

Office for Central and Eastern Europe Initiatives in Ukraine

by *Szofia Orosz*

The Office for Central and Eastern Europe Initiatives (OCEEI) at the International Development Research Centre (IDRC) has been active in Ukraine since April 1994, managing a \$5 million grant from the Canadian Government for the Environmental Management Development in Ukraine (EMDU) Project. IDRC's Board of Governors recently approved its program submission for the development of future activities in Central and Eastern Europe, expanding the program to its full potential. The Board's favourable decision is a milestone recognizing the excellent cooperation developed between the Ministry of Environmental Protection and Nuclear Safety of Ukraine and OCEEI. The fundamental objectives of the EMDU Project include actively encouraging the exchange of information and experience between Ukrainian scientists and policy-makers and their counterparts elsewhere; as well as fostering long-term collaborative links between Canadian and Ukrainian public and private sector environmental organizations. To fulfill these objectives, OCEEI has been vigorously seeking new alliances with other organizations and exploring new program possibilities. Research officer Szofia Orosz details some of their key initiatives.

Strategic Alliances

Ministry of Environmental Protection and Nuclear Safety of Ukraine (MEPNS)

OCEEI's main partner in Ukraine is MEPNS. The Canadian grant and the development of the EMDU Project supported the establishment of the original Dnipro Department within the Ministry (recently transformed into the Directorate of Water Basins and Resources), to focus the environmental management of the Dnipro. First Deputy Minister Shevchuk and Dr. Oleksandr Mazurkevich, Director of the Dnipro Department, have been instrumental in the success of the Project. Moreover, the establishment of the Ukrainian Management Committee for EMDU has not only given Ukrainians direct control over and responsibility for decision-making and project management in EMDU, but also promoted greater collaboration between Ukrainian institutions. Working with MEPNS also allows EMDU project funds and equipment to be transferred tax and duty-free to Ukrainian organizations.

The Dnipro Renaissance Fund

The Dnipro Renaissance Fund (DRF) was established in 1994 by the Ukrainian Government. The Fund was created as an

autonomous vehicle for catalyzing market-based solutions to the region's environmental problems, particularly those related to water use, by:

- undertaking and disseminating the results of economic and scientific research;
- mobilizing technology and capital for investment projects;
- encouraging appropriate public policy and water pricing mechanisms; and
- creating public awareness and support through education. (See insert p.48)

The main strengths of DRF were a broad cross-section of environmental management agencies represented by its founding members, its ability to draw on high-quality, low-cost scientific personnel, and the broad consensus as to the role of the Fund in restoring the ecological integrity of the Dnipro River Basin. However, DRF was established within the context of an economic crisis and a period of high political tension, jeopardizing the success of the new organization.

Start-up capital for the Fund was virtually non-existent, thus OCEEI responded by providing start-up funding for infrastructure and office equipment. IDRC has also been channelling its funds through DRF in order to develop this independent institution's ability to handle revenues received from MEPNS and other donors. Having a reliable channel for funds enables MEPNS to plan a development program for the Dnipro and provides more incentive to increase water tariffs or other sources of revenue, such as fines and licences.

Working with OCEEI as the channel for flow-through of funds and as the executive agent for EMDU's Environmental Audits and Follow-up Technologies activity, DRF has demonstrated that it is accountable and able to manage external funds. Other international organizations have already expressed interest in cooperation with DRF. Moreover, once Ukraine begins to stabilize the economy, there will be growing pressure to include a debt forgiveness element in external assistance, as has been done with other countries in similar circumstances where debt has been converted into environmental funds, during so-called "debt-for-nature-swaps". The Dnipro Renaissance Fund could play a lead role in developing such transfers in Ukraine.

Edmonton-Zaporizhia Cooperation

The city of Edmonton, Alberta, has made a real commitment to building links with Zaporizhia, a city on the southern part of the Dnipro. (See also IDRC articles in the *Canada-Ukraine Monitor*, Vol. 4, #2, pages 50-52, and Vol. 2, #2, pages 24-25.) Edmonton is one of the most progressive cities in Canada with regards to improving the delivery of municipal services while cutting costs. As the two cities are similar in size, Edmonton's

management know-how is well situated to provide support for the improvements in urban management currently being implemented in Zaporizhia.

The cooperation of Aqualta Inc., Edmonton's recently privatized but city-owned water supplier, and the Vodokanal, its counterpart in Zaporizhia, has been very successful. The City of Edmonton has donated 1,400 reconditioned water meters to Zaporizhia, and Vodokanal staff has received study tours and training on in-situ water leak detection equipment in Edmonton by Lynch Resources Inc.

The development of even closer ties between the two cities is currently under consideration. This would be highly advantageous for Zaporizhia, which is in the process of obtaining a large water infrastructure development loan from the European Bank for Reconstruction and Development (EBRD) and could benefit from the help and experience of Edmonton and Aqualta in restructuring its municipal utility. Moreover, Edmonton could serve as a valuable example for Zaporizhia when assessing the possibility of privatization of their Vodokanal.

Memorandum of Understanding between OCEEI and WHO

The main task of the World Health Organization (WHO), the health-related arm of the United Nations, is to raise the quality of public health in a sustainable way while taking into account the difficult economic circumstances in various Member States. OCEEI is completing negotiations of a Memorandum of Understanding with the WHO's Healthy Cities Program, based in Nancy, France. As requested by various Ukrainian cities, the two organizations are planning to support cooperative program development and activities in Ukraine in areas of city management, such as solid waste management, as well as in the broader context of urban sustainable development.

Future Plans of OCEEI

With IDRC's expertise and experiences in Ukraine, and with the support of strategic partnerships, OCEEI is well positioned to develop new projects in Ukraine. These projects would be funded by outside sources because the statutes of IDRC do not authorize it to use its own resources for any purposes other than helping Official Development Assistance eligible countries. IDRC, however, may administer credits on behalf of any other funding organization. Through this mechanism, OCEEI is able to assist Central and Eastern European countries that are not considered developing