define indicators which are divided into four groups:

- entering indicators characterize resources and their level;
- process indicators characterize the way certain resources are dealt with;
- indicators of output describe the physical volume of goods and services;
- result indicators characterize the expected changes.

Strategy implementation is carried out to achieve the strategic vision:

Cherkasy region is the cradle of Ukrainian statehood, the country rich in historical and cultural heritage, known in Ukraine and abroad, the region that provides a platform for the free implementation of various business projects and exchange of experience between leading experts in many branches of economy. This is the area of personal development and self-fulfillment of the inhabitants of the region, which creates conditions for comfortable living, high-paid work and safe rest of countrymen.

According to this vision, monitoring should be carried over the parameters which characterize quantitative and qualitative indicators characterizing the region achievement. These are the indicators used in the socio-economic analysis of the region like gross regional product per capita, incomes of population, demography indicators, the level of environmental burden per unit of area. In the process of monitoring the data are compared to indicators of the date of adoption of the Strategy, as well as to those of the other regions, for which the comparison was carried out during the socio-economic analysis of the region to design the Strategy.

The evidence of the positive result of the Strategy implementation is an absolute growth of indicators and outpacing of rates of indicators improvement (increase per 1000 population; GRP per capita, UAH; incomes of the population, UAH; housing construction per 1000 people, sq. m., the level of environmental burden) compared to the average Ukrainian indicators and indicators of regions-competitors.

Monitoring of achievement of strategic goals will be carried out according to the following goals:

Strategic goal 1. The improvement of the competitiveness of the region

Strategic goal 2. The development of rural territories

Strategic goal 3. Human capital development

Strategic goal 4. Environmental safety and conservation

Similarly to general monitoring of the achievement of strategic Vision there will appear the monitoring of the implementation of strategic goals. The main quantitative indicators for each strategic goal during the monitoring period will be indicators that result from the list of projects that will be implemented within the achieving of each strategic goal.

Indicators of goals achievement progress are defined in the Strategy. According to these indicators for each planned monitoring period we have to form quantitative indicators, which should be carried out by monitoring.

Thus, a required condition of monitoring ensure of the Strategy implementation is the application of the system of indicators used to determine the effectiveness of the implementation of state strategy of regional development till 2020.

Unified system of indicators for State regional development strategy till 2020, regional development strategies and Plans for their implementation:

INPUT INDICATORS	<ul style="list-style-type: none"> - Creation of favorable conditions for business regulation. - Support of the development of innovative technologies. - Introduction of educational programs according to the needs of high-tech businesses. - Increase of the quality of administrative services to individuals and legal entities. - Creation of conditions for combining and improving of financial capacity of local communities. - Improvement of the quality of inter-regional and intra-regional physical infrastructure. - Development of inter-regional and intra-regional transport network. - Creation of conditions for development of small towns. - Introduction of educational reform in rural areas. - Reform of medical care of population. - Introduction of programs to support rural development. - Realization of programs of administrative services availability for the rural population. - Introduction of programs of intra-regional transport networks. - Increase of the quality of provision of public transport services. - Creation of inter-regional and intra-regional informational and communication networks. - Funding for SRDF.
OUTPUT INDICATORS	<ul style="list-style-type: none"> - Increase of the volume of introduction of innovative technologies. - Increase of the share of innovative enterprises. - Increase of the number of workers in high-tech sectors of economy. - Increase of the level of intra-regional and inter-regional integration. - Increase of ability of local communities to develop. - Improving of transport, informational and communication links of cities that are centers of economic growth with less developed areas. - Creation of conditions for the spread of innovative knowledge and experience. - Increase of education level of rural population. - The growth of total incomes in rural areas. - Reduction of the incidence rates in rural areas. - Reduction of mortality among children under the age of 1 year. - Creation of equal access to labor markets. - Increase of the level of public access to the main administrative and other services, especially for those living in remote and under-populated areas.

RESULT INDICATORS	<ul style="list-style-type: none"> - Increase of the share of added value in gross regional product. - Increase of capital investments, foreign direct investments - Increase of the share of innovative production. - Increase of the share of high-tech exports. - Development of small and other cities, including those of regional importance. - Increase of the level of incomes and of the consumption in rural area and small settlements. - Reduction of the migration from rural areas. - Reduction of differentiation in available incomes of population. - Reduction of disproportions between lifetime in urban and rural localities. - Poverty reduction - Increase of social justice. - Reduce of disproportions in consumption of services between rural and urban populations. - Reduce of the level of unemployment in rural areas and small settlements. - Increase of the number of centers of economic growth at the regional level. - Effective use of the potential of territorial specialization in economic development. - Number of projects funded from the SRDF.
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Indicators for monitoring are taken according to the results of each year of the Strategy implementation period. On the base of attained data we prepare an annual report and a report on the implementation of three- year planning period.

The annual report includes a list of key indicators for each goal, each priority or action; it includes

information about achievement of each objective priority or carrying out of each action; the assessment of the opportunities for achievement of definite goals for three-year planning cycle.

The final monitoring report for the three-year planning cycle compared with the indicators foreseen for the annual reports, includes the general assessment of efficiency, effectiveness and sustainability of achieved results.

Monitoring reports are public documents and are used to clarify the tasks and budget programs in the region for the following budget year after the reporting one.

The form of MR (monitoring report), as well as the person responsible for its submission, are determined by the regional state administration according to their authority and structure.

For all possible forms of the organization of the monitoring process the most important thing is carrying out a meticulous control of tasks and projects implementation, adjustment and actualization of the Strategy if necessary, taking into account the possible changes in the current situation, as some projects will be completed, and some will be replaced by more efficient ones.

CONSISTENCY OF THE STRATEGY WITH POLICY AND STRATEGIC DOCUMENTS



The national system of strategic planning should be based on the coordinated system of adjustment of strategic planning processes at the national, regional and local levels.

The Strategy of Cherkasy region till 2020 is consistent with:

- the National Strategy of Regional Development of Ukraine till 2020;

- the economic, social, environmental, infrastructural, regional and other aspects of the regional development.

Medium-term and short-term State strategic planning of regional development is consistent with the processes of the strategic planning of development of regions and cities on the basis of the development and adoption of appropriate strategic documents.

The Strategy of Cherkasy region realization involves the development of the Strategy implementation plan according to defined cycles/stages.

The State Strategy of Regional Development till 2020 (SSRD-2020) includes three strategic goals:

1. Increase of competitiveness of regions.

2. The territorial socio-economic integration and territorial development.

3. Effective State management in regional development field.

The Strategy of Cherkasy region development is designed according to the State strategy of regional development till 2020 and the strategic planning process of the development of certain fields of the economy of the country and its regions, taking into account the needs of their development, and the necessity to improve their competitiveness.

The Strategy of Cherkasy region development besides its own

Table 1. Consistency of Strategic goals of the Strategy of Cherkasy region development with the goals of the State Strategy of Regional Development till 2020

Strategic goals (Ukraine)	Strategic goals (Cherkasy region)			
	1. The improvement of the competitiveness of the region	2. The development of rural territories	3. Human capital development	4. Environmental safety and conservation
1. Increase of competitiveness of regions.	X	X	X	X
2. The territorial socio-economic integration and territorial development.	X	X	X	x
3. Effective State management of regional development.	X	X	X	X

Note: A large letter – “X” means greater consistency than a small “x”.

development goals of the region contains goals corresponding to the goals and terms of SSRD-2020 realization, namely regarding some tasks and events that imply joint actions of central and local executive authorities, local self-government.

The improvement of the competitiveness of the region (strategic goal 1), The development of the rural territory (strategic goal 2), The development of the human capital (strategic goal 3). The Strategies of Cherkasy region development are largely consistent with all the strategic goals of the State Strategy of Regional Development of Ukraine.

Environmental and ecological safety (strategic goal 4). The Strategy of Cherkasy region development directly supports the strategic goals 1. Improvement of the regional competitiveness and 3. Effective State management in regional development field of the State Strategy of Regional Development of Ukraine.

**8.2.
CONSISTENCY OF
THE STRATEGY WITH
THE MAIN ASPECTS
OF REGIONAL
DEVELOPMENT**

Consistency of strategic goals of Cherkasy region with key sectors of development was also analyzed. The fields where consistency, contribution or relevant connection are present are marked with an “x”

Table 2. Consistency Operational goals of the Strategy of Cherkasy region development with goals of the State Strategy of Regional Development till 2020

Operational goals of the State Strategy of Regional Development till 2020	Operational goals of the Strategy of Cherkasy region development till 2020													
	1.1.Stimulating the investments attraction	1.2.The improvement of energy efficiency	1.3.The improvement of regional development management	1.4.The creation of favorable conditions for the small and medium businesses development	1.5.The development of tourism and recreation industry	2.1.The diversification of agricultural production structure and improvement of products processing	2.2.The development of rural territories and suburbs around cities and towns	3.1.The improvement of the population adaptability to the needs of the labor market	3.2.The improvement of awareness and social activity of the region population	4.1.The creation of conditions for the improvement of environment	4.2.The improvement of waste management	4.3.The development of the ecological network, nature reserve fund, conservation of biological and landscape diversity	4.4.The improvement of the water objects and atmospheric air condition	
1.1. Enhancement of the role and functionality of cities in further regional development	+	+	+	+	+	-	-	+	+	+	-	-	-	-
1.2. Creation of conditions for promotion of positive processes of urban development in other areas, rural development	+	-	+	+	+	+	+	+	+	-	-	-	-	-
1.3. Increase of efficiency of using internal factors of regional development	+	+	+	+	+	+	+	+	+	+	+	+	+	-
2.1. Prevention of the growth of	+	+	-	+	+	-	+	+	+	+	-	-	+	+

disproportions that hamper the development of regions													
2.2. Providing comfortable and safe living environment for all population, irrespectively of the place of living	-	-	+	-	+	+	++	+	++	+	+	-	++
2.3. The development of inter-regional cooperation	+	+	++	+	+	+	+	-	+	-	-	-	-
3.1. Improvement of the strategic planning of regional development at national and regional levels	-	-	++	-	-	-	-	+	++	-	+	-	-
3.2. Improving the quality of State management of regional development	-	-	++	+	-	-	-	+	++	-	-	-	-
3.3. Promotion of inter-sectoral coordination in the process of planning and implementation of regional policy	-	-	++	-	-	-	-	-	+	-	-	-	-
3.4. Institutional support for regional development	+	-	++	+	-	-	-	-	+	-	-	-	-
3.5. The reform of territorial organization of local authorities and local self-government	-	-	++	-	-	-	-	-	-	-	+	-	-

Note: ++ strong consistency, + weak consistency, - missing consistency

Table 3. Consistency of strategic goals of the Strategy of Cherkasy region development with key development sectors

Sectors	Strategic goals (Cherkasy region)			
	1. The improvement of the competitiveness of the region	2. The development of the rural territories	3. Human capital development	4. Environmental safety and conservation
Economy and trade	X	X	x	
Industry and Infrastructure	X	X	x	x
Agriculture, forestry, food industry	X	X	x	x
Transportation and roads	X	X	x	x
Environment and natural resources	x	X	x	X
Education and Youth	x	X	X	x
Health, Social protection, family and child		X	x	X
Culture and tourism	X	X	x	X
Information exchange	x	x	X	x
Municipal services	x	X	x	x
Territorial development and land cadastre	X	X	x	x

Note: A larger "X" means greater consistency than a small "x".

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