



OECD – Ukraine Forum for Investment

The OECD and Ukraine have a long-standing relationship starting from 1993 when OECD published, at the request of the Ukrainian government, the “Investment Guide for Ukraine”. While this important publication was aimed primarily at investors planning economic activities in Ukraine, it also helped to identify and publicise the potential business opportunities represented by a new and independent Ukraine.

Over these years, OECD has worked with Ukrainian authorities to provide practical policy advice in areas focused on improving the investment climate and business conditions. In 2001, OECD published a major policy review of Ukraine’s legal and institutional framework for investment. This Review, which involved the government, the private sector, the legal community and international organisations, provided specific proposals and practical recommendations for an investment policy reform agenda. The OECD - Ukraine Investment Forum held in Kyiv in 2002 assessed implementation of those recommendations, and also reviewed new government policy and other initiatives in those areas.

To accelerate progress in those important directions, the EU and the OECD launched a new project designed to encourage decisive steps toward providing a better environment both for foreign investment and local enterprise development. This new project is focused on improving the legal and financial environment for investment, as well as on stimulating entrepreneurship at local and regional levels.

The timing of this initiative is highly appropriate. The strong economic growth now underway can provide the government of Ukraine a good foundation for initiating major structural reforms which will make economic progress sustainable and provide substantial improvements to the welfare of its citizens.

This project is strongly demand-driven since it will involve the private sector from inception. This approach will thus support and encourage authorities to implement the reforms that will be recommended. And continuous involvement of the private sector will provide reality checks throughout the life of the project.

In the context of this project, it is particularly important to support the continued building of indigenous capacities at central, regional and local government levels which will promote further

transition to a market economy, and especially contribute to a hospitable investment environment and foster enterprise development. Identifying common objectives, and stimulating cooperation between government authorities and the private sector, should lead to better policy formulation and implementation, as well as encourage support by multilateral and bilateral donors.

A number of workshops are planned throughout 2004 and 2005 which will focus on areas such as improvement of the legal and institutional framework for investment, financial sector reform, supervision of non-bank financial service institutions (including mortgage lenders, credit unions, pension funds and insurance), industrial restructuring, cross-border co-operation and SME clusters.

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