

*Evaluation of the European Commission's
Cooperation with Ukraine*

Final Report

Volume 2: Annexes

December 2010

Evaluation for the European Commission





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ANALYSIS FOR ECONOMIC DECISIONS

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Framework contract for
**Multi-country thematic and regional/country-level
strategy evaluation studies and synthesis
in the area of external co-operation**

LOT 4:

**Evaluation of EC geographic co-operation strategies for
countries/regions in Asia, Latin America,
the Southern Mediterranean and Eastern Europe
(the area of the New Neighbourhood Policy)**

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**Evaluation of the European Commission's
Co-operation with Ukraine**

**FINAL REPORT
VOLUME 2 : ANNEXES**

December 2010

This evaluation was carried out by ADE



ANALYSIS FOR ECONOMIC DECISIONS

The evaluation was managed by the Joint Evaluation Unit (EuropeAid, DG DEV and DG RELEX).

The author accepts sole responsibility for this report, drawn up on behalf of the European Commission. The report does not necessarily reflect the views of the Commission.

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Annex 1 - Terms of reference

Annex 1

Terms of Reference



EUROPEAN COMMISSION

**Evaluation of the European Commission's co-operation
with
Ukraine**

Country Level Evaluation

DRAFT TERMS OF REFERENCE

Mandate and objectives

Systematic and timely evaluation of its expenditure programmes is a priority of the European Commission (EC). It is key to account for the management of the allocated funds and for promoting a lesson-learning culture throughout the organisation. The focus is on the **impact** (effects) of these programmes against a background of greater concentration of external co-operation and increasing emphasis on **result-oriented approaches**, particularly in the context of the programmes of the Relex Family¹.

The evaluation of the Commission's co-operation with **Ukraine** is part of the **2009** evaluation programme as approved by External Relations and Development Commissioners.

The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current cooperation relations with **Ukraine**;
- to identify key lessons in order to improve the current and future strategies and programmes of the Commission.

Background

Ukraine is considered as a transition country in the OECD Development Assistance committee. According to research conducted in the fourth quarter of 2007, 2.3% of the population lived below the two-dollars-per-day threshold. The Ukraine falls into the category of lower-middle income countries and has been included in the new single list of Official Development Assistance recipients.

COUNTRY OVERVIEW

Ukraine, Europe's second largest country (603,700 sq km), is situated in the south-eastern part of Central Europe. It borders on Russia, Byelorussia, Poland, Slovakia, Hungary, Romania, Moldova, Bulgaria on land and the Black Sea. Ukrainian geographical localisation influences its political and economical situation.

While Ukraine and Russia share common historical origins, the west of the country has close ties with its European neighbours, notably with Poland. Russian influence is particularly marked in the eastern regions where most of Russian minority which makes up about 20% of the Ukrainian population live.

Although final independence was achieved in 1991 with the dissolution of the USSR, democracy remained elusive as the legacy of State control and endemic corruption stopped efforts at economic reform, privatisation and civil liberties. A peaceful mass protest, *the orange revolution*, in 2004 forced the authorities to allow a new internationally monitored vote, won by a reformist slate under Victor Yushenko, elected president in 2005 for a five-year term. Yulia Tymoshenko two years later became head of government.

The basic vision of economic development for Ukraine is shared broadly among its all main political forces. The vision includes a commitment to closer integration with Europe and with the world economy through the World Trade Organization.

¹ Directorates General of External Relations, (RELEX), Development (DEV) and the EuropeAid Co-operation Office (AIDCO).

After nearly a decade of robust growth, Ukraine's economic crisis is one of the worst in Europe. The national currency, the *hryvna*, has lost about 40 percent of its value to the dollar since the crisis hit last fall. Furthermore, constant political turmoil has worsened the effect of the global crisis on Ukraine by stalling the implementation of key anti-crisis policies.

MAIN FEATURES AND EVOLUTION OF THE COOPERATION

Bi-lateral EC cooperation with Ukraine has started in 1991 with declaration calling for an open and constructive dialogue with the EC. First contractual relations were established in 1994 by the Partnership and Cooperation Agreement, entered into force in 1998. On this basis the EU-Ukraine Action Plan has been adopted in February 2005 for the three years period, followed by launch of negotiations for the UE-Ukraine New Enhanced Agreement (NEA). Furthermore, the negotiations have started concerning the core element of NEA, a deep and comprehensive Free Trade Area.

The first Country Strategy Paper covers period 2002-2006 (NIP 2002-2003) and provides strategic framework within EC assistance.

Under the Country Strategy Paper following priorities have been identified:

- **Support for institutional, legal and administrative reform** essential for respect of individual and economic rights, creating framework market economy institutions, industrial restructuring, good corporate governance and improvement of border management and infrastructure;
- **Support to the private sector and assistance for economic development**, a key priority of the economic reform programme;
- **Support in addressing the social consequences of transition**, improving health systems and anti-poverty social systems as well as supporting development of civil society under the European Initiative for Democracy and Human Rights and support of democratic parliamentary and presidential elections.

The second Country Strategy Paper covers period 2007-2013 (NIP 2007-2010)

EC assistance for the period 2007-2013 is provided under the new European Neighbourhood and Partnership Instrument (ENPI).

The principal objective of cooperation between the EU and Ukraine at this stage is to develop increasingly closer relationship, going to gradual economic integration and deeper political cooperation, including the foreign and security policy.

Under the new strategy EC assistance focus on following areas:

- **Priority Area 1: Support for Democratic Development and Good Governance**

Sub-priorities:

- ✓ Public administration reform and public finance management
- ✓ Rule of law and judicial reform
- ✓ Human rights, civil society development and local government
- ✓ Education, science and people-to people contacts, exchanges
- **Priority Area 2: Support for regulatory Reform and Administrative Capacity Building**

Sub-priorities:

- ✓ Promoting mutual trade, improving the investment climate and strengthening social reform
- ✓ Sector-specific regulatory aspects

➤ **Priority Area 3: Support for Infrastructure Development**

Sub-priorities:

- ✓ Energy (non-nuclear)
 - ✓ Transport
 - ✓ Environment
 - ✓ Border management and migration
including re-admission related issues
- } in close collaboration with EIB, EBRD and IFIs

The EU is the largest donor to Ukraine. For the period 1991-2006 EC assistance to Ukraine represents €2413.2 million, including the TACIS programme, macro-financial assistance, and support under thematic budget lines, such as European Initiative for Democracy and Human Rights, and humanitarian assistance provided by ECHO.

Although some donors are scaling down their activities, a large number of donor organisations are still active in the country: the World Bank, EBRD, UNDP, USA, Canada and some of EU Member States.

In the context of the commitments on Aid Effectiveness and Harmonisation taken in 2005 in Paris, EC will increasingly aim at providing assistance on the basis of sector-wide programme support, including pool funding and budgetary support as appropriate.

Scope

Temporal and legal scope

The scope of the evaluation is the Commission's co-operation strategies and their implementation during the period **2001-2008**.

The Consultants must assess:

- the relevance and consistency² of the Commission's co-operation **strategies** (all instruments included) for the period²;
- the European Community value added of the Commission's co-operation **strategies**; coherence within the Commission's developments programme, the coordination/complementarity and coherence with the partner country's policies and with other donors' interventions (focus on Member States); the consistency between programming and **implementation** for the same period;

² The notion of consistency should be understood here as follows: (i) correspondence between the different objectives of a strategy, implying that there is a hierarchy of objectives (with lower level objectives logically contributing to the higher level ones); (ii) extent to which the resources foreseen are adequate in relation to the objectives set out in the strategy

- the **implementation** of the Commission's co-operation, focusing on impact, sustainability, effectiveness and efficiency for the period² and on intended effects for the period under the programming cycle 2007-2013;
- whether the recommendations of a previous country level evaluation on Ukraine covering the period 1996-2001 have been taken into account.

Thematic scope

The scope of the evaluation is to evaluate the overall EC's cooperation with Ukraine including the mix of all activities under different budget lines, including the Commission's Country Strategies covering that period.

The evaluation should produce a full inventory of the Commission's activities (dialogue and funding).

The coherence of the EC's cooperation in relation to regional strategies, centralised programmes should also be evaluated.

The Consultants must assess the following co-operation areas:

- **Democratic Development and Good Governance:**
 - ✓ Public administration reform and public finance management
 - ✓ Rule of law and judicial reform
 - ✓ Human rights, civil society development and local government
 - ✓ Social consequences of transition
 - ✓ Education, science and people-to people contacts, exchanges
- **Regulatory Reform and Administrative Capacity Building:**
 - ✓ Trade, business, industrial cooperation and investment promotion as well as improving the investment climate and strengthening social reform;
 - ✓ Macro-financial assistance and budget support
 - ✓ Sector-specific regulatory aspects
- **Infrastructure Development:**
 - ✓ Energy and nuclear safety
 - ✓ Transport
 - ✓ Environment
 - ✓ Border management and infrastructure, migration

including all used instruments and in particular the dialogues, the sector budget support³ and thematic budget lines as European Initiative for Democracy and Human Rights.

³ specific methodology is available on
http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/2008/budget_support_en.htm

NB: All completed evaluations in the country related to EC interventions at project and program level are important reference material to be taken into account. The Consultants should not deal with the points already covered by these evaluations, but build on them.

Key Deliverables

The overall methodological guidance to be used is available on the web page of the EuropeAid evaluation unit under the following address:

http://ec.europa.eu/europeaid/evaluation/methodology/index_en.htm

Within 14 days after the reception of the ToR, the Consultants will present a **launch note**⁴ which should contain:

- their understanding of the ToR;
- a methodological note including the implementation of the quality control;
- the provisional composition of the evaluation team with CVs⁵;
- a proposed budget⁶.

Following the launch note, the main key deliverables are:

- The inception meeting;
- The inception report;
- The desk report;
- The final reports and seminar in the country.

Inception meeting

Upon approval of the launch note by the Evaluation Unit, the Consultant proceeds to the structuring stage leading to the production of an inception report.

The main part of the work consists in the analysis of all key relevant documents regarding the Commission's co-operation (past and present) with **Ukraine**. The Consultants will also take into account the documentation produced by other donors and international agencies.

On the basis of the information collected and analysed, the Consultants will propose evaluation questions and prepare explanatory comments for each. The choice of the questions determines the subsequent phases of information and data collection, elaboration of the methods of analysis, and elaboration of final judgements. The consultants will also identify appropriate judgement criteria.

A meeting will be held with the reference group to discuss and validate:

- the evaluation's regulatory framework, it's context, main users and expected uses;
- the evaluation's central scope;
- the scope extended to related policies;

⁴ In the case of a tender procedure, the launch note will be replaced by the financial and technical proposal of the tender

⁵ All birthday dates must be written in the following Format: dd/mm/yyyy

⁶ In the frame of a "framework contract"

- the intervention logic according to official documents;
- the evaluation questions;
- explanatory comments associated to each evaluation questions (when possible, indicate judgement criteria).

Upon validation by the Reference Group, the evaluation questions become part of the ToR.

Inception report

At the end of the inception phase, the consultants must deliver an **inception report**, which finalises the evaluation questions and describes the main lines of the methodological design including the indicators to be used, the strategy of analysis and a detailed work plan for the next stage.

The inception report contains the following elements:

- the intervention logic;
- the validated evaluation questions;
- a limited number of appropriate judgment criteria per evaluation question;
- a limited number of quantitative and/or qualitative indicators related to each judgment criterion;
- a proposal containing suitable working methods to collect data and information in the Commission's headquarters and delegations, including information coming from the country itself and other donors in the country;
- a first outline of the strategy and the methods used to analyse the collected data and information indicating any limitations;
- a chain of reasoning for answering the question;
- a concise description of the development co-operation context of the Commission with Ukraine related to the evaluation questions;
- a detailed work plan for the next stage.

The report will also confirm if necessary:

- the final composition of the evaluation team and
- the final work plan and schedule.

The two latter points will be agreed and confirmed through a formal exchange of letters between the Consultants and the Commission.

This phase may include a short preparatory and exploratory visit of the Consultants to the field.

Desk report

Upon approval of the inception report the Consultants proceed to the final stage of the desk phase. At the end of this phase, the Consultants will present a desk report setting out the results of this phase of the evaluation including all the following listed elements (the major part of the inception report will be in the annex of the desk phase report):

- the evaluation questions with the agreed judgement criteria and its quantitative and qualitative indicators;
- the first elements of answer to the evaluation questions when available and the hypotheses to be tested in the field;
- progress in the gathering of data. The complementary data needed for the analysis and to be collected in the field have to be identified;
- methodological design, including evaluation tools ready to be applied in the field phase: (i) suitable methods of data collection within the country indicating any limitations, describing how the data should be cross-checked and specifying the sources, (ii) appropriate methods for data collection and to analyse the information, again indicating any limitations of those methods in **Ukraine**;
- an exhaustive list of all the activities covered during the period and an exhaustive list of all activities examined during the desk phase, bearing in mind that activities analysed in the desk phase and the field phase (including ROM) have to be representative;
- a work plan for the field phase: a list with brief descriptions of activities, projects and programmes for in-depth analysis in the field. The consultants must explain the value added of the visits.

The field mission cannot start before the evaluation manager has approved the desk report.

Field reporting

The fieldwork shall be undertaken on the basis set out in the desk report and approved by the reference group (which includes the Delegation). The work plan and schedule of the mission are agreed in advance with the Delegation concerned. If during the course of the fieldwork it appears necessary to deviate from the agreed approach and/or schedule, the Consultants must ask the approval of the Evaluation Unit before any changes may be applied. At the conclusion of the field study the Consultants present the preliminary findings of the evaluation:

- (1) presentation during a de-briefing meeting with the Delegation;
- (2) presentation to the reference group shortly after their return from the field.

Final reports and seminar in the country

The Draft Final Report

The Consultants will submit the draft final report in conformity with the structure set out in annex 2. Comments received during de-briefing meetings with the Delegation and the reference group must be taken into consideration.

The Consultants may either accept or reject the comments but in case of rejection they must justify (in writing) the reasons for rejection (the comments and the Consultants' responses are annexed to the report). If the Consultants don't want to take them in the report, they must explain in a separate document the reasons why.

If the evaluation manager considers the report to be of sufficient quality (cf. annex 3), he/she will circulate it for comments to the reference group. The reference group will convene to discuss it in the presence of the evaluation team.

The Seminar

The Consultants will make the appropriate amendments based on comments expressed by the reference group and the Evaluation Unit. The revised draft final report will be presented at a seminar in **Ukraine**. The purpose of the seminar is to present the results, the conclusions and the preliminary recommendations of the evaluation to the National Authorities, the Delegation as well as to all the main stakeholders concerned (EU Member States, representatives of civil society organisations and other donors).

The Consultants shall prepare a presentation (*Power point*) for the seminar. This presentation shall be considered as a product of the evaluation in the same way as the reports and the data basis. For the **seminar** 60 copies of the report and 10 reports with full printed annexes (see annex 2 of the ToR) have to be produced.

The Final Report

The Consultants will prepare the final report based on the comments expressed at the seminar and on the basis of further comments from the reference group, the Delegation and/or the evaluation manager. The presentation (*Power point*) will be revised in accordance to the final report.

110 copies of the **Final Main Report** must be sent to the Evaluation Unit with an additional 10 reports with all printed annexes. **The executive summery should be translated into Ukrainian and follow the English version.** A CD-Rom with the Final Main Report and annexes has to be added to each printed report.

The evaluators have to hand over to the Evaluation Unit on an appropriate support (electronical or paper) all relevant data gathered during the evaluation.

The contractor shall submit a quality control note 2,5% explaining how the start up, the quality control and the capitalisation of lessons learned have been addressed.

The Evaluation Unit makes a formal judgement on the quality of the evaluation (cf. annex 3).

Evaluation Questions

The evaluation will be based on the seven evaluation criteria: relevance, impact, effectiveness, efficiency, sustainability, coherence and the EC value added. The first five correspond to the traditional practice of evaluation of development aid and have been formalised by the OECD (DAC). The following two apply to all EC policies. The criteria will be given different weightings based on the priority accorded to the evaluation questions.

In general, questions (to a maximum of 10) will refer to the following main areas:

- ***Relevance of the strategy/programme:*** this includes both relevance to the general objectives of the EC and relevance to the needs and priorities of **Ukraine** (including the choice of target groups).
- ***Design, and [coherence⁷] of the intervention strategy/programme:*** this mainly concerns the extent to which the resources foreseen were adequate in relation to the objectives set out in the programming documents.

⁷ **Please note that the term and concept of coherence in this context has not yet been validated.** The notion of coherence should be understood here as follows: (i) correspondence between the different objectives of a strategy, implying that there is a

- **Consistency of the implementation in relation to the strategy:** the Consultants shall verify the extent to which the work plan, schedule and implementation of the activities (all types of interventions, geographical and sectoral distribution, instruments, and aid delivery channels included) were consistent with the strategy. They shall demonstrate who were the real beneficiaries, direct or indirect, of the intervention and compare them to the target population(s) in the programming documents.

The Consultants will also verify the extent to which the intervention modalities (instruments, aid delivery channels, etc.) were appropriate to the objectives.

- **Achievement of main impacts/effects:** the Consultants shall identify all recorded results and impacts, including any unintended ones, and compare these to the intended results and/or impacts. The Consultants will also identify the changes, which occurred in the areas in which EC programmes were supposed to produce an impact.
- **Efficiency of the implementation:** for the activities which were effective, it will be necessary to question to what extent funding, human resources, regulatory and/or administrative resources contributed to, or hindered the achievement of the objectives and results.
- **Sustainability of the effects:** an analysis of the extent to which the results and impacts are being, or are likely to be maintained over time.
- **Coherence:** The notion of coherence should be understood here as follows: (i) correspondence between the different objectives of a strategy, implying that there is a hierarchy of objectives (with lower level objectives logically contributing to the higher level ones); (ii) extent to which the resources foreseen are adequate in relation to the objectives set out in the strategy⁹.
- **Key cross-cutting issues:** for example gender, environment and climate change, human rights, HIV/AIDS, institutional capacity building, etc. Verification should be undertaken, on the one hand, of the extent to which account has been taken of these priorities in the programming documents and, on the other hand, to what extent these issues have been reflected in the implementation modalities and in the effects of the intervention. **The 3Cs (co-ordination, complementarity and coherence):** co-ordination / complementarity with EU Members States and other donors; coherence with EU policies (including the Member States' own policies and eventual interventions of the EIB).
- **Value added of the EC interventions:** The extent to which the development intervention adds benefits to what would have resulted from Member States' interventions only in the partner country. The criterion is closely related to the principle of subsidiarity and relates to the extra-benefit the activity/operation generates due to the fact that it was financed/implemented through the EC.

There may be three practical elements to illustrate possible aspects of the criterion:

- 1) The EC has a particular advantage over Member States and how far is that visible;
- 2) The EC has a particular mandate in the framework of the '3Cs' and can draw member states to a greater effort together;
- 3) EC cooperation is guided by a common political agenda embracing all Member States and how far is that visible.

hierarchy of objectives (with lower level objectives logically contributing to the higher level ones); (ii) extent to which the resources foreseen are adequate in relation to the objectives set out in the strategy

Responsibility for the management and the monitoring of the Evaluation

The Evaluation Unit (AIDCO 03) is responsible for the management and monitoring of the evaluation with the assistance of the reference group.

Information will be given to the Consultants after the signature of the contract concerning the documents referred in Annex 1.

The Evaluation Team

The evaluation team should possess a sound knowledge and experience in:

- evaluation methods and techniques in general and, if possible, of evaluation in the field of development cooperation;
- Ukraine
- country strategy analysis, macroeconomics, economic transition, public administration, governance issues, human rights and civil society, justice and home affairs, private sector development, trade, energy, environment, education and cross-border co-operation and border management, the TACIS region and TACIS Regulations.
- the following language(s): English and Ukrainian⁸.

The Evaluation Unit strongly recommends that the evaluation team should include consultants from the country or the region (notably, but not only, during the field phase) with in-depth knowledge of key areas of the evaluation.

Consultants must be strictly neutral. Conflicts of interests must be avoided.

It is highly recommended at least for the team leader to be fully familiar with the methodological approach set by the EC.

Timing

After the approval of the launch note and the signature of the contract, the timing of activities will be set according to the following indicative work plan.

The dates mentioned in the following section may be changed with the agreement of all concerned.

⁸ One person of the team must know the most spoken language.

<i>Evaluation Phases and Stages</i>	<i>Deliverables</i>	<i>Dates</i>	<i>Meetings/Communications</i>
ToR	Draft	Mid April 2009	
Start		May 2009	
Desk Phase			
Structuring Stage	Short presentation (logical diagram and EQ)	May 2009	RG Meeting (kick off meeting)
	Draft Inception Report	June 2009	Optional: Short preparatory visit of the consultants to the field.
	Final Inception Report	July 2009	A formal exchange of letters between the Consultants and the Commission confirms the final composition of the evaluation team and the final work plan and schedule.
Desk Study	Draft Desk Report	September 2009	RG Meeting
	Final Desk Report	October 2009	
Field Phase			
		November/ December 2009	De-briefing meeting with the Delegation.
	Presentation	January 2009	RG Meeting
Synthesis phase (seminar in the country)			
	1st draft Final report	February 2009	RG Meeting
	Revised draft Final report	March 2009	Seminar in Ukraine 60 copies of the report and 10 reports with full printed annexes.
	Final Main Report Presentation of 4-slides by the EQ Data gathered	March/April 2009	110 copies of the Final Main Report must be sent to the Evaluation Unit. Additional 10 reports with all printed annexes must be sent to the Evaluation Unit as well.

NB: The timing of activities has to be realistic.

A country level evaluation takes about 12 months between signature of contract and approval of the final report.

Some regional evaluations take about 15-16 months between signature of contract and approval of the final report.

Cost of the Evaluation

The overall costs include:

- The **evaluation** as such;
- 2.5% of the total budget excluding the costs of the seminar are to be used for **quality control**;
- A **seminar** in the country.

The total of these 3 elements must not exceed **€ 200.000**.

NB: The budget for the seminar (fees, per diems and travel) will be presented separately in the launch note.

Payment Modalities

The payments modalities shall be as follows:

- 30% on acceptance of the Inception Report, plus 2.5% of the agreed budget to be used for quality control;
- 50% on acceptance of the Draft Final Report;
- the balance on acceptance of the final report.

Seminar related costs are to be invoiced and paid separately.

Annex 1: indicative documentation for the evaluation

General documentation

- Communications of the Commission;
- Various regulations.

Country

- CRIS⁹ (information on the projects and annual ROM¹⁰) and other databases concerning the financed projects, engagements, payments, etc.;
- Cooperation strategies;
- Conclusions of the Mid-term and End-of-Term Reviews;
- Key government documents of planning and policy;
- Evaluation reports of the projects;
- Relevant documentation provided by the local authorities and other local partners, and financial backers, etc.

The three following documents are to be handed to the Consultants:

- 1- On access to the information contained by the ROM system for an evaluation;
- 2- Methodological note from Eureval concerning North-South approach to country level evaluations;
- 3- Template for Cover page.

In addition, the consultant will have to consult the documentation available on Internet (DAC/OCDE and EU Inventory websites in particular) as well as the documentation listed or available within the Evaluation Unit (AIDCO/0/3 Library).

⁹ Common Relex Information System

¹⁰ Results Oriented Monitoring

Annex 2: Overall Structure of the Final Report

The overall layout of the report is:

Final report

- Summary
- Context of the evaluation
- Answers to the evaluation questions
- Conclusions (1)
- Recommendations (2)

Length: the final report must be kept short (70 pages maximum excluding annexes). Additional information regarding the context, the programme and the comprehensive aspects of the methodology and of the analysis will be put in the annexes .

(1) Conclusions

- The conclusions have to be assembled by homogeneous "clusters" (groups). It is not required to set out the conclusions according to the 5 DAC criteria;
- The chapter on "Conclusions" has to contain a paragraph or a sub-chapter with the 3 to 4 principal conclusions presented in order of importance;
- The chapter on "Conclusions" must also make it possible to identify subjects, for which there are good practices and the subjects, for which it is necessary to think about modifications or re-orientations ;

(2) Recommendations

- Recommendations have to be linked to the conclusions without being a direct copy of them;
- Recommendations have to be treated on a hierarchical basis and prioritised within the various clusters (groups) of presentation selected;
- Recommendations have to be realistic, operational and feasible. As far as it is practicable, the possible conditions of implementation have to be specified;
- The chapter on "Recommendations" has to contain a sub-chapter or a specific paragraph corresponding to the paragraph with the 3 to 4 principal conclusions. Therefore, for each conclusion, options for action and the conditions linked to each action as well as the likely consequences should be set out.

• Annexes (non exhaustive)

- National background
- Methodological approach
- Information matrix
- Monograph, case studies
- List of institutions and persons met
- List of documents consulted

NOTE ON THE EDITING OF REPORTS

- The final report must:
 - ✓ be consistent, concise and clear;
 - ✓ be well balanced between argumentation, tables and graphs;
 - ✓ be free of linguistic errors;
 - ✓ include a table of contents indicating the page number of all the chapters listed therein, a list of annexes (whose page numbering shall continue from that in the report) and a complete list in alphabetical order of any abbreviations in the text;
 - ✓ contain one (or several) summaries presenting the main ideas. For example, the answers to the evaluation questions and the main conclusions could be summarised and presented in a box.
- The executive summary has to be very short (max. 5 pages);
- The final version of the report shall be typed in 1,5 lines spacing and printed double sided, in DIN-A-4 format;
- The font shall be easy to read (indicative size of the font: Times New Roman 12);
- The presentation shall be well spaced (the use of graphs, tables and small paragraphs is strongly recommended). The graphs must be clear (shades of grey produce better contrasts on a black and white printout);
- The main report shall not exceed 70 pages including the cover page, the table of content, the lists of annexes and abbreviations. The annexes shall not be too long;
- The content must have a good balance between main report and annexes;
- Reports shall be glued or stapled; plastic spirals are not acceptable due to storage problems.

For the Cover page, please use the template mentioned in Annex 1.

Please, note that:

- The Consultant is responsible for the quality of translations and their conformity with the original;
- All data produced in the evaluation are property of the EC.

Annex 3 - Quality assessment grid

Concerning these criteria, the evaluation report is:	Unacceptable	Poor	Good	Very good	Excellent
1. Meeting needs: Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?					
2. Relevant scope: Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?					
3. Defensible design: Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?					
4. Reliable data: To what extent are the primary and secondary data selected adequate. Are they sufficiently reliable for their intended use?					
5. Sound analysis: Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?					
6. Credible findings: Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?					
7. Validity of the conclusions: Does the report provide clear conclusions? Are conclusions based on credible results?					
8. Usefulness of the recommendations: Are recommendations fair, unbiased by personnel or shareholders' views, and sufficiently detailed to be operationally applicable?					
9. Clearly reported: Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?					
Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.					

Annex 2 - Intervention Logic

The intervention logic (IL) of a country strategy consists of a number of objectives and expected impacts expressed in subsequent strategy documents over the years. As such, the intervention logic reflects the Commission's overall intentions and approach in an aggregate form, and is not oriented to an analysis of specific interventions or contributions.

The intervention logic of the Commission Cooperation strategy in Ukraine was reconstructed ex-post on the basis of the two CSPs covering the evaluation period: the 2002-2006 CSP (including the 2002-2003 NIP and the 2004-2006 NIP) and the most recent 2007-2013 CSP (including the 2007-2010 NIP). For each of these CSPs, an intervention logic was reconstructed setting out what could be identified in the CSPs as:

- the overall objectives of the EC-Ukraine cooperation,
- the intermediate objectives intended to be attained through the support provided under this cooperation,
- the specific objectives intended to be reached by the interventions supported,
- the operational objectives of each of these interventions and
- the modalities/activities proposed to be undertaken by each of the interventions.

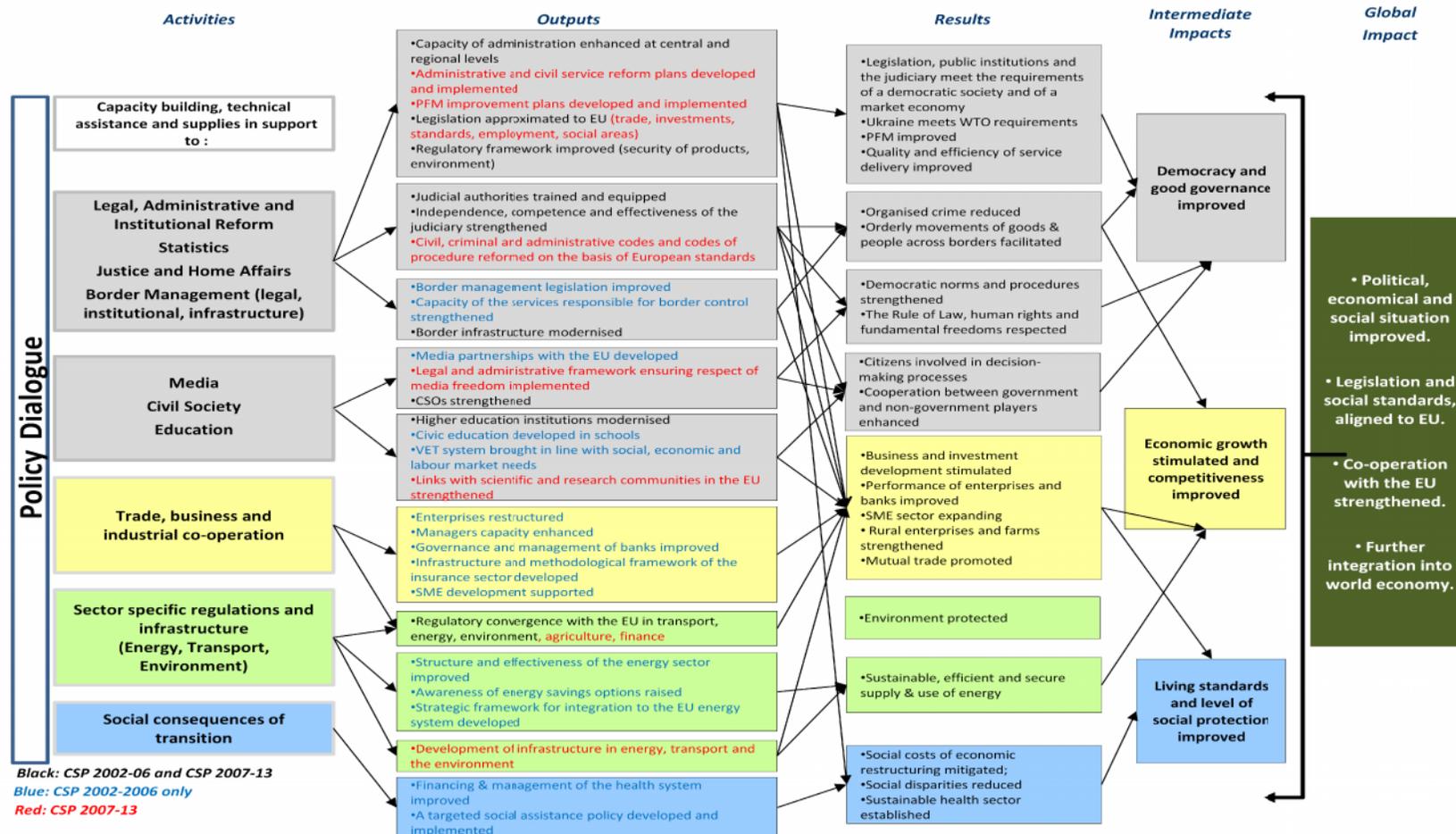
It should be underlined that although the CSPs/NIPs do not include an intervention logic diagram, the EU policy objectives, the specific objectives of EC-Ukraine cooperation and the various proposed areas for priority intervention are sufficiently explicitly spelled out in the programming documents to be able to identify the different layers of the logical intervention diagram.

The diagrams, once reconstructed for each of the two periods 2002-2006 and 2007-2013, were combined showing the common threads as well as the individual features of each programming period. Finally the diagram so obtained was presented in the form of a flow chart, presented below as an Expected Impact Diagram, showing how each activity intended to produce a specific output which, by itself or in combination with other outputs of other activities, was intended to contribute to the realisation of a specific result which in turn aimed to contribute to the achievement of an intermediate impact; finally the combined immediate impacts of the specific results were intended to contribute to furthering advancement of the cooperation towards the overarching objectives of the EU-Ukraine cooperation as defined in the Partnership and Cooperation Agreement and the EU-Ukraine Action Plan.

In the Expected Impact Diagram presented below (C.f. Fig 4.1) the continuity or otherwise of activities, expected outputs, results, intermediate impacts and global impacts, are distinguished as follows:

- the black coloured font is used for any activities, outputs, results etc. which are shared by the 2002-2006 and 2007-2013 CSPs;
- the blue coloured font is used for activities, results etc. that are specific to the 2002-2006 CSP;
- the red coloured font is used for activities, results etc. that are specific to the 2007-2013 CSP.

Figure 4.1 : Expected Impact Diagram



This Expected Impact Diagram was first presented at the Reference Group at the kick-off meeting held on the 28 October 2009. It has been revised on the basis of the comments presented by Reference Group members during the meeting, then in a note aggregating the comments of Reference Group members.

The adoption of different colours to differentiate the two CSPs in the Expected Impact Diagram shows that the global and intermediate impacts, as well as the results expected from the Commission's cooperation with Ukraine have remained the same all over the period covered by the evaluation. But it also reveals between the two CSPs significant changes as regards the outputs which the Commission's interventions aim at delivering in order to achieve these results. Whereas in the 2002-2006 CSP Commission's interventions directly addressed economic and social actors of the Ukrainian society, in the CSP 2008-2013 the focus of the interventions shifts towards the legal and regulatory framework within which these actors are operating. This point will be further elaborated below.

Global impact

The cooperation between the Commission and Ukraine aims at achieving the objectives of the Cooperation and Partnership Agreement:

- Support to Ukrainian efforts to consolidate its democracy, to develop its economy and to complete the transition into a market economy.
- Promotion of trade and investment and harmonious economic relations between the Parties and so to foster their sustainable development;
- Creation of a basis for mutually advantageous economic, social, financial, civil scientific, technological and cultural cooperation;

These objectives are consistent with those of the European Neighbourhood Policy to establish with the partner countries a privileged relationship, building upon a mutual commitment to common values: democracy and human rights, rule of law, good governance, market economy principles and sustainable development.

In the Expected Impact Diagram these objectives are reflected through the definition of a global impact combining four dimensions:

- improvements of the political, economic and social situation of the country;
- alignment of legislation and social standards on those of the EU;
- strengthened economic links between Ukraine and the EU;
- further integration of Ukraine into the world economy.

Intermediate impacts

Beyond differences between the two CSPs as regards in particular the cooperation areas they identify as priorities of the Commission's cooperation, these two documents converge to define three broad

domains in which progress have to be registered in order to achieve the overall objectives of the strategy. These three domains are:

- Democracy and good governance
- Economic growth and competitiveness
- Living standards and social protection.

Results

The two CSPs converge in the definition of the results expected from the Commission's cooperation as means towards achieving the targeted intermediate impacts.

These results can be ordered in several groups depending on the intermediate impact they most directly contribute to deliver:

- Democracy implies that relations between citizens and public institutions are governed by the Rule of Law; that human rights and fundamental freedoms are respected; that democratic norms and procedures are strengthened; that citizens are involved in decision-making processes; that organised crime is combated.
- Good governance implies that legislation, public institutions and the judiciary meet the requirements of a democratic society and of a market economy; that Ukraine meets WTO requirements; that the quality of public finance management is improved; that the quality and efficiency of service delivery is enhanced.
- Stimulating economic growth and improving competitiveness imply that business and investment development are stimulated; that the performance of enterprises and banks is improved; that the SME sector expands; that orderly movements of goods and people across borders are facilitated. Furthermore, for an economy such as the Ukrainian, which is both extremely energy intensive and highly dependent on imported energy, a sustainable, efficient and secure supply and use of energy will contribute to improving its competitiveness.
- Improving the living standard and the level of social protection implies to reduce social disparities, in particular through the establishment of a comprehensive system of social protection and targeted social assistance to the most vulnerable, to mitigate the social costs of economic restructuring and to supply to the citizens fundamental social services such as health care and education.

Outputs and activities

At the output level a significant difference may be noticed between the two CSPs. In some sectors the CSP 2002-2006 put the emphasis on the outputs expected from direct interventions of the Commission on the main stakeholders of these sectors (judicial authorities, media, enterprises, etc.). In the CSP 2007-2013, rather than from direct interventions, positive developments in these sectors are primarily expected from improvements of the legal and regulatory framework within which they operate.

As regards justice, for instance, the CSPs 2002-2006 listed among the expected outputs of the Commission's cooperation: judicial authorities trained and equipped; independence, competence and effectiveness of the judiciary strengthened. This implied to implement activities directly targeting the judiciary institutions and personnel (training of judges, provision of equipment, etc). Consolidating these achievements is still expected from the implementation of the CSP 2007-2013, but rather than on direct interventions on the judiciary institutions and personnel, this new CSP puts the emphasis on the reform of the civil, criminal and administrative codes and codes of procedure on the basis of European standards.

Similarly, in the media sector, while the CSP 2002-2006 mentioned as an important output the development of partnerships between Ukrainian and European media, the CSP 2007-2013 puts the focus on the implementation of a legal and administrative framework ensuring respect of media freedom.

Similar shifts of the targeted outputs towards the establishment and consolidation of a legal and regulatory framework conducive to positive developments in the sector may also be noticed as regards private sector development, the energy sector and the alleviation of the social consequences of transition.

This shift in the emphasis given to different types of outputs contributing to the delivery of the expected results will obviously have consequences on the cooperation activities implemented by the Commission and on their implementation modalities with more direct responsibilities given to Ukrainian institutions. Budget support and twinning are significant steps in that direction.

Annex 3 - Evaluation Questions, Judgment Criteria and Indicators

EQ 1 on the Rationale of the Commission Cooperation Strategy with Ukraine

To what extent has the Commission cooperation strategy with Ukraine been consistent with and supportive of: (i) the needs of the country and its population; (ii) the objectives and priorities agreed by both partners in the Partnership and Cooperation Agreement (PCA) and the EU-Ukraine Action Plan; (iii) the overall objectives of the EC Neighbourhood Policy ?

Justification

This EQ aims to investigate whether, at programming level, the choices made by the Commission and the GoU in terms of priority sectors/areas to be supported by cooperation respond to identified needs and are relevant to the wider objectives of the cooperation: the advancement of Ukraine towards fulfilling the objectives of the EU-Ukraine Agreements (Partnership and Cooperation Agreement and Action Plan) which are themselves aligned on the objectives of the European Neighbourhood Policy and the EC Treaty. It thus questions the relation between cooperation and the policy dialogue.

The question is thus mainly addressing the relevance issue, relevance of choices made within a particular context and against a particular set of intermediate and global objectives. It also addresses the sustainability issue in the sense that it seeks to verify whether the support responded to needs and had thus full ownership of the GoU and beneficiaries which is a key factor for ensuring sustainability.

The question spans all stages of the intervention logic: it seeks to verify whether a logical chain existed at programming stage between the selection of instruments/activities within focal sectors and their operational targets, their likely contribution to sector objectives and to intermediate impacts that were expected to lead to progress in fulfilling the overarching objectives of the EU-Ukraine agreements and ultimately the objectives of the European Neighbourhood Policy and the EC Treaty.

Coverage of the question:

The question analyses the formulation of the Commission's bilateral and regional strategies and the decision process referred to in the CSP and RSP. It concerns all activities funded under the TACIS then ENPI programmes at national, regional and cross-border level, but it also takes into account funding provided via other channels such as the support to the promotion of human rights via the European Initiative for Democracy and Human Rights (EIHDR) which forms part of the comprehensive cooperation strategy of the Commission.

The question will verify in particular that:

- the programming documents are based on an identification and analysis of Ukraine's needs and constraints against the wider framework of reaching the objectives agreed by both parties in the PCA and Action Plan;
- co-operation and policy dialogue are mutually supportive;
- Commission's and Member States' interventions consistently contribute to achieving the objectives of the European Neighbouring policy in the Eastern Region.

Judgement criteria and indicators
JC 1.1 – EC cooperation interventions are based on a diagnostic of the needs of the country and its population and address these needs
<ul style="list-style-type: none"> ▪ I 1.1.1 –Existence in the programming documents of an analysis of the needs and challenges to address
<ul style="list-style-type: none"> ▪ I 1.1.2 – Programming documents explicitly show how proposed interventions will address identified challenges
<ul style="list-style-type: none"> ▪ I 1.1.3 – Evidence of appropriate flexibility in the Commission’s strategy and objectives to facilitate adaptation to possible changes in people’s needs and priorities
<ul style="list-style-type: none"> ▪ I 1.1.4 – Analysis in the projects and programme documents of the needs and challenges they aim at addressing
<ul style="list-style-type: none"> ▪ I.1.1.5 – Consistence of the projects and programmes design (logframe, beneficiaries, implementation mechanism) with the analysis of needs and challenges
<ul style="list-style-type: none"> ▪ I 1.1.6 – Views of stakeholders on the appropriateness of identified needs and on the priorities of the EC cooperation
JC 1.2 – EC cooperation interventions are consistent with the objectives and priorities agreed by both parties in the PCA and the EU-Ukraine Action Plan
<ul style="list-style-type: none"> ▪ I 1.2.1 – References to the objectives of the PCA and the Action Plan in the programming documents
<ul style="list-style-type: none"> ▪ I 1.2.2 – Programming documents explicitly show how proposed interventions will contribute to achieving the objectives of the PCA and AP
<ul style="list-style-type: none"> ▪ I 1.2.3 – Correspondence between the sectoral breakdown of the Commission’s funding and the priorities set up by the PCA and Action Plan
<ul style="list-style-type: none"> ▪ I 1.2.4 - Evidence that the cooperation programmes are a response to issues raised in the framework of the policy dialogue and that policy dialogue structures monitor the implementation of cooperation programmes
JC 1.3 – EC cooperation interventions are consistent with the objectives of the European Neighbourhood Policy
<ul style="list-style-type: none"> ▪ I 1.3.1 – From 2005, reference to the ENP objectives in the programming documents
<ul style="list-style-type: none"> ▪ 1.1.3.2 - Evidence of complementation between interventions at national, regional and cross-border level
<ul style="list-style-type: none"> ▪ 1.1.3.3 - Evidence of coherence and complementarities between the EC and EU Member States co-operation programmes
<ul style="list-style-type: none"> ▪ 1.1.3.4 – Evidence of a value-added of EC interventions

Sources

- Partnership and Cooperation Agreement, EU-Ukraine Action Plan and its developments (JHA, Energy)
- Country Strategy Papers, National Indicative Papers, Annual Action Programmes
- Regional Strategy Papers, Regional Indicative Programmes, Cross Border Cooperation programmes
- ENP strategy documents
- Financing agreements and terms of Reference of projects and programmes
- ROM reports
- Delegation of the European Commission
- National Coordinating Unit; Ministry for European Integration
- EU Member States representations in Ukraine

EQ 2 on Democracy and Human Rights

To what extent have the Commission's interventions contributed to strengthening democracy and the rule of law?

Justification

The EU-Ukraine Action Programme states that “in line with Ukraine’s international commitments and its strategic goal of further European integration, Ukraine will continue its internal reforms based on strengthening democracy, rule of law, respect for human rights, the principle of separation of powers and judicial independence, democratic election in accordance with OSCE and Council of Europe norms and standards.”

The evaluation question relates to the effectiveness of the EC co-operation in these domains, and to their impact.

Under this EQ, Commission support to initiatives that strengthen the respect of human rights and fundamental freedoms, that support the democratic processes and that strengthen the respect for the rule of law and an independent justice system will be analysed; it will enable the evaluators to assess the extent to which these Commission interventions have contributed to advance the incorporation of these politically sensitive issues by the Government of Ukraine in its reform agenda, and have delivered results.

Coverage of the question:

The evaluation question concentrates on the judiciary, the civil society and the medias. Political institutions and the election process are not addressed.

The EQ will cover interventions financed under TACIS/ENPI as well as under the Democracy and Human Right (DDH) and the European Initiative for Democracy and Human Rights (EIHDR) budget lines. The former will enable to verify the extent to which the Commission was able to find a consensus with the GoU on these important issues of good governance and to support efforts in areas such as the rule of law, administration of justice and security whilst the latter will inform on specific (selected) interventions in the area of human rights and democracy. To complement findings from this analysis and give a more global overview of progress, the progress reports on the implementation of the (Regional) Action Plans in the ENP will be consulted.

An important element of the investigation will be to check (i) whether indicators have been elaborated or used within these interventions to measure the achievement of their objectives and how these indicators performed and (ii) the views of stakeholders on the adequacy and outcome of interventions.

Judgement criteria and indicators
JC 2.1 – The Commission’s interventions contributed to enhance the independence of the judiciary and to strengthen its administrative capacity
<ul style="list-style-type: none"> ▪ I.2.1.1 – Reforms of the civil, commercial and administrative codes in line with European standards ▪ I.2.1.2 – Reform of the codes of procedure on the basis of European standards ▪ I.2.1.3 – Reform of the prosecution system in accordance with the relevant Council of Europe Action Plan ▪ I.2.1.4 – Reform of the court system favouring independence, impartiality and efficiency of the judiciary ▪ I.2.1.5 – Evidence that reported shortcomings in the law enforcement organs and prosecution are addressed ▪ I.2.3.6 – Adoption and enforcement of an anti-corruption legislation ▪ I.2.1.7 – Number of judges and other members of the judicial system having benefited of EC-supported training ▪ I.2.1.8 – Statistical trends on the judiciary (number of judges, number of judicial affairs being processed, etc.) ▪ I.2.1.9 – (If available) results of opinion polls on the judiciary system ▪ I.2.1.10 – Trend of Ukraine’s ranking at the Transparency International survey
JC 2.2 – The Commission’s interventions contributed to foster the development of civil society and the involvement of citizens in the decision making process
<ul style="list-style-type: none"> ▪ I.2.2.1 – An appropriate legal and regulatory framework for CSO has been established and is enforced ▪ I.2.2.2 – Statistical trends on the number of registered NGOs, field of activity, membership ▪ I.2.2.3 - An appropriate legal and regulatory framework for trade unions has been established and is enforced ▪ I.2.2.4 – Number of CSOs having benefited of EC support ▪ I.2.2.5 – Evidence of an involvement of CSO in government decision making processes at national and local levels
JC 2.3 – The Commission’s interventions contributed to the development of pluralistic media
<ul style="list-style-type: none"> ▪ I.2.3.1 – Existence of an legal and administrative framework ensuring the freedom of media ▪ I.2.3.2 – Evidence that journalists rights are respected ▪ I.2.3.3 – Statistics on media: newspapers (number of daily/weekly newspapers, readership, ...); radio, television, internet ▪ I.2.3.4 – Number of journalists having participated in EC-funded training and exchange activities

Sources

- Ministry of Justice
- EC Delegation
- Council of Europe
- UNDP
- Scoreboard of the JHA Action Plan
- Reports of the Venice Commission
- Peer review of the Council of Europe’s Group of States against Corruption (GRECO)
- Professional organisations of judges and of lawyers
- Professional organisations of journalists
- Civil Society Organisations
- Federation of Trade Unions
- UEPLAC
- Transparency International Survey

EQ 3 on Social Protection and Assistance

To what extent have the Commission’s interventions contributed to establishing an integrated, comprehensive and effective social protection and assistance system?
<p>Justification</p> <p>The CSP 2002-2006, as the previous ones, identified as one of the focal areas of the Commission’s cooperation its support to addressing the social consequences of transition. It noted in this respect that “the current Ukrainian system of social guarantees and social protection was developed as far back as in the 1960s and does not meet the pressing needs of vulnerable groups, i.e. children, rural youth, young families with several children, disabled, etc.”. Besides support to the health sector reform, the CSP identified improvement of the social assistance policy and service provision as one of the objectives of the Commission’s cooperation.</p> <p>The CSP 2007-2013 does not mention any more the social consequences of transition. Indeed, the economic recovery enjoyed by Ukraine from the early 2000s has led to a significant reduction in the severity and deepness of poverty. However, the inadequacy of the social assistance system to provide protection to the most vulnerable groups of the population remains a serious issue. Actually the Commission has continued until now to launch projects aimed at improving the protection of vulnerable groups. Partners of the Commission in this area are local governments and NGOs as well as the central government.</p> <p>The Evaluation Question aims at assessing to what extent the Commission’s intervention have contributed to establishing an integrated social protection system, to the design and implementation of an employment strategy and to establishing a social assistance system targeting the most vulnerable groups.</p>
<p>Coverage of the question</p> <p>The previous evaluation of the Commission’s cooperation with Ukraine devoted much attention to the Commission’s support to the reform of the health sector. Focus of the current evaluation will be on the social protection system, on employment and on social assistance to the vulnerable groups of the population.</p>
<p>Judgement criteria and indicators</p>
<p>JC 3.1 – The Commission’s interventions contributed to the development of an integrated social protection system covering in particular health risks and providing pensions to the elderly</p>
<p>I 3.1.1 – Progress in the approximation to that of the EU of the legislative and regulatory framework relative to social protection</p>
<p>I 3.1.2 – Progress in establishing a financially sustainable social protection system</p>
<p>I 3.1.3 – Percentage of the population covered by the social protection system</p>
<p>I 3.1.4 – Level of protection secured to beneficiaries (percentage of healthcare expenses; minimum pensions compared to poverty line)</p>
<p>JC 3.2 – The Commission’s interventions contributed to the design and implementation of a national strategy on employment</p>

I.3.2.1 – Existence of a national strategy on employment
I 3.2.2 – Existence of public institutions in charge of assisting the persons in search of a job
I 3.2.3 – Existence of a system of unemployment allowances and coverage of this system
I 3.2.4 – Trends in employment and unemployment
JC 3.3 – The Commission’s contributions contributed to the provision of social assistance to the most vulnerable groups of the population
I.3.3.1 – Accuracy and relevance of statistics on vulnerability
I 3.3.2 – Existence of a government policy relative to social assistance
I 3.3.3 – Involvement of CSOs in the formulation of the social assistance policy
I.3.3.4 – Comprehensiveness of the social assistance system
I 3.3.5 – Cooperation between governments at central and local level and CSOs in the provision of services to vulnerable groups
Sources
<ul style="list-style-type: none">▪ Ministry of Health▪ Ministry of Labour and Social Policy▪ Ministry for Family, Youth and Sport▪ Relevant services of Regional State Administrations and of Municipalities▪ NGOs involved in social activities targeting vulnerable groups▪ EC Delegation

EQ 4 on Economic Reform and Development

To what extent have the Commission's interventions in support of economic reforms contributed to economic growth, poverty reduction and alleviation of regional imbalances

Justification

Contributing to establishing and consolidating in Ukraine a market economy has been from the beginning a key objective of the Commission's co-operation. Until the early 2000s, the Commission's pursued this objective through a two-pronged approach: on the one hand it supported the reform of the legal and regulatory framework relative to economic activities and, on the other hand, implemented interventions directly addressing the productive sector: assistance to the restructuring of enterprises and of the banking and insurance sector, support to the development of SMEs, enhancement of managers' capacities, etc. This second type of interventions has progressively lost of its importance while a stronger focus was put on approximation to that of the EU of the legislative and regulatory framework relative to trade, investments, standards, employment, and social protection.

The Commission's strategy papers strongly link economic reforms and development with social reforms and poverty reduction. The CSP 2002-2006, as the previous one, identified as one of the focal areas of the Commission's cooperation its support in addressing the social consequences of transition. Here again the CSP 2007-2013 shows an inflexion in the Commission's approach to the issues of social development and poverty alleviation from a combination of support to social reforms with direct interventions in such sectors as health and education, to a stronger focus on social reforms and on the approximation to EU social standards.

Finally, the Commission's cooperation addresses the regional dimension of economic and social development with the objective of alleviating regional imbalances through the development and implementation of an effective regional policy, the development of local authority capacities, and community based approaches to local development.

The Evaluation question aims at assessing the effectiveness and the impacts of the Commission's interventions aimed at establishing and consolidating a dynamic market economy delivering social progress and contributing to the alleviation of economic and social imbalances between regions.

Coverage of the question:

This evaluation questions covers all Commission's interventions aimed at promoting economic and social development through support given to reforms of the legal and regulatory framework relative to economic activities and social issues. It also addresses Commission's interventions in support of the development and implementation of a regional development policy as well as in support of local authorities and communities. As far as regional and local development is concerned, collection of indicators will aim at allowing comparisons between the regions/cities benefiting of Commission's support with other regions/cities presenting similar structural characteristics.

Commission's interventions directly targeting the productive sector and direct provision of social services are not included in the investigation scope.

This question is related to EQ 5 on trade and foreign direct investments.

Judgement criteria and indicators
JC 4.1 – The Commission’s cooperation contributed to the implementation of a macroeconomic policy conducive to strong and sustainable economic growth
I 4.1.1 – Trend of budget deficit as a percentage of GDP
I 4.1.2 – Financing mechanisms of the budget deficit
I 4.1.3 – Trend of monetary growth
I 4.1.4 – Interest rates
I 4.1.5 – Inflation rate
JC 4.2 – The Commission’s cooperation contributed to the establishment of a fully functioning market economy
I 4.2.1 – Progress in the approximation to that of the EU of the legislative and regulatory framework relative to economic activity
I 4.2.2 – Progress in banking regulation and reform of the financial sector
I 4.2.3 – Trend in GDP growth at global level, by sectors and by enterprise status
I 4.2.4 – Private investment as a percentage of GDP
I 4.2.5 – Trend of banking loans to the private sector
I 4.2.6 – Trend in the creation of new enterprises
I 4.2.7 – Indicators of business climate
I 4.2.8 – Entrepreneurs’ assessment of obstacles to business development
JC 4.3 – Economic growth contributes to poverty reduction
I 4.3.1 – Development trend of household income by nature of income
I 4.3.2 – Statistics on the distribution of household incomes
I 4.3.3 – Results of poverty surveys
JC 4.4 – The Commission’s cooperation contributed to reducing regional imbalances
1.4.4.1 – Implementation of the European Charter on local self-government
1.4.4.2 – Progress towards developing and implementing an efficient regional development policy
I 4.4.3 – Evidence of strengthened capacity of regional and local authorities
I 4.4.4 – GDP growth by region
I 4.4.5 – Trends in employment and unemployment at regional level
I 4.4.6 – Development trend of household income at regional level
I 4.4.7 – Provision of municipal services in the regions/cities having benefited of EC support compared to other cities/regions

Sources

- Ministry of Economy
- Central Bank of Ukraine
- State Commission for Financial Service Markets
- State Commission for Securities and Stock Market
- Anti-Monopoly Committee
- Ukrainian State Committee of Statistics
- Regional and municipal authorities
- National Association of Regional Development Agencies
- EC Delegation
- Business organisations: Ukrainian Association of Investment Business; Ukrainian Chamber of Commerce and Industry; Ukrainian Union of Industrialists and Entrepreneurs; Union of Small and Medium Business
- UEPLAC (Management Information System on Legal Approximation)

EQ 5 on Trade and Foreign Direct Investments

To what extent has the Commission co-operation contributed to strengthening economic links between Ukraine and the EU through the development of trade and of direct investments?

Justification

The Partnership and Cooperation Agreement between Ukraine and the EU states as one of the key objectives of the two Parties to promote trade and investment and to establish harmonious economic relations between them so as to foster their sustainable development and to create the conditions for the establishment of a Free Trade Area between Ukraine and the EU.

In this respect, the EU-Ukraine Action Plan mentions among its priority objectives:

- Accession of Ukraine to the WTO
- Gradual removing of restrictions and non-tariff barriers that impede bilateral trade and implementation of the necessary regulatory reforms
- Improving the investment climate, through non-discriminatory, transparent and predictable business conditions, simplified administrative procedures and by the fight against corruption.

Following the finalization of Ukraine's WTO accession process, negotiations have been launched in February 2008 for the establishment of a FTA between Ukraine and the EU.

The Evaluation Question addresses the effectiveness and the impact of the EC interventions aimed at supporting the development of trade in goods and services between Ukraine and the EU and at creating favourable conditions for direct investments of EU companies in Ukraine

Coverage of the question:

The question will investigate the effectiveness of the European Commission's interventions aimed at

- Supporting the establishment of a legal and regulatory framework conducive to the development of trade in goods and services and of direct investments; and
- Developing the capacity of Ukrainian enterprises to actively participate in foreign trade.

The impact of these interventions will be assessed through the quantitative and qualitative development of Ukrainian foreign trade, in particular of Ukrainian trade with the EU, and through the volume of EU companies' direct investments in Ukraine.

This EQ should be considered in relation with EQ 4 on economic development and EQ 7 on border management. The issue of corruption, which is mentioned in the EU-Ukraine Action Plan in relation with trade, is addressed in EQ 2 on democracy.

Judgement criteria and indicators

JC 5.1 – The Commission's co-operation supported the adoption of a legal and regulatory framework conducive to the development of trade and of foreign investments

- I 5.1.1 – Removal of legal and regulatory (non-tariff) obstacles to imports and exports
- I 5.1.2 – Implementation by Ukraine of its commitments towards WTO

<ul style="list-style-type: none"> ▪ I 5.1.3 – Removal of technical barriers to trade in particular, norms, standards, SPS
<ul style="list-style-type: none"> ▪ I 5.1.4 – Development of national policy and legislation facilitating foreign investments
<ul style="list-style-type: none"> ▪ I 5.1.5 – Implementation by Ukraine of the PCA provisions relevant to trade and foreign investments (establishment rights; intellectual property rights; capital movements; etc.)
<ul style="list-style-type: none"> ▪ I 5.1.6 – Attractiveness of the business environment in Ukraine <i>vis-à-vis</i> other CIS countries
<p>JC 5.2 – The Commission’s cooperation contributed to strengthen the capacity of Ukrainian enterprises, in particular SME, to sell their products in foreign markets and in particular in the EU</p>
<ul style="list-style-type: none"> ▪ I 5.2.1 – Strengthened capacity of Ukrainian entrepreneurs to export to the EU (information, participation in fairs, networking, etc.)
<ul style="list-style-type: none"> ▪ I 5.2.2 – Development of standards and certification
<ul style="list-style-type: none"> ▪ I.5.2.3 – Evidence of an increased capacity of Ukrainian enterprises to produce EU and internationally compliant goods and services
<p>JC 5.3 – The Commission’s cooperation contributed to increasing integration of Ukraine in the world economy</p>
<ul style="list-style-type: none"> ▪ I 5.3.1 – Trend in Ukrainian exports and imports as a percentage of GDP
<ul style="list-style-type: none"> ▪ I 5.3.2 – Contribution of Ukrainian external trade to GDP growth
<ul style="list-style-type: none"> ▪ I.5.3.3 – Diversification of Ukrainian exports
<p>JC 5.4 – The Commission’s cooperation contributed to the development of trade between the EU and Ukraine and to investments of EU companies in Ukraine</p>
<ul style="list-style-type: none"> ▪ I 5.4.1 – Trends in the share of the EU in Ukrainian exports
<ul style="list-style-type: none"> ▪ I 5.4.2 – Trends in the share of Ukraine in EU imports
<ul style="list-style-type: none"> ▪ I 5.4.3 – Share of European Foreign Direct Investments in total FDI
<ul style="list-style-type: none"> ▪ I 5.4.4 – Share of European Foreign Direct Investments as a percentage of GDP
<p>Sources</p>
<ul style="list-style-type: none"> ▪ Ministry of Economy ▪ Central Bank of Ukraine ▪ World Trade Organisation ▪ Ukrainian State Committee of Statistics ▪ EC Delegation ▪ Council on Foreign Economic Activity ▪ State Agency for Investments and Innovation ▪ State Committee for Technical Regulation and Consumer Policy ▪ Business organisations: Ukrainian Association of Investment Business; Ukrainian Chamber of Commerce and Industry; Ukrainian Union of Industrialists and Entrepreneurs; Union of Small and Medium Business ▪ Representations of EU Member States ▪ UEPLAC (Management Information System on Legal Approximation) ▪ Eurostat

EQ 6 on Environment

To what extent has the policy dialogue between the Commission and the Government of Ukraine, as well as Commission's interventions in the field of environment and in other sectors, contributed to sustainable development and environment protection

Justification

Independent Ukraine inherited from the time of the Soviet Union a seriously damaged environment. The tragic consequences of the Chernobyl accident are well known. But more generally a policy of neglect as regards, in particular, pollutant emissions by smokestack heavy industries resulted in severe pollution of air and water resources. Since environmental pollution does not respect borders, this situation is a problem not only for Ukraine and its population, but also for the European Union and for other countries of the Eastern Region.

Actually, the ENPI Strategy Paper 2007-2013 for the Eastern Region underlines that “in addition to (its) overarching strategic objectives for the region, the EU also has specific sector objectives in which the regional aspect is particularly important. The first of these is sustainable development and environmental protection, which underpins all EU legislation and policies.” It points out that “all of the ENP Action Plans negotiated so far contain actions to enhance environmental governance, address issue-specific environment concerns as well as promote international, regional and cross-border co-operation on environment issues.”

Indeed, the EU-Ukraine Action Plan devotes two chapters to respectively the promotion of sustainable development and the protection of the environment.

As regards sustainable development, the Action Plan lists three sets of action to be implemented: (i) take further steps towards completion of administrative structures and procedures to ensure strategic planning of sustainable development and co-ordination between relevant actors; (ii) complete and adopt a national strategy on sustainable development, and take steps to ensure its implementation; (iii) take further steps for the integration of environmental considerations into other policy sectors, particularly industry, energy, transport, regional development and agriculture.

As for the protection of the environment, the Action Plan expresses the joint commitment of the Ukrainian Government and of the EU to (i) take steps to ensure that conditions for good environmental governance are set and start implementing them. This includes, *inter alia*, ensuring strategic planning, establishing procedures regarding access to implement the Aarhus Convention, reinforcing structures and procedures to carry out environmental impact assessment, including in relation to transboundary issues); (ii) take active action for prevention of deterioration of the environment, protection of human health, and achievement of rational use of natural resources, in line with the commitments of Johannesburg Summit (legislation, plans and programmes for key environment sub-sectors and their implementation); (iii) enhance co-operation on environmental issues (implementation of provisions under the Kyoto Protocol and the UN Framework Convention on Climate Change, participation in the Danube – Black Sea Task Force, possible participation in selected European Environment Agency activities, Active participation in activities of the Joint Ukraine – EU Working Group on Climate Change.

The European Commission is currently considering to support further developments in the environment sector through the provision of budget support.

Coverage of the question:

According to CRIS data, over the period 2002-2008 covered by the evaluation Commission's interventions in the field of environment amounted to only €9.2 million out of a total of €747.1 million. These interventions include two large action grants addressing the issue of biodiversity, both launched in 2008. All other interventions had a size below €250,000 and have been implemented at regional or local level mainly in two areas: water management and solid waste management.

This however doesn't mean that the Commission did not pay to the environment the attention that it deserves considering the situation of Ukraine in this regards. It means that these issues have been addressed within the framework of the policy dialogue between the two Parties rather than through the implementation of projects.

Accordingly the evaluation will put a strong focus on the content of the policy dialogue and on its outcomes. In relation with the objectives stated in the EU-Ukraine Action Plan, the evaluation will assess to what extent this cooperation contributed to progress in

- Creating conditions for good environment governance;
- Taking action for preventing deterioration of the environment, protecting human health and achieving rational use of natural resources;
- Implementing Ukraine's commitments towards the international conventions and environment-related organisations at regional level in which it is part.

As far as Commission's projects in the field of environment are concerned, rather than their direct effectiveness, the evaluation will assess to what extent they contributed to piloting good practices in addressing environmental issues. In the same manner, the evaluation will examine to what extent Commission's interventions in other areas, notably in the energy sector and infrastructure, have had a pilot dimension as regards environment integration.

This evaluation question is related to EQ 6 on Energy, which addresses the issues of nuclear safety and of the sustainable use of energy resources.

Judgement criteria and indicators

JC 6.1 – The Commission's cooperation with Ukraine contributed to establishing conditions for an effective environmental governance

I 6.1.1 – Content and outcomes of the policy dialogue between the Commission and GoU on environmental issues

I.6.1.2 – Existence of administrative structures and procedures effectively ensuring strategic planning of environmental protection and co-ordination between relevant actors

I 6.1.3 – Existence of structures and procedures to carry out environmental impact assessments

I.6.1.4 – Implementation by Ukraine of the Aarhus Convention on access to information, public participation in decision-making, and access to justice in environmental matters

I 6.1.5 – Support given to civil society actors and local authorities to promote environmental awareness

JC 6.2 – The Commission's cooperation contributed to the GoU taking active action for preventing deterioration of the environment, protecting human health and achieving rational use of natural resources

I 6.2.1 – Evidence that Commission's interventions in the field of environment aimed at piloting good practices

I 6.2.2 – Evidence that Commission’s interventions in such areas as energy and infrastructure contributed to pilot good practices as regards environment protection
I 6.2.3 – Existence of a national strategy on environment protection
I 6.2.4 – Existence of framework legislation and procedures for key environmental sub-sectors (water, air, solid waste, protection of natural resources)
I.6.2.5 – Existence and actual implementation of national programmes and plans for key environment sub-sectors
I 6.2.6 – Existence and actual enforcement of legislation and procedures relative to environment protection in such sectors of the economy as industry, transport, agriculture
I 6.2.7 – Capacity development of the administrations in charge of permissions, enforcement and inspections in relation to environment protection
JC 6.3 – The Commission’s cooperation contributed to Ukraine fulfilling its international commitments in the field of environment protection and being actively involved in regional cooperation on environmental issues
I 6.3.1 – Actions undertaken by the GoU to implement the provisions of the Kyoto Protocol and of the UN Framework Convention on Climate Change
I 6.3.2 – Evidence of an active contribution of Ukraine to the Black Sea Commission
I 6.3.3 – Evidence of an active participation of Ukraine in the Danube-Black Sea (DANBAS) Task Force
I.6.3.4 – Evidence of implementation by Ukraine of the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention)
I 6.3.5 – Evidence of an active involvement of Ukraine in the EECCA component of the EU Water Initiative
Sources
<ul style="list-style-type: none"> ▪ Ministry for Environmental Protection ▪ State Committee for Water Saving ▪ Local authorities ▪ Delegation of the European Commission ▪ UNDP ▪ CSOs active in the field of environment protection

EQ 7 on Energy

To what extent has the Commission supported the development of sustainable, secure and efficient supply and use of energy?

Justification

Cooperation in the energy sector has always been an important part of the EU-Ukraine relations, especially taking into account that the energy security needs of the EU and Ukraine are intrinsically linked.

Cooperation in the energy sector and in the area of nuclear safety is addressed in Articles 61 and 62 of the PCA. The ENP Action Plan defines a series of seven objectives of the EU-Ukraine cooperation in this sector:

- Adoption of an overall energy policy converging towards EU energy policy objectives;
- Gradual convergences towards the principles of the EU internal electricity and gas markets;
- Progress regarding energy networks;
- Progress in the transit of natural gas;
- Advance in the restructuring of the solid fuel mines;
- Progress on energy efficiency and the use of renewable energies;
- Continue co-operation on nuclear energy and nuclear safety.

A Memorandum of Understanding (MoU) on energy has been signed by the two parties in December 2005. This document establishes a joint strategy towards progressive integration of the Ukrainian energy market with that of the EU through the implementation of roadmaps defined at sub-sector/issue level.

Coverage of the question:

The MoU on energy deals with five sub-sectors/issues:

- nuclear safety;
- integration of electricity and gas markets;
- security of energy supply and transit of hydrocarbons;
- effectiveness, safety and environment standards in the coal sector.
- energy efficiency and renewable energies.

Whereas the MoU signed in December 2005 included roadmaps for the first four sub-sectors, the roadmap for the fifth sector was adopted in 2008.

The evaluation question addresses the five sub-sectors for which roadmaps have been designed. EC financial contributions to the Chernobyl shelter and the Ukraine fuel gap programme of 2000 and 2002 are not included in the scope of the evaluation question.

Judgement criteria and indicators
JC 7.1 – Ukrainian NPPs meet internationally recognised safety standards
<ul style="list-style-type: none"> ▪ I 7.1.1 – Existence of an independent and competent nuclear safety authority
<ul style="list-style-type: none"> ▪ I 7.1.2 – Results of independent evaluations of Ukrainian NPPs safety
<ul style="list-style-type: none"> ▪ I 7.1.3 – Evidence of implementation of safety upgrading measures
<ul style="list-style-type: none"> ▪ I 7.1.4 – Design and implementation of a radioactive waste decommissioning programme
JC 7.2 – Progress is made towards integration of the Ukrainian electricity and gas markets into the EU's internal energy market
<ul style="list-style-type: none"> ▪ I 7.2.1 – Existence of independent energy regulatory institutions
<ul style="list-style-type: none"> ▪ I 7.2.2 – Evidence of market-based revisions of the electricity and gas pricing system
<ul style="list-style-type: none"> ▪ I 7.2.3 - Share of unregulated losses and of network losses
<ul style="list-style-type: none"> ▪ I.7.2.4 – Payment recovery rate of electricity and gas deliveries
<ul style="list-style-type: none"> ▪ I 7.2.5 – Energy mix in the electricity generation
<ul style="list-style-type: none"> ▪ I 7.2.6 – Existence of electricity and gas transmission system operators independent from other activities not related to transmission
<ul style="list-style-type: none"> ▪ I 7.2.7 – Evidence of progress towards creating the conditions for interconnection between the UCTE system and the Ukrainian electricity grid system
JC 7.3 – Security of energy supplies and the transit of hydrocarbons are ensured
<ul style="list-style-type: none"> ▪ I 7.3.1 – Results of the audits of the existing hydrocarbon transit and supply network
<ul style="list-style-type: none"> ▪ I 7.3.2 – Existence of a safety and security monitoring of the Ukraine hydrocarbon transit and supply network
<ul style="list-style-type: none"> ▪ I 7.3.3 – Development of additional sources and supply routes for gas and oil to Ukraine and onwards to the EU
<ul style="list-style-type: none"> ▪ I 7.3.4 – Evidence of an harmonisation of technical norms and standards in the Ukrainian hydrocarbons sector with the EU industrial practices
<ul style="list-style-type: none"> ▪ I 7.3.5 – Existence of a metrology system and of a certification system of oil products quality
<ul style="list-style-type: none"> ▪ I 7.3.6 – Definition and implementation of management rules of strategic oil reserves
JC 7.4 – Effectiveness, safety and environmental standards of the coal sector are enhanced
<ul style="list-style-type: none"> ▪ I 7.4.1 – Existence of a Master plan for the restructuring of the coal sector
<ul style="list-style-type: none"> ▪ I 7.4.2 – Design and implementation of a mitigation system of the social impacts of the coal sector restructuring
<ul style="list-style-type: none"> ▪ I 7.4.3 – Statistics of occupational accidents in the coal sector
<ul style="list-style-type: none"> ▪ I.7.4.4 – Existence of an inventory of contaminated sites
JC 7.5 – Energy efficiency is enhanced and renewable energies sources developed
<ul style="list-style-type: none"> ▪ I 7.5.1 – Policy measures implemented by the GoU to promote energy savings

- I 7.5.2 – Trend of GDP energy intensity and of the energy intensity of main energy consuming sectors
- I 7.5.3 – Policy measures implemented by the GoU to support the development of renewable energy sources
- I 7.5.4 – Share of renewable energy sources in total energy supply

Sources

- Ministry of Fuels and Energy
- Ministry of Coal Industry
- Nuclear Safety Authority
- Electricity Regulatory Commission
- State Agency for Efficient Use of Energy Resources
- Electricity and gas companies
- Naftogaz
- Statistics on energy
- EC Delegation
- Twinning project at the Regulatory Commission

EQ 8 on Border Management

To what extent have the Commission’s interventions in the area of border management contributed to facilitate the legal movement of goods and persons while making more effective the control of illegal cross-border activities?

Justification

Border management is since the early 2000s an important domain of co-operation between the European Commission and Ukraine.

The CSP 2002-2006 points out that “the development of efficient border controls is vital for trade and investment, for the smooth movement of people, as well as for combating security risks such as illegal migration, trafficking of human beings, smuggling of drugs, etc.” This statement clearly defines the four dimensions involved in border management:

- Cross-border movements of goods vs movements of persons;
- Facilitation of legal cross-border movements vs fight against illegal activities.

In the CSP 2007-2013 border management is mentioned as a sub-priority of priority area 3: support for infrastructure development. This is however a rather restrictive approach to this co-operation area which besides the provision of infrastructure and equipment also has strong components aimed at improving the relevant legal framework and at strengthening the capacity of the services and agencies involved.

Besides the CSPs, border management is also addressed in the Action Plan for Justice and Home Affairs adopted in 2001 and up-dated in 2005 as the Freedom, Security and Justice part of the 2005 EU-Ukraine Action Plan.

The importance of co-operation in border management has increased following the enlargement of the EU, which resulted in a common border between Ukraine and four new EU Member States (Hungary, Poland, Romania, Slovakia). However, the CSP 2002-2006 points out that cooperation in the domain is not restricted to the common EU-Ukraine border, but that “improved border management and infrastructure will also contribute to establish closer economic and political links between Ukraine and its neighbours.”

Finally, border management is one of the four areas addressed by the ENPI Cross-Border Cooperation (ENPI CBC). Ukraine is involved in four ENPI CBC programmes; three landborder programmes (Poland-Ukraine-Belarus; Hungary-Slovakia-Romania-Ukraine; Romania-Ukraine-Moldova) and the multilateral Black Sea programme.

The evaluation criteria address the different dimensions of the EC cooperation activities in the field of border management:

- Cross-border movements of goods and person;
- Management of migrations
- Fight against illegal cross-border activities

Coverage of the question:

The evaluation question encompasses all cooperation activities whose beneficiaries are services / agencies in charge of border management and of migration issues.

It does not include the judiciary dimension involved in the fight against illegal cross-border activities nor the fight against criminal activities such as money laundering which is carried by other institutions that the one on which the evaluation question focuses. EC support to the judiciary is addressed in EQ 3.

Judgement criteria and indicators
JC 8.1 – The Commission’s interventions facilitated the legal movement of goods and persons across borders
<ul style="list-style-type: none"> ▪ I 8.1.1 - Progress towards approximation of the customs procedures to EU standards
<ul style="list-style-type: none"> ▪ I 8.1.2 - Simplified and more efficient border control and custom procedures
<ul style="list-style-type: none"> ▪ I 8.1.3 - Progress towards integrated border management
<ul style="list-style-type: none"> ▪ I 8.1.4 – Improved co-ordination with the relevant services/agencies of neighbouring countries¹ and harmonisation of custom procedures
<ul style="list-style-type: none"> ▪ I 8.1.5 - Improved infrastructure and equipment of border posts
<ul style="list-style-type: none"> ▪ I 8.1.6 - Waiting times for freight and passenger traffic at border crossings
JC 8.2 – The Commission’s interventions contributed to more effective management of migrations flows
<ul style="list-style-type: none"> ▪ I 8.2.1 - Improvements of the legal framework relative to migrations and asylum in accordance with European standards
<ul style="list-style-type: none"> ▪ I 8.2.2 - Participation of Ukraine in regional and international migration-related cooperation networks and fora
<ul style="list-style-type: none"> ▪ I 8.2.3 - Capacity of temporary accommodation facilities compliant with European standards for illegal migrants and victims of trafficking
<ul style="list-style-type: none"> ▪ I 8.2.4 - Monitoring of migration movements
<ul style="list-style-type: none"> ▪ I 8.2.5 – Impact data on the volume of illegal migrations and asylum seekers
JC 8.3 – The Commission’s interventions contributed to more effective fight against cross-border illegal activities, in particular trafficking in human beings and drugs
<ul style="list-style-type: none"> ▪ I 8.3.1 - New legislation, including the ratification of international instruments, and policy mechanisms in the field of human beings and drug trafficking
<ul style="list-style-type: none"> ▪ I 8.3.2 - Establishment of information gathering systems and observatories in cross-border criminal activities
<ul style="list-style-type: none"> ▪ I 8.3.3 - Exchange of information between the relevant enforcement bodies (judiciary, border guards, custom officers)
<ul style="list-style-type: none"> ▪ I 8.3.4 - Evidence of cooperation, including exchange of statistical data and experience, with Interpol and interested Member States on trafficking of human beings and drugs
<ul style="list-style-type: none"> ▪ I 8.3.5 - Regional cooperation developed in the fields of human beings and drugs trafficking
<ul style="list-style-type: none"> ▪ I 8.3.6 - Impact data on changes in the number of traffickers apprehended, the number of potential victims counselled, the number of victims supported
<ul style="list-style-type: none"> ▪ I 8.3.7 - Data or experts opinion on change in the volume of illicit trade prevented or detected
<ul style="list-style-type: none"> ▪ I 8.3.8 - Data on change in levels of drug seizure

¹ Special attention will be devoted to co-operation with the Moldovan authorities

Sources

- Ministry of Internal Affairs
- State Customs Service
- State Border Guard Service
- Council on Foreign Economic Activities
- State Service of Export Control
- Professional organisations of importers/exporters
- EC Delegation
- UNDP
- CSOs involved in the fight against human trafficking and in the support to asylum seekers and refugees
- UEPLAC

EQ 9 on Budget Support

To what extent does the Commission's move towards the use of Budget Support facilitate the implementation of reforms, contribute to improved institutional and regulatory frameworks and to improved management and performance?

Justification

The CSP 2002-2006 specifies that Commission's cooperation with Ukraine has a strategic focus and puts emphasis on sector programmes rather than on individual projects. It further mentions briefly the possibility of providing Budget Support (BS) to the GoU where necessary and where the amount of Commission financing justifies it. However, the TACIS regulation didn't allow the Commission to resort to this financing modality.

Five years later the CSP 2007-2013 specifies that a shift from the classic project approach to long-term sector programmes, implemented via Budget Support, should be considered. It further states that this approach should be accompanied by technical assistance for the preparation of sector strategies as well for building institutional and implementation capacity, especially in the focal sector energy. Actually since 2007 and the entry into force of the European Neighbourhood and Partnership Instrument (ENPI), the Commission has been given the possibility to provide budget support to all countries of the neighbourhood, of which Ukraine.

To date one single BS operation, a sector budget support (SBS), is currently under implementation. This programme, approved in 2008, has a total budget of €82.0 million in support the implementation of the GoU's energy strategy. Other SBSs are under preparation in such sectors as trade, border management and the environment.

Since the current evaluation should have a prospective character, the Reference Group asked the consultants, in spite of the recent character of the SBS operation, to devote an evaluation question to assessing the utilisation of budget support in the cooperation between the EC and Ukraine.

This evaluation question is complementary to question 7 on the relevance and effectiveness of EC interventions in the energy sector, as well as to question 10 on efficiency. According to the methodology employed (see below) the question concentrates on the inputs, direct outputs and induced outputs of SBS. The question also deals with the EC added value, which is closely related to the principle of subsidiarity, and aims at assessing the specific benefits of a BS operation implemented by the Commission.

Coverage of the question:

The EQ mainly concerns the SBS programme in support of the GoU's energy sector currently under implementation. But consultants will also investigate the SBS under preparation in particular with respect to the first judgment criteria.

As requested by the Reference Group, the question follows Step 1 of the methodology for BS evaluation presented in the Issue Paper of May 2008 (European Commission, Evaluation Unit, Methodology for Evaluations of Budget Support Operations at Country Level). Step 1 of the methodology covers the first three levels of the evaluation framework as follows: (i) GBS/SBS inputs by donors defined as including funds, policy dialogue, conditionality, technical assistance/capacity building, alignment to government policies and systems, harmonisation between donors; (ii) direct outputs: improvements expected in the relationship between external assistance and the national budget and policy processes; and (iii) induced outputs: positive changes expected in the financing and institutional framework for public spending and public policy, and consequent improvements in public policy management and service delivery. Step 1 thus excludes the assessment of outcomes (level 4) and impacts (level 5).

The issue paper points out that in non-aid dependent countries, “budget support is a part or complement of huge capacity building programmes, including approximation of the legislation, political and institutional reform, support to the civil society. It would be very difficult to isolate the specific effects of GBS/SBS.”

Judgement criteria and indicators
JC 9.1 – The Commission’s SBS inputs are adapted to the specific sector needs and context
<ul style="list-style-type: none"> ▪ I 9.1.1 – Evidence that the EC BS respond to a need (demand from GoU, existing sector dialogue, joint donor initiative, harmonisation and alignment...)
<ul style="list-style-type: none"> ▪ I 9.1.2 - Evidence of the Commission having an active policy dialogue with the government on the sector strategy and its implementation
<ul style="list-style-type: none"> ▪ I 9.1.3 – Evidence that disbursement conditions, notably the indicators attached to the variable tranche, are based on a shared (GoU/UE) identification of constraints to be overcome, and that they are owned by the GoU and harmonised with those of other donors
<ul style="list-style-type: none"> ▪ I 9.1.4 – Evidence that the financial resources made available through BS contribute to closing the gap of the sector medium-term financing plan and have a significant contribution to the sector annual financing needs
<ul style="list-style-type: none"> ▪ I 9.1.5 – Evidence that BS disbursements are predictable, timely and coordinated with the GoU (and other donors, if relevant)
<ul style="list-style-type: none"> ▪ I 9.1.6 – Evidence that accompanying non-financial support (institutional capacity building provided as a component of BS and/or under a separate project) address identified weaknesses and expressed needs
JC 9.2 - Commission’s SBS contributes to improvements in the relationship between external assistance and the national budget and policy processes
<ul style="list-style-type: none"> ▪ I 9.2.1 – Evidence that a sector reform programme is on-going: existence of a sector policy, a sector strategy, a detailed costed and time bound action plan and a monitoring mechanism of implementation
<ul style="list-style-type: none"> ▪ I 9.2.2 – Evidence that BS contributes to establishing between the GoU and donors a framework of policy dialogue
<ul style="list-style-type: none"> ▪ I 9.2.3 - Evidence that BS contributes to greater harmonisation and alignment of external assistance, and reduces transaction costs
<ul style="list-style-type: none"> ▪ I 9.2.4 – Evidence that BS funding allows fiscal space for implementing the reforms
<ul style="list-style-type: none"> ▪ I 9.2.5 – Evidence that disbursement conditions, in particular the indicators attached to the variable tranche, are part of the monitoring system of the government’s strategy
<ul style="list-style-type: none"> ▪ I 9.2.6 - Evidence that accompanying non financial support contributes to relieve specific constraints, show clear results and thus facilitate the implementation of the reform process
JC 9.3 - Commission’s SBS contributes to improve the policy preparation and implementation, including the use of the budget as a policy instrument
<ul style="list-style-type: none"> ▪ I 9.3.1 - Evidence that SBS includes public finance management issues as triggers for disbursement and as elements of the policy dialogue
<ul style="list-style-type: none"> ▪ I 9.3.2 - Evidence that the shift to BS has been accompanied by improved coordination between the Ministry of Finance and the sector ministry in budget preparation, activity planning, and budget implementation and monitoring
<ul style="list-style-type: none"> ▪ I 9.3.3 - Evidence of clear policy priorities within the sector budget
<ul style="list-style-type: none"> ▪ I 9.3.4 - Evidence of improved budget management in the sector, in particular with regards to allocative efficiency (and in particular provisions for priority expenditure and for operation and maintenance), and to budget controls (including internal and external audits)
<ul style="list-style-type: none"> ▪ I 9.3.5 - Evidence of increasing attention given to the efficiency of public expenditure
<ul style="list-style-type: none"> ▪ I 9.3.6 - Evidence of sector budget planning respected at execution level

JC 9.4 – The Commission’s interventions through Budget Support offer value added.
▪ I 9.4.1 – Evidence that the Commission and EU MS have a common political agenda regarding the reforms supported by BS
▪ I 9.4.2 – Evidence of a clear advantage of the Commission’s participation in the preparation and implementation of SBS
▪ I 9.4.3 – Evidence of a mandate given to the Commission by EU MS in the context of supporting sector reforms
▪ I 9.4.4 - Views of the beneficiaries on the scope and quality of the dialogue between the GoU and the Commission in the context of supporting sector reforms
Sources
▪ Ministry of Fuel and Energy, Ministry of Coal Industry, Ministry of Finance ▪ Ministry of European Integration, Coordinating Unit ▪ Ukraine energy sector strategy documents ▪ Budgets of the Ministry of Fuel and Energy and of the Ministry of Coal Industry ▪ Ministry of Finance ▪ Central Control-Revision Administration (KRU) ▪ Chamber of Accounts ▪ EC Delegation ▪ SIGMA Reports ▪ Representations of donors involved in the support to PFM reforms ▪ BS Financing Agreement ▪ EC Delegation ▪ EU Member States representations in Ukraine ▪ EC Delegation reports to headquarters on the fulfilment of the conditions and performances attached to the BS programme ▪ Timetable of BS commitments and disbursements

EQ 10 on Efficiency

To what extent has the mix of financing modalities, instruments, implementation mechanisms as well as the regulatory framework positively contributed to the impact of EC interventions?

Justification

This question addresses the efficiency of the Commissions' cooperation and focuses particularly on the choice of the mix of financing modalities, instruments, implementation mechanisms as well as the cooperation regulatory framework. The aim of the question is to investigate the link between this mix of cooperation elements and the outputs, results and expected impacts of the interventions.

Coverage of the question:

All financing instruments (project financing, twinning, budget lines, budget support) and the main implementation mechanisms (project/GoU, project/NGO, grants to CSO/NGO, international/local TA, supplies/equipments/construction, twinning arrangements, policy dialogue) will be considered.

The efficiency will be measured at the overall level of cooperation (the appropriateness of the mix of instruments and mechanisms used to the overall objectives of Commission cooperation in Ukraine) based on observations at sector level in the sectors addressed by the other evaluation questions and at the level of the sample of interventions selected for in-depth analysis.

Judgement criteria and indicators
JC 10.1 – Financing instruments and their mix have been chosen so as to allow attainment of the cooperation objectives taking into account the Ukraine’s institutional context
<ul style="list-style-type: none"> ▪ I 10.1.1 – Justification in the programming documents (CSP, NIP, AAP) of the mix of financing instruments ▪ I 10.1.2 – Evidence that financing instruments were appropriate to the nature of interventions (capacity building, support to sector policy and reform, infrastructure investments, cooperation with civil society, etc.) and to the Ukrainian context ▪ I 10.1.3 – Evidence at sector level of complementation/synergies between various financing instruments ▪ I 10.1.4 – Views of stakeholders on the appropriateness of financing instruments
JC 10.2 – Implementation mechanisms have been chosen so as to allow attainment of the cooperation objectives taking into account the institutional context and the beneficiary capacities
<ul style="list-style-type: none"> ▪ I 10.2.1 – Justification in the programming documents (CSP, NIP, AAP) of the mix of implementation mechanisms ▪ I 10.2.2 – Evidence that implementation mechanisms were appropriate to the nature of interventions, the Ukrainian context and the beneficiary capacities ▪ I 10.2.3 – Evidence at sector level of complementation/synergies between various implementation mechanisms ▪ I 10.2.4 – Views of stakeholders on the appropriateness of implementation mechanism
JC 10.3 – Interventions have been carried out within their allocated budget and planned schedule
<ul style="list-style-type: none"> ▪ I 10.3.1 – Disbursement rates of Commission’s support ▪ I 10.3.2 – Nature of delays affecting disbursement and implementation
JC 10.4 – Intervention implementation takes account of monitoring and evaluation results
<ul style="list-style-type: none"> ▪ I 10.4.1 – Availability of monitoring reports ▪ I 10.4.2 – Availability of evaluation reports ▪ I 10.4.3 – Evidence that recommendations issued by monitoring reports/evaluation reports have been taken into account in the implementation of interventions
Sources
<ul style="list-style-type: none"> ▪ Intervention documents: Financing Agreements, Activity reports, ROM reports, mid-term and final evaluations, identification fiches ▪ Reports from Delegations, including External Assistance Management Reports ▪ Commission’s CSPs and Multiannual Indicative Programmes ▪ Interviews with AidCo and Delegation, Coordinating Unit, project partners and direct beneficiaries, project implementation partners, other donors

Annex 4 - National Background

1. Political background

On 1 December 1991, Ukrainian voters expressed in a referendum 90 per cent support for Parliament's Act of Independence, declared on 24 August 1991. On the same day, Leonid Kravchuk won the presidential elections with 60 per cent of the votes.

During the early 1990s Ukraine experienced social and economic dislocations caused by the collapse of the Soviet Union together with the need to re-design state institutions and forge a national identity among Ukraine's divided polity. Under rising public discontent early elections were called in 1994, which were won by Leonid Kuchma owing to his large support in Eastern Ukraine with its large ethnically Russian population. During his 10 years in office, however, Mr Kuchma showed himself willing to build new ties with Europe and North America, and implemented an IMF-backed stabilisation programme.

Mr Kuchma's second term in office in 1999-2005 was dominated by an increasingly hostile confrontation between his own camp centred on the presidential administration and its allies in parliament, and a heterogeneous opposition comprising left-wing, centrist and right-wing forces. Opposition began to develop momentum in late 2000, when secretly recorded tapes emerged suggesting high-level wrong-doing. Although Mr Kuchma denied the abuses, he lost the confidence of a large number of centre-right and rightwing deputies.

Political developments during the period under evaluation (2002-2008)

By mid-2001, the emerging "Orange" movement had united the opponents to the regime behind Viktor Yushchenko, a former prime minister. Head of "Our Ukraine", a heterogeneous electoral bloc, Mr Yushchenko won almost 25 percent of the vote in the March 2002 parliamentary election.

Presidential elections were planned for 2004. In the second round, held on the 21 November, exit polls showed a clear victory of Mr Yushchenko over its main opponent Mr Yanukovych. Official results however proclaimed Mr Yanukovych's victory. Opposition supporters mounted days of street protests on a scale unprecedented in Ukraine. This was the beginning of the so-called "Orange Revolution" that sparked also the defection of many state officials, military personnel and the government-controlled media. The Supreme Court finally ruled the official election results invalid and scheduled a repeat run-off vote for 26 December 2004, in which Mr Yushchenko comfortably beat Mr Yanukovych by 52 percent to 44 percent. However, Mr Yushchenko accepted constitutional amendments to weaken the powers of the presidency taking effect in 2006.

Political Turbulences 2006-2009

Mr Yushchenko's inauguration as Ukraine's new president on 23 January 2005 brought a change in tone to Ukrainian politics, in terms of greater transparency and commitment to the rule of law, which was welcomed by European political leaders. His cabinet, which was headed by Yulia Tymoshenko, included a number of proven reformists and outspoken critics of the previous regime. However, the new governing team lost considerable momentum during its first months in power, primarily because of its own internal divisions. Allegations of corruption within Mr Yushchenko's inner circle sparked sweeping personnel changes in September 2005. Yet, this signalled the break-up of the broad coalition that had brought him to power and deepened the rift between the president and his prime minister, Ms Tymoshenko, who had always been considered his potential rival.

In early January 2006 the cabinet was ousted by an ad hoc coalition uniting Ms Tymoshenko and the anti-Yushchenko opposition, and then in late March "Our Ukraine" was routed in the parliamentary election. Months of constant internal disagreements on the part of the "orange" team¹ had disillusioned many voters. Mr Yanukovich's Party of the Regions (PoR) was the main beneficiary of the elections, which however did not bring out a clear majority.

The months of political uncertainty that followed the inconclusive election results reflected deep discord among the three "orange" parties in the new parliament. By late June 2006 an "orange" coalition finally formed, but proved extremely short lived. To end the crisis, the different parties signed a "declaration of national unity" with policy positions roughly in line with the President's agenda of European integration and economic reforms. This paved the way for Mr Yanukovich's confirmation as prime minister on August 4th.

The president was greatly diminished politically as a result of Mr Yanukovich's return. At least initially, the new cabinet included also a handful of ministers selected by Mr Yushchenko, but most were sacked by the end of the year. Moreover, having won control of both the parliament and the cabinet, the PoR moved quickly to define those institutions' new constitutional powers as broadly as possible, challenging presidential prerogatives at all opportunities.

Mr Yushchenko agreed in early 2007 with Ms Tymoshenko to call for an early election. After several months of political confrontations about the legality of this decision, parliamentary elections were eventually held on 30 September 2007, and the PoR emerged again as the largest party in parliament. The Yulia Tymoshenko Bloc (BYuT) could boost its share of the vote by over 8 percentage points. Our Ukraine and the Socialist Party of Ukraine (SPU) experienced a decline of votes received. Yet, the PoR and the Communist Party of Ukraine (CPU) did not secure enough seats to lead another coalition. Instead, with 156 and 72 seats, respectively, the BYuT and Our Ukraine-People's Self-Defence (OU-PSD) commanded a slim majority of just

¹ Yulia Tymoshenko Bloc (BYuT), Our Ukraine (OU) and the Socialist Party of Ukraine (SPU)

three seats. On 18 December Ms Tymoshenko was approved as prime minister by a majority of just one vote. This ended several weeks of political uncertainty.

During most of 2008 and 2009 the government struggled to contain political crises resulting from the different agendas of the coalition partners, but above all from the rivalry between the President, Mr Yushchenko, and the Prime Minister, Ms Tymoshenko. Contentious issues included in particular amendments to the Ukrainian Constitution, especially the distribution of power between Executive and Legislative. The coalition government collapsed in September 2008, but was re-formed in December after an attempt by President Mr Yushchenko to dissolve the Parliament and call new elections failed.

New presidential elections held in early 2010 brought to power Mr Viktor Yanukovich. Ms Tymoshenko, who had been Mr Yanukovich's main rival in the presidential election, was compelled to step down from the premiership after a number of her supporters in parliament switched sides. In March 2010, President Yanukovich appointed his long-standing ally Mykola Azarov to succeed her.

International relations and defence

Relations with Russia are a key aspect of Ukraine's foreign policy. Russia has made clear on various occasions that the pro-European/NATO integration stance² of Ukraine's president was perceived as detrimental to their relationship. Disputes concerning for instance the stationing of Russia's Black Sea Fleet or the increase of the price of gas sold by Russia to Ukraine reflected the cooling of the relations. Russia tied the possibility of future preferential links to a number of conditions, including Ukraine's membership of the Eurasian Economic Community (Eurasec) and its further integration into the "Single Economic Space" alongside Russia, Belarus and Kazakhstan.

Under Mr Yushchenko's Presidency, relations with the EU and the US have significantly improved. The government was committed to promoting integration with European structures. Both President Yushchenko and Prime Minister Yanukovich had emphasised that Ukraine's European choice was irreversible, and that Ukraine's foreign policy course would continue to be focused on implementation of the EU-Ukraine Action Plan.

By the end of 2006 the parliament approved most of the legislation required to ensure World Trade Organisation (WTO) accession after almost 15 years since the beginning of negotiations. The approval of further legislation during the course of 2007 meant that Ukraine became a member of the WTO on 16 May 2008.

² Such as his stated intention that Ukraine should join NATO. See for instance:
<http://www.europeanforum.net/country/ukraine>, last consulted 10 February 2010

In sum, the common theme running through Ukraine’s recent political history has been the failure of the Presidency and Cabinet of Ministers to work effectively together and drive forward needed reforms.

2. Economic background

Overview

Ukraine is a country with a large economic potential owing to its variety of natural resources (large coal reserves, very fertile land, some oil and gas), its large domestic market, a well educated population, and a strategic location with the potential to become a bridge between Europe, Russia and Asia. In economic terms Ukraine is split between the heavily industrialised east and south, and rural west and central regions. Ukraine belongs currently with a GDP per capita of US\$ 3,210 to the group of lower middle-income countries, and economic reform efforts will have to be continued in an intensified and amplified manner in order to overcome the legacy of the former Soviet bloc, which meant for Ukraine an economy based on heavy industry and reliant on technology that had largely been superseded in the EU. However economic reform has proved difficult to achieve.

Table 1 : Ukraine. Key macroeconomic indicators 2000 - 2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 ^f
Real GDP (% variation)	5.9%	9.2%	5.2%	0.6%	12.1%	2.7%	7.3%	7.9%	2.1%	-15.0%
Unemployment (% labour force, ILO definition)	11.7%	11.3%	10.1%	9.1%	8.6%	7.2%	6.8%	6.4%	6.4%	8.8%
Consumer prices (% variation)	28.2%	12.0%	0.8%	5.2%	9.0%	13.5%	9.1%	12.8%	25.2%	15.9%
Balance of the Central Government budget (% GDP)	-1.3%	-1.6%	0.5%	-0.9%	-4.4%	-2.3%	-1.4%	-2.0%	-3.2%	n.d.
Balance of current accounts (in % GDP)	4.7%	3.7%	7.5%	5.8%	10.6%	2.9%	-1.5%	-3.7%	-7.2%	-1.5%

Source : IMF, Article IV Reviews; Central Statistical Office; National Bank of Ukraine

Between 2000 and 2008 Ukraine recovered from the collapse it had experienced after the break-up of the Soviet Union. Annual GDP growth averaged 6 percent in real terms.

The economic recovery was made possible through favourable conditions among its major trade partners, a high price for steel as Ukraine’s major export product, an increase in demand from Asia for Ukrainian chemicals, some macroeconomic reform and stabilisation efforts, and

a significant idle industrial capacity that could be reactivated to jump start the economy. Real GDP growth relied primarily on strong household consumption, which was helped by the government's generous wage and benefits policies, and sustained consumer confidence. However, it should be noted that poverty remains widespread (especially for the elderly) and salaries rank below the regional average. Although the official unemployment rate is low at 2 percent, the IMF estimates, consistent with the ILO definition, put it at 6.4 percent in 2008. In addition, many people work in the informal economy in Ukraine or abroad (in the EU or in Russia).

The macro-policy framework, until November 2008, involved de facto attaching Ukraine's currency, the hryvnya (UAH), to the USD with the burden of adjustment to external shocks falling on fiscal policy. Significant terms of trade improvements and private sector capital inflows led to a demand boom, which bolstered fiscal revenues. But this development also resulted in inflationary pressure, especially in 2008 where inflation rose to 25 percent due to higher food and energy prices. In other words, between late 2007 and early 2008, the economy was showing increased signs of overheating, and -financed by large foreign borrowing and FDI- a current account balance slipping into a deficit of 7.2 percent of GDP in 2008 after several year of surplus since 2004. The Government tried to counter this trend by cutting non-discretionary spending, and by letting the UAH appreciate by 10 percent (relative to the USD). In general, however, The National Bank of Ukraine (NBU) has developed a solid reputation through its smooth introduction of a new currency in the mid-1990s and remains one of the country's more respected and better-led institutions. Over the past few years the NBU's policies have aimed at limiting inflation, lower interest rates and improve currency stability, while at the same time boosting Ukraine's foreign-currency reserves.

The global financial crisis, which burst out in 2007, dearly exposed the deficiencies of Ukraine's economy, in particular the heavy concentration of its production and exports on primary industries that are the most severely hit when final demand recedes on the domestic and foreign markets. This sparked a severe economic crisis aggravated by the unsustainable debts accumulated by the private sector and by problems in the banking sector. As a consequence, GDP fell by 15 percent in 2009.

Economic reforms

Ranking slightly above regional indicators for progress in structural reform (c.f. EBRD Transition Indicators), Ukraine's progress in structural reform has been modest but continuous since 2000. The indicators reveal particular weaknesses in the process of enterprise restructuring, governance, competition policy, non-bank financial sector performance, and infrastructure reform. Notwithstanding some important improvements, the reform of Ukraine's arbitrary and opaque tax system has proceeded slowly and inconsistently. Furthermore, the most onerous regulations of the economy have generally been left in place, and local authorities still frequently request permits that, in theory, are no longer supposed to exist. These findings are also confirmed by the World Bank's 'Doing Business Report', which

measures the ease of engaging in private business and ranks Ukraine 146 out of 183 countries.³ However, there is some variation in the individual dimensions, for instance, the scores on the enforcement of contracts and getting credit are rather good (rank 43 and 30, respectively). In the middle of the scale are the results on the protection of investors (rank 109) and the ease to employ workers (rank 83); while Ukraine is almost last concerning its tax system (rank 181). All these data suggest that Ukraine is not closing the gap with new EU member states very fast, potentially compromising its medium term growth prospects.

Looking at what has been achieved, a key impetus for reforms has come from Ukraine's WTO accession process. Ukraine has made some progress in recent years towards harmonising its economic legislation with international standards. This process has reduced the protection from competition and allowed foreign interests to buy enterprises in sectors such as agriculture, automotives and banking. With WTO accession, Ukraine has fulfilled the conditions established by the EU to begin negotiations on a Free Trade Agreement. Additional pressures for structural adjustment will come from the continued rise in energy import prices and increased costs of external borrowing.

In addition to some progress in deregulation of the economy after 2005, changes effected in 2000-01 ensured that enterprises paid their taxes in cash for the first time, and eliminated a long-standing recourse to mutual offsets. These measures raised budget receipts significantly and increased transparency by reducing in-kind payments. Methodological changes introduced in 2002 brought revenue planning more into line with IMF standards. Other reforms included a long-awaited increase in independence for local governments in 2002. Now local budgets go directly to the sub-national level on a proportional basis, irrespective of the financial situation at the local level.

Yet, in light of the current global economic crisis, the reforms implemented thus far seem not sufficient and a comprehensive package of measures would be required to stabilize market expectations, mitigate the social impact of the crisis and lay the foundations for a return to sustainable economic growth.

Trade

The EU is Ukraine's most important import partner (€ 11.0 billion, 34.0%, in 2009), as well as Ukraine's most important export partner (€ 6.8 billion, 24.0%). Russia ranks second for imports (€ 13.2 billion, 22.8%) and for exports (€ 10.7 billion, 23.7%). As a general trend in the period 2002-2008, Ukraine was able to increase its trade with the EU. With €31.9 billion in 2008, EU-Ukraine trade presents now the largest absolute volume of trade for Ukraine.

³ <http://www.doingbusiness.org/Documents/CountryProfiles/UKR.pdf>

**Table 2: Ukraine's external trade
 (in million Euros)**

	Ukrainian exports			Ukrainian imports			Trade balance	
	Total	To EU 27	% EU	Total	From EU 27	% EU	Total	With EU 27
2004	26,090	8,868	34.0%	23,353	7,676	33.0%	2,737	1.192
2005	27,202	8,217	30.2%	29,138	9,858	33.8%	-1,937	-1.641
2006	31,203	8,970	28.7%	46,386	20,092	43.3%	-15,183	-11,122
2007	37,789	11,289	29.9%	54,835	24,597	44.9%	-17.046	-13,308
2008	44,882	12,298	27.4%	67,841	19,523	33.8%	-12.795	-7.224
2009	28,240	6,786	24.0%	32,388	10,997	34.0%	-4.148	-4.211

Source: Eurostat

Ukrainian exports to the EU consist mainly of manufactured goods and basic commodities, e.g. metal, energy, agricultural products as well as chemicals. Major EU exports to the Ukraine are machinery, transport equipment, manufactured goods and chemicals. 2008 figures show the composition of trade as follows:

**Table 3 - Ukraine's trade with the EU in 2008 – Breakdown by products
In billion Euros**

SITC Groups		Ukraine's exports		Ukraine's imports	
		Value	%	Value	%
0+1	Food and live animals, Beverages and tobacco	1.04	7.2%	1.48	5.9%
2+4	Crude materials, inedible, except fuels ; Animal and vegetable oils	2.96	20.4%	0.46	1.8%
3	Mineral fuels, lubricants and related materials	2.37	16.3%	1.34	5.3%
5	Chemicals and related products	0.82	5.6%	3.56	14.2%
6+8	Manufactured goods classified mainly by material ; Miscellaneous manufactured articles	5.59	38.5%	6.71	26.7%
7	Machinery and transport equipment	1.36	9.4%	10.98	43.7%
9	Commodities and transactions not classified elsewhere	0.38	2.6%	0.57	2.3%
0 - 9	Total	14.52	100.0%	25.10	100.0%

Source: Eurostat

The country also depends on supplies of natural gas and oil from Russia, Turkmenistan and Kazakhstan. Since 2005, Ukraine imports gas from Central Asia (Turkmenistan, Kazakhstan and Uzbekistan), albeit through a company half-owned by Russia's Gazprom. This means that actually around 30 percent of Ukraine's imports come from Russia; roughly two-thirds of these imports consist of gas (originally from Central Asia), crude oil and petrol products. This energy dependency means that Ukraine traditionally posts a large bilateral trade deficit with Russia. This is no longer compensated by exports to Central European markets and in fact made worse by the large demand in Ukraine for imports of cars and capital goods for industrial investment. On the positive side, Ukraine has proved relatively successful at penetrating new markets for its steel in Asia and North Africa. Moreover, an over-reliance on steel exports brings with it a high degree of vulnerability to volatile world prices and charges of unfair trade practices. Nevertheless, Ukraine's entry to the WTO in May 2008 should help improving its trade negotiating position on a global level, as well as boost the physical volume of exports and imports. However, concerning steel exports to EU, WTO accession did not make a significant difference, according to an assessment by the European Commission, DG TRADE⁴, because it produces rather low value steel.

FTA Negotiations

The Free Trade Area (FTA) will be embedded in the new Association Agreement as an integral element alongside others such as political, social and sectoral cooperation. It will be the first of a new generation of deep and comprehensive FTAs, covering all trade-related areas (including

⁴ According to written comments received on a draft version of this report by DG TRADE on 17 March 2010.

services, Intellectual Property Rights, public procurement, competition, etc.) and also tackling the so-called "beyond the border" obstacles through deep regulatory approximation with the trade-related EU acquis. Negotiations have been launched in February 2008 for the establishment of a FTA as integral part of the Association Agreement between Ukraine and the EU. Four rounds of negotiations took place during 2008 and 6 additional negotiating rounds have taken place in 2009 (i.e. 10 rounds in total as of March 2010).⁵

Energy

Ukraine is one of the most energy-intensive economies in the world and the most intensive economy in Eastern Europe. Adjusted for purchasing power, it consumes more than twice the amount of energy per US dollar of GDP than the Polish and the US economy. This implies that the share of energy cost for Ukraine's economy is the highest in Europe. The competitiveness of many Ukrainian companies is at the mercy of the prices for the energy resources they so heavily consume.⁶ Ukraine lacks substantial energy resources and the medium-term prospects indicate a steady convergence of domestic energy prices with those of Ukraine's western neighbours.

Ukraine thus faces a considerable challenge: as energy prices continue to converge with those on European markets, the competitiveness of its economy will worsen should its energy intensity remain at current levels. As of 2009, Ukraine has imported Russian gas at EU prices (oil indexed formula). As a response, Ukraine has devised an Energy Strategy 2005-2030 which emphasises the importance of decreasing energy intensity of the national economy, reduction in energy dependency, redemption of energy related debts and optimization of pricing, customs and taxes, infrastructure improvements, and integration into the European market. Main sources of financing for the energy needs envisaged by the plan are: optimization of pricing and tariffs, attracting investments, faster amortization of capital assets through legislative action, raising money from restructuring and settlements of debts, funds from implementing the Kyoto Protocol, and extended use of loans. Ukraine also generates revenues from the transit fees for gas and oil through its pipelines.

Expected results include the reliable provision of necessary volume and quality of energy products; the decrease of energy intensity from 0.89 kg to 0.41 kg equivalent fuel per US dollar; restructuring electricity generation and tripling energy generation with own fuels; decrease energy dependence from fuel imports from 54.8% to 11.7%; diversification of sources and routes of natural gas through participation in international energy projects; *and* establish emergency oil and gas reserves.

⁵ See DG Trade website at <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/ukraine/>

⁶ The energy sector is a key area of EC cooperation with Ukraine and receives the lion share of resources. However, financial volumes alone should not distract attention from important cooperation in other areas.

3. Social background

Poverty and employment

Ukraine recorded a sharp reduction in poverty from 2001 to 2005 as a result of growing employment, real wages growing at an average annual rate of about 15 percent⁷ and significant increases in pensions and other social transfers. When an absolute poverty line is used as a measure (as in World Bank 2007), the poverty rate fell from 32 percent (2001) to 8 percent (2005). But poverty incidence has since then come under an upward pressure as food prices and utility tariffs have increased.

Unemployment declined from 11.7 percent (2000) to 6.4 percent (2008)⁸. During periods of accelerated economic growth shortages of qualified labour have showed to appear. The informal economy is still estimated fairly large as high payroll taxes do not give incentive to declare business activities.

Health

Ukraine ranked 76th in the UNDP's Human Development Index (2007-08), but ranking 110th in terms of life expectancy (average of 67.7 years, with almost 50 percent of adult mortality attributable to infections), owing to the precipitous drop in health and living standards experienced since the end of the Soviet period. The situation with infant mortality is somewhat better, although the rate of infant mortality is still significantly higher than the EU average as is the mortality rate for children under five years of age.

Healthcare in Ukraine is largely driven by state expenditure, accounting for about 60 percent of all expenditure in the sector. The combination of limited state resources and low income levels for the population resulted in that expenditure on healthcare in Ukraine remains low, at 6.5 percent of GDP in 2004, according to the World Bank. Although the introduction of mandatory health insurance has been discussed for the past ten years, no national medical insurance system exists as yet. The most important deficiencies of the health sector are poor-quality services (including insufficient/outdated medical equipment), and a lack of access to services for many on lower incomes since patients are unofficially required to pay for services at least in part. Structural problems inherited from the Soviet period also persist. An excessive number of hospital beds (9 per 1000 people) and medical personnel means that resources continue to be misallocated. As in the Soviet era, insufficient attention is paid to primary care: less than 0.5 percent of physicians are general practitioners. Private-sector clinics have emerged in the major cities offering services of relatively high quality at western prices, which less than 10 percent of the population can afford.

⁷ However, according to the IMF, in 2007 the average wage still remained in real terms 40% below its level in 1991

⁸ Central Statistical Office. ILO definition.

The decline in healthcare provision has coincided with a sharp drop in the health of the population, as the economic decline during the post-Soviet period has resulted in spiralling poverty, poor nutrition and substance abuse. Cardiovascular diseases and tuberculosis have become particularly serious problems, and HIV/AIDS has spread at a rapid rate, alongside the growth of intravenous drug use.

Education

At the time of independence, Ukraine had a functional educational system, including near-universal literacy and high general enrolment. Overall education indicators continue to compare favourably with other countries with similar income levels: an enrolment ratio at secondary schools of 89 percent (2005), and more than 500 students per 10,000 population in higher education (2006), up by almost 40 percent over the past decade, are reflecting in part the emergence of private educational institutions. However, there is a need for educational reform since there remain problems concerning the quality of education resulting from a low degree of scholarly research as well as outdated equipment and technical facilities. No Ukrainian university has gained any internationally recognised rating. With a declining student-age population, the teacher-student ratio in many areas is high, such that the vast majority of the education budget is spent on salaries and not enough on physical infrastructure, teaching aids or stipends. As salaries of the personnel employed in education are still extremely low, the number of skilled and qualified professionals working in the sector has fallen.

Migration

Between 1991 and 1993, the decline in population caused by higher death rates and emigration was offset by large net immigration from other former Soviet republics, in particular, by the arrival of about 250,000 Crimean Tatars from Central Asia, where they had been exiled during the Second World War. But since 1995 the trend has been towards net emigration, particularly to the US, Canada and Israel. Ukrainians are also migrating to work in other European countries, where wages are higher. In combination with lower fertility rates and life expectancy, Ukraine's population has dropped by more than 5 million since independence (to 46.4 million as of December 2007).

Ethnic issues

Although international media reported a growing ethnic divide between ethnic Ukrainians and the large ethnic Russian minority (located in the east and south of the country) during the 2004 "Orange Revolution", relations are still good owing to cultural closeness, generations of intermarriage and the government's sensitive handling of the issue. Ukraine automatically granted all non-Ukrainians full citizenship on independence and did not force them to take language tests in order to be enfranchised. Ukraine's ethnic Russians have remained generally quiescent politically, producing (apart from in Crimea) no nationalist leaders or political parties.

The findings of the latest population census taken in 2001 nevertheless stirred considerable controversy when it reported a significant drop in ethnic minorities. This was contested by leaders of Russian, Jewish and Polish minorities, who alleged manipulations of the results and pointed to lingering fears of reprisals as well as pressure from proponents of a mono-ethnic state which might have led to considerable under-reporting.

Though representing only a small percentage on the national scale, Crimean Tatars are a prominent minority in southern Ukraine and Crimea, where they represent about 12% of the population.⁹ Since the mid-1990s many Tatars have returned from Siberia where they were forcefully settled during the mid-20th century. This sudden influx of immigrants has been a source of friction in Crimea, largely due to disputes over land ownership and perceived cultural differences.

Roma faced both governmental and societal discrimination. Roma rights groups estimated the country's Romani population at 400,000, while official census data cited 47,600. The discrepancy was caused in part by lack of legal documentation and records for many persons in the Roma community.

Table 4: Ethnic composition of the Ukrainian population

	2001		1989
	.000	% of total	% of total
Ukrainians	37,542	77.8	72.7
Russians	8,334	17.3	22.1
Belarusians	276	0.6	0.9
Moldovans	259	0.5	0.6
Crimean Tatars	248	0.5	0.0
Bulgarians	205	0.4	0.5
Hungarians	157	0.3	0.4
Romanians	151	0.3	0.3
Poles	144	0.3	0.4
Jews	104	0.2	0.9

Source: National census

4. Human Rights

Ukraine has been labelled as "free" by organizations such as Freedom House after the Orange Revolution. The 26 March, 2006 parliamentary elections, by assessment of both international and domestic observers, were in general free, fair and democratic. The 2009 Freedom House report on Ukraine stated: "Ukraine has one of the most vibrant civil societies in the region.

⁹ Tatars are a traditionally Muslim, Turkic ethnic group.

Citizens are increasingly taking issues into their own hands, protesting against unwanted construction, and exposing corruption. There are no limits on NGO activities. Trade unions function, but strikes and worker protests are infrequent, even though dissatisfaction with the state of economic affairs was pervasive in the fall of 2008. Factory owners are still able to pressure their workers to vote according to the owners' preferences."¹⁰

Several laws were developed aiming at fulfilling Ukraine's commitments to the EU-Ukraine Action Plan. Among them were bills ensuring the right to a fair trial, freedom of peaceful assembly, freedom of religion and conscience and the right to privacy. In addition, dozens of international documents in the area of human rights were ratified, including the European Social Charter and the Optional Protocol to the Convention against Torture, as well as all supplementary protocols to the European Convention on Human Rights (ECHR).¹¹

Yet, not all legislative change are positive. Amendments to the constitution, which were adopted in 2004 and entered into force in 2006, are detrimental to fair trial in that they re-introduce the so-called general supervision by the prosecutor's office. In addition, "while civil society institutions operate mostly without government interference, police abuse and violations of the rights of vulnerable groups ... continue to mar Ukraine's human rights record", according to Human Rights Watch (HRW, 2007).¹² Reports of torture and ill-treatment by police persist, as do unduly long periods of pre-trial custody. Of major concern are the inhumane conditions in detention with overcrowded cells, appalling sanitary conditions and the lack of appropriate medical care. During the year numerous cases of group suicide attempts, took place in some penal colonies.¹³

Many of the Human Rights related problems concern the judiciary including political interference, lengthy periods for review of cases because the courts are overloaded; infringement of equality of arms¹⁴; non-observance of the presumption of innocence; the failure to execute court rulings; and high level of corruption in courts.¹⁵ Furthermore, considerable problems are reported over the protection of property rights, largely attributable to the aforementioned failings in the work of the judiciary, in particular, corruption and to the non-execution of court rulings against the state ordered to pay compensation to the plaintiffs.

¹⁰ See Freedomhouse, Map of Freedom in the world at :
<http://www.freedomhouse.org/template.cfm?page=363&year=2009&country=7726>

¹¹ IHF Annual Report on Human Rights violations (2007: pp.192-195)

¹² See Human Rights Watch, Annual Report 2007 at
<http://www.hrw.org/legacy/englishwr2k7/docs/2007/01/11/ukrain14835.htm>

¹³ UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; Ukraine Report(2007)CAT/C/UKR/CO/5;
<http://www.universalhumanrightsindex.org/documents/828/1200/document/en/pdf/text.pdf>

¹⁴ This principle requires that each party is given a reasonable opportunity to present his or her case under conditions that do not place him or her at a substantial disadvantage vis-à-vis his opponent.

¹⁵ IHF Report (2007)

The continuing high level of corruption in courts is partly related to the pitiful financing of the courts: not more than 50 percent of the necessary funding is allocated from the state budget.¹⁶ Judges' salaries are very low, and the dilapidated physical condition of courts often makes it impossible to hold court hearings.

The constitution and law provide for an independent judiciary, but in practice the judiciary remained subject to pressure from the executive and legislative branches. Some accused the president of attempting to put pressure on courts by disbanding them, while others accused some members of the prime minister's parliamentary bloc of trying to interfere with the courts' activities.¹⁷

However, some important legal steps have been taken to improve the dismal situation of the judiciary and courts. These included the approval on 4 April 2006 by the National Commission of a strategy plan for judicial reform, in which the Venice Commission's comments were included¹⁸; and the drafting of a series of laws such as the Draft Law on the Judiciary, the Draft Law on the Status of Judges, and the Draft Law on Court Fees, which were submitted to Parliament at the end of 2006. A law that came into force in June 2006 introduced an open register of all court rulings in Ukraine, also accessible over the internet.

Under influence of these positive steps the judiciary has become, according to Freedom House, more efficient and less corrupt since the Orange Revolution.

¹⁶ Ibid.

¹⁷ See US Department of State, Bureau of Democracy, Human Rights and Labor, 2008 Country Reports on Human Rights Practices at <http://www.state.gov/g/drl/rls/hrrpt/2008/eur/119110.htm>

¹⁸ The Venice Commission is an advisory body of the [Council of Europe](#), composed of independent experts in the field of constitutional law.

Media Freedom

Journalists and media outlets in Ukraine work free of direct government interference, but threats and physical attacks against journalists critical of government officials or other prominent figures remain a problem, according to a HRW report (2008).¹⁹ In Ukraine's provinces numerous, anonymous attacks and threats persist against journalists, who investigate or expose corruption or other government misdeeds. The US-based Committee to Protect Journalists concluded in 2007 that these attacks, and police reluctance in some cases to pursue the perpetrators, are helping to foster an atmosphere of impunity against independent journalists.²⁰

Other Human Rights issues

The Ukrainian government has taken a number of positive steps to fight HIV/AIDS, chiefly in the area of legislative and policy reform. But these important commitments are being undermined by widespread human rights abuses against drug users, sex workers, and people living with HIV/AIDS in the criminal justice and health systems.

Ukraine is a country of origin and country of transit for persons, primarily women and children, trafficked for the purpose of sexual exploitation. The Government has shown some commitment to combat human trafficking but has been criticised for not fully complying with the minimum standards for the elimination of trafficking and inadequate trafficking prevention efforts. Human trafficking is illegal in Ukraine, however the majority of convicted traffickers received probation instead of prison sentences. The government adopted a multi-year policy to fight human trafficking, however Ukraine remains a country of transit and destination for large numbers of trafficked persons.²¹

The Ukrainian asylum system barely functions due to a highly decentralized structure spanning several government agencies and departments. The process to create a single migration system has been slow; political interference in the system is common and abuses of migrants and asylum seekers' rights continue.²²

¹⁹ Human Rights Watch's submission to the Human Rights Council, 4 May 2008
(<http://www.hrw.org/en/news/2008/05/04/universal-periodic-review-ukraine>)

²⁰ See Committee to Protect Journalists, Attacks on the Press 2007: Ukraine at <http://www.cpi.org/2008/02/attacks-on-the-press-2007-ukraine.php>

²¹ <http://www.state.gov/documents/organization/123365.pdf>

²² UN Convention against Torture; Ukraine Report (2007)

5. Environment

Ukraine has a rich biota, which comprises more than 25,000 species of plants and fungi and 45,000 species of animals, some of which are endemic. Under particular pressure is the steppe landscape, mostly threatened by the fragmentation of habitats, agricultural pressure, development of infrastructure, and the conflicting interests of environmental preservation on the one hand, and of agricultural and forestry activities on the other. Two main migration routes for birds pass across Ukraine and some nesting sites are of great international importance. For instance, 90% of the global population of martins is nested on the islands of the Black Sea Biosphere Reserve.

On the other hand, the environment remains in a critical state across many parts of the country with serious consequences both for human health and the continuing degradation of the natural environment. Ukraine ranked 137th place out of 142 countries compared in the Index of Ecological Stability published by the World Economic Forum in 2002.

Environmental issues and policy responses

Ukraine is facing a series of serious environmental problems: radioactive contamination of the northern part of Ukraine after the accident at Chernobyl Nuclear Power Station in 1986; environmental contamination of the Dnipro River basin, the main Ukrainian and third European river; industrial contamination of the environment and natural resources in the south-east Ukraine; the environmental degradation of the Black and Azov seas; massive land degradation in north Ukraine; massive degradation of the Carpathian Mountains forest and river ecosystems; large amounts of accumulated waste (approximately 30 million tons of waste, of which 5 million are toxic).

Heavy industries have had a hugely detrimental effect on the quality of air and drinking water across much of the country. In some areas, the level of pollution in the air exceeds the maximum allowable concentration of 10 mg/m³. Cities with exceptionally poor air quality include Kyiv, Kharkiv, Dnipropetrovsk, Donetsk, Kryviy Rih, Lviv, Mariupol, Odesa and Zaporizhia. According to the UN, 1,228 towns and villages in Ukraine have no access to regular sources of safe water. The disproportional concentration of industrial companies and their low environmental standards within populated areas has affected the lifespan of Ukrainians, for instance, life expectancy in the city of Dneprodzerzhinsk is only 47 years.

“Genetic diseases caused by pollution also affect new-born children, particularly in steel producing areas where pollution is worst. Given that so much toxic waste has been either simply buried in the ground or dumped in rivers, pollution has entered part of Ukraine’s food supply.”²³

²³ “*Ukrainian Environment Policy and Future SIDA Assistance in the Sector*”, SIPU report for the Swedish International Development Agency (SIDA), 2008.

In addition to industrial pollution, the deterioration of municipal infrastructure in many urban and rural areas has a negative effect on the quality of sanitation facilities, causing outbreaks of dysentery in some extreme cases and more generalized lack of clean drinking water.

Ukraine is actively involved with international environmental issues and supporting Ukraine with the implementation of these agreements constitutes an important aspect of EU-Ukraine relations, especially within the framework of the PCA. Ukraine is a party to 19 international conventions and protocols, including the Espoo Convention, Aarhus Convention, Water Convention, or the Kyoto Protocol. In terms of the implementation and institutional arrangements additional assistance is required since Ukraine is a relative newcomer to Kyoto Protocol²⁴, Cartagena Protocol, Convention to Combat Desertification, Convention for the Protection of Environment of the Danube Basin. There is also a need for further in-depth analysis for biodiversity, bio-safety, climate change, and desertification.

Table 5: Ukraine’s participation in international agreements on environment

Party to	Air Pollution, Air Pollution-Nitrogen Oxides, Air Pollution-Sulphur 85, Antarctic-Environmental Protocol, Antarctic-Marine Living Resources, Antarctic Treaty, Biodiversity, Climate Change, Climate Change-Kyoto Protocol, Endangered Species, Environmental Modification, Hazardous Wastes, Law of the Sea, Marine Dumping, Ozone Layer Protection, Ship Pollution, Wetlands
Signed, but not ratified	Air Pollution-Persistent Organic Pollutants, Air Pollution-Sulphur 94, Air Pollution-Volatile Organic Compounds

In terms of the legal and institutional framework for environment protection, Ukraine still needs to make further progress, especially in the sense of providing for direct legal consequences of infractions, integrating environmental concerns in other policies, and streamlining what is now a diffuse and disorganized mass of secondary legislation.

Climate Change

Ukraine is one of the world’s most energy intensive countries due to several factors. First it results from inefficient practices in key economic sectors, such as energy and heavy industry and second it reflects the losses in the heating sector, in which, 25 – 40 percent losses in transmission and distribution are not uncommon.

Available under: <http://www.wider-europe.org/files/Ukrainian%20Environmental%20Policy.pdf>

²⁴ On March 15, 1999, Ukraine signed the Kyoto Protocol, which committed Ukraine, as an Annex I party, to stabilize its greenhouse gas emissions for the period of 2008-2012 at the 1990 level. The Kyoto Protocol was ratified by the Parliament of Ukraine on February 04, 2004.

Among the specific challenges that Ukraine needs to resolve are: Adopting appropriate legislative framework and a draft National Action Plan; accordingly amend and update existing National Programmes in related sectors; creating and maintaining a sustainable inventory system that spans across various economic sectors and government institutions; creating and maintaining a registry of greenhouse gas emissions; developing adequate institutional infrastructure, including a designated office to handle project-based activities. This would involve making decisions on the distribution of tasks in fulfilling Ukraine's international obligations between relevant ministries and other national stakeholders.

Desertification and Land Degradation

Ukraine's soil is widely recognized as a major national asset thanks to its very high fertility and outstanding agricultural qualities. However, Ukraine is one of the countries that exemplify the seriousness of land degradation in the region.

The redistribution of land in 1998 has contributed to a considerable decrease in the amount of land conservation and restoration activities in the last decade. The ecologically sound proportion between areas of arable lands, pastures and forests has been neglected. Low productive plots, including river meadows, marginal lands and slopes were reclaimed into crop production without proper fertilization and up-keep. Anti-erosion measures, such as planting shelterbelts and terracing slopes have been almost non-existent in the last decade. The amount of irrigated lands has been decreasing due to the difficulties in their maintenance.

With no re-cultivation and gradual deterioration of soil and water conservation systems after a long span of unsustainable practices, agricultural land faces a crisis with intensified erosion, nutrient depletion and loss of protective forest coverage. The annual rate of soil dehumification in Ukraine runs as high as 0.6 to 1.0 thousand hectares, and the eroded land area measures now 40% of the total territory. Up to 500 million tons of soil are washed from hillsides annually. The total environmental and economic damage is estimated at about 4 billion USD.

Annex 5 - EU-Ukraine cooperation context and implementation

1. The cooperation framework

The Partnership and Cooperation Agreement

EU relations with Ukraine are based on the Partnership and Cooperation Agreement (PCA) which entered into force in 1998 for an initial ten year period, after which it is automatically renewed by consent of the parties. A Protocol to the PCA was signed by the EU and Ukraine on 30 March 2004 to extend the application of the agreement in full to the 10 new EU Member States that joined the EU on 1 May 2004. A further protocol to the PCA extending its application to Bulgaria and Romania was signed on 27 March 2007 and entered provisionally into force on that day. A number of specific agreements in particular policy areas such as trade, science and technology, and nuclear energy are also in place.

At the Paris Summit in September 2008 the two Parties agreed that the new agreement under negotiation to follow the PCA would be an Association Agreement. The EU-Ukraine Association Agreement will significantly deepen Ukraine's political association and economic integration with the EU.

The Partnership and Cooperation Agreement states that the objectives of the partnership between Ukraine and the Community and its Member States are:

- to provide an appropriate framework for the political dialogue between the Parties allowing the development of close political relations;
- to promote trade and investment and harmonious economic relations between the Parties and so to foster their sustainable development;
- to provide a basis for mutually advantageous economic, social, financial, civil scientific technological and cultural cooperation;
- to support Ukrainian efforts to consolidate its democracy and to develop its economy and to complete the transition into a market economy.

The PCA highlights respect for shared fundamental values as an essential element of the EU-Ukraine relationship. It provides a framework for political dialogue; sets the principal common objectives in terms of promotion of trade and investment, harmonious economic relations, sustainable development, economic, social, financial, civil scientific technological and cultural cooperation, and commits the EU to support Ukraine's efforts to consolidate its democracy and develop its economy. The provisions governing goods, services, labour, and capital introduce extensive, legally binding commitments with considerable implications for Ukraine's domestic legislation.

The PCA is an important instrument for focusing Ukraine's approximation efforts on the legal framework of the EU's single market and of the WTO system. The document also provides a prospect for establishing a free trade area conditioned on further economic reform.

The Institutional Framework of the EU-Ukraine policy dialogue

The main bilateral structures for policy dialogue, established by the PCA, include:

- Bilateral Summit meetings (annual) between the President of Ukraine and the EU Presidency together with the President of the Commission and the EU's High Representative;
- Cooperation Councils (annual) at ministerial/commissioner level (EU-Presidency, European Commission, High Representative, Government of Ukraine);
- Cooperation Committee (senior civil servants level, chaired alternately by the European Commission and the Ukrainian side);
- Sub-Committees (expert level; supporting the work of the Cooperation Committee).

Currently, seven subcommittees are operational:

- Sub-Committee on Trade and Investment covering all WTO and/or trade and investment related issues; including trade in services; Technical Barriers to Trade; Investment; establishment, trade facilitation, Intellectual Property Rights and public procurement (trade related); issues related to the prospect of a Free Trade Area; anti-dumping and safeguards; trade-related sector specific issues; agriculture, fisheries, sanitary and phytosanitary issues, relevant technical assistance.
- Sub-Committee on Economic and Social Affairs, Finance and Statistics dealing with macroeconomic issues, social and employment policy, financial markets, statistics, structural reform, taxation, public finance management, including audit and financial control, financial services, relevant technical assistance, general principles for the provision of technical assistance.
- Sub-Committee on Enterprise Policy, Competition, Regulatory Cooperation in charge of regulatory cooperation in the field of industrial goods (standards, technical regulations, conformity assessment), industrial policy dialogue, SMEs, competition, public procurement and IPR (regulatory aspects); company law, space, consumer protection, and overview of regulatory cooperation and legislative approximation.
- Sub-Committee on Energy, Transport, Information Society, Nuclear Safety and Environment responsible for integration of energy markets, energy infrastructure, nuclear safety, energy efficiency, energy production, transport, Galileo, maritime safety, telecommunications, environment.
- Sub-Committee on Customs and Cross-border cooperation in charge of customs cooperation, cross-border cooperation, relevant technical assistance.
- Sub-Committee on Justice, Freedom and Security tackling fight against crime, cross-border cooperation in Justice, freedom and security related issues, relevant aspects of border management, migration, asylum, money laundering, drugs combating, prevention of illegal activities, judicial reform, rule of law, good governance, relevant technical assistance.

- Sub-Committee on Science and technology, Research and development, education, culture and public health dealing with space, general aspects of satellite navigation, education, participation in the 6th Framework Programme, IST/information society, culture, public health.

Political dialogue is conducted at the Summits and Cooperation Councils, and in Ministerial and Political Directors' meetings in the Troika format. The EU's Political and Security Committee meets with the Ukrainian side under each Presidency. Finally, a considerable number of specific Council working groups meet with Ukraine twice per year, including groups covering Terrorism, Disarmament, OSCE matters, UN matters, and the Council Working Group on Eastern Europe and Central Asia.

Work in the field of Justice and Home affairs is guided by meetings at ministerial level in the Troika format and expert discussions are mostly in the context of the Sub-committee on Customs and Crossborder cooperation and the Sub-committee on Justice, Freedom and Security. A Parliamentary Cooperation Committee, composed of Members of the European Parliament and the Ukrainian Verkhovna Rada, meets on an annual basis.

Within the Council of the European Union, the Council Working Group on Eastern Europe and Central Asia has general oversight of relations with Ukraine.

The European Neighbourhood Policy

The European Neighbourhood Policy (ENP) applies to the EU's immediate neighbours by land or sea. Among former Members of the Soviet Union, it applies to Ukraine and to Armenia, Azerbaijan, Belarus, Georgia, and Moldova. It was developed in 2004, with the objective of strengthening the prosperity, stability and security of all concerned. The ENP was first outlined in a Commission Communication on Wider Europe in March 2003, followed by a more developed Strategy Paper on the European Neighbourhood Policy published in May 2004. This document sets out in concrete terms how the EU proposes to work more closely with these countries. As part of its report on implementation, in December 2006 and again in December 2007, the Commission also made proposals as to how the policy could be further strengthened.

The EU offers to its neighbours a privileged relationship, building upon a mutual commitment to common values (democracy and human rights, rule of law, good governance, market economy principles and sustainable development). The ENP goes beyond existing relationships to offer to partner countries a deeper political relationship and economic integration. The level of ambition of the relationship will depend on the extent to which these values are shared. The ENP remains distinct from the process of enlargement although it does not prejudge, for European neighbours, how their relationship with the EU may develop in future, in accordance with Treaty provisions.

The central element of the European Neighbourhood Policy is the bilateral ENP Action Plans agreed between the EU and each partner. These set out an agenda of political and economic reforms with short and medium-term priorities. The joint EU-Ukraine Action Plan was endorsed by the EU-Ukraine Cooperation Council on 21 February 2005. A

revised Action Plan on Justice, Freedom and Security (JFS) endorsed by the Cooperation Council on 18 June 2007 and the related scoreboard constitute a common basis for a variety of cooperation measures in this field. The JFS Action Plan is part of the overall EU-Ukraine Action Plan

Cooperation instruments

Until 31 December 2006, EC assistance to the countries of the European Neighbourhood Policy (ENP) was provided under various geographical programmes, in particular as regards cooperation with Ukraine and other former Members of the Soviet Union, the TACIS (Technical Assistance to the Commonwealth of Independent States) programme.

From 1 January 2007 onwards, as part of the reform of EC assistance instruments, TACIS has been replaced by a new cooperation instrument, the European Neighbourhood and Partnership Instrument (ENPI), which is a much more flexible, policy-driven instrument. It is designed to target sustainable development and approximation to EU policies and standards - supporting the agreed priorities in the ENP Action Plans. For the period 2007-2010, the National Indicative Programme for Ukraine proposes to allocate to the ENPI a budget of €494.0 million. Compared to the previous period, this represents a very significant increase of the financial resources allocated by the Commission to cooperation with Ukraine.

In addition to bilateral cooperation, the ENPI supports cross-border contacts and cooperation between local and regional actors and civil society. Ukraine is part to four cross-border programmes, namely Poland-Belarus-Ukraine; Hungary-Slovakia-Romania-Ukraine; Romania-Ukraine-Republic of Moldova; and the Black Sea Programme.

New forms of technical assistance have been extended to ENP partners. Legislative approximation, regulatory convergence and institution-building are being supported through mechanisms which proved successful in transition countries that are now EU Member States i.e. targeted expert assistance (Technical Assistance and Information Exchange - TAIEX), long-term twinning arrangements with EU Member States' administrations – national, regional or local – and participation in relevant Community programmes and agencies.

Besides ENPI the Commission's co-operation with Ukraine may make use of thematic instruments such as the European Initiative for Democracy and Human Rights (EIDHR), the Nuclear Safety Co-operation Instrument (NSCI), the programme on Migration and Asylum or the Instrument for Stability (IfS).

Another new instrument is the Governance Facility, endowed indicatively with €50 million annually, which provides additional support to the partner country or countries that have made most progress in implementing the governance priorities agreed in their Action Plan. Ukraine received the Governance Facility allocation in 2007 and 2008.

2. The cooperation strategy of the Commission over the evaluation period and its implementation

Programming and focal cooperation areas

Cooperation priorities are identified, jointly with the governments of the countries concerned and other relevant actors, in Country Strategy Papers (CSPs) covering five to seven years. National Indicative Programmes specify for shorter periods the Commission’s indicative financial allocation to the implementation of the strategy and its distribution between the focal areas of cooperation. Finally, Annual Actions Programmes detail the activities that will be implemented from each annual budget allocation and give rise to the signature of a financing agreement with the government of the partner country. Similarly Regional Programmes give rise to Regional Strategy Papers and Regional Indicative Programmes.

The period 2002-2008 covered by the evaluation encompasses two CSPs, the first one relative to the years 2002-2006 and the second to the years 2007-2013.

The CSP 2002-2006 identifies three focal areas of cooperation:

- Support for Institutional, Legal and Administrative Reform,
- Support to the Private Sector and Assistance for Economic Development
- Support in Addressing the Social Consequences of Transition.

As for the CSP 2007-2013 it identifies the three following focal areas:

- Support for Democratic Development and Good Governance
- Support for Regulatory Reform and Administrative Capacity Building
- Support for Infrastructure Development

The table below details the cooperation focal areas of the two CSPs.

	Focal areas of intervention
CSP 2002-2006	<ol style="list-style-type: none"> 1. Support for Institutional, Legal and Administrative Reform <ol style="list-style-type: none"> 1.1 Legal, judicial and administrative reform 1.2 Border management 1.3 Civil society, training and education 2. Support to the Private Sector and Assistance for Economic Development <ol style="list-style-type: none"> 2.1 Business, trade and investment promotion 2.2 Fuel gap (2002) 3. Support in Addressing the Social Consequences of Transition <ol style="list-style-type: none"> 3.1 Social reform

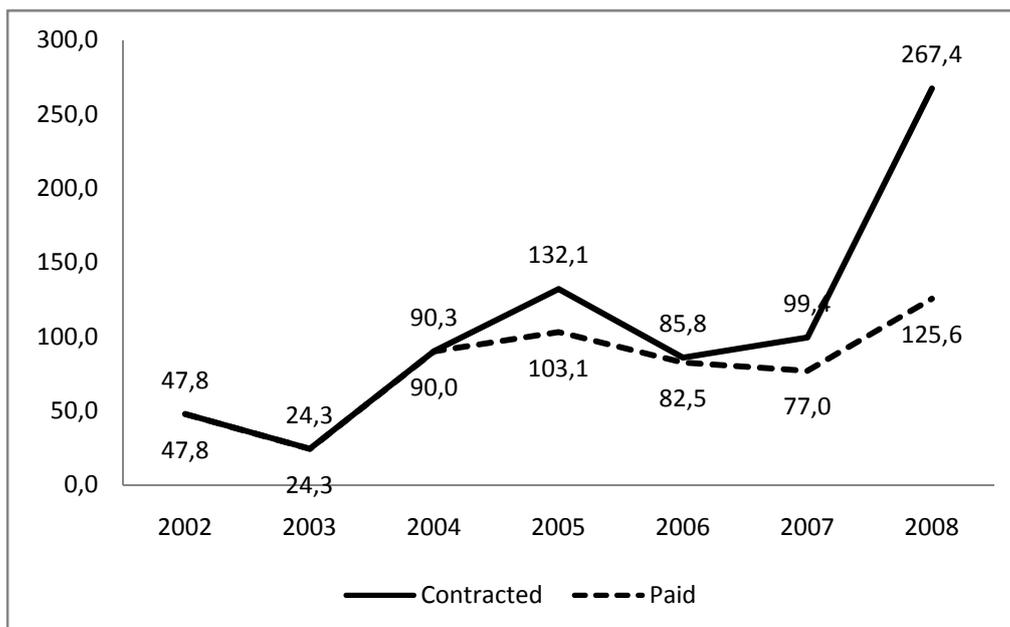
CSP 2007-2013	<ol style="list-style-type: none"> 1. Support for Democratic Development and Good Governance <ol style="list-style-type: none"> 1.1 Public administration reform and public finance management 1.2 Rule of law and judicial system 1.3 Human rights, civil society development and local government 1.4 Education, science and people-to-people contacts/exchanges 2. Support for Regulatory Reform and Administrative Capacity Building <ol style="list-style-type: none"> 2.1 Promoting mutual trade, improving the investment climate and strengthening social reform 2.2 Sector specific regulatory aspects 3. Support for Infrastructure Development <ol style="list-style-type: none"> 3.1 (non nuclear) Energy 3.2 Transport 3.3 Environment 3.4 Border management and migration including re-admission related issues
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Implementation of the strategy

This section presents the main features of the implementation of the Commission’s cooperation strategy with Ukraine on the basis of an inventory in CRIS of the contacts signed during the evaluation period¹.

From 1 January 2002 to 30 September 2009, cooperation with Ukraine gave rise to 692 contracts for a total amount of €832.8 million. Payments over the same period amounted to €556.4 million.

Graph 3.1 : EC cooperation with Ukraine - Commitments and disbursements 2002 - 2008



¹ The complete list of interventions retrieved from the CRIS database is presented in annex 6

The CRIS database allows distributing the contracts between 12 sectors.

Altogether four sectors concentrate more than 85% of commitments.

Support to the energy sector accounts for €396.1m or 47.6 percent of total commitments between 2001 and 2009. This figure is, however, somewhat skewed by a few very large contributions to the Chernobyl Shelter Fund and the Fuel Gap assistance, which taken together represent close €130 million. But even excluding these commitments, the energy sector remains the main beneficiary of the Commission's support with total commitments of €266.7 million that is 32.0 percent of the total.

The three other larger sectors are Legal, administrative and institutional reforms (€120.4 million committed, 14.5%), Border management and migrations (€106.1 million, 12.7%), and Economic Development (€104.9 million, 12.6%).

Table 1: Commitments and disbursements per sector January 2002 to Septembre 2009

	Contracted		Paid	
	Million €	%	Million €	%
Energy	396.07	47.6%	231.10	41.5%
Legal, administrative, institutional reform	120.37	14.5%	77.33	13.9%
Border Management and migrations	106.06	12.7%	95.74	17.2%
Economic Development	104.86	12.6%	70.22	12.6%
Social consequences of transition	40.37	4.9%	36.68	6.6%
Education	15.12	1.8%	10.29	1.9%
Transport	11.77	1.4%	7.71	1.4%
Civil society	10.76	1.3%	10.09	1.8%
Environment	10.26	1.2%	6.35	1.1%
Media	4.64	0.6%	4.04	0.7%
Miscellaneous	12.51	1.5%	6.80	1.2%
Total	832.79	100.0%	556.35	100.0%

Source : CRIS

Since the inception of the ENPI in 2007, the Commission has the possibility to provide some of its aid as budget support. Over the period 2007-2009, approximately 72 percent of the total annual allocations should be devoted to budget support.

In September 2008 a Financing Agreement was signed between the Commission and the GoU for the provision to Ukraine of budget support to a total of €82 million (plus €5 million of technical assistance) in support of implementation of the GoU strategy in the energy sector.

In December 2009 Financing Agreements were signed for two more sectoral budget support (SBS) programmes, namely:

- a SBS supporting the removal of technical barriers to trade (€39 million to be disbursed in four tranches plus €6 million of technical assistance);
- a SBS in support of Ukraine's strategy in the area of energy efficiency and renewable energy sources (€63 million to be disbursed over a three-year period plus €7 million of technical assistance).

Twinning is increasingly becoming the main instrument to “support legislative approximation to meet EU norms and standards” in Ukraine as provided by the EU-Ukraine Action Plan and the EU-Ukraine PCA. In this context, twinning provides a comprehensive and ambitious framework for work with Ukraine, identifying key areas of reform. Twinning projects act as a catalyst in setting the country’s public administration reform in motion, bringing together specialists from EU Member States and Ukraine’s administrations, in order to promote the effective adoption of Community legislation. As of end September 2009, four projects have been completed and ten are being implemented. 13 more Twinning projects are at different stage of preparation/contracting/implementation, but fall outside the scope of this evaluation.

Budget Support and other financing mechanisms and cooperation modalities allowed by the ENPI should gain importance in the coming years. But in the period 2002-2009 covered by the evaluation, as demonstrated by Table 2 below, most of Commission’s interventions have been implemented in the framework of the TACIS regulation.

Table 2: Distribution of contracts, commitments and disbursements by instrument January 2002 to September 2009

	Number of contracts	Commitments		Disbursements	
		Million €	%	Million €	%
TACIS	569	635.09	76.3%	483.30	86.9%
ENPI	26	103.34	12.4%	27.18	4.9%
NSI	14	66.58	8.0%	29.06	5.2%
EIDHR / DDH	71	12.92	1.6%	10.46	1.9%
MIGR	5	4.25	0.5%	3.89	0.7%
DCI Thematic instruments	5	4.64	0.6%	1.22	0.2%
MAP	2	5.97	0.7%	1.24	0.2%
TOTAL	692	832.79	100.0%	556.35	100.0%

Source: CRIS

3. Other donors’ cooperation

The OECD/DAC database only provides data on the flow of Official Development Aid (ODA) to Ukraine from 2005 onwards.

These data show that the European Commission is the largest provider of ODA to Ukraine. Over the years 2005-2008 it contributed to 21.8% of total donors commitments. Some EU Member States, notably Germany, Sweden, France, the United Kingdom and

Austria are also significant contributors, thus bringing the total EU commitments (Commission + EU Member States) to 40 percent of total donor commitments.

The United States come second to the Commission with commitments representing 15.8% of the total over the period 2005-2008.

Table 3: Donors ODA commitments to Ukraine 2005-2008

	2005	2006	2007	2008	Total
European Commission	102.1	133.4	102.7	242.3	580.5
United States	99.4	130.2	91.1	98.9	419.7
Germany	53.2	58.7	69.1	77.1	258.1
Sweden	10.6	18.4	22.1	21.5	72.6
Canada	18.6	15.8	16.0	18.7	69.1
France	10.0	14.3	6.5	25.0	55.9
Switzerland	13.5	9.2	6.0	6.6	35.3
United Kingdom	10.8	12.0	7.8	3.2	33.7
Austria	7.3	5.1	5.3	8.7	26.4
Japan	2.5	6.6	5.7	8.4	23.3
Denmark	1.6	2.2	4.6	5.7	14.0
Others	79.4	73.9	79.3	99.5	332.1
Total bilateral donors	408.9	479.8	416.2	615.7	1,920.6
Multilateral donors	138.3	170.4	142.3	290.1	741.1
Total ODA	547.3	650.2	558.4	905.8	2,661.7

Source OECD/DAC

The World Bank Country Partnership Strategy (CPS) for Ukraine covering the period of 2008-2011 outlines the priorities for the Bank Group's engagement through lending and investments, analytical and advisory services, and technical assistance. The strategy proposes a lending range of USD 2-6 billion over four years, with annual lending levels modulated by a series of performance benchmarks, including progress in structural reforms, macroeconomic stability and improvements in the implementation of existing World Bank loans. In addition, the International Finance Corporation will continue to invest significant resources to support the private sector in Ukraine. The CPS proposes a two-pillar framework of support. The first pillar will aim to improve Ukraine's competitiveness through investments in public sector infrastructure (in particular transport and energy efficiency), advisory services and advocacy work to improve the business climate, technical assistance and access to credit lines to strengthen the financial sector, and global knowledge sharing to promote innovation and technology adoption, as well as to ensure that Ukraine benefits from the framework for international carbon trading and makes a contribution to emission reductions. The second pillar will seek to improve public services by targeting greater efficiency in spending, and using improvements in public sector financial management as an entry point into public sector reforms more generally.

UNDP is an active partner in project implementation and importantly in policy dialogue and donor coordination. In Ukraine, four development focus areas define the structure of UNDP's assistance activities. These include democratic governance; prosperity, poverty

reduction and MDGs; local development and human security; and energy and environment. In each of these thematic areas, UNDP tries to ensure balance between policy and advocacy work, capacity building activities and pilot projects. UNDP established its presence in Ukraine in 1993. Since 2005 UNDP's programme in Ukraine has grown both in the scope of activities as well as in financial terms. From about USD 9 million portfolio in 2005 it grew to over USD 23 million delivered in 2006 and to go over USD 25 million in approved projects' budgets for 2007. Major projects involving collaboration with UNDP include the Commission-funded Community Based Approach (based on UNDP's previous experience and methodology) and the TACIS Sustainable Local Development and Sustainable Regional Development project. UNDP has agreed to be the main implementing partner in the joint initiative for regional development in the Crimea, launched in 2008. The EU Border Assistance Mission (EUBAM) was launched on 30 November 2005 following a joint request of the Ukrainian and Moldovan Presidents. EUBAM is an EU Mission fully funded by the European Union through a contract with UNDP. UNDP is the Mission's implementing partner, providing administrative and logistical support.

IOM is active in the area of migration management. Previous projects helped to improve Ukraine's migration management capacity with a particular focus on the establishment of Migrant Custody Centres (operated by the Ministry of Internal Affairs) for the accommodation of irregular migrants as well as the Special Holding Facilities in accordance with international standards.

USAID's principal mission in Ukraine is to assist the transition to a pluralistic democracy and market-oriented economy. USAID also supports efforts to alleviate the burdens imposed on the most vulnerable members of society. USAID's assistance focuses on the following areas: Economic Growth, Democracy and Governance, Health and Social Sector. Since 1992, USAID has provided \$1.6 billion worth of technical and humanitarian assistance to Ukraine.

At the end of March 2008, DFID closed its office in Ukraine. This marked the end of 17 years of aid. Stated reasons for the closure were the progress in reducing poverty, strengthening democracy and increasing opportunities for trade. However, the UK, as a member state of the European Union, will continue to support the effective implementation of European Commission aid to Ukraine. This aid amounts to over Euro 120 million a year, and is mainly channelled through the ENPI.

Canada has been involved in technical cooperation with Ukraine since 1991, primarily supporting the transition to democracy and a market economy, and enhancing nuclear safety. In 2001, CIDA prepared the Programming Framework 2002-2006 to guide Canadian technical cooperation. Under this framework, CIDA has focused its resources on governance issues; more specifically on electoral, administrative and judicial reforms, and strengthening civil society. The Ukraine Program also supports initiatives for private sector development, particularly in the agriculture sector. Environmental sustainability, gender equality, and youth are crosscutting themes integrated into all programming. CIDA's 2007-2008 disbursements for projects and initiatives in Ukraine: 20.5 million Canadian dollars.

The OSCE/ODIHR has a Cross-Dimensional Economic-Environmental/Politico-Military Programme. It also works on democratization and good governance; human rights and rule of law, as well as trafficking and domestic violence. In 2008, the Commission concluded a contribution agreement with the OSCE to assist in establishing an electronic voter register in Ukraine and facilitate the drafting of an Election Code. If the project is successful in achieving these objectives, a major step forward will have been made by Ukraine in meeting the recommendations made by OSCE/ODIHR Observation Election Missions in recent election reports and, by extension, in holding elections in accordance with international standards.

Donor Coordination and aid effectiveness

Reforms of donor coordination by the GoU are being introduced. The leading concept of the reform is the concentration of coordination functions at the level of the Deputy Minister of Economy heading the Department of European Integration, and the newly established Coordination Bureau for European and Euro-Atlantic Integration. A suitable division of labour between donors, on the basis of the concept of *comparative advantage*, needs also be established. The Commission identifies its own comparative advantages as being in legislative reform and approximation, through instruments such as Twinning, and through larger programmes to support wider sector-reform. While the Commission's technical and financial cooperation is by its nature difficult to deploy rapidly and flexibly, EU Member States, which generally operate in a less complex procedural environment, could engage in joint programming and add value to the larger Commission-funded operations.

The Commission is likely to concentrate its assistance on large scale programme except when sub-priority areas are identified under the heading of legislative reform, approximation, and institutional capacity building, which could be pursued using the twinning instrument. Sweden is the first and only EU Member State engaged so far in joint-programming with the Commission in the frame of the ENPI country programme, namely in the environment sector. There is scope for further expanding this practice and to that effect EU Member States, and in particular new ones, are invited to harmonise their programming cycles with those of the Commission and join-in in cooperation programmes which support the bilateral EU-Ukraine agenda. The Joint Initiative for the development of Crimea launched in 2009 is a good example of new ways of strengthening EU coordination: around the pivotal role of the Commission, which will assist the Crimean authorities for regional development, EU MS will orient their cooperation to support the regional strategy through investments and capacity development in selected areas, according to their comparative advantage and interest.

Annex 6 - Inventory of contracts 2002-2008

Decision No	Domain	Contract year	Title	Nature	Sector	Planned amount
	TACIS	2002	Assessment of Equipment Needs of the Sumy Border Guard Detachment	Services	Border Management	76,989
TACIS/2000/00-514	TACIS	2002	Customs pre-feasibility study	Services	Border Management	54,376
TACIS/2000/00-522	TACIS	2002	NGO development - Ukraine, Kiev and selected regions	Services	Civil society	868,776
TACIS/2001/00-556	TACIS	2002	Strong trade union - toward a democratic society - IBPP01-0203		Civil society	190,282
TACIS/2000/00-522	TACIS	2002	Enterprise Restructuring Facility	Services	Economic Development	2,939,894
TACIS/2000/00-522	TACIS	2002	Improving SME Environment	Services	Economic Development	2,746,580
TACIS/2000/00-522	TACIS	2002	Accountancy training programme at Kyiv	Services	Economic Development	2,400,936
TACIS/2000/00-514	TACIS	2002	Foreign Trade Regime - IPR	Services	Economic Development	26,116
TACIS/2000/00-522	TACIS	2002	TA to the Antimonopoly Committee	AIDCO A	Economic Development	24,110
TACIS/2000/00-514	TACIS	2002	Foreign Trade Regime - Norms & Standards	Services	Economic Development	24,101
TACIS/2000/00-514	TACIS	2002	Prep. project "Business infrastructure Odessa Oblast"	Services	Economic Development	23,458
TACIS/2000/00-514	TACIS	2002	Preparation of Terms of Reference for the Project 'Assistance to Regional Development' in Ukraine, Tacis Action Programme Ukraine 2001	AIDCO A	Economic Development	20,923
TACIS/2001/00-556	TACIS	2002	Creating centres of excellence for inclusive education of children with special needs in mainstream schools		Education	178,232

TACIS/2002/00 0-654	TACIS	2002	Contribution to the Chernobyl shelter fund	Grant	Energy	20,000,000
TACIS/1998/00 0-477	TACIS	2002	Instit support nation nuclear Energoatom	Services	Energy	1,450,486
TACIS/2000/00 0-538	TACIS	2002	U1.01/00On-site technic assist ROVNO NPP	Services	Energy	997,031
TACIS/1999/00 0-509	TACIS	2002	Legal advice for EURATOM Loan - K2 R4	Services	Energy	341,956
TACIS/1999/00 0-509	TACIS	2002	On site assist to south ukraine NPP	Services	Energy	301,442
TACIS/2001/00 0-548	TACIS	2002	extens contrat 01-0031 (expert)	AIDCO A	Energy	203,066
TACIS/2001/00 0-548	TACIS	2002	Expert Fuel Gap pg Ukraine	Services	Energy	133,880
	TACIS	2002	Reed Bio-Energy	Services	Energy	95,586
TACIS/2000/00 0-514	TACIS	2002	Improvement of safety in the coal mining industry	Services	Energy	34,140
TACIS/2000/00 0-514	TACIS	2002	Travel cost expert Ukraine fuel gap	Services	Energy	7,015
	TACIS	2002	Preparation of a Hydraulic Network Model for the City of Mariupol, Ukraine	Services	Environment	142,548
	TACIS	2002	Water Services Priority Investment Programme in Kherson	Services	Environment	134,848
	TACIS	2002	Water Services Priority Investment Programme in Mariupol, Ukraine	Services	Environment	100,803
	TACIS	2002	Preparation of ToR for ""Flood forecasting in Zakarpastka Oblast		Environment	30,488
TACIS/1999/00 0-480	TACIS	2002	Evaluation Committee for the assessment of project ""Environ Management for the Donetsk Oblast of Ukraine	AIDCO A	Environment	4,800
TACIS/2000/00 0-522	TACIS	2002	Ukrainian-European Policy and legal Advice Center	Services	Legal, administrative, institutional reform	4,671,198

TACIS/2000/00 0-522	TACIS	2002	Legal training Kiev&selected regions Ukr	Services	Legal, administrative, institutional reform	2,255,533
TACIS/2000/00 0-522	TACIS	2002	Audit Public finance at Kiev	Services	Legal, administrative, institutional reform	1,942,920
TACIS/2000/00 0-522	TACIS	2002	Application of a Foreign Trade Regime - Standards, Technical Regulations and Conformity Assessment	Services	Legal, administrative, institutional reform	1,355,992
TACIS/2000/00 0-514	TACIS	2002	Combating Trafficking of Women in Ukraine -- Evaluation of Project (00-0248)	AIDCO A	Legal, administrative, institutional reform	30,947
TACIS/1999/00 0-486	TACIS	2002	Accounting training programme	Services	Legal, administrative, institutional reform	24,939
TACIS/2000/00 0-514	TACIS	2002	Agricultural standards compliant WTO	Services	Legal, administrative, institutional reform	23,685
TACIS/2000/00 0-522	TACIS	2002	Support to independent media	Services	Media	1,067,535
TACIS/2000/00 0-522	TACIS	2002	Support to independant Media in Ukraine	Services	Media	136,270
TACIS/2000/00 0-522	TACIS	2002	Independant public radio News service	Services	Media	95,535
TACIS/2000/00 0-522	TACIS	2002	Tuberculosis prevention and control in Ukraine	Services	Social consequences of transition	1,997,120
TACIS/2001/00 0-556	TACIS	2002	Social reintegration of the homeless - IBPP01-067	Grant	Social consequences of transition	198,400
TACIS/2001/00 0-556	TACIS	2002	""Equal to Equal" - Outreach work and HIV-support groups in 3 regions of Ukraine - IBPP01-234		Social consequences of transition	180,000
TACIS/2001/00 0-556	TACIS	2002	Development of a home care and medical services network for vulnerable elderly or handicapped persons in 2 cities in Ukraine - IBPP01-002		Social consequences of transition	140,219
TACIS/2001/00 0-556	TACIS	2002	Innovative, indicate, reform : youth friendly high quality services in sexual and reproductive health and rights in Ukraine - IBPP01-061	Grant	Social consequences of transition	109,861
TACIS/2000/00 0-514	TACIS	2002	Preparation of Terms of Reference for the Project 'Health Financing and Management', Ukraine	AIDCO A	Social consequences of transition	22,961

TACIS/2000/00-514	TACIS	2002	Preparation of Terms of Reference for the Project 'Support to the Development of the Accident Insurance System in Ukraine'	AIDCO A	Social consequences of transition	16,576
	TACIS	2002	Interest for delayed payment, contract 97-0745			8,723
TACIS/2000/00-514	TACIS	2002	extens contrat 01-0032 (expert)	AIDCO A		3,427
MULTI	TACIS	2003	BORDER MANAGEMENT IMPROVEMENT: IMPLEMENTATION OF THE BORDER CROSSING PROJECTS, UKRAINE	Services	Border Management	1,259,387
TACIS/2000/00-540	TACIS	2003	Modernisation of the customs service or Ukraine	Services	Border Management	862,474
	TACIS	2003	Assessment of equipment needs of the Lughansk, Donetsk, Kharkhiv, Chernighiv BG Detachments and of the Ukrainian Border troops in charge for the surveillance on the border with the Transdnestrian region	Services	Border Management	99,425
DDH/2003/005-646	DDH	2003	Improving the Human Rights Situation in Ukraine through Legal Aid Provided by NGOs.	Grant	Civil society	301,307
TACIS/2002/00-613	TACIS	2003	Capacity building of Ukrainian NGO in providing training for statutory social service providers	Grant	Civil society	199,375
TACIS/2002/00-613	TACIS	2003	Social NGOs Network Capacity Building Initiative Improvement of Social Services in Ukraine	Grant	Civil society	191,716
TACIS/2002/00-613	TACIS	2003	Urban Rangers - Building Civil Society through Creating Community Self Help Groups	Grant	Civil society	142,760
TACIS/2001/00-556	TACIS	2003	TOP - Triangle of Partnership	AIDCO A	Civil society	124,921
TACIS/2000/00-522	TACIS	2003	Enhancement of NGO Development and implementation of a participatory mechanism to solve communities" social problems in the southern part of the Sumy region	Grant	Civil society	29,550
TACIS/2000/00-522	TACIS	2003	Social Initiatives - Partnership and Development	Grant	Civil society	24,200
TACIS/2000/00-522	TACIS	2003	Europe - Vector	AIDCO A	Civil society	23,933
TACIS/2000/00-522	TACIS	2003	The Influence of Youth Pedagogical Initiatives on the Development of Civic Society	Grant	Civil society	19,061
	TACIS	2003	Ukrainian Round Table Seminar "Empowerment Minority Youth Leadership from Modern European Perspective"	Grant	Civil society	6,206

TACIS/2001/00 0-556	TACIS	2003	Support to SMEs in the rural sector	Services	Economic Development	3,021,412
TACIS/2002/00 0-613	TACIS	2003	Improving the Conditions for Enterprise development and the Investment climate for domestic and international investors in Ukraine	Grant	Economic Development	449,375
TACIS/2001/00 0-556	TACIS	2003	Reform of the agriculture management system - Key institutions, Ukraine, KI 02-02	Grant	Economic Development	305,006
TACIS/2002/00 0-633	TACIS	2003	Polish-Ukrainian cross-broder agency - towards the future	Grant	Economic Development	183,094
TACIS/2001/00 0-556	TACIS	2003	Changing lives and Neighbourhoods - IBPP 01-0046	Grant	Economic Development	173,900
TACIS/2002/00 0-633	TACIS	2003	Working out strategic plan and institutional support of Horodok district sustainable development in the context of integration process in Europe	Grant	Economic Development	149,800
TACIS/2002/00 0-613	TACIS	2003	Polish Ukrainian Co-operation in the range of creating local and regional development	Grant	Economic Development	117,193
TACIS/2002/00 0-633	TACIS	2003	"Cooperation Bridge 2003" Development of Ukrainian-Hungarian border region cooperation	Grant	Economic Development	99,429
TACIS/2000/00 0-522	TACIS	2003	Reduction in female unemployment in villages of the Kivernitsky Region in Volyn Oblast	Grant	Economic Development	38,778
	TACIS	2003	Preparation of the Terms of reference for the project ""Creation of mortgage market rules and legislation		Economic Development	25,659
	TACIS	2003	Preparation of ToR for TACIS 2002 project ""Municipal Services Support	AIDCO A	Economic Development	24,508
	TACIS	2003	ToR for Agrologistics project	AIDCO A	Economic Development	20,207
	TACIS	2003	Preparation of ToR for project ""Improvement of Risk Management Capacity of SMEs in Agriculture		Economic Development	18,667
	TACIS	2003	Preparation of TOR for Civic Education project/AP2002		Education	26,878
	TACIS	2003	Trans-border Co-operation Between Ukraine And Central European Countries As An Important Part Of Ukrainian European Strategy: Young Scholars' View	Grant	Education	8,202
TACIS/2002/00 0-613	TACIS	2003	Energy Monitoring in Ukrainian Local Administrations and their Equipment EMULATE	Grant	Energy	198,856

	TACIS	2003	Audit of Tacis-funded Fuel Gap Programme in Ukraine	Services	Energy	78,354
TACIS/2001/00-548	TACIS	2003	EI - ARENCIBIA GONZALEZ INIGO - UKRAINE	AIDCO A	Energy	56,154
TACIS/2000/00-524	TACIS	2003	UR0003 Fuel Gap Ukraine 2000	Individual Experts	Energy	30,229
TACIS/2002/00-633	TACIS	2003	Strategy Development for Sustainable Use of Inner City Green Land and Parks of Lviv	Grant	Environment	159,104
TACIS/2002/00-633	TACIS	2003	Establishment of the system for solid domestic waste organized collection and utilization in Sokal district	Grant	Environment	129,300
TACIS/2002/00-633	TACIS	2003	Forest Resource Sustainable Management and Integrated Development of Wood Life Cycle (FOR WOOD)	Grant	Environment	46,332
	TACIS	2003	ToRs preparation for the Biomass project (Support and development of renewable sources of energy)		Environment	28,879
	TACIS	2003	Preparation ToR ""Management of the Bug, Latoritza and Uzh River Basins""		Environment	28,216
TACIS/2002/00-633	TACIS	2003	Market-oriented, low-cost solutions in waste management as a model for small towns in Ukraine	Grant	Environment	27,467
	TACIS	2003	Preparation of ToR for TACIS 2003 project ""Capacity Building in Donetsk Oblast for Waste Management		Environment	20,958
	TACIS	2003	Promoting EU Environmental Law in Ukraine	Grant	Environment	9,000
TACIS/2001/00-556	TACIS	2003	Legal and institutional basis for protection of competition (Antimonopoly Committee)	Services	Legal, administrative, institutional reform	2,158,922
TACIS/2000/00-522	TACIS	2003	Reform of Arbitration Courts and Support to Court Administration Reform	Action Grants	Legal, administrative, institutional reform	1,980,800
TACIS/2001/00-556	TACIS	2003	Establishment of an agricultural standards certification and control mechanism in line with WTO-SPS requirements	Services	Legal, administrative, institutional reform	1,327,340
DDH/2003/005-646	DDH	2003	Defending the rights of Roma in Ukraine and ensuring their access to justice	Grant	Legal, administrative, institutional reform	768,101
DDH/2002/003-182	DDH	2003	Campaigning against torture and cruel treatment in the Ukraine	Grant	Legal, administrative, institutional reform	685,026

TACIS/2000/00-522	TACIS	2003	Application of a foreign trade regime - establishing a framework for the protection of intellectual property rights (IPR)	Action Grants	Legal, administrative, institutional reform	609,392
DDH/2002/004-574	DDH	2003	B7-624/2002/4001 ""Leave no Child Out - A Partnership between the United Nations Children's Fund and the EC on Children's Rights	Action Grants	Legal, administrative, institutional reform	360,000
TACIS/2002/00-633	TACIS	2003	Development of Cross-Border initiatives in Terms of women unemployment and traffic in women	Grant	Legal, administrative, institutional reform	190,110
	TACIS	2003	Production and Dissemination of a Monthly Newsletter Eurobulletin	Services	Legal, administrative, institutional reform	63,990
	TACIS	2003	Audit Ukresco efficiency performance	Services	Legal, administrative, institutional reform	39,164
TACIS/2000/00-522	TACIS	2003	Informational Advisory Centre on promotion of the public sector development in Kremechug City	Action Grants	Legal, administrative, institutional reform	29,871
	TACIS	2003	Preparation of the Terms of Reference for the project ""Support to Taxation Reform""		Legal, administrative, institutional reform	28,720
	TACIS	2003	Preparation of ToRs for Tacis AP 2001 project ""Support to the Election Process in Ukraine		Legal, administrative, institutional reform	22,872
TACIS/1998/00-454	TACIS	2003	Model of rendering early corrective and rehabilitation assistance to children with grave and multiple abnormalities of psychic and physical development	Action Grants	Legal, administrative, institutional reform	22,584
TACIS/2000/00-522	TACIS	2003	Partnership for Democracy for a Healthy Nation	Grant	Legal, administrative, institutional reform	14,190
	TACIS	2003	Building an integrated Europe on the rule of law: Ukrainian realities and prospects	Grant	Legal, administrative, institutional reform	7,840

	TACIS	2003	We are Europeans	Grant	Legal, administrative, institutional reform	7,811
	TACIS	2003	"Europe from near" - informing public of Volyn and Rivne regions about the European Union	Grant	Legal, administrative, institutional reform	6,700
TACIS/2000/00-522	TACIS	2003	Support for professional independent news coverage in Ukraine	Action Grants	Media	79,954
TACIS/2000/00-522	TACIS	2003	Media in Building Voters" Awareness on Key Election Issues 2004	Grant	Media	73,165
	TACIS	2003	Preparation of ToRs for AP2003 project ""Development of Media Skills		Media	18,455
TACIS/2001/00-556	TACIS	2003	HEALTH FINANCING AND MANAGEMENT	Services	Social consequences of transition	2,993,534
DDH/2003/005-646	DDH	2003	Restorative Social Transformation in Ukraine	Grant	Social consequences of transition	303,227
TACIS/2002/00-613	TACIS	2003	Partnership in effective HIV prevention and PLWHA support in prisons	Grant	Social consequences of transition	200,000
TACIS/2002/00-613	TACIS	2003	Equality of life - Improving the living conditions of adults with mental retardation in Ukraine, who according to Ukrainian law are not entitled to be employed	Grant	Social consequences of transition	199,710
TACIS/2002/00-613	TACIS	2003	Network against AIDS	Grant	Social consequences of transition	196,285
TACIS/2002/00-613	TACIS	2003	Improving the Health and Social Welfare of Street Children in the Odessa Region	Grant	Social consequences of transition	191,700
TACIS/2002/00-613	TACIS	2003	Partnership for the improvement of HIV Prevention and Care in the context of social work education in Ukraine.	Grant	Social consequences of transition	189,437
TACIS/2002/00-613	TACIS	2003	Improvement of Diagnostic on Hematopoietic and other childhood malignances and Creation of a reference center / Kiev	Grant	Social consequences of transition	180,241
TACIS/2002/00-613	TACIS	2003	Program for Tuberculosis awareness and DOTS pre-implementation	Grant	Social consequences of transition	169,200

TACIS/2002/00 0-613	TACIS	2003	Development of a network of innovating social services in Ukraine for women victims of trafficking	Grant	Social consequences of transition	156,268
TACIS/2002/00 0-613	TACIS	2003	De-institutionalisation of children in Public Care and promotion of the social and family reinsertion	Grant	Social consequences of transition	134,774
TACIS/2002/00 0-613	TACIS	2003	Development of early intervention service in Kiev	Grant	Social consequences of transition	111,600
TACIS/2002/00 0-633	TACIS	2003	Partnership for enhancement of services for deafblind population in Ukraine	Grant	Social consequences of transition	50,000
	TACIS	2003	Identification Study of the Ukrainian Insurance Sector.	Services	Social consequences of transition	48,019
TACIS/2000/00 0-522	TACIS	2003	Non-governmental role enhancing in providing social services on the local level	Action Grants	Social consequences of transition	39,856
TACIS/2000/00 0-522	TACIS	2003	Increasing the efficiency of social services concerned with supporting women at prenatal and postnatal stage and during labour	Grant	Social consequences of transition	25,044
	TACIS	2003	Preparation of TOR for Tacis 2002 project Strengthening regional social services		Social consequences of transition	20,668
	TACIS	2003	Preparation of TOR for TACIS 2003 project ""Strengthening the multi-sectoral approaches towards HIV/AIDS prevention among youth in Ukraine		Social consequences of transition	17,990
	TACIS	2003	Preparation of TOR for Tacis AP 2003 project Development of Integrated Social Services for Exposed Families and Children		Social consequences of transition	16,830
	TACIS	2003	Preparation of TOR for TACIS 2002 project ""Establishing Medical Standards in Ukraine		Social consequences of transition	16,003
TACIS/2000/00 0-522	TACIS	2003	Regional Centre of Social Processes	Action Grants	Social consequences of transition	14,405
TACIS/2000/00 0-522	TACIS	2003	Choose Healthy Future Today	Grant	Social consequences of transition	10,032
	TACIS	2003	International Rail Transport Law Conference	Grant	Transport	24,000
	TACIS	2003	Evaluation of the supply tender EuropeAid/114372/C/S/UA		Transport	12,651

TACIS/2001/00 0-556	TACIS	2003	Support to the Ukrainian Initiative	AIDCO A		1,738,222
	TACIS	2003	Productions of publications in Ukrainian, Belarussian and Romanian languages			27,925
	TACIS	2003	Informational Seminar for Regional Euroclubs			5,470
TACIS/2001/00 0-556	TACIS	2004	Border Management Improvement: Equipment Supply to the State Border Guard Service of Ukraine - Detachments in Lughansk, Donetsk, Kharkiv and Chernighiv oblasts (regions).	Supplies	Border Management	2,068,605
TACIS/2001/00 0-556	TACIS	2004	Border Management Improvement: Equipment Supply to the State Border Guard Service of Ukraine - Detachments in Lughansk, Donetsk, Kharkiv and Chernighiv oblasts (regions).	Supplies	Border Management	1,770,555
TACIS/2002/00 0-613	TACIS	2004	Supply of equipment for the Customs services of Ukraine - Modernisation of the customs service of Ukraine	Supplies	Border Management	543,594
TACIS/2001/00 0-556	TACIS	2004	Co-operation of public bodies with civil organizations in the process of agrarian policy		Civil society	413,566
TACIS/2003/00 5-620	TACIS	2004	Ukrainian trade union federations as partners in social dialogue	Grant	Civil society	183,571
DDH/2003/005 -964	DDH	2004	Improving the population's legal awareness and promotion of access to healthy development of socially disadvantaged families	Grant	Civil Society	81,262
DDH/2002/002 -702	DDH	2004	Public advocacy – strengthening NGOs activity in the field of human rights protection in Crimea	Grant	Civil society	70,000
DDH/2002/002 -702	DDH	2004	Disabled Youth Advocate Network for Equal Rights and Opportunities	Grant	Civil society	46,295
TACIS/2004/00 6-202	TACIS	2004	Drafting ToRs for Tacis AP2003 "Strengthening Civil Society"	AIDCO A	Civil Society	23,798
TACIS/2001/00 0-556	TACIS	2004	Assistance to regional development	Services	Economic Development	3,762,540
MULTI	TACIS	2004	Bank sector reform	Services	Economic Development	2,724,572
TACIS/2002/00 0-613	TACIS	2004	Mortgage market rules and legislation	Services	Economic Development	2,708,207
TACIS/2003/00 5-620	TACIS	2004	Reduction of Regulatory and Administrative Barriers for SME and start-ups(SME POLICY DEVELOPMENT AND OUTREACH)	Grant	Economic Development	500,000

TACIS/2002/00 0-613	TACIS	2004	Development information basis tourism industries over creation of a network of the tourist information centres		Economic Development	441,841
TACIS/2001/00 0-556	TACIS	2004	Legal and institutional basis for protection of competition (Antimonopoly Committee)	Supplies	Economic Development	4,924
TACIS/2003/00 5-620	TACIS	2004	Development of a System of Continuing Education at workplace	Services	Education	2,422,670
TACIS/2001/00 0-556	TACIS	2004	Project Strengthening capacities of the educational system	Services	Education	47,991
TACIS/2003/00 6-032	TACIS	2004	Community Contribution to EBRD Chernobyl Shelter Fund	Grant	Energy	18,000,000
TACIS/2001/00 0-558	TACIS	2004	U1.01/01 A Rovno NPP - Reconstruction of primary circuit overpressure protection system for Units 1&2 of Rovno Nuclear Power Plant, Kuznetsovsk, Ukraine	Supplies	Energy	7,939,747
TACIS/2002/00 0-655	TACIS	2004	U1.03/02 B1 - Zaporozhye NPP -Steam Generators Safety Valves for 6 units(AP ref.7.2.1.1 partim)	Supplies	Energy	6,568,190
MULTI	TACIS	2004	U4.01/02 (PA ref. 7.2.4.1 and 7.2.4.2) - Technical Onsite Assistance to Ukrainian Entities with regard to Chernobyl radwaste facilities. Exclusion Zone monitoring and NPPs equipment maintenance.	Services	Energy	3,497,347
TACIS/2001/00 0-558	TACIS	2004	Plant Improvement Project for South Ukraine NPP- Lot 2	Supplies	Energy	3,423,658
TACIS/2001/00 0-558	TACIS	2004	U1.02/01 OSA - On-Site Assistance to South Ukraine NPP	Services	Energy	2,950,000
TACIS/2001/00 0-558	TACIS	2004	U1.02/01A OSA South Ukraine NPP - PIP Lot1/3	Supplies	Energy	2,487,476
TACIS/2002/00 0-655	TACIS	2004	U1.03/02 OSA activities at Zaporozhye Nuclear Power Plant (AP ref.7.2.1.1)	Services	Energy	2,164,087
TACIS/2002/00 0-655	TACIS	2004	U3.02/02 Support for SNRCU to its evaluation of Safety Analysis Reports of operating VVER 1000 (AP ref. 7.2.3.2)	Services	Energy	1,752,530
TACIS/2001/00 0-558	TACIS	2004	U1.01/01b - On-Site Assistance (PPP-OSA) to the Ukrainian Operator at Rovno NPP	Services	Energy	1,622,475
TACIS/2001/00 0-558	TACIS	2004	U8.02/01 Joint Support Office Kiev (JSO Kiev)	AIDCO A	Energy	1,049,362
TACIS/2001/00 0-558	TACIS	2004	U1.05/01 K2R4: On site Assistance at starting level (Rovno)	Services	Energy	999,951

TACIS/2002/00 0-655	TACIS	2004	U3.01/02 - Support for SNRCU licensing of Zaporozhye Plant Improvement Projects (AP ref. 7.2.3.1)	Services	Energy	999,755
TACIS/2001/00 0-558	TACIS	2004	U1.05/01 K2R4: On site Assistance at starting level (Khmelnitsky)	Services	Energy	988,837
TACIS/2001/00 0-558	TACIS	2004	On site assistance to South Ukraine NPP, Bridging contract	Services	Energy	735,354
TACIS/2002/00 0-655	TACIS	2004	U1.04/02 On-site assistance continuation and bridging for Khmelnitsky Nuclear Power Plant (AP ref. 7.2.1.2)	Services	Energy	676,014
TACIS/2001/00 0-558	TACIS	2004	U8.01/01 Dissemination of results	AIDCO A	Energy	477,207
TACIS/2001/00 0-547	TACIS	2004	Procurement placing assistance for Chernobyl ancillary decommissioning facilities, for Chernobyl Exclusion Zone monitoring system and for AtomRemontService repair and maintenance equipment	Services	Energy	116,550
TACIS/2001/00 0-558	TACIS	2004	U3.01/01 (S) Procurement of equipment to the State Nuclear Regulatory Committee of Ukraine	Supplies	Energy	71,383
TACIS/2004/00 6-202	TACIS	2004	Assistance to the Commission in developing a methodology to determine scales of acceptable rates (fees) in nuclear safety projects in the Ukraine	Services	Energy	69,548
TACIS/2004/00 6-202	TACIS	2004	ToRs preparation for the Support to Progressive Integration to Electricity-TENs	AIDCO A	Energy	26,528
TACIS/2004/00 6-202	TACIS	2004	ToR for the project ""Lower Dnister river management programme	AIDCO A	Environment	25,894
TACIS/2002/00 0-613	TACIS	2004	Effective state budget management	Services	Legal, administrative, institutional reform	2,733,522
TACIS/2002/00 0-613	TACIS	2004	Municipal services support	Services	Legal, administrative, institutional reform	1,991,800
TACIS/2001/00 0-556	TACIS	2004	Support to the Election Process	Services	Legal, administrative, institutional reform	449,736
TACIS/2001/00 0-556	TACIS	2004	Support to the Development of the State Registration System of Legal Person and Natural Persons - Entrepreneurs	Services	Legal, administrative, institutional reform	177,635
TACIS/2001/00 0-556	TACIS	2004	Combating Counterfeit Plant Protection Products	Services	Legal, administrative, institutional reform	176,641
TACIS/2001/00 0-556	TACIS	2004	Legal and institutional basis for protection of competition (Antimonopoly Committee)	Supplies	Legal, administrative, institutional reform	168,496

TACIS/2001/00-556	TACIS	2004	Strengthening Media Freedom, Transparency and Rule of Law during the 2004 Ukraine Elections	Grant	Legal, administrative, institutional reform	125,008
TACIS/2001/00-556	TACIS	2004	Legal and institutional basis for protection of competition (Antimonopoly Committee)	Supplies	Legal, administrative, institutional reform	121,410
DDH/2003/005-964	DDH	2004	Enhancing Ukrainian Social Agencies Capacities in Protection of Women and Children from Domestic Violence	Grant	Legal, administrative, institutional reform	99,383
DDH/2002/002-702	DDH	2004	Establishment of “Human Rights in Ukraine” national periodic magazine to promote and protect human rights and democratic values	Grant	Legal, administrative, institutional reform	98,685
DDH/2003/005-964	DDH	2004	Child Right for A Family	Grant	Legal, administrative, institutional reform	95,983
DDH/2003/005-964	DDH	2004	I am a child, but I am a citizen	Grant	Legal, administrative, institutional reform	94,395
DDH/2002/002-702	DDH	2004	“Introduction of a System of Protection, Monitoring and Reporting about Human Rights of Legally Incapable People with Intellectual Deficiency in Special Agencies”	Grant	Legal, administrative, institutional reform	85,873
DDH/2002/002-702	DDH	2004	Know Your Rights and be Able to Protect them: Improving Access of the Rural Population to Legal Mechanisms of Protection of their Rights	Grant	Legal, administrative, institutional reform	83,537
TACIS/2001/00-556	TACIS	2004	Youth mobilization and education in the Ukrainian Presidential Elections 2004	Grant	Legal, administrative, institutional reform	83,444
TACIS/2001/00-556	TACIS	2004	Voters education and mobilisation project: Toward achievement of an equal playing field for all Candidates in Ukrainian Presidential Elections 2004	Grant	Legal, administrative, institutional reform	76,674
DDH/2003/005-964	DDH	2004	Protecting and Advocating Rights of Mentally Disabled by Improved Access to Justice	Action Grants	Legal, administrative, institutional reform	75,475

DDH/2002/002-702	DDH	2004	“Monitoring, Reporting and Advocating Human Rights of Lesbian, Gay, Bisexual and Transgendered (lgbt) People in Ukraine”	Grant	Legal, administrative, institutional reform	65,803
DDH/2003/005-964	DDH	2004	Protect Your Rights - Make It a Rule	Grant	Legal, administrative, institutional reform	55,121
DDH/2002/002-702	DDH	2004	“Elimination of Gender and Age Discrimination in the Labour Market in Ukraine: Education and Action Programme”	Grant	Legal, administrative, institutional reform	54,680
TACIS/2001/000-556	TACIS	2004	Each Vote Matters	Grant	Legal, administrative, institutional reform	52,150
TACIS/2001/000-556	TACIS	2004	Pre-Election Empowerment TRaining Initiative for First-Time Voters	Grant	Legal, administrative, institutional reform	50,000
TACIS/2001/000-556	TACIS	2004	Transparency of Election Campaign and President Election 2004 in the Armed Forces of Ukraine	Grant	Legal, administrative, institutional reform	49,300
DDH/2004/016-724	DDH	2004	Legal Space of Childhood	Grant	Legal, administrative, institutional reform	47,641
TACIS/2002/000-633	TACIS	2004	Trans-border self-government forum	Grant	Legal, administrative, institutional reform	38,931
TACIS/2002/000-613	TACIS	2004	Establishment of an agricultural standards certification and control mechanism in line with WTO-SPS requirements	Services	Legal, administrative, institutional reform	29,100
DDH/2002/002-702	DDH	2004	“Public Consulting Room for Giving Gratis Legal Aid to the Citizens in Conflicts with State Bodies”	Grant	Legal, administrative, institutional reform	28,325
DDH/2002/002-702	DDH	2004	“Introduction of Social Expertise System in the Court”	Grant	Legal, administrative, institutional reform	23,295

TACIS/2004/00 6-202	TACIS	2004	Preparing terms of reference and evaluating tenders for Strengthening the Capacity of the Justice System of Ukraine project (AP UA 2003)	AIDCO A	Legal, administrative, institutional reform	14,115
TACIS/2003/00 5-620	TACIS	2004	Capacity Building of Migration Management: Ukraine	Grant	Migration	3,625,930
TACIS/2002/00 0-613	TACIS	2004	The Assistance to the Legal and Administrative Reforms in Ukraine in the Sphere of Migration and Refugees' Protection According to the Norms and Standards of the European Union		Migration	418,563
DDH/2003/005 -964	DDH	2004	Promotion to the respect of human rights and fundamental freedoms of refugees and migrants, combating irregular migration in Ukraine	Grant	Migration	78,000
TACIS/2002/00 0-613	TACIS	2004	Support to the development on a system of medical standards	Services	Social consequences of transition	1,881,208
TACIS/2001/00 0-556	TACIS	2004	Support to the development of the accident insurance system in Ukraine	Services	Social consequences of transition	1,591,370
TACIS/2001/00 0-556	TACIS	2004	Provision of IT and video equipment for health financing and management	Supplies	Social consequences of transition	314,673
TACIS/2004/00 6-202	TACIS	2004	conducting joint strategic review of health sector in Ukraine	Services	Social consequences of transition	48,202
TACIS/2004/00 6-202	TACIS	2004	Audit of projects Preventive and primary health care Ukraine, Support to Ministry of health Moldova	AIDCO A	Social consequences of transition	22,610
TACIS/2004/00 6-202	TACIS	2004	Survey on HIV/AIDS awareness in Ukraine and Moldova	Services	Social consequences of transition	18,500
TACIS/2001/00 0-556	TACIS	2004	Commercialisation of Ukrainian Space Technologies and Regulatory Recommendations on Intellectual Property Rights	Services	Transport	192,482
TACIS/2001/00 0-556	TACIS	2004	Applying of TINA methodology to infrastructure estimation on the Ukrainian part of the Pan-European Transport Corridor V (Uzgorod-Lviv)	Services	Transport	89,626
TACIS/2001/00 0-556	TACIS	2004	Supply computer/hardware equipment and presentation/office equipment for Ukrainian initiative project partners	AIDCO A		116,427
TACIS/2001/00 0-556	TACIS	2004	Supply of computer software / hardware equipment and presentation / office equipment	AIDCO A		74,971
MAP/2004/006 -124	MAP	2004	Preparing terms of reference and evaluating tenders for the destruction of the PFM-1 mines stockpiled in Ukraine	AIDCO F		59,994

TACIS/2004/00 6-202	TACIS	2004	Support to GF grant implementation in Ukraine	AIDCO A		31,103
TACIS/2001/00 0-560	TACIS	2004	this is a dummy contract to pay the final invoice of the contract 53303	AIDCO A		7,556
TACIS/2002/00 0-613	TACIS	2005	Border Management Improvement : Rava Russka Border Crossing Reconstruction.	Works	Border Management	8,433,841
TACIS/2001/00 0-556	TACIS	2005	Enhancing Border Management in Ukraine - BOMUK 2	Action Grants	Border Management	5,020,285
TACIS/2002/00 0-613	TACIS	2005	Reinforcing the State Border Guard Service of Ukraine's Human Resources Management System - HUREMAS	Action Grants	Border Management	3,977,996
TACIS/2001/00 0-556	TACIS	2005	Extension and Rehabilitation of Border Crossing Facilities at Jagodyn, Ukraine	Works	Border Management	2,749,999
TACIS/2002/00 0-613	TACIS	2005	Equipment. Supply - Border Management Improvement, Rava Ruska Border Crossing Reconstruction. Lot No 2	Supplies	Border Management	233,221
TACIS/2002/00 0-613	TACIS	2005	Border management improvemnet: - detailed design of border crossing facilities at Uzhgorod	Services	Border Management	186,240
TACIS/2002/00 0-613	TACIS	2005	Equipment. Supply - Border Management Improvement, Rava Ruska Border Crossing Reconstruction. Lot No 4	Supplies	Border Management	179,242
TACIS/2001/00 0-556	TACIS	2005	Border Management Improvement: Supply of Special Software for Border Control	Supplies	Border Management	123,127
TACIS/2004/01 6-777	TACIS	2005	Consumer society and citizen networks	Action Grants	Civil society	3,000,000
TACIS/2003/00 5-620	TACIS	2005	Further Strengthening of Civil Society	Services	Civil society	1,331,428
TACIS/2003/00 5-620	TACIS	2005	CC Partnership Lyon Kiev	Action Grants	Civil society	195,956
TACIS/2003/00 5-620	TACIS	2005	Self-responsibility of home-owners	Action Grants	Civil society	195,788
TACIS/2003/00 5-620	TACIS	2005	Capacity building of the Trade Union of Railway Workers and Transport Constructors of Ukraine	Action Grants	Civil society	194,984
TACIS/2003/00 5-620	TACIS	2005	The Institutional Development of the All-Ukrainian Coalition of NGOs for People with Intellectual Disability	Action Grants	Civil society	191,382
TACIS/2003/00 5-620	TACIS	2005	Strengthening the Capacity of Turbota pro Litnih v Ukraini	Action Grants	Civil society	187,110

TACIS/2002/00 0-613	TACIS	2005	Improvement of logistics in agricultural sector	Services	Economic Development	2,385,140
TACIS/2003/00 5-620	TACIS	2005	Improvement of Risk Management Capacity of SMEs in Agriculture	Services	Economic Development	1,899,188
TACIS/2004/01 6-777	TACIS	2005	Turn Around Management Programme	Action Grants	Economic Development	475,000
TACIS/2003/00 5-620	TACIS	2005	Promotion of entrepreneurship in the Zhytomyr region	Action Grants	Economic Development	195,363
TACIS/2003/00 5-620	TACIS	2005	Developing sustainable rural tourism: capacity building for rural development leaders	Action Grants	Economic Development	191,572
TACIS/2003/00 5-620	TACIS	2005	Support of the Process of Adapting the Ukrainian Banking Sector to the Laws, Standards and Principles of the European Union	Services	Economic Development	170,502
TACIS/2005/01 7-086	TACIS	2005	SWAP for Agriculture	Services	Economic Development	169,900
TACIS/2005/01 7-086	TACIS	2005	Development of organic farming in Ukraine	Services	Economic Development	168,110
MULTI	TACIS	2005	Preparing ToRs for Twinning in the Competition field in Ukraine	Services	Economic Development	97,467
TACIS/2005/01 7-086	TACIS	2005	Audit TACIS project: Enterprise Restructuring Facility, Ukraine (Contract ref no 51650)	AIDCO A	Economic Development	26,057
TACIS/2004/01 6-777	TACIS	2005	Strengthening Regional Vocational Education and Training	Services	Education	2,982,600
MULTI	TACIS	2005	Civic education	Services	Education	1,845,396
TACIS/2002/00 0-613	TACIS	2005	Continuing Education - Equipment	Supplies	Education	299,998
TACIS/2003/00 5-620	TACIS	2005	Parents as partners in Advocacy for Inclusive Education: Creating Community Parent Resource centres	Action Grants	Education	196,428
TACIS/2003/00 5-620	TACIS	2005	Education-Enterprise Partnership & Cooperation	Services	Education	181,119
TACIS/2003/00 5-620	TACIS	2005	BISTRO project "Practical training of students on European level"	Services	Education	164,174
TACIS/2002/00 0-613	TACIS	2005	Tertiary Education Assessment, Ukraine	Services	Education	121,359

DDH/2004/016-724	DDH	2005	Promotion of Children and Human Rights Through Advanced Education and ebate Education in Ukraine	Action Grants	Education	58,308
TACIS/2004/017-039	TACIS	2005	Community Contribution to EBRD Chernobyl Shelter Fund (2004)	Financial Agreement	Energy	22,000,000
TACIS/2002/000-609	TACIS	2005	Fuel supplies Fuel Gap Programme tranche III	Supplies	Energy	19,735,850
TACIS/2003/005-972	TACIS	2005	U4.01/03 – Procurement Support for Tacis Financed Decommissioning Facilities in Chernobyl NPP (Ukraine)	Services	Energy	3,101,279
TACIS/2003/005-972	TACIS	2005	U1.04/03 - Khmelnytsky NPP - Large Scale On-Site Assistance (AP ref 7.2.1.2)	Services	Energy	2,901,731
TACIS/2003/005-972	TACIS	2005	U3.IA/03-3 Development of regulatory documents and inspection procedures for commissioning of new nuclear installations (ref AP 7.2.3.1)	Services	Energy	2,649,621
TACIS/2003/005-972	TACIS	2005	U3.IA/03-1 Further development of SNRCU regulatory capabilities transferring western European regulatory methodology and practices (ref AP 7.2.3.1)	Services	Energy	2,499,957
TACIS/2002/000-655	TACIS	2005	U2.01/02 Support to Energoatom for the development and implementation of equipment qualification programmes (PA ref. 7.2.2.1)	Services	Energy	2,353,522
TACIS/2002/000-655	TACIS	2005	U1.03/02 B3 - Zaporozhye NPP - Feedwater Control Valves for some Units (2-3 units) (AP ref. 7.2.1.1 partim)	Supplies	Energy	1,795,000
TACIS/2002/000-655	TACIS	2005	U1.03/02 B2 - Zaporozhye NPP - Pilot Valves for Pressurizer Safety Valves Units 1-4 (AP ref 7.2.1.1 partim)	Supplies	Energy	1,399,201
TACIS/2004/017-031	TACIS	2005	U1.03/04 - Preparation of the second Plant Improvement Project at Zaporozhye NPP (PPP phase) (ref AP 7.2.1.2)	Services	Energy	1,373,160
TACIS/2003/005-620	TACIS	2005	Support and Development of Renewable Sources of Energy (Biomass)	Services	Energy	1,277,714
TACIS/2003/005-972	TACIS	2005	U1.03/03A - Zaporozhye NPP - Spare parts for imported safety equipment (ref AP 7.2.1.1-5)	Supplies	Energy	768,949
TACIS/2003/005-972	TACIS	2005	U4.01/03S – Chernobyl supporting facilities (ICSRM) (AP ref 7.2.4.2)	Supplies	Energy	697,810
TACIS/2003/005-972	TACIS	2005	U3.IA/03-2 Licensing support to Khmelnytsky PIP (ref AP 7.2.3.1)	Services	Energy	551,144
TACIS/2002/000-609	TACIS	2005	Inspection services for fuel gap tranche III	Services	Energy	259,550

TACIS/2002/00 3-016	TACIS	2005	Development of the framework for a strategic oil reserve system in Ukraine	Services	Energy	199,123
MULTI	TACIS	2005	ToRs development for project ""Strengthening of the administrative and legal framework in the field of Energy Regulation in Ukraine""	Services	Energy	189,364
TACIS/2005/01 7-086	TACIS	2005	Preparation and organisation of the 20th anniversary of the Chernobyl accident and publication on the TACIS Nuclear Safety programme	Services	Energy	119,952
TACIS/2002/00 0-655	TACIS	2005	U3.02/02 (S) Procurement of hardware and software to the State Scientific and Technical Centre for Nuclear and Radiation Safety (SSTC NRS) HQ in Kiev and to its subsidiaries in Slavutich, Kharkiv and Odessa, Ukraine	Supplies	Energy	92,379
TACIS/2002/00 3-016	TACIS	2005	Preparation of Support Programme for Ukraine's coal sector	Services	Energy	91,147
TACIS/2002/00 0-613	TACIS	2005	Mid-term evaluation of the project on creation of the Gas Metrological Centre in Boyarka (Ukraine)	AIDCO A	Energy	40,280
TACIS/2002/00 0-609	TACIS	2005	Provision of expertise on coal blending technology for power-generation purposes	Services	Energy	4,600
TACIS/2003/00 5-620	TACIS	2005	Capacity Building in Donetsk Oblast for Waste Management	Services	Environment	1,551,970
TACIS/2003/00 5-883	TACIS	2005	Emergency Planning and Flood Protection in the Lower Danube EuroRegion	Action Grants	Environment	245,387
TACIS/2004/01 6-777	TACIS	2005	Support to National Coordinating Unit	Services	Legal, administrative, institutional reform	1,586,423
TACIS/2003/00 5-620	TACIS	2005	Support to Taxation Reform	Services	Legal, administrative, institutional reform	1,546,846
TACIS/2004/01 6-777	TACIS	2005	Ukraine International Cooperation in Criminal Matters (UPIC)	Action Grants	Legal, administrative, institutional reform	1,426,029
TACIS/2002/00 0-613	TACIS	2005	Reform of the Official Statistics in Ukraine - Statistics 8	Services	Legal, administrative, institutional reform	940,277
TACIS/2004/01 6-777	TACIS	2005	Ukraine 2006: Electronic voter lists as the first step towards a Central Voter Register	Action Grants	Legal, administrative, institutional reform	932,285
DDH/2005/017 -893	DDH	2005	Promoting the democratic process	Action Grants	Legal, administrative, institutional reform	780,000

TACIS/2001/00-556	TACIS	2005	Establishment of an agricultural standards certification and control mechanism in line with WTO-SPS requirements	Supplies	Legal, administrative, institutional reform	499,353
DDH/2004/006-103	DDH	2005	Improving access to justice for rural population	Action Grants	Legal, administrative, institutional reform	445,562
TACIS/2003/005-620	TACIS	2005	Strategic planning and Urban Planning. Methods and experiences of policies integration and actors involvement	Action Grants	Legal, administrative, institutional reform	188,989
TACIS/2002/000-613	TACIS	2005	IT Procurement for the State Treasury of Ukraine	Supplies	Legal, administrative, institutional reform	185,400
TACIS/2003/005-604	TACIS	2005	Strengthening the capacity of local authorities to assess the tax potential of their regions	Action Grants	Legal, administrative, institutional reform	183,976
TACIS/2002/000-613	TACIS	2005	Public Administration Capacity Assessment	Services	Legal, administrative, institutional reform	131,963
TACIS/2002/000-613	TACIS	2005	Macroeconomic Policy Assessment	Services	Legal, administrative, institutional reform	127,877
TACIS/2001/000-556	TACIS	2005	Bistro project European and worldwide experience in the creation of formulary system. lessons for Ukraine	Services	Legal, administrative, institutional reform	108,311
TACIS/2002/000-613	TACIS	2005	Development of the Twinning Fiche on Harmonisation with EU norms of the legislation and standards of Ukraine in the field of Civil Aviation	Services	Legal, administrative, institutional reform	95,419
TACIS/2002/000-613	TACIS	2005	Development of the Twinning Fiche on Support to Ukraine in the field of Norms and Standards	Services	Legal, administrative, institutional reform	95,155
DDH/2004/016-724	DDH	2005	Defence and Advocacy of Human Rights for Domestic Violence Victims Through the Formation of Local Coalitions	Action Grants	Legal, administrative, institutional reform	86,677

DDH/2004/016-724	DDH	2005	Family Without Violence - Improving Rural Citizens Awareness Advocacy Action on Preventing Violence in Families and Children's Abuse	Action Grants	Legal, administrative, institutional reform	77,400
TACIS/2002/00-613	TACIS	2005	Software and training supply for the pilot institutions	Supplies	Legal, administrative, institutional reform	76,838
TACIS/2001/00-556	TACIS	2005	Establishment of an agricultural standards certification and control mechanism in line with WTO requirements	Services	Legal, administrative, institutional reform	32,600
TACIS/2005/01-7-086	TACIS	2005	Drafting Terms of references for the Project "Support to PCA Implementation" UKRAINE NAP 2004	AIDCO A	Legal, administrative, institutional reform	29,950
TACIS/2005/01-7-086	TACIS	2005	Women and Children Rights -- Assistance to project formulation	Services	Legal, administrative, institutional reform	29,750
TACIS/2005/01-7-086	TACIS	2005	Audit of WTO-SPS project	AIDCO A	Legal, administrative, institutional reform	20,108
DDH/2004/016-724	DDH	2005	Equal Rights - equal opportunities: overcoming the stereotype of smaller significance of women in families in which handicapped children are brought up	Action Grants	Legal, administrative, institutional reform	20,038
TACIS/2001/00-556	TACIS	2005	Supply Contracts for "Establishment of an agricultural standards certification & control mechanism in line with WTO-SPS requirements	Supplies	Legal, administrative, institutional reform	17,169
DDH/2005/017-184	DDH	2005	Evaluation of on-going micro-projects financed under European Initiative for Democracy and Human Rights	AIDCO F	Legal, administrative, institutional reform	14,990
TACIS/2001/00-556	TACIS	2005	Establishment of an agricultural standards certification and control mechanism in line with WTO requirements	Supplies	Legal, administrative, institutional reform	4,323
TACIS/2001/00-556	TACIS	2005	Establishment of an agricultural standards certification and control mechanism in line with WTO requirements	Supplies	Legal, administrative, institutional reform	4,011

TACIS/2001/00 0-556	TACIS	2005	Establishment of an Agricultural Standards Certification and Control Mechanism in line with WTO-SPS requirements	Supplies	Legal, administrative, institutional reform	3,300
TACIS/2003/00 5-620	TACIS	2005	Development of Media Skills	Services	Media	1,651,275
MULTI	TACIS	2005	Strengthening Regional Social Services	Services	Social consequences of transition	2,641,950
TACIS/2004/01 6-777	TACIS	2005	HIV/STI Prevention among Uniformed Services in Ukraine	Action Grants	Social consequences of transition	2,500,000
TACIS/2003/00 5-620	TACIS	2005	Development of integrated social services for exposed families and children in Ukraine	Services	Social consequences of transition	1,597,875
TACIS/2003/00 5-620	TACIS	2005	Strengthening Multi-Sectoral Approaches Towards HIV/AIDS Prevention Among Youth	Services	Social consequences of transition	1,561,884
TACIS/2001/00 0-556	TACIS	2005	Software for registration of patients and services provided	Supplies	Social consequences of transition	386,141
TACIS/2001/00 0-556	TACIS	2005	Supply of the equipment to Support to the Development of the Accident Insurance System in Ukraine	Supplies	Social consequences of transition	243,699
TACIS/2003/00 5-620	TACIS	2005	Learning for life - establish a competence centre for prevention and social reintegration of children and young people being faced with drug addiction and HIV/AIDS	Action Grants	Social consequences of transition	199,697
TACIS/2003/00 5-620	TACIS	2005	Combating Youth Exclusion in Donetsk and Lugansk Oblasts	Action Grants	Social consequences of transition	198,057
TACIS/2003/00 5-620	TACIS	2005	Home care for people suffering from HIV/AIDS in Ukraine	Action Grants	Social consequences of transition	191,752
TACIS/2003/00 5-620	TACIS	2005	Municipal response to HIV/AIDS in Crimea	Action Grants	Social consequences of transition	170,956
TACIS/2003/00 5-620	TACIS	2005	Men who have sex with men: HIV/STI prevention and support project	Action Grants	Social consequences of transition	148,139
TACIS/2002/00 0-613	TACIS	2005	Supply of Medical equipment for health care institutions dealing with medical standards development	Supplies	Social consequences of transition	99,994
TACIS/2002/00 0-613	TACIS	2005	Supply of Medical Equipment for health care institutions dealing with medical standards development	Supplies	Social consequences of transition	91,489

DDH/2004/016-724	DDH	2005	The Kolomiya Youth Centre	Action Grants	Social consequences of transition	89,550
TACIS/2002/000-613	TACIS	2005	Supply of the equipment for Strengthening Regional Social Services LOT 1	Supplies	Social consequences of transition	78,909
TACIS/2001/000-556	TACIS	2005	Health and life -promoting HIV/AIDS prevention through information	Services	Social consequences of transition	71,982
TACIS/2004/016-777	TACIS	2005	Reform of secondary health care project -- Project preparation and TOR drafting	Services	Social consequences of transition	41,469
TACIS/2001/000-556	TACIS	2005	Chaniging life and Neighbourhoods	Action Grants	Social consequences of transition	10,880
TACIS/2005/017-086	TACIS	2005	Preparation the TOR for the project Introducing Social Contracting to Improve Social Service Delivery	AIDCO A	Social consequences of transition	8,988
TACIS/2002/003-016	TACIS	2005	Drafting ToR for project "Support to the Integration of Ukraine in the TEN-T network"	AIDCO A	Transport	124,476
TACIS/2004/016-777	TACIS	2005	Accession /Implementation of International Transport Agreements and Conventions - Aviation Safety Training	Services	Transport	30,000
TACIS/2005/017-086	TACIS	2005	Drafting of TOR for the Tacis AP 2004 project ""Accession of and implementation by Ukraine of international agreements and conventions on transport	AIDCO A	Transport	19,397
TACIS/2004/016-777	TACIS	2005	Translation services for Civil Aviation Authority	AIDCO A	Transport	4,999
MAP/2004/006-041	MAP	2005	Destruction of PFM-1 ammunition in Ukraine	AIDCO A		5,910,000
TACIS/2002/000-613	TACIS	2005	Supply of IT Multimedia training equipment	AIDCO A		216,619
TACIS/2002/000-613	TACIS	2005	Twinning PAO	AIDCO A		199,187
TACIS/2005/017-086	TACIS	2005	IBPP projects support expert	AIDCO A		149,607
TACIS/2002/000-613	TACIS	2005	Procurement of equipment for UNIA	AIDCO A		47,398
TACIS/2005/017-086	TACIS	2005	Audit of Support to the Ukrainian Initiative, Ukraine - Contract No 27643	AIDCO A		17,995

TACIS/2003/00 5-620	TACIS	2006	Construction of new border crossing facilities at Uzhgorod, Ukraine	Works	Border Management	3,040,750
TACIS/2005/01 7-749	TACIS	2006	Support to the drafting of a long-term strategy for the modernisation of the State Customs Service of Ukraine	Services	Border Management	171,646
TACIS/2003/00 5-620	TACIS	2006	Additional works contract: Extension and rehabilitation of border crossing facilities in Jagodyn, Ukraine	Works	Border Management	100,000
TACIS/2003/00 5-620	TACIS	2006	Support to Ukraine in the Field of Customs	Services	Border Management	66,930
TACIS/2004/01 6-777	TACIS	2006	Assistance to marginalized groups of the population, institution-, and network building in Ukraine	Action Grants	Civil society	199,000
TACIS/2004/01 6-777	TACIS	2006	Promoting young workers interests through social partnership channels	Action Grants	Civil society	187,529
TACIS/2004/01 6-777	TACIS	2006	TERRITORY OF DEVELOPMENT – from survival to valid life	AIDCO A	Civil society	173,328
TACIS/2004/01 6-777	TACIS	2006	Creation and development of structures for citizens' participation in decision-making processes effecting upon public health at the regional level in Ukraine	Action Grants	Civil society	141,488
TACIS/2003/00 5-620	TACIS	2006	Supply of Office Equipment and Durable Goods to Social Partnership Centres	Supplies	Civil society	121,107
DDH/2005/017 -231	DDH	2006	HRN (Health Rights Network): Strengthening of Self-help Associations to Recognise the Right to the Health of Children Affected by Cancer	Action Grants	Civil society	89,264
DDH/2005/017 -231	DDH	2006	Advancing Equality of People with Intellectual Disability through Network of Self-Advocacy Groups	Action Grants	Civil society	80,379
DDH/2005/017 -231	DDH	2006	East-West Empowerment Disabled Women Advocacy Leadership Programme	Action Grants	Civil society	74,497
TACIS/2003/00 5-620	TACIS	2006	Development of philanthropy in a community	Action Grants	Civil society	28,215
TACIS/2003/00 5-620	TACIS	2006	Public Network for socially sensitive layers of the population	Action Grants	Civil society	24,542
MULTI	TACIS	2006	Sustainable Local Development	Services	Economic Development	4,981,800
TACIS/2003/00 5-620	TACIS	2006	SME Support in Priority Regions - Ukraine	Services	Economic Development	2,725,187
TACIS/2004/01 6-777	TACIS	2006	Ukraine Micro-Lending Programme Regional Expansion	Action Grants	Economic Development	1,454,679

MULTI	TACIS	2006	Support to Economic reforms in Ukraine through Blue Ribbon Advisory and Analytical Centre (BRAAC)	Action Grants	Economic Development	1,299,987
TACIS/2004/01 6-777	TACIS	2006	SME Finance Support to Regional Banks and Banks with Large Regional Branch Network	Action Grants	Economic Development	1,000,000
TACIS/2004/01 6-777	TACIS	2006	IFC SME Policy Project 2005-2006. Phase I Expansion	Action Grants	Economic Development	499,174
TACIS/2003/00 5-620	TACIS	2006	Capacity Building in Donetsk Oblast for Waste Management - Equipment	Supplies	Economic Development	237,551
MULTI	TACIS	2006	SWAP Assessment of the Financial Services' Sector and Preparation of the EU-funded Financial Sector Projects	Services	Economic Development	197,137
TACIS/2005/01 7-749	TACIS	2006	Preparation of the EU-funded agricultural sector programme (2nd phase)	Services	Economic Development	189,990
TACIS/2003/00 5-883	TACIS	2006	TACIS Cities Award Scheme Grant 2/10	AIDCO A	Economic Development	159,998
TACIS/2005/01 7-749	TACIS	2006	Preparatory co-ordination with National authorities and other donors and Feasibility Studies for the project ""Support to sustainable regional development (Action programme 2006)	Services	Economic Development	98,631
TACIS/2004/01 6-768	TACIS	2006	Building up of regional tourism centre in Zakarpatska oblast	Action Grants	Economic Development	71,185
TACIS/2005/01 7-749	TACIS	2006	Peer review of in the competition area in Ukraine	Action Grants	Economic Development	69,736
TACIS/2005/01 7-749	TACIS	2006	Preparation of the EU-funded Technical Assistance Project on Support to the Development of Business Capacity of Ukrainian SMEs – International Dimension	Services	Economic Development	36,267
TACIS/2003/00 5-620	TACIS	2006	Strategic Social Partnership and Mobilisation of REsources and Efforts of the local community for the Effective Development of Mykolaiv	Action Grants	Economic Development	28,762
TACIS/2006/01 7-965	TACIS	2006	Audit of Black sea investment facility	AIDCO A	Economic Development	19,494
TACIS/2003/00 5-972	TACIS	2006	U2.02/03 S - Scientific and Technical Support	Supplies	Education	988,519
TACIS/2003/00 5-620	TACIS	2006	Printing and Supply of Customised Folders and Academic Textbooks	Supplies	Education	45,889
	TACIS	2006	EC Contribution to EBRD's Chernobyl Shelter Fund (3rd pledge - 1st part)	Services	Energy	14,400,000
TACIS/2005/01 7-101	TACIS	2006	U1.04/05A - Plant Improvement Project at Khmel'nitsky NPP - Upgrading of Reactor Control and Protection System (RCPS) and Neutron Flux Monitoring System (NFMS) Electrical Equipment	Supplies	Energy	10,652,361

TACIS/2004/01 6-777	TACIS	2006	Support Ukraine Progressive Integration to Electricity TENS	Services	Energy	2,691,834
TACIS/2003/00 5-972	TACIS	2006	U6.01/03 Joint Support Office	AIDCO A	Energy	1,297,362
TACIS/2003/00 5-972	TACIS	2006	U4.06/03 - Additional Contribution to the Nuclear safety Account for the completion of the Liquid Radioactive waste Treatment Plant (LRTP)	Services	Energy	1,200,000
TACIS/2004/01 7-031	TACIS	2006	U4.03/04 Development of the National Strategy and Concept for State program for radioactive waste management in Ukraine, including a Strategy for NNEGC Energoatom Radwaste Management (ref AP 7.2.1.1)	Services	Energy	1,194,690
TACIS/2003/00 5-972	TACIS	2006	U1.02/03B - South Ukraine NPP - Replacement of unit 3 thermal insulation of the primary circuit (ref AP 7.2.1.1-4)	Supplies	Energy	801,256
TACIS/2003/00 5-972	TACIS	2006	U1.02/03A - South Ukraine NPP - Improvement of Fire Protection System (ref AP 7.2.1.1-1)	Supplies	Energy	386,289
TACIS/2003/00 5-972	TACIS	2006	U6.02/03 - JSO Complementary services	AIDCO A	Energy	299,753
TACIS/2004/01 6-768	TACIS	2006	Study on complex biomass treatment in common border region Hu-Sk-Ua (feasibility study)	Action Grants	Energy	126,976
TACIS/2005/01 7-749	TACIS	2006	Logistic Support for the organisation of the Conference and site visit for the 20th Anniversary of the Chernobyl Accident. Kiev, 24-28 April 2006	Services	Energy	49,607
TACIS/2005/01 7-749	TACIS	2006	Support to AIDCO Dir A in the preparation of a Works tender dossier within the nuclear safety AP 2003	AIDCO A	Energy	5,000
TACIS/2004/01 6-777	TACIS	2006	Building Local Capacity to Promote Freedom of Information on Environmental Matters in Ukraine	Action Grants	Environment	198,426
TACIS/2003/00 5-620	TACIS	2006	Capacity Building in Donetsk Oblast for Waste Management - Equipment	Supplies	Environment	84,760
TACIS/2006/01 7-965	TACIS	2006	Audit of Flood risk assessment and management at Zakarpatska oblast	AIDCO A	Environment	22,902
TACIS/2005/01 7-093	TACIS	2006	Follow-up Project against Money Laundering and Terrorist Financing in Ukraine - MOLI-UA-2	Action Grants	Legal, administrative, institutional reform	5,000,000
MULTI	TACIS	2006	Ukrainian-European Policy and Legal Advice Centre (UEPLAC) Phase IV	Services	Legal, administrative, institutional reform	4,410,000

TACIS/2003/00 5-620	TACIS	2006	Ukraine - Judicial Selection and Appointment Procedure, Training, Disciplinary Liability, Case Management and Alternative Dispute Resolution (former title: Strengthening Capacity of Justice System of Ukraine)	Action Grants	Legal, administrative, institutional reform	2,000,000
TACIS/2004/01 6-777	TACIS	2006	Support to Good Governance: Project Against Corruption in Ukraine	Action Grants	Legal, administrative, institutional reform	1,500,000
	DDH	2006	Fostering a Culture of Human Rights	Action Grants	Legal, administrative, institutional reform	995,000
TACIS/2004/01 6-777	TACIS	2006	Interpol-assisted International Cooperation in Criminal Matters by Ukrainian Law-enforcement	Action Grants	Legal, administrative, institutional reform	989,788
MIGR/2005/01 7-809	MIGR	2006	Strengthening capacities and cooperation in the identification of forged and falsified documents in Ukraine	Action Grants	Legal, administrative, institutional reform	626,401
DDH/2005/017 -271	DDH	2006	Strengthening the Legal Framework for Citizen Action through Freedom of Association	Action Grants	Legal, administrative, institutional reform	464,328
TACIS/2004/01 6-777	TACIS	2006	Building a Network of Community Restorative Justice Centres in Ukraine	Action Grants	Legal, administrative, institutional reform	199,935
TACIS/2003/00 5-620	TACIS	2006	Support to Taxation Reform - Contact Centre Coordinator	Services	Legal, administrative, institutional reform	185,135
TACIS/2003/00 5-620	TACIS	2006	Procurement of furniture for the State Tax Administration Contact Centre	Supplies	Legal, administrative, institutional reform	141,058
TACIS/2004/01 6-777	TACIS	2006	New Administration Systems IT - NASIT	AIDCO A	Legal, administrative, institutional reform	115,051
TACIS/2003/00 5-620	TACIS	2006	Preparing Twinning Fiche for the State Control and Revision Office of Ukraine (KRU)	Services	Legal, administrative, institutional reform	102,683

DDH/2005/017-231	DDH	2006	"The Right To Know"	Action Grants	Legal, administrative, institutional reform	98,394
DDH/2005/017-231	DDH	2006	Women In Decision Making	Action Grants	Legal, administrative, institutional reform	96,207
DDH/2005/017-231	DDH	2006	"I am a Citizen"" – Shaping Civic Attitudes among Young People in Ukraine	Action Grants	Legal, administrative, institutional reform	91,933
DDH/2005/017-231	DDH	2006	Policy Campaign For Promoting Gender Equality In Ukraine	Action Grants	Legal, administrative, institutional reform	84,309
DDH/2005/017-231	DDH	2006	""Youth Builds Democracy. Youth – School – Community""	Action Grants	Legal, administrative, institutional reform	84,220
TACIS/2005/017-749	TACIS	2006	SWAP assessment of the Ukrainian Quality Assurance and Preparation of the EU-funded Technical Assistance Project on Norms and Standards	Services	Legal, administrative, institutional reform	79,258
DDH/2005/017-231	DDH	2006	Study and Incorporation of International Human Rights Standards for Solving Domestic Violence Problems in Ukraine	Action Grants	Legal, administrative, institutional reform	77,840
TACIS/2005/017-749	TACIS	2006	Improved accessibility and effectiveness of the Ukrainian judiciary: assessment of equipment needs, preparing tendering dossier and evaluating tenders	Services	Legal, administrative, institutional reform	73,659
DDH/2005/017-231	DDH	2006	The Center of Forming of a Public Policy of Makeyevka	Action Grants	Legal, administrative, institutional reform	73,152
TACIS/2003/005-620	TACIS	2006	Introduction and development of Quality Management within the Ukrainian Police	Services	Legal, administrative, institutional reform	64,852
TACIS/2005/017-749	TACIS	2006	Personnel management and accountability of Ukrainian Judiciary (civil service component): assessment of needs, preparing terms of reference and evaluating tenders	Services	Legal, administrative, institutional reform	64,451

TACIS/2005/01 7-749	TACIS	2006	Priority identification and needs assessment for sector-wide project on Ukrainian Detention and Imprisonment System (UDIS) reform	Services	Legal, administrative, institutional reform	61,518
DDH/2005/017 -231	DDH	2006	Maintaining Responsible Parental and Marital Behaviour among Men and Women Served Prison Terms	Action Grants	Legal, administrative, institutional reform	60,387
TACIS/2003/00 5-620	TACIS	2006	Development of the Twinning Fiche on Support to Ukraine in the field of accreditation	Services	Legal, administrative, institutional reform	48,142
TACIS/2005/01 7-749	TACIS	2006	Improved civil society capability to diminish corruption: assessment of public oversight of the Ukrainian judiciary and law-enforcement operations, preparing terms of reference and evaluating tenders	Services	Legal, administrative, institutional reform	36,745
DDH/2006/018 -012	DDH	2006	Audit of Introduction of a System of Protection, Monitoring and Reporting about Human Rights of Legally Incapable People with Intellectual Deficiency	AIDCO A	Legal, administrative, institutional reform	20,095
TACIS/2006/01 7-965	TACIS	2006	Audit of Global climate change commitments	Services	Legal, administrative, institutional reform	17,702
TACIS/2003/00 5-620	TACIS	2006	Capacity Building of Migration Management: Ukraine (Phase II)	Action Grants	Migration	2,682,644
MIGR/2005/01 7-809	MIGR	2006	Elimination of human trafficking from Moldova and Ukraine through labour market based measures	Action Grants	Migration	748,493
MIGR/2005/01 7-809	MIGR	2006	Enhancing Capacities in the Area of Protection and Treatment of Refugees and Asylum Seekers in Zakarpattya /Western Ukraine	Action Grants	Migration	699,942
MIGR/2005/01 7-809	MIGR	2006	Strengthening Asylum and Protection Capacity in Ukraine by Enhancing the Capacity of Governmental and Civil Society Stakeholders in a Participatory Approach and Cross-sector Co-operation	Action Grants	Migration	427,518
TACIS/2004/01 6-777	TACIS	2006	Support to establishing a comprehensive system of social services for young drug users	Action Grants	Social consequences of transition	3,000,000
TACIS/2004/01 6-777	TACIS	2006	Support to the Ukrainian Insurance Sector	Services	Social consequences of transition	2,866,000
TACIS/2003/00 5-620	TACIS	2006	Supply of IT and Multimedia equipment, software development for training and monitoring centers dealing with HIV / AIDS	Supplies	Social consequences of transition	385,894

TACIS/2005/01 7-093	TACIS	2006	Support to the implementation of a communication plan for Avian Influenza in Ukraine	Services	Social consequences of transition	292,611
MULTI	TACIS	2006	Development of integrated social services for exposed families and children (lot 2)	Supplies	Social consequences of transition	240,002
TACIS/2004/01 6-768	TACIS	2006	Development and introduction of CBC social-medical rehabilitation programme for supporting children of national minorities and socially unprotected population	Action Grants	Social consequences of transition	196,063
TACIS/2004/01 6-777	TACIS	2006	Equal opportunities for People living with HIV/AIDS	Action Grants	Social consequences of transition	194,637
TACIS/2004/01 6-777	TACIS	2006	Community Services for Family Caregivers	Action Grants	Social consequences of transition	192,516
TACIS/2004/01 6-777	TACIS	2006	Care for street children, Ukraine	Action Grants	Social consequences of transition	192,188
TACIS/2004/01 6-777	TACIS	2006	Improvement of Public Health through Capacity Building of Local Communities	Action Grants	Social consequences of transition	183,338
TACIS/2004/01 6-777	TACIS	2006	Development of standards of quality for community based care for people with intellectual disabilities in Ukraine as alternative to current institutionalization	Action Grants	Social consequences of transition	181,306
TACIS/2004/01 6-777	TACIS	2006	EUROPEAN ACTION AIMED TO DEFINE A NEW PREVENTION MODEL TO FIGHT HIV IN UKRAINE AND TO CREATE A "SAFE ZONE" FOR UKRAINIAN YOUNG PEOPLE - (EDERA)	Action Grants	Social consequences of transition	165,394
TACIS/2003/00 5-620	TACIS	2006	Development of integrated social services for exposed families and children	Supplies	Social consequences of transition	158,476
TACIS/2004/01 6-777	TACIS	2006	Capacity building of the social protection organization	Action Grants	Social consequences of transition	144,023
DDH/2005/017 -231	DDH	2006	Care for a Woman – Care for a Child	Action Grants	Social consequences of transition	60,217
TACIS/2003/00 5-620	TACIS	2006	From help to self-help	Action Grants	Social consequences of transition	30,000
TACIS/2003/00 5-620	TACIS	2006	Service for street children of Donetsk - integration of community efforts	Action Grants	Social consequences of transition	29,497
TACIS/2003/00 5-620	TACIS	2006	Network of friendly support for abandoned children	Action Grants	Social consequences of transition	29,406
TACIS/2003/00 5-620	TACIS	2006	Social nursing and consulting of HIV-infected mothers, children with HIV status and children born from HIV infected mothers	Action Grants	Social consequences of transition	29,192

TACIS/2003/00 5-620	TACIS	2006	Protected Maternity as a Guarantee of a Healthy Nation	Action Grants	Social consequences of transition	28,324
TACIS/2003/00 5-620	TACIS	2006	Assistance for adaptation to the environment of physically handicapped persons	Action Grants	Social consequences of transition	27,882
TACIS/2003/00 5-620	TACIS	2006	Programme of Complex Re-socialization of Individuals released from places of confinement	Action Grants	Social consequences of transition	27,800
TACIS/2003/00 5-620	TACIS	2006	Effective Socialization of Young People with Special Necessities in Volyn Region	Action Grants	Social consequences of transition	27,700
TACIS/2003/00 5-620	TACIS	2006	The Iridescent Bridge - creative action for young invalids	Action Grants	Social consequences of transition	26,859
TACIS/2003/00 5-620	TACIS	2006	Supply of Furniture to Social Partnership Centres	Supplies	Social consequences of transition	19,125
TACIS/2003/00 5-620	TACIS	2006	Support to Ukraine in the field of Space	Services	Transport	109,129
TACIS/2003/00 5-620	TACIS	2006	Support to the strengthening of Road Freight & Passengers Transport Safety	Services	Transport	100,496
TACIS/2003/00 5-620	TACIS	2006	Support of Transport Policy Design and Implementation in Ukraine	Services	Transport	93,453
TACIS/2004/01 6-777	TACIS	2006	Black Sea Transport Conference Organisation	Services	Transport	4,999
MULTI	TACIS	2006	Implementation of Twinning Operations in Ukraine	AIDCO A		1,898,750
TACIS/2005/01 7-749	TACIS	2006	Monitoring and Mid-Term Evaluation of the TACIS IBPP concerning Ukraine	AIDCO A		134,954
TACIS/2003/00 5-604	TACIS	2006	Twinning: Support to Moldova in Prisons System upgrading and Penal Reform	AIDCO A		80,440
TACIS/2003/00 5-604	TACIS	2006	Support to Moldovan Parliament	AIDCO A		76,862
TACIS/2005/01 7-749	TACIS	2006	Preparing terms of reference and evaluating tenders for Assessment of the ENP Action Plan Implementation by Ukraine	AIDCO A		68,383
TACIS/2005/01 7-749	TACIS	2006	Opening conference of the Tacis Institutional Building Partnership Programme (IBPP) , Ukraine	AIDCO A		36,077
DDH/2006/018 -012	DDH	2006	Audit of National Periodic Magazine	AIDCO A		13,035

TACIS/2005/01 7-749	TACIS	2006	Site Acceptance Test of the Radio Communication and Data Transfer Network, including Equipment	AIDCO A		5,000
TACIS/2005/01 7-093	TACIS	2006	Translation services 2006	AIDCO A		4,960
TACIS/2005/01 7-093	TACIS	2006	Translations Services	AIDCO A		4,825
TACIS/2005/01 7-093	TACIS	2006	Interpretation Services	AIDCO A		4,040
MULTI	TACIS	2007	Border Management Improvement: Equipment Supply to the State Border Guard Service of Ukraine - BOMUK 3	Supplies	Border Management	16,594,985
TACIS/2004/01 6-777	TACIS	2007	Border Management Improvement: Equipment Supply to the State Border Guard Service of Ukraine - BOMUK 3	Supplies	Border Management	1,961,340
TACIS/2004/01 6-777	TACIS	2007	Implementation of the border crossing projects, National Project Supervision Unit (PSU) Phase II, Ukraine	Services	Border Management	999,780
	EIDHR	2007	Civil Society Leadership Network - Ukraine, Moldova and Southern Caucasus	Action Grants	Civil society	350,000
DDH/2006/018 -136	DDH	2007	Giving a Voice to Marginalised Sections of Ukrainian Society	Action Grants	Civil society	99,432
DDH/2006/018 -136	DDH	2007	Reggio Terzo Mondo for the Promotion of Civil Society Dialogue in Transcarpathia	Action Grants	Civil society	98,991
DDH/2006/018 -136	DDH	2007	Improving Knowledge of Villagers About Their Rights and Opportunities	Action Grants	Civil society	70,765
DDH/2006/018 -136	DDH	2007	Active Women in Local Community	Action Grants	Civil society	67,115
TACIS/2006/01 8-597	TACIS	2007	Closing conference of the Tacis Institutional Building Partnership Programme (IBPP) for the projects financed under Tacis NAP 2003 for Ukraine	AIDCO A	Civil society	39,986
TACIS/2006/01 8-038	TACIS	2007	Community based approach to local development	Action Grants	Economic Development	12,000,000
TACIS/2004/01 6-777	TACIS	2007	Support to the Development of Business Capacity of Ukrainian SMEs – International Dimension	Services	Economic Development	2,065,300
TACIS/2005/01 7-093	TACIS	2007	EU Contribution to EBRD Ukraine Micro Lending Programme Regional Expansion 2008-2009	Action Grants	Economic Development	1,500,000
TACIS/2005/01 7-093	TACIS	2007	EU Contribution to the EBRD SME Finance Support to Regional Banks and Banks with Large Regional Branch Network – 2nd Tranche	Action Grants	Economic Development	1,000,000
TACIS/2004/01 6-768	TACIS	2007	TRANSFRONTIER TOURISM DEVELOPMENT AND PROMOTION NETWORK IN IVANO-FRANKIVSK, UKRAINE, AND MARAMURESH, ROMANIA	Action Grants	Economic Development	468,000

TACIS/2004/01 6-768	TACIS	2007	Improvement of flood management system	AIDCO A	Economic Development	270,000
TACIS/2006/01 8-597	TACIS	2007	Support to the joint World Bank – European Commission Initiative on the Development of Human Capital for Economic Growth, Competitiveness and Innovation in Ukraine	Services	Economic Development	199,959
TACIS/2004/01 6-768	TACIS	2007	European Development Corridor III “Via Regia” (ED-C III)	Action Grants	Economic Development	164,793
TACIS/2006/01 8-597	TACIS	2007	Launching conference of the Tacis project “Community based approach to local development” financed within 2006 Tacis NAP for Ukraine	Services	Economic Development	124,920
TACIS/2004/01 6-768	TACIS	2007	Spatial Planning in Coastal Zones	AIDCO A	Economic Development	120,348
TACIS/2006/01 8-597	TACIS	2007	Assessment of the Trade Sector in Ukraine in View of Budget Support	Services	Economic Development	86,171
TACIS/2006/01 8-597	TACIS	2007	Preparing Terms of reference for the project in the Competition area in Ukraine	AIDCO A	Economic Development	58,574
TACIS/2006/01 8-597	TACIS	2007	Preparation of the ToR for agricultural sector-wide programme	AIDCO A	Economic Development	40,000
ENPI/2007/018 -914	ENPI	2007	Audits of projects “SME Finance Support to Regional Banks and Banks with Large regional Banks Networks” and “Ukraine Micro-Lending Programme - Regional Expansion”	AIDCO A	Economic Development	19,631
ENPI/2007/018 -914	ENPI	2007	Audits of project “IFC SME Policy Project 2005-2006 (Phase I Expansion)”	AIDCO A	Economic Development	9,397
TACIS/2004/01 7-031	TACIS	2007	U2.01/04 - Scientific, technical and organisational support to the institute SE-SETC (ref AP 7.2.2.1) at Kiev, Ukraine	Services	Education	801,000
TACIS/2004/01 6-777	TACIS	2007	Supply of software/hardware, presentation/office equipment and software development for Management Information System Networking in Vocational Education and Training, Ukraine	Supplies	Education	379,414
TACIS/2004/01 7-031	TACIS	2007	U2.01/04S - Part A - Equipment for Scientific, technical and organisational support to the institute SE-SETC	Supplies	Education	115,000
TACIS/2004/01 6-777	TACIS	2007	Preparing Twinning Fiche for the National Academy of Public Administration of Ukraine (NAPA)	Services	Education	94,366
	NSI	2007	EC Contribution to EBRD Chernobyl Shelter Fund (3rd pledge - 2nd part)	Action Grants	Energy	10,000,000
TACIS/2004/01 7-031	TACIS	2007	U4.01/04W - Procurement of a facility for the production of steel drums and reinforced concrete containers for radwaste storage at ChNPP (ref AP 7.2.4.1)	Works	Energy	5,568,048
TACIS/2004/01 7-031	TACIS	2007	U3.01/04 - Technical support to SNRCU and its TSOs to develop their capabilities on the basis of transferred Western European safety principles and practices (ref AP 7.2.3.1)	Services	Energy	3,599,784
TACIS/2006/01 8-041	TACIS	2007	U1.01/06 On-Site assistance to Rovno NPP	Services	Energy	3,296,622

TACIS/2006/018-041	TACIS	2007	U1.03/06 On-Site assistance to Zaporozhe NPP	Services	Energy	3,293,305
NSI/2007/019-359	NSI	2007	EC - IAEA Ukraine Joint Project on Safety Evaluation of Ukrainian NPPs for supporting the implementation of the Roadmap for Nuclear Safety of the Memorandum of Understanding on cooperation in the field of energy between the EU and Ukraine	Financial Agreement	Energy	2,000,000
TACIS/2005/017-101	TACIS	2007	U3.01/05 - Technicaj Support to the SNRCU and its TSO in assessing Probabilistic Safety Analysis Reports (PSA) and Assistance in the licensing of Radioactive Waste Processing	Services	Energy	1,999,858
TACIS/2006/018-041	TACIS	2007	Addendum n. 3 to contract TACIS 2004/061-942: Assistance to the European Commission and the Beneficiary for the monitoring of projects with regard to Chernobyl radwaste facilities and Exclusion Zone monitoring – U4.01/02	Services	Energy	1,748,399
TACIS/2004/016-777	TACIS	2007	Institutional Strengthening of the National Electricity Regulatory Commission (NERC)	Action Grants	Energy	1,100,000
	NSI	2007	DG TREN funding for EC - IAEA Ukraine Joint Project on Safety Evaluation of Ukrainian NPPs for supporting the implementation of the Roadmap for Nuclear Safety of the Memorandum of Understanding on cooperation in the field of energy between the EU and	Financial Agreement	Energy	900,000
TACIS/2005/017-101	TACIS	2007	U7.01/05 - Joint Support Office additional services	Services	Energy	496,370
TACIS/2006/018-597	TACIS	2007	Technical assistance to Chernobyl EZ entities for implemenattion and management of EC funded Projects in Waste management	Services	Energy	183,137
TACIS/2006/018-597	TACIS	2007	Preparation of the Terms of Reference for the Project ""Assistance to Ukraine in setting up the Eastern Europe Regional Centre for Metrology of Gas, Oil and Oil Products in Boyarka""	Services	Energy	172,206
TACIS/2004/017-031	TACIS	2007	U2.01/04S - Part B - Equipment for Scientific, technical and organisational support to the institute SE-SETC	AIDCO A	Energy	82,470
TACIS/2006/018-597	TACIS	2007	Assistance to Ukraine on Establishment the Management System for Strategic Oil Reserves	Services	Energy	44,332
TACIS/2006/018-597	TACIS	2007	English training for the National Electricity Regulatory Commission of Ukraine	Services	Energy	4,035
TACIS/2006/018-597	TACIS	2007	Support to the Organisation of the International Round Table: Alternative Energy and Energy Efficiency of the Ukrainian economy-towards the Regional Energy Security	Services	Energy	2,083
TACIS/2004/016-768	TACIS	2007	Improving Cross-Border Cooperation in Integrated Management of Water Resources in the Lower Danube Euroregion	Action Grants	Environment	475,955
TACIS/2004/016-768	TACIS	2007	Protection and sustainable development of the Carpathians in a trans-national framework	Action Grants	Environment	225,000
TACIS/2004/016-768	TACIS	2007	Protecting Historical Cultural Landscapes to strengthen regional identities and local economies	Action Grants	Environment	216,000
TACIS/2004/016-777	TACIS	2007	Support to MinENV of Ukraine for the implementation of the Law on Ecological Audit (Twinning Fiche preparation)	Services	Environment	80,671

TACIS/2004/01 6-768	TACIS	2007	PANNet 2010 - Protected Area Networks - Establishment and Management of Corridors, Networks and Cooperation	Action Grants	Environment	67,500
TACIS/2006/01 8-597	TACIS	2007	Preparation of equipment supply for the RAP 2004 project ""Sustainable land use""	AIDCO A	Environment	21,991
TACIS/2004/01 6-777	TACIS	2007	Support to PCA Implementation in Ukraine	Services	Legal, administrative, institutional reform	1,879,785
TACIS/2005/01 7-093	TACIS	2007	Twinning ""Strengthening of Standardisation, Market Surveillance, Metrology and Legal Metrology, Conformity Assessment and Consumers Policy in Ukraine""	Action Grants	Legal, administrative, institutional reform	1,400,000
TACIS/2006/01 8-038	TACIS	2007	Twinning ""Assisting the Main Control and Revision Office of Ukraine (KRU) in implementing the new system of Public Internal Financial Control""	Action Grants	Legal, administrative, institutional reform	1,200,000
TACIS/2004/01 6-777	TACIS	2007	Reform of official statistics in Ukraine - Statistics 10	Services	Legal, administrative, institutional reform	999,760
TACIS/2006/01 8-038	TACIS	2007	Twinning ""Strengthening the enforcement of competition law and policy in Ukraine""	Action Grants	Legal, administrative, institutional reform	962,810
TACIS/2004/01 6-777	TACIS	2007	Harmonisation with EU norms of the legislation and standards of Ukraine in the field of civil aviation	Action Grants	Legal, administrative, institutional reform	902,875
	EIDHR	2007	Joint Management EC-OSCE/ODIHR : project to promote democratisation and human rights in Eastern Europe	Action Grants	Legal, administrative, institutional reform	600,000
DDH/2006/018 -129	DDH	2007	Support and Protection of Human Rights Defenders: National, Regional and International Dimensions	Action Grants	Legal, administrative, institutional reform	516,934
TACIS/2006/01 8-597	TACIS	2007	Support to National Coordinating Unit (NCU) in Ukraine	Services	Legal, administrative, institutional reform	199,996
TACIS/2006/01 8-597	TACIS	2007	Support to the Strengthening of Ukraine's decision-making process in the field of energy security	Services	Legal, administrative, institutional reform	199,763
TACIS/2006/01 8-597	TACIS	2007	Production and distribution of newspaper inserts on EU-Ukraine issues.	Services	Legal, administrative, institutional reform	149,000

TACIS/2006/01 8-597	TACIS	2007	Production and Distribution of a monthly newsletter Eurobulletin	Services	Legal, administrative, institutional reform	142,850
TACIS/2006/01 8-597	TACIS	2007	Preparing Twinning Fiche for the Ministry of Finance of Ukraine in the field of debt management and budget forecasting	Services	Legal, administrative, institutional reform	102,199
TACIS/2006/01 8-597	TACIS	2007	Information and PR activities for the EU and its programmes in Ukraine	Services	Legal, administrative, institutional reform	99,877
TACIS/2006/01 8-597	TACIS	2007	Production and distribution of information and promotion products of the EC Delegation to Ukraine	Services	Legal, administrative, institutional reform	98,700
TACIS/2006/01 8-597	TACIS	2007	Exploratory mission on enterprise regulation and the progressive harmonisation of norms and standards	Services	Legal, administrative, institutional reform	93,412
TACIS/2006/01 8-597	TACIS	2007	Drafting Terms of Reference for the ""Communication component of the project Women's and Children Rights""	Services	Legal, administrative, institutional reform	86,044
TACIS/2006/01 8-597	TACIS	2007	Preparing Twinning Fiche for Twining project ""Support to the Academy of Judges of Ukraine""	Services	Legal, administrative, institutional reform	76,478
DDH/2006/018 -136	DDH	2007	Reducing the occurrence of torture and ill treatment by the policemen in Chernivtsi, Lviv, Rivne and Transcarpathian regions	Action Grants	Legal, administrative, institutional reform	70,346
DDH/2006/018 -136	DDH	2007	""We Care About Our Future""	Action Grants	Legal, administrative, institutional reform	50,180
DDH/2006/018 -136	DDH	2007	Legal help to families that want to adopt children, to single parents, other vulnerable families with children, orphans	Action Grants	Legal, administrative, institutional reform	50,067
EIDHR/2007/0 18-873	EIDHR	2007	Audit of project ""Defending the Rights of Roma in Ukraine and Ensuring Their Access to Justice""	AIDCO A	Legal, administrative, institutional reform	9,979
TACIS/2004/01 6-777	TACIS	2007	Supply of Electronic Broadcast and IT Equipment	Supplies	Media	239,477
DDH/2006/018 -136	DDH	2007	Building Community Media Centres in Rural Areas	Action Grants	Media	99,582

DDH/2006/018-136	DDH	2007	Strengthening of The Democratic Voice of Youth by The Way of Development of Community Media	Action Grants	Media	89,299
MIGR/2006/018-381	MIGR	2007	GDISC Ukraine – Capacity Building and Technical Support to Ukrainian authorities to Effectively Respond to Irregular Transit-Migration (ERIT). A comprehensive and complementary approach to migration management support in Ukraine	Action Grants	Migration	1,745,175
MULTI	TACIS	2007	Support to Secondary Health Care Reform in Ukraine(EuropeAid/123236/C/SER/UA) Tacis Ukraine NAP 2004	Services	Social consequences of transition	4,191,175
	EIDHR	2007	Adoption and Implementation of a comprehensive strategy for the improvement of the living conditions of the Roma and for their integration into society	Action Grants	Social consequences of transition	200,000
DDH/2006/018-136	DDH	2007	Reforming of the state system of residential institutions for orphans and children without parental care in Ukraine: the significant step for protection of their rights	Action Grants	Social consequences of transition	94,000
TACIS/2006/018-597	TACIS	2007	Support to the development of mid-term strategy for improving the system of social benefits	Services	Social consequences of transition	70,282
ENPI/2007/018-914	ENPI	2007	Audit of the project ""Public Health Reform in Moldova""	AIDCO A	Social consequences of transition	13,117
TACIS/2006/018-038	TACIS	2007	Boosting Ukrainian Space Cooperation with European Union	Services	Transport	1,500,000
TACIS/2004/016-777	TACIS	2007	Accession of and implementation by Ukraine of international agreements and conventions in transport	Services	Transport	1,480,000
TACIS/2006/018-597	TACIS	2007	Readiness Assessment of Transport Sector of Ukraine in View of Budget Support	Services	Transport	81,750
TACIS/2004/016-777	TACIS	2007	Support to the National Space Agency of Ukraine for the Preparation of the Twinning project ""Boosting Ukrainian Space Co-operation with the European Union"	Services	Transport	21,777
TACIS/2004/016-777	TACIS	2007	English training for State Administration of Ukraine for Aviation Safety Oversight Ukraine	Services	Transport	4,999
TACIS/2006/018-597	TACIS	2007	Drafting Twinning Fiche fro Twinning project on food safety in Ukraine	AIDCO A		82,453
TACIS/2006/018-597	TACIS	2007	ENPI Seminar in Ukraine: Sector-wide approach and budget support	AIDCO A		39,120
TACIS/2006/018-597	TACIS	2007	Dummy contract to pay the balance under contract 113-223.	AIDCO A		13,948
TACIS/2006/018-597	TACIS	2007	Translation services on press and information issues for the EC Delegation to Ukraine	AIDCO A		10,000
TACIS/2005/017-093	TACIS	2007	Translation Contract	AIDCO A		9,999

	TACIS	2007	Dummy contract to pay the interest on delayed payment under contract 100-108	AIDCO A		2,271
MULTI	TACIS	2008	Supply of Mobile Inspection and Screening X-ray Scanning Systems for State Customs Services of Belarus and Ukraine	Supplies	Border Management	27,822,000
MULTI	TACIS	2008	BOMUK 4 - Border Management Improvement: Equipment Supply to the State Border Guard Service of Ukraine - Border Surveillance Equipment: Car-mounted thermo-imaging equipment	Supplies	Border Management	12,147,000
TACIS/2006/01 8-038	TACIS	2008	Improving Integrated Border Management: Follow-up to the Reinforcing the State Border Guard Service of Ukraine Human Resources Management – HUREMAS 2	Action Grants	Border Management	1,000,000
ENPI/2007/019 -183	ENPI	2008	Feasibility Study and Design for the Refurbishment of a Regional Training Centre for the State Border Guard Service of Ukraine in Kotovsk, Ukraine	Services	Border Management	189,995
MULTI	TACIS	2008	Preparation of the terms of reference for technical assistance project ""Integration of transport networks and border crossing points"	Services	Border Management	10,000
TACIS/2006/01 8-038	TACIS	2008	Finalise the ToR for the NAP 2006 project ""Improving Integrated Custom and Border Management in Ukraine	Services	Border Management	6,000
EIDHR/2007/0 19-377	EIDHR	2008	Strengthening the Role of Civil Society in Protection of Children Rights	Action Grants	Civil society	184,160
TACIS/2005/01 7-093	TACIS	2008	Closing conference of the Tacis Institutional Building Partnership Programme (IBPP) for the projects financed under 2004 Tacis NAP for Ukraine	AIDCO A	Civil society	53,000
TACIS/2006/01 8-038	TACIS	2008	Support to Sustainable Regional Development	Services	Economic Development	5,994,975
TACIS/2005/01 7-093	TACIS	2008	Sustainable Local Development - Equipment Supplies - LOT 9	Supplies	Economic Development	5,084,583
ENPI/2007/019 -549	ENPI	2008	EBRD-01 Technical Assistance Support for Ukrainian Municipalities	Action Grants	Economic Development	5,000,000
MULTI	TACIS	2008	Strengthening of Ukrainian Financial Services Sector	Services	Economic Development	3,716,100
TACIS/2005/01 7-093	TACIS	2008	Sustainable Local Development - Equipment Supplies - LOTS 3, 5, 8, 11 and 13	Supplies	Economic Development	3,229,990
TACIS/2005/01 7-093	TACIS	2008	Sustainable Local Development - Equipment Supplies - LOTS 4 and 12	Supplies	Economic Development	1,044,759
TACIS/2005/01 7-101	TACIS	2008	U4.02/05B - Development of a strategic programme for the socio-economic development of the Chernobyl region in the immediate vicinity of the Chernobyl exclusion	Services	Economic Development	956,630
TACIS/2005/01 7-093	TACIS	2008	Sustainable Local Development - Equipment Supplies - LOT 2	Supplies	Economic Development	848,182
TACIS/2005/01 7-100	TACIS	2008	Cross Border Cooperation in Investment development of Rural Regions	Action Grants	Economic Development	653,343

MULTI	TACIS	2008	U4.02/05A Social and economic development of the districts of Rivne Region polluted due to Chernobyl catastrophe .	Supplies	Economic Development	552,528
TACIS/2006/018-038	TACIS	2008	Support to Economic Reforms in Ukraine through Blue Ribbon Advisory and Analytical Centre (BRAAC)– 2009	Action Grants	Economic Development	500,000
TACIS/2005/017-093	TACIS	2008	Sustainable Local Development - Equipment Supplies - LOT 10	Supplies	Economic Development	315,051
TACIS/2005/017-100	TACIS	2008	Cross-Border Partnership for Sustainable Community Development	Action Grants	Economic Development	231,442
TACIS/2006/018-038	TACIS	2008	Support to research and innovation in Ukraine	Services	Education	165,252
ENPI/2007/018-788	ENPI	2008	Support to the implementation of Ukraine's Energy strategy	Financial Agreement	Energy	82,000,000
	NSI	2008	EC Contribution to EBRD Chernobyl Shelter Fund (3rd pledge - 3rd part)	Action Grants	Energy	15,000,000
TACIS/2005/017-093	TACIS	2008	Coal Sector Policy Support Programme	Services	Energy	8,939,000
TACIS/2006/018-041	TACIS	2008	U1.03/06A1 - lot 1 Incinerator for Zaporozhye	Supplies	Energy	7,707,530
TACIS/2006/018-041	TACIS	2008	U1.01/06A1 & U1.03/06A1- lot 3 Two Supercompactors for Rovno & Zaporozhye	Supplies	Energy	6,476,219
NSI/2008/020-201	NSI	2008	U7.01/08 - Joint Support Office at Kiev for the management of the nuclear safety instrument in Ukraine	Services	Energy	2,996,425
TACIS/2006/018-041	TACIS	2008	U1.01/06A2 Sorting Facility & Fragmentation tools - lot 2	Supplies	Energy	2,545,000
TACIS/2006/018-041	TACIS	2008	U1.01/06A2 Rovno Retrieval Facility - lot 1	Supplies	Energy	2,448,703
TACIS/2005/017-101	TACIS	2008	U4.01/05 - Establishment of a comprehensive Radiation Monitoring and Early Warning system in the Chernobyl exclusion zone	Supplies	Energy	2,013,449
TACIS/2006/018-041	TACIS	2008	U4.04/06 Decommissioning Information Support System for the Chernobyl NPP	Supplies	Energy	1,532,535
NSI/2007/019-359	NSI	2008	U1.02/07 OSA at South Ukraine	Services	Energy	1,474,325
NSI/2007/019-359	NSI	2008	U1.04/07 OSA at Khmel'nitsky	Services	Energy	1,449,400
TACIS/2006/018-041	TACIS	2008	U3.01/06 Technical support to SNRCU and its TSOs in assessment of implementation of safety upgrading measures and lifetime management programmes at NPP units	Services	Energy	1,221,250

TACIS/2005/01 7-101	TACIS	2008	U2.01/05 - Development of strategy and methodologies for inspection and preventive maintenance of safety valves of the Ukrainian NPP's	Services	Energy	1,039,650
TACIS/2005/01 7-098	TACIS	2008	Validation, certification and subsequent commercialisation of the Eastern Europe Regional Centre for Hydrocarbons Metrology under Taxis RAP 2005	Services	Energy	999,990
TACIS/2006/01 8-041	TACIS	2008	U1.01/06A Rovno NPP - Solid Radioactive Waste Treatment Facility Lot 4: Activity Measurement	Supplies	Energy	578,980
TACIS/2005/01 7-093	TACIS	2008	Supply of Equipment for Metrology and Testing Services, Lot 3 Humidity Calibration and Lot 4 Measurement of Electrical Quantities	AIDCO A	Energy	547,312
TACIS/2006/01 8-041	TACIS	2008	U1.03/06A1 - lot 2 Monitoring system for incinerator	Supplies	Energy	407,846
NSI/2007/019- 491	NSI	2008	Additional activities for the ICSR project in Chernobyl – Provision of a ventilation system for Building 84 (U4.02/07A)	Works	Energy	400,000
TACIS/2005/01 7-101	TACIS	2008	U2.02/05 - Contribution to the IAEA project UKR/0/009 - Improvement of the Training system for NPP Maintenance Personnel	Action Grants	Energy	200,000
TACIS/2005/01 7-093	TACIS	2008	Readiness Assessment of Energy Efficiency and Renewable Sources of Energy in Ukraine, in View of Budget Support	Services	Energy	174,400
TACIS/2005/01 7-093	TACIS	2008	Supply of Equipment for Metrology and Testing Services, Lot 9 Optical Measurement	AIDCO A	Energy	133,717
ENPI/2007/019 -183	ENPI	2008	Assistance to Ukraine in developing a comprehensive Master Plan on the rehabilitation of the gas transit system	Services	Energy	109,872
ENPI/2008/019 -737	ENPI	2008	Audit of Support Ukraine Progressive Integration to Electricity TENs	Services	Energy	16,303
MULTI	TACIS	2008	Supply of Equipment - South Caucasus/Kura River Basin/ Armenia, Azerbaijan, Georgia and Water Governance in NIS countries / Belarus, Moldova and Ukraine	Supplies	Environment	2,016,132
DCI- ENV/2008/019- 801	DCI- ENV	2008	Danube Delta Sustainable Biodiversity Management Project	Action Grants	Environment	1,600,000
	DCI- ENV	2008	Support for the implementation of the CBD Programme of Work on Protected Areas in the EU Neighbourhood Policy Area and Russia: extension of the implementation of the EU's Natura 2000 principles through the Emerald Network.	Action Grants	Environment	1,484,000
TACIS/2005/01 7-093	TACIS	2008	Transparency and efficiency of the judicial system of Ukraine	Action Grants	Legal, administrative, institutional reform	5,400,000
TACIS/2006/01 8-038	TACIS	2008	Women and children's rights in Ukraine	Action Grants	Legal, administrative, institutional reform	5,388,670

TACIS/2005/01 7-093	TACIS	2008	Accountability and Effectiveness of Ukrainian Judiciary Functioning (civil service component)	Services	Legal, administrative, institutional reform	4,921,800
TACIS/2006/01 8-038	TACIS	2008	Implementation of Ukraine's commitments under WTO and ENP frameworks in the rural sector (Sector Wide Approach)	Services	Legal, administrative, institutional reform	4,740,000
TACIS/2006/01 8-038	TACIS	2008	Harmonisation of Competition and Public Procurement systems in Ukraine with EU standards	Services	Legal, administrative, institutional reform	4,399,730
TACIS/2005/01 7-093	TACIS	2008	Assistance in Further Strengthening the Election Process in Ukraine	Action Grants	Legal, administrative, institutional reform	3,500,000
TACIS/2006/01 8-038	TACIS	2008	Introduction and Development of Quality Management within the Ukrainian Police.	Action Grants	Legal, administrative, institutional reform	2,000,000
TACIS/2005/01 7-093	TACIS	2008	Twinning ""Strengthening Activities of the National Accreditation Agency of Ukraine (NAAU)""	Action Grants	Legal, administrative, institutional reform	1,400,000
ENPI/2007/018 -961	ENPI	2008	Strengthening NBU potential through the approximation to EU standards of central banking.	Services	Legal, administrative, institutional reform	1,100,000
TACIS/2006/01 8-038	TACIS	2008	Gender Equality in the World of Work	Action Grants	Legal, administrative, institutional reform	1,093,407
TACIS/2006/01 8-038	TACIS	2008	Women and children rights in Ukraine	Action Grants	Legal, administrative, institutional reform	1,080,000
EIDHR/2008/0 19-722	EIDHR	2008	Combating torture, ill-treatment and impunity	Action Grants	Legal, administrative, institutional reform	950,000
EIDHR/2007/0 19-376	EIDHR	2008	Creation of a national system for preventing torture and ill treatment in Ukraine	Action Grants	Legal, administrative, institutional reform	696,680
TACIS/2006/01 8-038	TACIS	2008	Support to National Coordinating Unit (NCU) in Ukraine	Services	Legal, administrative, institutional reform	199,900

EIDHR/2007/019-377	EIDHR	2008	Strengthening democracy in Ukraine through monitoring of government decisions in the context of the European Neighbourhood Policy with Ukraine in accordance with good governance and rule of law	Action Grants	Legal, administrative, institutional reform	193,017
TACIS/2005/017-093	TACIS	2008	Gap Analysis of the Ukrainian Legislation versus EU Directives on Capital Markets (excl. MIFID)	Services	Legal, administrative, institutional reform	175,506
ENPI/2007/019-183	ENPI	2008	Support the Introduction and Implementation of the European Charter for Small Enterprises in Ukraine	Services	Legal, administrative, institutional reform	165,865
MULTI	TACIS	2008	Assistance to Ukraine in carrying out the energy policy analysis and in promoting the idea of joining the Energy Community Treaty	Services	Legal, administrative, institutional reform	138,316
TACIS/2005/017-093	TACIS	2008	Assessment of the Environment sector in Ukraine in view of Budget support	Services	Legal, administrative, institutional reform	131,460
TACIS/2005/017-093	TACIS	2008	Gap Analysis of Ukrainian Legislation Versus the EU Market in Financial Instruments Directive (MiFID)	Services	Legal, administrative, institutional reform	114,170
TACIS/2005/017-093	TACIS	2008	Supply of IT equipment and software for the rapid alert system on dangerous goods, for the information centre on standards and technical regulations and the unit for translation of standards and the centre for processing queries from WTO countries	Supplies	Legal, administrative, institutional reform	106,389
ENPI/2007/019-183	ENPI	2008	Preparing Twinning Fiche for project ""Support to Civil Service Development in Ukraine""	Services	Legal, administrative, institutional reform	104,702
TACIS/2005/017-093	TACIS	2008	Priority identification and needs assessment for sector-wide programme on Assistance to Judicial Reforms in Ukraine	Services	Legal, administrative, institutional reform	96,660
TACIS/2006/018-038	TACIS	2008	Writing ToR for twinning with Ministry of Housing and Municipal Economy (MHME)	Services	Legal, administrative, institutional reform	94,927
TACIS/2006/018-038	TACIS	2008	Preparing Twinning Fiche "Support to Administrative Justice in Ukraine"	Services	Legal, administrative, institutional reform	73,620
DCI-HUM/2008/019-818	DCI-HUM	2008	Organisation of the national award ceremony for the winners of the children's drawing competition on gender equality	Services	Legal, administrative, institutional reform	2,000

TACIS/2005/01 7-093	TACIS	2008	Promotion of European Standards in the Ukrainain Media Environment	Action Grants	Media	1,088,026
DCI- MIGR/2007/01 9-172	DCI- MIGR	2008	Legal and Social Protection of Asylum Seeking and Refugee Children in Ukraine	Action Grants	Migration	960,000
TACIS/2005/01 7-093	TACIS	2008	Support to the developmentof mid-term strategy for improving the system of social benefits	Services	Social consequences of transition	3,420,300
EIDHR/2007/0 19-377	EIDHR	2008	Children in Crisis and Old People - ""Steps Toward Each Other""	Action Grants	Social consequences of transition	156,067
TACIS/2005/01 7-093	TACIS	2008	Supply of equipment to set up data base processing centre for mid term social benefit projection (lot 1)	Supplies	Social consequences of transition	75,045
TACIS/2005/01 7-093	TACIS	2008	Supply of equipment to set up data base processing centre for mid-term social benefits projection (lot 2)	AIDCO A	Social consequences of transition	4,997
TACIS/2005/01 7-093	TACIS	2008	Integration of Ukraine in the Trans-European Transport Network TEN-T	Services	Transport	5,855,000
TACIS/2006/01 8-038	TACIS	2008	Twinning ""Support to Strengthening Road Freight and Passenger Transport Safety in Ukraine""	Action Grants	Transport	1,000,000
TACIS/2006/01 8-038	TACIS	2008	Twinning project ""Support to Transport Policy Design and Implementation in Ukraine""	Action Grants	Transport	1,000,000
TACIS/2005/01 7-093	TACIS	2008	Preparation of the Terms of Reference for TACIS RAP 2005 project ""Ukraine Port Development Feasibility Study""	AIDCO A	Transport	9,900
TACIS/2005/01 7-093	TACIS	2008	Support for the Seventh International Transport Week in Ukraine events	Services	Transport	7,000
MULTI	EIDHR	2008	AGE Advocacy Programme ""Together We Can""	AIDCO A		139,000
ENPI/2007/019 -183	ENPI	2008	Training and briefings on ENPI issues in Ukraine	AIDCO A		69,870
ENPI/2007/019 -183	ENPI	2008	Production and Distribution of Publications on ENPI and EC Assistance to Ukraine and Belarus	AIDCO A		49,790

TACIS/2005/01 7-093	TACIS	2008	Addendums No. 1 and No. 2 to the Specific Contract 2007/146-487	AIDCO A		44,146
TACIS/2005/01 7-093	TACIS	2008	Translation contract	AIDCO A		9,999
TACIS/2006/01 8-038	TACIS	2008	Preparation of INNO-Policy TrendChart – Policy Trends and Appraisal Report 2008 for Ukraine	AIDCO A		9,500
TACIS/2006/01 8-038	TACIS	2008	Assistance in preparation of the programming documents for AP 2009 project ""Support to Belarus in field of norms and standards""	AIDCO A		8,620
TACIS/2005/01 7-093	TACIS	2008	Interpretation services	AIDCO A		5,000

Annex 7 – Projects sample - Short description of the interventions

Intervention Title	Audit Public Finance at Kiev
Commission Ref.	Decision: TACIS/2002/000-613 Contact n° 2002/27147
Intervention Start date & End date	Start date: 1/06/2002 End date: 29/05/2006
Budget planned	€2,000,000
Budget committed	€1,942,920
Budget disbursed	€1,942,920
Beneficiary	Accounting Chamber of Ukraine
Programme Background & History	The project had been requested by the Accounting Chamber (AC), the Supreme Auditing Institution in Ukraine (SAI). The Chamber had been established rather recently and faced difficulties in performing its responsibilities in line with the best practices applied by the EU SAIs. Moreover, its status and powers, as stipulated in art. 98 of the Ukrainian Constitution, and existing legislation, were not consistent with the Lima Declaration.
Overall objectives	<ul style="list-style-type: none"> ▪ To improve the effectiveness of the use of State budgetary resources by implementing a “value for money” approach to the use of budget funds; ▪ To help ensure that State assets are used effectively and generate an appropriate return to the taxpayer.
Specific objectives	<ul style="list-style-type: none"> ▪ To streamline the management and administrative practices of the Accounting Chamber and the State Audit and Inspection Service (SAIS). ▪ To develop cooperation between the AC, the SAIS and the internal audit functions of ministries and State committees, promoting the exchange of information on audit plans and results. ▪ To convince Supreme Rada deputies of the need for the AC to possess a legal and constitutional status complying with the Lima Declaration and the powers envisaged by this Declaration. ▪ To introduce in the AC advanced techniques of audit planning and execution complying with International Standards on Auditing, and with INTOSAI and EUROSAI standards. ▪ To organise within the AC a training unit employing full-time professionals. ▪ To enhance the AC’s public image and appreciation of its mandate by improving its publications, expanding its website, and by adopting more effective media policies. ▪ To re-orient the AC and the SAIS away from “compliance” and towards “performance” (value for money) audits. ▪ To enhance AC capabilities in the domain of identifying of internal control weaknesses, formulating remedial action. ▪ To build within the AC capacities and systems for evaluating the <i>outputs</i> of budgetary

	<p>units at the budget preparation stage (“programme budgeting”)</p> <ul style="list-style-type: none"> ▪ To convince the Supreme Rada of the need for a Public Accounts subcommittee on UK lines to follow up matters raised by the AC and initiate necessary legislation.
<p>Expected results</p>	<ul style="list-style-type: none"> ▪ Enhanced constitutional and legal framework for the AC; ▪ Audit planning and implementation based on “value for money” criteria; increased focus on performance audits; ▪ AC staff familiarised with EU SAI methods and techniques; ▪ Enhanced AC capacities to strengthen internal financial control in budget units ▪ Enhanced cooperation and exchange of information between the AC and SAIS ▪ Enhanced image of the AC’s among the public and members of parliament ▪ Improved role of the Supreme Rada in monitoring effective use of budget resources
<p>Main Activities</p>	<ul style="list-style-type: none"> ▪ Formal and on-the-job training ▪ Study tours ▪ Secondment to selected SAI’s in EU member states ▪ Support to the establishment of AC regional offices ▪ Establishment of an AC’s Library and Documentation Centre ▪ Setting up of an internal training unit ▪ Support to the printing of audit and financial management manuals, and of reports on the results of the AC’s audits designed for a mass readership ▪ Organisation of media events
<p>Main Achievements</p>	<ul style="list-style-type: none"> ▪ The Accounting Chamber is established by the Verkhovna Rada of Ukraine and reports to it. Staff of the Accounting Chamber is appointed by the Verkhovna Rada of Ukraine through secret balloting. ▪ On December 8, 2004, Verkhovna Rada adopted the Law of Ukraine No. 2222-IV "On Amendments to the Constitution of Ukraine" that reads article 98 of the Constitution of Ukraine as following: "Article 98. Control over revenues of the State Budget of Ukraine and their use on behalf of Verkhovna Rada of Ukraine shall be exercised by the Accounting Chamber". Thus, amended article 98 of the Constitution of Ukraine extended authorities of the Accounting Chamber regarding control over revenues and use of the funds of the State Budget of Ukraine. ▪ The AC has established eight regional offices which cover the 21 oblast and Autonomous the Republic of Crimea ▪ The AC system of control is integrated in the main components of the budget process and involves a non-stop three-year cycle of control over formation and execution of budgets of each financial year implemented at three stages: preliminary control of draft budget; current control of budget execution and further control of budget execution. ▪ Budget violations, inefficient use of budget funds and deficiencies of revenue administration detected by the Accounting Chamber have increased from UAH2.4 billion in 2000 to 36.2 billion in 2009 ▪ The AC has developed performance audits

Project main weaknesses	In its inception phase the project faced some difficulties because the State Audit and Inspection Service (KRU) disagreed with some provisions in the Contractor's Technical Proposal and appealed for more attention to the needs of the KRU.					
Issues	As of 31 December 2009 the AC employs 479 persons (448 civil servants and 31 supporting staff) out of 543 approved by the staff list A new draft law on the Accounting Chamber is under preparation as well as a new draft law on "On the System of State Financial Control in Ukraine"					
Monitoring reports	Monitoring Reports					
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability
	28/11/02	b	c	c	b	b
Documentary Sources	<ul style="list-style-type: none"> ▪ ToR ▪ Project Synopsis ▪ Monitoring Report ▪ Website of the Accounting Chamber 					

Intervention Title	Legal and Institutional Basis for Protection of Competition (Anti-Monopoly Commission)
Commission Ref.	Decision: TACIS 2003/030-601 Contract n° 2003/30601
Intervention Start date & End date	Start date: 1/08/2003 End date: 23/03/2007
Budget planned	€2,500,000
Budget committed	€2,190,130
Budget disbursed	€2,158,922
Beneficiary	Anti-Monopoly Committee of Ukraine
Programme Background & History	The project was designed to assist the Ukrainian government in establishing and implementing legislation on competition and state aids and subsidies compatible with PCA and WTO requirements
Overall objectives	<ul style="list-style-type: none"> ▪ To contribute to the establishment of effective competition in Ukraine, as a major mechanism of the market economy, facilitating improvement of the investment climate, better protection of consumer rights and business activities in the country.
Specific objectives	<ol style="list-style-type: none"> 1. To assist the Government in development of the effective competition rules (legislation) compatible with the requirements of the PCA and WTO. 2. To assist the Government in implementation of the competition policy and effective enforcement of the laws. 3. To develop skills of the AMC personnel thus enhancing the knowledge of the public authorities enforcing competition legislation in Ukraine both at central and regional levels. 4. To assist the competition authority of Ukraine (the AMC) in establishing an efficient system of communication and application of the modern information technologies. 5. To assist the Government in raising public awareness of its competition policy and promote competition among the public authorities, business community and the public at large.

Expected results	<ul style="list-style-type: none"> ▪ Legal advice ▪ Implementation of competition policy and law enforcement ▪ Human resources development and skills ▪ Information technology and communication ▪ Public awareness and advocacy of competition 					
Main Activities	<ul style="list-style-type: none"> ▪ Analysis of markets ▪ Advice to AMCU management ▪ Preparation of draft laws ▪ Training of AMCU staff ▪ Development of procedures for AMCU investigators 					
Main Achievements	<ul style="list-style-type: none"> ▪ Overall, the project delivered more services and results than was originally planned. The quality of the project services and deliverables was assessed as very good by AMCU at the project end. This assessment is confirmed one year after the project end. 					
Project main weaknesses	<ul style="list-style-type: none"> ▪ The only issue mentioned in the ex-post ROM report is a lack of maintenance of software for two databases developed by the project 					
Issues	<ul style="list-style-type: none"> ▪ The original design was well conceived, however within the period between the TOR preparation and the actual start of the project the situation had undergone changes that required adjustment of the design during the inception phase. An updated Logical Framework Matrix (LFM) was developed. In the course of the project implementation, the design has been further adjusted to the needs of the beneficiaries and to the changing situation. Changes referred mainly to the planned activities and results and did not affect the project objectives. Flexibility of the approach has proved to be beneficial and was appreciated by the Project Partner. 					
Monitoring reports	Monitoring Reports					
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability
	2/12/03	c	b	b	b	b
	26/08/04	b	b	b	b	b
	8/07/05	b	b	b	b	a
	23/12/05	b	a	a	b	b
22/03/07	b	a	a	b	b	
Documentary Sources	<ul style="list-style-type: none"> ▪ Project Synopsis ▪ Monitoring Reports 					

Intervention Title	Effective State Budget Management
Commission Ref.	Decision: TACIS 2003/005-620 Contract n° 2004/65418
Intervention Start date & End date	Start date: 15/11/2004 End date: 31/12/2006
Budget planned	€2,800,000
Budget committed	€2,740,700
Budget disbursed	€2,740,700
Beneficiary	State Treasury of Ukraine Other stakeholders are the Ministry of Finance and the Cabinet of Ministers
Programme Background & History	The project was launched to enhance the scope and the quality of the system of public finance management through advising the State Treasury of Ukraine (STU) - and other relevant governmental bodies on substantive aspects of the budget execution, cash management and treasury operations; development of human resources and further advancing the information technologies. The STU was involved in the project identification and design. Three years elapsed between the original design and the contracting of the project.
Overall objectives	To ensure an effective management of State finance and improve State Budget implementation and control through an efficient Treasury System
Specific objectives	<ul style="list-style-type: none"> ▪ Consolidation and extension of core treasury functions and support systems; ▪ Strengthening of the financial management capacity of the State Treasury; ▪ Increased interactions between budget organizations and treasury units.
Expected results	The eight results mentioned in the ToR have been grouped in four components: <ul style="list-style-type: none"> ▪ Component 1. Accounting and reporting of public budgets - Attestation of accountants; ▪ Component 2. Financial planning and cash/debt management framework; ▪ Component 3. Top management coaching - Human Resources Management - Training programs; ▪ Component 4. IT strategy development - IT high tech solutions.
Main Activities	<p>For each of the four components, the consultant's work was organized along the following lines:</p> <ul style="list-style-type: none"> ▪ Analysis of the Ukrainian legislation/situation, presentation of international standards/best practices, identification of weaknesses ▪ Proposals: setting out the aims – working out the action plan – determination of critical issues ▪ Training and delegation of authority to the Treasury. <p>Working groups were established for each of the four components. They included the heads of the relevant department of STU, their deputies and leading specialists of the STU. Other staff members of STU as well as of other ministries participated to the working group meetings on a ad hoc basis.</p> <p>Training activities have been complemented by study tours.</p>

Main Achievements	<ul style="list-style-type: none"> ▪ Component 1: Taking into consideration the consultants and STU proposals, the Cabinet of Ministers approved Resolution 1673 dated 26/11/2006 « on the state of fiscal and budgetary discipline, increase of corruption interaction, and control over the use of state property and financial resources ». ▪ Component 2: A cash management handbook has been developed. ▪ Component 3: An action plan for improving human resources management at STU has been developed with the view of establishing a training centre ▪ Component 4: Proposals have been submitted to STU for the implementation of a “business intelligence” system aimed at establishing a complex automated budget management system at central and local levels. 																								
Project main weaknesses	The monitoring reports point out that whereas a logframe of the project has been developed, it does not identify objective verifiable indicators at the level of the specific objectives.																								
Issues	<p>The Treasury, which was a government unit distinct from the Ministry of Finance when the project was formulated, was included in the MoF when the project was on-going. This institutional change has however had a limited impact on the tasks of the Treasury and hence on the project activities.</p> <p>Within the time limits of the project the consultants managed to analyse the current situation in the four areas targeted by the ToR, to identify weaknesses and discrepancies with international standards and best practices, and to make detailed proposals for improvements. Implementation of the consultants’ proposals was still to take place at the completion time of the project.</p> <p>However the monitoring of the project carried out in September 2006, two months before the termination of the project underlined a high level of appropriation of the project outcomes within STU assessed positively the sustainability of its outcomes.</p>																								
Monitoring reports	Monitoring Reports																								
	<table border="1"> <thead> <tr> <th>Date</th> <th>Relevance</th> <th>Efficiency</th> <th>Effectiveness</th> <th>Impact</th> <th>Sustainability</th> </tr> </thead> <tbody> <tr> <td>04/05/05</td> <td>b</td> <td>c</td> <td>b</td> <td>b</td> <td>b</td> </tr> <tr> <td>22/11/05</td> <td>c</td> <td>c</td> <td>b</td> <td>b</td> <td>b</td> </tr> <tr> <td>29/09/06</td> <td>b</td> <td>b</td> <td>a</td> <td>b</td> <td>b</td> </tr> </tbody> </table>	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability	04/05/05	b	c	b	b	b	22/11/05	c	c	b	b	b	29/09/06	b	b	a	b	b
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29/09/06	b	b	a	b	b																				
Documentary Sources	<ul style="list-style-type: none"> ▪ Project Synopsis ▪ Monitoring Reports ▪ Project Completion Report 																								

Intervention Title	Reinforcing the State Border Guard Service of Ukraine’s Human Resource Management (HUREMAS)
Commission Ref.	Decision: TACIS/2002/000-613 Contract n° 2005/115592
Intervention Start date & End date	Start date: 30/12/2005 End date: 26/08/2009
Budget planned	€4,000,000
Budget committed	€3,977,996
Budget disbursed	€3,977,996

Beneficiary	Implementing Agency: International Organisation for Migration Beneficiaries : State Border Guard Service of Ukraine (SBGS) / Ministry of Justice
Programme Background & History	<p>The project is aimed at reforming the State Border Guard Service of Ukraine (SBGS) towards a professional law enforcement service in line with the best European practices, norms and standards, and in particular at reforming the human resource management system and the training system.</p> <p>SBGS, the primary Project Partner, was closely involved in the preparation of the Description of Action (DoA). The Ministry of Justice (MoJ) was defined as direct beneficiary of the project services that aim at improving the legal framework.</p> <p>The intervention logic presented in DoA</p>
Overall objectives	To assist the State Border Guard Service of Ukraine (SBGS) in transitioning from a military to law enforcement agency in line with best European practices, norms and standards through the improvement of relevant border and migration management related legislation, strategies, plans and curricula for a modern human resources (HR) management system as well as the necessary training infrastructure and equipment
Specific objectives	<p><u>Analysis and Improvement of Relevant Ukrainian Legislation.</u></p> <p>To assist the SBGS and the Ministry of Justice (MoJ) in:</p> <ul style="list-style-type: none"> ▪ Carrying out a legal assessment on the compatibility of relevant Ukrainian legislation with the EU <i>acquis communautaire</i>. ▪ Study of the draft “<i>State Border Guard Service of Ukraine Development Concept for the period up to the year 2015.</i>” ▪ Drafting recommendations and amendments to relevant legislation based on the assessment described above. ▪ Conducting publicity measures to inform GoU officials of the assessment results and the recommendations thereto. ▪ Launching a legislative reform process and following-up its implementation. <p><u>Human Resources Management:</u></p> <p>To assist the SBGS in:</p> <ul style="list-style-type: none"> ▪ Assessing the present SBGS’s recruitment, training and career development strategies, plans and curricula for all staff levels and trainers, and to draft recommendations for modifications in order to align with EU standards and best practices. ▪ Developing and implementing a recruitment/career development strategy and methodology in compliance with EU standards and best practices. ▪ Developing and implementing a training strategy, training plans and curricula for all staff levels and trainers (including further vocational training) for the Academy and training centres in line with the EU Core Curriculum and EU Member States’ standards. ▪ Providing training on the reinforced training curricula for the SBGS’s trainers according to the priorities set by the SBGS. ▪ Creating and implementing a career development strategy and methodology in line with EU standards and best practices. <p><u>Logistic development:</u></p> <p>To assist the SBGS in:</p> <ul style="list-style-type: none"> ▪ Enhancing the infrastructure of the National Academy of the State Border Guard Service of Ukraine named after Bohdan Khmelnytskyi (National Academy) and selected training centres in Cherkasy and Velyki Mosty. ▪ Providing relevant technical assistance and equipment for training.

	<ul style="list-style-type: none"> ▪ Developing a training equipment asset management mechanism. ▪ Assessing the potential need for Regional Training Centres (RTC).
<p>Expected results</p>	<p><u>Legislative Review Outputs</u></p> <ul style="list-style-type: none"> ▪ Assessment reports and recommendations for legislative reform submitted to relevant government officials to make an input into and facilitate drafting of necessary amendments. ▪ The normative framework improved in order to achieve the desired standard of efficiency for border control and surveillance and the SBGS's human resources management system. ▪ New legislation drafted or amended as required by recommendations in report. ▪ Workshops held on new legislation. <p><u>Human Resources Management Outputs</u></p> <ul style="list-style-type: none"> ▪ Existing recruitment system in place assessed and recommendations drafted. ▪ Revised recruitment/employment development strategy and plans for all staff levels and trainers for the National Academy and Training centres developed. ▪ Entry examinations developed for newly recruited staff. ▪ Implementation of the adapted recruitment/employment system followed. ▪ Training strategy, plans and curricula currently in use in the National Academy and training centres for all levels of staff and trainers assessed and recommendations drafted. ▪ Training strategy, plans and curricula for all levels of staff and trainers revised/developed in line with EU standards and best practices. ▪ Implementation of the reinforced training strategy, plans and curricula supported. ▪ Training manuals for students developed. ▪ Long Term Advisor (LTA) embedded in the SBGS Administration on Yaltinska supports assessment, development and implementation of all activities. ▪ Report compiled on the reformed/amended system. ▪ Reference material for the National Academy and training centres acquired and produced. ▪ International linkages for technical assistance provided in order to bring Ukraine in line with EU best practices. ▪ Existing career system for all levels assessed and recommendations drafted. ▪ Career development system revised / elaborated in line with EU standards and best practices. ▪ Implementation revised career system supported. <p><u>Logistical Development Outputs</u></p> <ul style="list-style-type: none"> ▪ Selected premises of the National Academy and training centres refurbished. ▪ Recommendations obtained regarding the potential need for Regional Training Centres in identified regions. ▪ Equipment and reference material for the National Academy and training centres acquired and produced. ▪ Asset Management system developed and implemented for control of SBGS training equipment and assets in the Academy and training centres.
<p>Main Achievements</p>	<p>Absorption capacity and receptiveness to the project advice by SBGS has been exemplary. According to the estimation of the implementing Agency, about 95% of their recommendations have been followed.</p> <p>The experience and knowledge gained during the study visits, consultations and seminars have been used for improvement of legal framework, training curricula and organisation of the</p>

	<p>training and recruitment processes.</p> <p>The project effectiveness is demonstrated by many positive examples:</p> <ul style="list-style-type: none"> ▪ adoption by SBGS Administration of a complex plan of actions for 2007-2008 aimed at improvement of HR management, development of draft career development regulations, ▪ decision to adopt new recruitment procedures starting from January 2008 ▪ Establishment of 17 regional recruitment centres ▪ Preparation of a 10-hour supplement to the curriculum of the National Training Academy based on a Shengen Border Code course delivered by the project. ▪ A Concept for the Development of the State Border Guard Service (SBGS) for the period till 2015 was introduced by the Presidential Decree of 19 June 2006, and the programme for implementation of this Concept was adopted. 																		
Project main weaknesses	The original budget appeared to be underestimated with regard to the costs planned for the construction work/refurbishment of dormitory. Budget revision was made on the basis of an up-to-date cost estimation. As a result the construction costs were significantly increased at the expense of other costs.																		
Monitoring reports	Monitoring Reports																		
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27/04/06	b	b	b	b	B														
1/08/07	b	a	a	b	A														
Documentary Sources	<ul style="list-style-type: none"> ▪ Project synopsis ▪ Monitoring reports 																		

Intervention Title	Capacity Building of Migration Management: Ukraine
Commission Ref.	Decision: TACIS/2004/096-462 Contract n° 2004/96462
Intervention Start date & End date	Start date: 20/07/06 End date: 31/12/07
Budget planned	€4,201.672 of which € 3,781.505 paid by EC (90%)
Budget committed	€3,625,930
Budget disbursed	€3,625,930
Beneficiary	<ul style="list-style-type: none"> ▪ Implementing Agency: International Organization for Migration (IOM) ▪ Partner organisation: State Committee for Nationalities and Migration (SCNM),
Programme Background & History	The project was designed to assist the GoU to improve the effectiveness of migration management in the field of detention of irregular migrants. The importance of the project has increased after the EC-Ukraine readmission agreement was negotiated and initialed in October 2006. The current project is considered as a pilot for the creation of appropriate accommodation facilities under the readmission agreement.

Overall objectives	To improve support the Government of Ukraine to build migration management capacity in its efforts to comply with and ensure international best practices and humanitarian standards. In particular, it will address the requirements for improvement of the GoU’s response to the irregular migrant problems.
Specific objectives	<ol style="list-style-type: none"> 1. To enhance the protection and well-being of detained irregular migrants; 2. To institute measures to strengthen the capacity of relevant authorities and civil society to address the problems of irregular and regular migration; 3. To raise awareness and increase understanding of the issues of migration, amongst migrants of as well as relevant Ukrainian authorities and NGOs
Expected results	<p>Enhance Management of Apprehended Migrants Component</p> <ul style="list-style-type: none"> ▪ 2 Migrant Accommodation Centres rehabilitated and furnished. ▪ 2 Health posts at the MACs fitted out and become operational. ▪ 2 Centres for Humanitarian Consultancy established and become operational at the MACs. ▪ Up to 1,260 detained irregular migrants accommodated according to accepted humanitarian standards, with access to health care and humanitarian and legal advisory service. ▪ 28 GoU officials and staff (SGBS, MoI, SCNM) receive Migrant Health Care training ▪ 28 MAC staff receive training on procedures, documentation, operations. ▪ 28 GoU officials receive migration management and technical assistance training. ▪ 28 medical and support MAC staff receive migrant health care training ▪ Guidelines for operating MAC CHCs produced and implemented. ▪ Guidelines on Health Care and Health Promotion and Guidelines on Hygiene and Environmental issues produced for use in MAC Health Posts ▪ 150 irregular migrants receive basic health assessments and pre-departure health checks. ▪ 150 irregular migrants allowed to voluntarily return to their countries of origin. ▪ 300 potential assisted returnees receive advice on the legal situation and have raised awareness of the migration issues and their legal status and options <p>Enhance Migration Management Capacity of UA Authorities Component</p> <ul style="list-style-type: none"> ▪ Review of Ukrainian legal issues relating to the Palermo Convention ▪ Production of TORs for project for legal implementation of recommendations of the review of norms for Palermo Convention ▪ Review of Ukrainian norms and policy on entrance and stay of foreigners within Ukraine ▪ Review of Ukrainian inter-agency data sharing mechanisms and practices ▪ Review of current migratory flows through Ukraine ▪ Review of Policy, Standards and Use of Biometrics in Ukraine ▪ A Strength, Weakness, Opportunities and Threat (SWOT) analysis of migration capacity and migration management issues produced. ▪ Quantitative and qualitative data produced from results of questionnaires received for GoU Migration agencies and officials. ▪ 5 reports produced from each SWOT analysis.

	<ul style="list-style-type: none"> ▪ Percentage of irregular migrants apprehended increases. ▪ GoU Institutions involved in Migration Management have their operational and technical capacity enhanced. ▪ Capacity of GoU migration authorities increases through training and technical assistance ▪ Items of technical materiel, with appropriate operating training where required, provided to GoU migration institutions, in particular the MoI, SBGS and SCNM: ▪ Inter-agency coordination framework designed and implemented. ▪ Policy, both administrative and operational, established to expand GoU migration regimes. ▪ Training and Awareness raising seminars held with GoU authorities. ▪ Methodology and framework for AVR produced and circulated. ▪ International Best Practice guidelines on migration published. ▪ Best practice guidelines on migration law produced. ▪ Network of cooperation enhanced between partner EU and Accession countries and Ukrainian law enforcement agencies/officials from all regions of Ukraine ▪ International linkages for technical assistance to bring international best practices <p>Enhance Awareness of Migrant Issues Component</p> <ul style="list-style-type: none"> ▪ Ukrainian media/newspapers incorporate migration issues into their products ▪ Ukrainian NGO assisted informing migrants of regular migration issues ▪ Migrants in Kyiv receive information on regular migration issues ▪ 4 local NGOs to be involved in regular migration advice centres. ▪ Estimated 4,000 potential labour migrants provided with information and guidance on regular migration
<p>Main Activities</p>	<p>Enhance Management of Apprehended Migrants Component</p> <ol style="list-style-type: none"> 1. To enhance the safety and well-being and of migrant populations within Ukraine, including within MACs. 2. To ensure international standards in the accommodation of irregular migrants with the creation of two new facilities by following a tendering process to contract firms to rehabilitate and equip the MACs in coordination with the SCNM. 3. To move irregular migrants from current locations to new Migrant Accommodation Centres (MACs). 4. To provide quality health care and facilitate a healthy living environment for all migrants through strengthening the capacity of the national health institutions. 5. To adequately equip health posts in all Migrant Accommodation centres. 6. To draft and set up a health care delivery system in the MACs, ensuring quality health care according to international standard. 7. To provide basic legal and consular assistance, through a core of trained staff, for migrants situated in MACs 8. To develop a training module for Ukraine staff employed in the management of the MACs on procedures related to documentation, accommodations, legal rights of the detainee, and humanitarian living standards 9. To provide guidelines on minimum communications requirements including outside

	<p>contacts, visits, access to legal representation, use of telephones and post office facilities Additionally, to produce and implement guidelines on health care and hygiene and environmental conditions in MACs</p> <ol style="list-style-type: none"> 10. To provide counselling to irregular migrants about the option of voluntary return. 11. To assist the voluntary return to their countries of origin of irregular migrants 12. To provide basic health care assessments, pre-departure health checks, health education and promotion sessions <p>Enhance Migration Management Capacity of UA Authorities Component</p> <ol style="list-style-type: none"> 1. To review of the law and institutional practice in Ukraine related to the Palermo Convention, Smuggling Protocol supplementing the UN Convention against Transnational Organized Crime. 2. To review of Ukrainian norms and policy regarding entrance and stay of foreigners on the territory of Ukraine. 3. To review of Ukrainian practices of inter-agency data sharing mechanisms related to irregular migration, trafficking and smuggling. 4. To review of current migratory flows through, from and within Ukraine to assess their roots and rationales. 5. To review of travel documents and visa vignettes in Ukraine.. 6. To produce and implement guidelines on health care delivery based upon international best practice. 7. To ensure that the legal and procedural framework of processing irregular migrants is harmonious with related international law and conventions through use of international experts to review existing legislation and provide procedural guidelines. 8. To create a methodology and framework for AVR processes, building upon international best practise associated with irregular migrants. 9. To enhance a network of cooperation primarily between partner EU and Accession countries, (ie Hungary, Poland, UK, Sweden, Belgium) and Ukrainian law enforcement agencies/officials from all regions of Ukraine, in order to improve their level of knowledge, mutual understanding, contacting, and exchange of best practices and relevant information on migration management and irregular migration trends. 10. To provide international linkages for technical assistance with the purpose of bringing to Ukraine best practices and technical expertise, with one EU and one accession country <p>Awareness of Migrant Issues Component</p> <ol style="list-style-type: none"> 1. To provide accurate and information to Ukrainian potential migrants in order to assist them to make an informed decision about migrating from Ukraine, residing abroad and returning to Ukraine; 2. To assist the foreign embassy Consular Services and the migrant applicants by offering pre-consular services to migrants and potential migrants, thus reducing mistakes in application forms and reduce numbers of potential queuing in front of Consulates; 3. Attract attention of regular and irregular migrants situated in Ukraine and establish a dialogue on their needs, between them and public and civic actors involved in migration issues. 4. To thwart the illegal activities of smugglers and traffickers, by making available easily understandable information on migration legislation and travel and regular labour/work opportunities
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Main Achievements	<p>Good achievements in components 2 and 3.</p> <p>The Component 2 consists of a number of tasks enhanced by an additional task, training for governmental officials. The International Best Practices (BP) combined with the Health Care BP were endorsed by the IOM HQ in May 2007 and is now being translated. The draft BP report was shared with MoI and State Border Guards Service and is in use now. The Gap Analysis of Ukrainian legislation on the detention of irregular migrants with recommendations has been developed and is being finalised. The equipment list was prepared; a tender was organised; and the delivery is planned. The outstanding issue from this component is the Assessment of Migration Management Capacity of GoU. IOM is considering alternative ways of completing assessment studies. A study tour to Poland was organised for Ukrainian institutions involved in the irregular migrant issues.</p> <p>The Component 3 is the most successful from the start. A regular internal monitoring of the 5 Migrant Information and Advice Centres (CMA); organisation of trainings and round-table discussions for their staff; a large-scale national awareness campaign; close cooperation with the embassies; creation of the web-site; production and dissemination of leaflets, initiated cooperation with the State Employment Service supplemented with a special training, etc., contributed a lot to the enhancement of awareness on migrant issues. The quality of results produced to date is high and secured by the IOM procedures: internal monitoring, and a final approval of all deliverables by the IOM HQ.</p> <p>The third specific objective has been achieved with an outstanding quantitative indicator: 14,000 potential migrants against 4,000 planned were provided with information and guidance on regular migration. The quality of services delivered by these centres is high. The centres thwart illegal activities of unfair companies which suggest false jobs opportunities abroad to people. Through the growing involvement of persons in the CMA activities, the migration issues awareness significantly increased.</p>																														
Project main weaknesses	<p>Political situation, where responsibilities of partner were given to another institution, cause some significant delay. Initially, no willingness from UA side to commit any funds so that sustainability was an issue. But this changed in 2007.</p>																														
Issues	<p>Human rights NGOs express concerns regarding violations of the rights of refugees and asylum-seekers</p>																														
Monitoring reports	<p>Monitoring Reports</p>																														
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Documentary Sources	<ul style="list-style-type: none"> ▪ Project Synopsis ▪ Monitoring Reports ▪ Contracts and Amendments between EC and IOM 																														

Intervention Title	Capacity Building of Migration Management (Phase II)
Commission Ref.	Decision: TACIS/2004/096-462 Contact n°2006/124449
Intervention Start date & End date	Start date: 01/08/2006 End date: 31/12/2007
Budget planned	€2,800,000
Budget committed	€2,682,644
Budget disbursed	€2,682,644
Beneficiary	<ul style="list-style-type: none"> ▪ Implementing Agency: International Organisation for Migrations (IOM) ▪ Partner: State Border Guards Service of Ukraine
Programme Background & History	The Capacity Building Migration Management Phase II (CBMM II) project was designed to complement activities started under the ongoing CBMM I project. Both projects are of a high importance in view of the coming EU-Ukraine readmission agreement, and have the same goal <i>to enhance GoU's capacity to manage migration flows</i> . The activities of the CBMM I and II projects are interrelated, interdependent and are being implemented in parallel. Besides the common tasks, the CBMM II project has a particular task related to the set up of temporary specific holding facilities (SHFs) for detained irregular migrants. Also a refurbishment of one migration accommodation centre (MAC) is planned under the current project in addition to the Volyn MAC already identified under the CBMM I.
Overall objectives	The Overall Objective of this project is to improve the GoU's migration management capacity with a particular focus on the establishment of holding facilities and accommodation centres for detained migrants, the adequate treatment of irregular migrants and to support the GoU's efforts to comply with and ensure European best practices and humanitarian standards set by the Council of Europe, the European Court of Human Rights, and the European Committee for the Prevention of Torture (CPT) as well as the harmonisation with the EU <i>acquis communautaire</i> .
Specific objectives	<p>The Specific Objectives towards accomplishing these ends, are as follows:</p> <ul style="list-style-type: none"> ▪ To enhance the safety and well being of migrant populations within Ukraine, including temporary accommodation facilities, in particular special holding facilities (SHFs) and migrant accommodation centres (MACs). ▪ To ensure international standards in the accommodation of irregular migrants through the rehabilitation and equipping migrant accommodation and special holding facilities. ▪ To provide support as required to the GoU during the movement of irregular migrants from current locations to new/refurbished MACs. ▪ To develop a health care system, for the GoU, to provide medical assistance to irregular migrants held in MACs and SHFs. ▪ To adequately equip a health post in each MAC/SHF. ▪ To equip and refurbish migrant interview rooms. ▪ To upgrade the knowledge of national staff in these facilities. ▪ To build the capacity of civil society with a view to undertake or support migrant protection objectives. ▪ To provide counselling to irregular migrants about the option of voluntary return. ▪ To assist the voluntary return of irregular migrants to their countries of origin.

	<ul style="list-style-type: none"> ▪ To provide basic health assessments and pre-departure health checks for departing irregular migrants. ▪ To provide accurate information to Ukrainian potential migrants in order to assist them to make an informed decision about migrating from Ukraine, residing abroad and returning to Ukraine. ▪ To assist the foreign Embassy Consular Services and the migrant applicants by facilitating the access to accurate consular information on websites of the Embassies, obtaining application forms and signing up for appointments in consulates for migrants and potential migrants, as well as provide information and warning about fraudulent practices in the sphere of work and tourist visas, thus reducing mistakes and counterfeit in visa applications. ▪ To thwart the illegal activities of smugglers and traffickers, by making available easily understandable information on migration legislation and travel and regular labour/work opportunities.
<p>Expected results</p>	<ul style="list-style-type: none"> ▪ IOM Project Management Board set up and ToRs produced. ▪ Steering Committee set up and ToRs produced. ▪ Minimum of 3 tri-annual Steering Committee meetings held. ▪ Project risks (financial and sustainability) reduced to a minimum. ▪ GoU commitment sought, through achievement by GoU of pre-agreed criteria, before decision taken to continue with MAC rehabilitation. ▪ Project Partners fully involved in all major decisions. ▪ 5 SHFs and at minimum one MAC, including health posts, kitchen and washrooms rehabilitated and furnished. ▪ More than 1000 detained irregular migrants accommodated according to accepted humanitarian standards, with access to health care and humanitarian and legal advisory service. ▪ More than 100 GoU officials and staff (SGBS, MIA, SCNM) took part in capacity building activities. ▪ 100 irregular migrants allowed to voluntarily returning to their countries of origin. ▪ 100 irregular migrants received basic health assessments and pre-departure health checks. ▪ Capacity of GoU migration authorities increased through training and technical assistance. ▪ Ukrainian NGO assisted informing migrants of regular migration issues. ▪ Migrants in Kyiv received information on regular migration issues. ▪ Local NGOs involved in migration advice centres. ▪ Estimated 3,000 potential labour migrants provided with information and guidance on regular migration.
<p>Main Activities</p>	<ul style="list-style-type: none"> ▪ Rehabilitate and furnish 5 SHF and at least 1 MAC ▪ Enhancement of the State Border Guard system of detention to carry out the tasks of receiving foreigners, accommodating them temporarily and further transferring them to the national temporary detention centres, which are under the MOI authority. ▪ Equipment of health centres of both MACs and SHFs and supply of an initial stock of medication for an estimated 6 months supply. ▪ Information and counselling about AVR options for all potential returnee migrants (pre-

	<p>departure counselling, medical screening, travel document arrangement, return transportation arrangements, arrangements for reception on arrival, through IOM offices in reception countries.</p> <ul style="list-style-type: none"> ▪ Establishment of Migrant Interview Rooms (MIR) at selected border checkpoints to offer migrants a whole range of information in their native language, in cooperation with other international organisations and agencies (UNHCR, ICRC, IFRC, and HIAS). ▪ Upgrade the knowledge of health care staff, i.e. those directly involved in the welfare of the migrants in MACs and SHFs, medical and support staff. ▪ Extend the coverage of the Centres for Migrant Advice, established in phase I and strengthen their existing capacity to favour their potential for network building and sustainability.
<p>Main Achievements</p>	<ol style="list-style-type: none"> 1. Compiled “Guidelines and Best Practices for Migrant Accommodation Centres in Ukraine” manual on the heels of a comprehensive study of EU best practices and standards, focusing on the protection of migrant rights, including personal safety and security, access to legal, NGO and interpretation services, health care, physical fitness, nutrition and hygiene; trained more than 400 MOI and SBGS staff on the topics, thus increasing the standards of migrant accommodation in Ukraine. 2. At the request of the MOI, analysed the draft regulation on MACs prepared by the MOI and provided comments and recommendations based on the IOM-produced Best Practices; As a result, the MACs regulation, which incorporates in full IOM’s extensive input, was officially approved by the MOI and was registered as an official document with the Ministry of Justice in November 2007. 3. Together with partners, facilitated the development of recommendations on amendments to detention legislation, which was accepted into official procedure by the Cabinet of Ministers of Ukraine in 2008. 4. Fully equipped two MACs in Volyn and Chernihiv Regions with specialized EU-standard equipment such as furniture, IT, medical equipment and medicine, kitchen equipment, office supplies, and industrial machines such a heaters, boilers, thus ensuring adequate accommodation/living conditions for irregular migrants. 5. Refurbished and fully equipped five THFs in Izmail, Chernivtsi, Mostyska, Malniv and Shatsk according to the EU standards, thus producing quality conditions for migrant accommodation. 6. Helped set up and outfit 18 Migrant Interview Rooms (MIR) in accordance with EU standards to facilitate the protection of migrants’ rights by ensuring decent conditions for interpretation, the provision of legal services and proper monitoring. 7. Facilitated the establishment of contacts, introduced Ukrainian delegations to EU counterparts and exposed them to EU standards and migration management systems through the organization of numerous study visits for the MOI, SBGS, MOJ, MOL, SCNR and NGO representatives to European countries, including Poland, Sweden, Czech Republic, Slovakia, Portugal, Belgium and Austria. 8. Increased the quality of transportation of irregular migrants in Ukraine by procuring 27 modern Toyota buses (6 for MOI and 21 for SBGS). 9. Increased public awareness and knowledge about safe travel and work abroad by consulting over 57,000 Ukrainian nationals through a network of CMAs, thus enabling people to make informed choices about migrating abroad. Reached over 64,000 Ukrainian citizens, educating them and alerting them to the dangers of irregular migration through various and sundry group activities, such as trainings, workshops, and fairs. 10. Returned safely and in dignity over 240 stranded migrants, failed asylum seekers and other

	<p>migrants who lacked financial resources, to their countries of origin through the Assisted Voluntary Return (AVR) Programme.</p> <p>11. To ease the strain of detention and improve the quality of life, the IOM organized a donation drive to collect clothes and reading materials to benefit migrants accommodated in the MACs.</p>																		
Project main weaknesses	<p>There was no clarity regarding state financing for the external facilities in Volyn; as well as all technical documentation with real refurbishment costs is not submitted. All this does not allow to plan activities for the Phase II MAC because it was decided, in case of the lack of state financing for the external facilities, to reallocate some funds from the CBMM II to the CBMM I. This also delays organisation of international tenders for the refurbishment and construction of the MAC facilities. Consequently the existing work plan for the project implementation proved unrealistic.</p>																		
Issues	<p>The important issue is to encourage Ukrainian beneficiaries to incorporate the Best Practice into the national detention legislation and building norms as soon as possible in order to use them during the construction work on MACs and SHFs.</p>																		
Monitoring reports	Monitoring Reports																		
	<table border="1"> <thead> <tr> <th>Date</th> <th>Relevance</th> <th>Efficiency</th> <th>Effectiveness</th> <th>Impact</th> <th>Sustainability</th> </tr> </thead> <tbody> <tr> <td>1/12/06</td> <td>c</td> <td>b</td> <td>b</td> <td>b</td> <td>b</td> </tr> <tr> <td>3/10/08</td> <td>a</td> <td>a</td> <td>a</td> <td>b</td> <td>b</td> </tr> </tbody> </table>	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability	1/12/06	c	b	b	b	b	3/10/08	a	a	a	b	b
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability													
1/12/06	c	b	b	b	b														
3/10/08	a	a	a	b	b														
Documentary Sources	<ul style="list-style-type: none"> ▪ ToR ▪ Project Synopsis ▪ ROM reports 																		

Intervention Title	Support to Taxation Reform
Commission Ref.	Decision: TACIS/2003/005-620 Contract n° 2005/99903
Intervention Start date & End date	Start date: 03/04/2005 End date: 04/07/2007
Budget planned	€1,600,000
Budget committed	€ 1,546,846
Budget disbursed	€1,546,846
Beneficiary	State Tax Administration
Programme Background & History	The project was launched to assist Ukraine in establishing a transparent tax system through modernisation and transformation of the State Tax Administration (STA) into a key institution of public administration up to European standards.
Overall objectives	To contribute to transformation of the State Tax Service (STS) into a European-style institution of public administration, the creation of trust and new, partnership relations between the state and citizens, and between tax authorities and taxpayers, based on principles of transparency, impartiality and rule of law.

	<p>This is intended to be realised by achieving the following:</p> <ul style="list-style-type: none"> ▪ Ensure conditions for voluntary compliance of taxpayers with Ukrainian tax legislation; ▪ Ensure full and timely collection of taxes and duties levied in accordance with Ukraine legislation; ▪ Achieve competent, honest and equitable administration of taxes by the STS; ▪ Enhance the institutional development of STS as a highly-qualified authority to monitor the entire tax administration process on the basis of comprehensive automation.
Specific objectives	<p>To contribute to bringing some specific working processes (ConOps) described in line with European tax administrative standards, legally or functionally.</p> <ul style="list-style-type: none"> ▪ To contribute to a situation when VAT refunds are a natural part of a well functioning tax system with payments carried out correctly and without necessary delay to the taxpayers. Besides, various types of taxpayers are regarded as neutral and treated equally in this respect. ▪ To contribute to enhanced practical cooperation within the Tax Administration as well as between the administration and other public or private stakeholders in society. A future efficient exchange of information throughout the country should result in improved tax compliance. ▪ To contribute to the increased taxpayer awareness and voluntary compliance by assisting the establishment of an operational call centre providing taxpayer service.
Expected results	<ul style="list-style-type: none"> ▪ Concrete suggestions for the ConOps aiming achievement of and harmonisation with European standards and practices; ▪ Recommendations for a reform of the system of VAT refunds aiming achievement of and harmonisation with European standards and practices; ▪ Recommendations for a new regulatory framework, including an official explanation thereof, for an intra- and inter-governmental exchange of information, aiming at improving taxpayer compliance. ▪ An operational call centre aiming at improving taxpayer compliance.
Main Activities	<ul style="list-style-type: none"> ▪ Fact-finding ▪ Analysis ▪ Development of proposals of improvements ▪ Support to implementation of changes ▪ Training ▪ Study tours
Project main weaknesses	<ul style="list-style-type: none"> ▪ Continued lack of understanding between the project expert and the VAT working group members has been detrimental for progress with regard to one of the project objectives that related to improvement of the situation in the country with the VAT refunds. ▪ Co-ordination between the Modernisation Department and functional departments of the STA, and involvement of the latter in the project activities has left much to be desired. ▪ Frequent changes of the project counterparts at management level have created uncertainties for the project and the STA staff
Issues	VAT refunds remains today (2010) a very serious issue

Monitoring reports	Monitoring Reports					
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability
	15/07/05	b	b	a	b	b
	09/03/06	b	b	b	b	b
	10/11/06	b	a	c	b	b
31/05/07	a	a	b	b	b	
Documentary Sources	<ul style="list-style-type: none"> ▪ Project Synopsis ▪ Monitoring Reports 					

Intervention Title	Development of Integrated Social Services for Exposed Families and Children
Commission Ref.	Decision : TACIS/2003/005-620 Contract n° 2005/100108
Intervention Start date & End date	Start date: 28/03/05 End date: 28/09/07
Budget planned	€1.600.000
Budget committed	€1,597,675
Budget disbursed	€1,597,675
Beneficiary	State Social Service for Families, Children and Youth (SSSFCY) of the Ministry for Youth and Sport Affairs (MYSA); Kiev Oblast Implementation Agency: Every Child
Programme Background & History	The project was launched to assist the Ukrainian Government to overcome the tendency of growing social orphanage through prevention services and facilitation of upbringing in the family environment for children deprived of parental care. The design of the ToR was a participative process between the EC, the Project Partner and the State Administration of the Kiev Oblast.
Overall objectives	Reduce the number of children living in residential institutions in Kyiv oblast
Specific objectives	<ol style="list-style-type: none"> 1. Develop and implement innovative models of integrated social services; 2. Assist Ministry of Family, Youth and Sport to develop recommendations for the improvement of the existing legislation which should facilitate the implementation of the basic package of social services; 3. Increase the capacity of staff in State Social Services for Family, Children and Youth in implementing new models of services through training programmes and a public awareness campaign.
Main Activities	<ol style="list-style-type: none"> 1.1 scope, financial mechanisms and organizational structures of existing social services assessed; 1.2 needs of target groups in pilot region defined; 1.3 list of services to be developed; 1.4 list of services for alternative forms of child care and adoption developed;

	<p>1.5 social services for prevention of early abandonment developed;</p> <p>1.6 services to support child victims of violence developed;</p> <p>1.7 rehabilitation programmes for children in conflict with the law developed;</p> <p>1.8 methodology to define budget resources to support new services developed;</p> <p>1.9 service models tested in pilot rayon;</p> <p>2.1 existing legislation in the field of social protection rendered to families and children analysed;</p> <p>2.2 recommendation for adjusting laws, bylaws and regulations developed;</p> <p>2.3 draft of the law ‘on the protection of children’s rights who are under state guardianship or in prison elaborated;</p> <p>2.4 support to the State Social Services for Family, Children and Youth in improving legal provisions that regulate the creation of foster families, family type care institutions and legal status of foster parents provided;</p> <p>2.5 quality standards and control procedures for the provision of integrated social services developed and piloted</p> <p>3.1 training needs analysis related to the new function of integrated social services conducted;</p> <p>3.2 training programmes for managers and social service providers developed; training groups for different target groups executed;</p> <p>3.3 public awareness campaign launched to provide information on new services and encourage community based initiatives</p>
<p>Main Achievements</p>	<p>Within (a) Family Support and Early Prevention services were developed in 35 rayons and city administrations, Foster Care - in 19 rayons (originally planned 10) and full range of Integrated Social Services - in two rayons with utilisation of ‘Single Window’. Additionally to the original plan, family social workers were introduced in 19 villages. The Report on Funding new social services for children and families was presented in August 2007 with clear proposals for the new system and recommendations on its best possible planning and financing.</p> <p>The project took active part in elaboration of the new Law on Social Services for Families (approved in November 2006), drafting of the Deinstitutionalisation Strategy and of a series of by-laws and regulations (b).</p> <p>The Results within (c) include a Manual on Integrated Social Services, approved by the Ministry of Education (August 2007), creation of the Kyiv oblast Training Centre, preparation of 26 Trainers and carrying out of 46 training events. Different publicity materials, including posters, leaflets and stickers were disseminated within the public awareness campaign. In parallel, information was regularly publicised via mass media.</p> <p>The project fully achieved its Specific objectives, which dealt with the development of new social services, improvement of the existing legislation and increase of the capacity of the relevant personnel / public awareness. Basic package of social services for vulnerable children and families was developed and tested. As a result in Kiev oblast in the period January 2006 - July 2007 135 cases of potential infant abandon were prevented, 179 children were re-integrated in their biological families, 42 children were placed in foster care and 153 adopted.</p> <p>The overall objective “to reduce the number of children placed in residential care institutions” has been met; the most recent statistics indicate that there has been a 50% reduction in the rate of children admitted to state institutions (NB Specific Project Objective 1 envisaged a 15% reduction indicating that the expected outcome has been exceeded). In 2005 293 children were placed in state residential institutions in Kyiv oblast, in 2006 this figure dropped dramatically to 151.</p>

	<p>The number of rayon social workers, which according to the new Law on Social Services for Families, have to be connected to the local demographics, has grown from 103 persons in 2005 to 287 on 01/09/07. There has been a 63% increase in numbers of social workers employed by the Centres for Social Services in rayons, cities, towns and villages from 103 in 2005 to 279 at the end of February 2007.</p> <p>The legislation was further developed and improved with a particular focus on prevention of family breakdown and a strong requirement for state authorities to act in the best interest of the child. Capacities of more than 1500 people were strengthened. Public attitude vis-à-vis the vulnerable families' problems was changed, which was clearly evidenced when information obtained during evaluation of the awareness campaign at the project end was compared with the data of the baseline research.</p> <p>Impact:</p> <p>The Overall Objective of the project was "To reduce the number of children placed in boarding institutions... by assisting... in developing and implementing efficient integrated social services...". The approach proposed and used by the project had a crucial impact. The initiated 'gate-keeping' mechanism combined with the availability of alternative social services drastically changed the picture even during the relatively short period of the project span. The statistics show an almost 12% decrease in the numbers of children with the status of orphans or child deprived of parental care and a 12% reduction of children living in residential institutional care in Kiev oblast.</p> <p>The project managed to establish a strong 'team' of the new approach advocates, diversified from high level decision makers to social workers and vulnerable families. Joining efforts of different players, including interdepartmental cooperation and involvement of donors and NGOs was another peculiarity of the project.</p> <p>Generally, the project achievements provide adequate grounds for establishment of a modern system of social services across Ukraine and at present a strong political will to do this is fully in place. However, the political instability in the country and the correspondent high turn-over of the decision makers may put at risk the potentially exceptional impact of the project.</p>																																										
Project main weaknesses	<p>The definition of the intervention logic in the ToR was satisfactory, with the notable flaw that three Specific Objectives (SO) were defined as processes and should be considered as project components: establishment of social services, legal advice and training.</p> <p>Without local strong belief, deep understanding and commitment, big changes and serious reform of the child care system are not possible.</p>																																										
Issues	<ul style="list-style-type: none"> ▪ Trend of numbers of children placed in residential institutions ▪ Follow-up project ▪ Project proposed a model to be expanded. This model is now effectively used by UNICEF project that is implemented in the other part of Ukraine 																																										
Monitoring reports	<table border="1"> <thead> <tr> <th colspan="7">Monitoring Reports</th> </tr> <tr> <th>Date</th> <th>Relevance</th> <th>Efficiency</th> <th>Effectiveness</th> <th>Impact</th> <th colspan="2">Sustainability</th> </tr> </thead> <tbody> <tr> <td>31/08/05</td> <td>c</td> <td>c</td> <td>B</td> <td>b</td> <td colspan="2">b</td> </tr> <tr> <td>28/02/06</td> <td>c</td> <td>c</td> <td>C</td> <td>b</td> <td colspan="2">b</td> </tr> <tr> <td>3/11/06</td> <td>b</td> <td>b</td> <td>A</td> <td>b</td> <td colspan="2">b</td> </tr> <tr> <td>9/10/07</td> <td>b</td> <td>a</td> <td>A</td> <td>a</td> <td colspan="2">b</td> </tr> </tbody> </table>	Monitoring Reports							Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability		31/08/05	c	c	B	b	b		28/02/06	c	c	C	b	b		3/11/06	b	b	A	b	b		9/10/07	b	a	A	a	b	
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3/11/06	b	b	A	b	b																																						
9/10/07	b	a	A	a	b																																						
Documentary Sources	<ul style="list-style-type: none"> ▪ Project Synopsis ▪ Monitoring reports ▪ Draft Progress Reports March 2006 and March 2007 																																										

Intervention Title	Consumer Society and Citizens' network
Commission Ref.	Decision: TACIS/2005/ 016-177 Contract n° 2005/115406
Intervention Start date & End date	Start date: 13/04/2006 End date: 13/06/2009
Budget planned	€3,000,000.00
Budget committed	€3.149.999,75
Budget disbursed	€2,720,018 as of end-September 2009
Beneficiaries	Implementing Agency: UNDP Beneficiaries: <ul style="list-style-type: none"> ▪ Ministry of Economy ▪ Ukrainian consumer protection CSOs ▪ State Committee for Technical Regulations and Consumer Protection (DSSU) ▪ Ministry of Education ▪ Consumers
Programme Background & History	Despite positive economic recovery experience had shown that successful economic growth does not translate into prosperity for all. Issues concerning economic governance still needed to be addressed as notions of economic governance had yet to take full root within the Ukrainian populous at large. Ukrainian citizens are unaccustomed to describing their rights in economic terms. By promoting the emergence of consumer rights, NGOs and establishing active contacts with their European counterparts, an initial should be made in entrenching the fundamentals of economic governance amongst Ukrainians and provide an additional tool towards the alleviation of poverty.
Overall objectives	To enhance the role of the civil society in sound economic governance in Ukraine according to EU standards.
Specific objectives	<ul style="list-style-type: none"> ▪ To promote consumer rights and economic empowerment through capacity building of non-governmental organisations, in order to provide access to good economic governance according to EU standards and common practices; ▪ To improve the system of access to information on consumer rights and on the quality of goods; ▪ To promote consumer rights empowerment and protection systems
Expected results	<ol style="list-style-type: none"> 1. Capacity building programme for consumer protection CSOs delivered. 2. Optional course on product safety issues is introduced in secondary schools. 3. Mandatory course on consumer affairs is introduced in the BA curriculum in Economics in Ukrainian Universities. 4. Capacity building programme for media, focusing on how to reflect the issues of product safety and execution of consumer rights. 5. Capacity building programme for judiciary on hearing and ruling cases on consumer rights violation. 6. Promotion of consumer friendly business practices. 7. Sustainable consultative, information, resource both physical and on-line, for citizens, other consumer protection CSOs, entrepreneurs and public administration bodies. 8. Consumers' information Web resource created and functioning in a sustainable and continuously developing manner. 9. Baseline and end-of-project surveys of consumers' behaviour carried out and their results published. 10. Comprehensive information campaign on products' safety delivered.

<p>Main Activities</p>	<ol style="list-style-type: none"> 1.1. Development and testing of methodology for consumer satisfaction index (CSI) measurement. 1.2. Development, delivery and evaluation of training in application of CSI measurement for CSOs (possibly also to public administration bodies). 1.3. Development of a tip library, a guidebook covering class actions, information exchange for Consumer CSO's lawyers. 1.4. Transfer of best practices in independent consumers' testing to Ukrainian CSOs from the EU ones. 1.5. Twinning between EU and Ukrainian consumers' CSOs. 2.1. Development of concept of the training course, discussion with relevant authorities (Ministry of Education) 2.2. Development of a detailed course framework. 2.3. Development of methodical recommendations (handbook) for teachers. 2.4. Development of textbooks. 2.5. Securing course approval by relevant authorities (Ministry of Education, possibly local authorities in the regions). 2.6. Training of trainers as the first step of cascade training of schools' teachers throughout the country. 3.1. Development of concept of the training course, discussion universities and the Ministry of Education. 3.2. Development of a detailed course syllabus. 3.3. Development of methodical recommendations for teachers. 3.4. Development of textbooks for students. 3.5. Securing course approval by the Ministry of Education. 4.1. Development of the programme for monthly training events for media, to be conducted in Kiev and in all oblasts' capitals. 4.2. Delivery and evaluation of the programme. 5.1. Analysis, consolidation, publication and presentation of current court practices in consumer issues. 5.2. Preparation and dissemination of publication on best advocacy practices. 5.3. Development of a handbook for judges on hearing and ruling cases on consumer rights violation. 5.4. Discussion of the handbook with the Supreme Court of Ukraine and other organizations and experts representing Ukrainian judiciary system. 5.5. Dissemination of the handbook through the Ukrainian judiciary system. 6.1. Organisation of round tables on consumer-friendly business practices. 6.2. Publication on consumer-friendly business practices. 7.1. Development of mission and strategy of the consumer information centre 7.2. Development of constituent documents 7.3. Sustainability and resource strategy development 7.4. Preparation of the development plan, action plan and financial plan 7.5. Development of the structure and organigram for the centre
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	<p>7.6. Implementation of the organisation’s action plans, covering but not limited to:</p> <ul style="list-style-type: none"> - public awareness mass actions and campaigns; - resource centre for other consumer protection NGOs; - maintenance and development of web portal; - selection of products for independent testing, implementation of such testing and dissemination of results. <p>8.1 Development and testing of the concept of the web resource. 8.2 Development and testing of the prototype. 8.3 Official launch of the web site. 8.4 Promotion of the site. 8.5 Periodic quarterly testing of site’s perception by users. 8.6 Establishment of links to other consumer CSO’s sites. 8.7 Establishment of links to similar international web resources. 8.8 Translation and publication of materials from similar international resources. 8.9 Development of on-line libraries. 8.10 Development of on-line information and consultative centres for citizens and for consumer CSOs. 8.11 Publication of results of independent testing. 8.12 Preparation and publication of articles on products and consumer rights enforcement. 8.13 Development and running of users’ forums. 8.14 Development and maintenance of an on-line system of rapid dissemination of information on dangerous goods identified by citizens and consumer CSOs. 8.15 Development of on-line training courses.</p> <p>9.1. Design of surveys, establishment of samples. 9.2. Implementation of surveys. 9.3. Analysis and publication of results.</p> <p>10.1 Development and discussion of campaign’s concept, selection of most effective media channels using the results of the survey above 10.2 Implementation of the campaign 10.3 Publication of project’s periodic information bulletins 10.4 Organization of public debates on products safety and nutrition 10.5 Production and dissemination of brochures/leaflets on various consumer issues</p>
<p>Project main weaknesses</p>	<ul style="list-style-type: none"> ▪ Changes in the concept and planning of the project that took place during its implementation were not properly authorized by the Beneficiary. ▪ Lack of commitment from the Ukrainian side (DSSU), insufficient transparency in project implementation and unequal cooperation led to lessening the role of the Ukrainian partners in the project.
<p>Issues</p>	<ul style="list-style-type: none"> ▪ Lack of sustainable budget financing and of support to consumer CSOs from the Government, as well as the lack of management capacities threaten probability of survival of the consumer CSOs involved in the project.

Monitoring reports	Monitoring Reports					
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability
	07/08/06	b	c	c	b	B
	29/05/07	c	c	c	b	C
	03/06/09	b	b	b	b	C
Documentary Sources	<ul style="list-style-type: none"> ▪ Project Synopsis ▪ Monitoring Reports ▪ Project contract 					

Intervention Title	Support to Good Governance : Project against corruption in Ukraine
Commission Ref.	Decision: TACIS /2004/016-777 Contract n° 2006/120157
Intervention Start date & End date	Start date: June 2006 End date: December 2009 after an extension by 7 months.
Budget planned	€1,750,000
Budget committed	€1,500,000 (€250,000 being financed by the Council of Europe)
Budget disbursed	€ 1,404,474 as of end-September 2009
Beneficiary	Ministry of Justice, Council of National Security and Defence, Office of the Prosecutor General, Ministry of Interior and other institutions represented in the Steering Committee Project implemented by the Council of Europe
Programme Background & History	In 2005, Ukraine ranked 107 in Transparency International’s corruption perception index, among the lowest of the 46 Council of Europe member States. Following elections in late 2004, the new President and his Government acknowledged corruption to be a priority issue requiring comprehensive and serious countermeasures. The EU / Ukraine Action Plan, adopted in February 2005, contains provisions regarding the need to ensure the effectiveness of the fight against corruption and recommends inter alia a “revision of the national strategy against corruption”, promotion of “transparency and accountability” of public administration and “reform of the civil service based on European standards”. The TACIS Ukraine Action Programme 2004 of the European Commission – counter-signed by the Ukrainian Government in April 2005 – includes funding in support of good governance and anti-corruption measures which permits substantial European support to Ukraine’s strategy against corruption.
Overall objectives	To contribute to the prevention and control of corruption so that it no longer undermines the confidence of the public in the political and judicial system, democracy, the rule of law and economic and social development in Ukraine.
Specific objectives	<ul style="list-style-type: none"> ▪ To improve the strategic and institutional framework against corruption in Ukraine ▪ To enhance capacities for the prevention of corruption ▪ To strengthen the anti-corruption legal framework and effective and impartial enforcement of the criminal legislation on corruption

<p>Expected results</p>	<p>Under specific objective 1:</p> <ul style="list-style-type: none"> ▪ finalisation and adoption of an anti-corruption strategy and action plan, clear definition of the anti-corruption institutional set-up; ▪ effective monitoring, coordination and management of the action plan; ▪ availability of proposals concerning a preventive body or bodies. <p>Under specific objective 2:</p> <ul style="list-style-type: none"> ▪ reduced risks of corruption within criminal justice and law enforcement institutions; ▪ reduced conflicts of interest in the political process; ▪ the implementation of codes of conduct in the civil service; ▪ enhanced capacities for the prevention of corruption and the strengthening of public ethics at the level of local and regional authorities; ▪ stronger public participation in the anti-corruption effort. <p>Under specific objective 3:</p> <ul style="list-style-type: none"> ▪ draft laws to improve the prevention and control of different forms of corruption in accordance with international standards; ▪ improved capacities of the judiciary to adjudicate and law enforcement agencies to investigate and prosecute corruption offences.
<p>Main Activities</p>	<ul style="list-style-type: none"> ▪ National conferences ▪ Expert advice ▪ Written expert opinions/assessments (expertises) ▪ Workshops, roundtables and in-country training activities ▪ Study visits ▪ Surveys ▪ Awareness raising activities ▪ Translations and publications ▪ Risk analyses ▪ Development of the terms of reference for a grant programme ▪ IT equipment (ToRs)
<p>Main Achievements</p>	<p>Two major achievements :</p> <ul style="list-style-type: none"> ▪ the setting up of a national policy level anticorruption body – Government Agent for Anticorruption policy (comment: <i>Gov. Agent was established on 24 April 2009</i>) ▪ adoption of the anticorruption package of laws on 11 June by Verkhovna Rada of Ukraine. <p>These two major achievements contributed to implementation of several GRECO recommendations and incorporation of European and international anticorruption standards into domestic legislation.</p> <p>Moreover the project has made a significant contribution to the public administration reform (through the system studies, support of relevant legislative initiatives and raising awareness among professionals and general population) and criminal justice reform (through the relevant system studies). It contributed to strengthen capacities aimed at enhancing transparency in funding of political parties and electoral campaigns (through the finalisation of the relevant draft concept) thus contributing to prepare Ukraine to the 3rd Round of GRECO Evaluation.</p> <p>The Monitoring reports provide a very positive assessment of the project with efficiency and effectiveness being rated “A” and impact prospects and sustainability being rated “B”.</p>

Project main weaknesses	Despite a certain progress in legislative and institutional development a substantial gap still exists between the adopted legislation and its practical implementation. Absence of efficient coordination mechanisms for the anti-corruption measures between all branches of the state power, state bodies and regional authorities is the main area of concern.					
Issues	The project has had to face along all its implementation period continuous changes in the management of the partner's institutions. However stability of the responsible staff and members of the Steering Group was ensured.					
Monitoring reports	Monitoring Reports					
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability
	11/01/07	b	b	b	b	B
	24/09/07	c	d	c	c	C
	21/05/08	b	b	b	b	B
	12/12/08	b	a	b	b	B
29/10/09	b	a	a	b	B	
Documentary Sources	<ul style="list-style-type: none"> ▪ Terms of Reference ▪ Inception and Progress Reports ▪ Project Synopsis ▪ Monitoring Reports 					

Intervention Title	Support Ukraine Progress Integration to Electricity TENs
Commission Ref.	Decision: TACIS/2004/016-777 Contract n° 2006/121094
Intervention Start date & End date	Signature and contractual start : June 2006 Actual contract start : December 2006 End date : August 2009
Budget planned	€2,800,000
Budget committed	€2,691,834
Budget disbursed	€2,691,834 as of end-September 2009
Beneficiary	Ministry of Fuel and Energy. Target Group include Ukrenergo, ECU (Energy Company of Ukraine), NERC, Energorynok
Programme Background & History	<ul style="list-style-type: none"> ▪ Developed in the context of the recent enlargement of May 2004, the European Union adopted on 11 March 2003 a new framework for its relations with its neighbours, including Ukraine, which materialised in 2004 in the European Neighbourhood Policy. ▪ In order to implement the ENP, an Action Plan was jointly adopted by the EU and Ukraine on the 21 February 2005. In this Action Plan, Ukraine commits to gradually converge towards the principles of the EU on internal electricity and gas markets. ▪ The Action Plan was subsequently followed up with a MOU in December 2005 in which both partners agreed to integrate the electricity and gas markets into the EU IEM through...implementation of key elements of the <i>acquis communautaire</i>. ▪ By the end of 2006, it was agreed to use best endeavours to contribute to the establishment of an interconnection between the UCTE and the Ukrainian electricity grid. ▪ It worthwhile noting here that a Feasibility Study: synchronous interconnection of the IPS/UPS with the UCTE was completed in November 2008.

Overall objective	To support Ukraine’s progressive Participation in the Electricity Trans European NetWork (TEN-E)
Specific objectives	<ul style="list-style-type: none"> ▪ To assess Ukraine’s current power infrastructure and interconnection compatibility, and address relative energy security issue ▪ To assist Beneficiary/Project partner in strengthening Ukrainian legislation and institutional capacity towards integration with EU electricity network ▪ To support Beneficiary/Project Partner in developing the Ukrainian strategy and implementation plan for progressive participation to Electricity-TEN
Expected results	<ul style="list-style-type: none"> ▪ Technical capacity of the Ukrainian energy sector is studied in respect to progressive participation in the TEN-E; ▪ Legislative and institutional basis for the network interconnections is improved through following the EU Requirements; ▪ Legal analysis and environmental study is carried out with respect to EU standards; ▪ Electricity pricing study is implemented in view of integration of Ukrainian and EU electricity market.
Main Activities	<ul style="list-style-type: none"> ▪ Technical, legal and institutional, environmental, electricity exchanges pricing studies ▪ Network integration plan ▪ Action Plan for Participation in TEN-E ▪ Training ▪ Priority information Activities ▪ Support during Action Plan implementation phase.
Main Achievements	<p>Detailed information on the status of the Ukrainian electricity system.</p> <p>An Action Plan with two components :</p> <ol style="list-style-type: none"> a) actions for infrastructure investments needed to comply with UCTE regulation in the assumption that UPS of Ukraine becomes synchronously interconnected to UCTE system, covering also environmental provision to meet EU regulation; b) actions for the adaptation of Ukrainian legal and institutional framework and electricity energy market regulation in the assumption that Ukraine becomes part of the European regional South-East Electricity market (SEE).
Project main weak points	Insufficient ownership by the operators
Issues	<p>Main issues:</p> <ul style="list-style-type: none"> ▪ Implementation of the Action Plan. It was not initiated during the project (see above the sixth bullet point of the “Main activities”) ▪ Conditions for a successful follow-up of this project: <ul style="list-style-type: none"> ○ A long term commitment of all parties involved ▪ A strong management ▪ A political steadfastness of purpose <ul style="list-style-type: none"> ○ Ownership by all stakeholders ▪ Availability of funds, which implies credible business plans <p>Development of the relations with the Russian Electric System remains an important issue. (not included in the ToR of the project).</p>

Monitoring reports	Monitoring Reports					
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability
	03/03/07	c	c	b	b	b
	30/11/07	c	c	b	b	b
	15/04/08	b	b	b	b	b
27/10/08	c	b	b	b	b	
Documentary Sources	<ul style="list-style-type: none"> ▪ Terms of Reference ▪ Project synopsis ▪ Monitoring reports ▪ Project Progress report; January 2009. ▪ Project Final report ▪ Mail exchanges with the contractor 					

Intervention Title	Institutional Strengthening of the National Energy Regulatory Commission
Commission Ref.	Decision: TACIS/2004/016-777 Contract n° 2007/135807
Intervention Start date & End date	Start date: June 2007 End date: April 2009
Budget planned	€1.1 million
Budget committed	€1.1 million
Budget disbursed	€990,000 as of end-September 2009
Beneficiary	National Electricity Regulatory Commission (NERC)
Programme Background & History	<ul style="list-style-type: none"> ▪ International donors have been financing projects to assist the Ukrainian government to reform its electricity system for the last ten years. ▪ The PCA between the European Union and Ukraine (PCA) stipulates that “Cooperation shall take place within the principles of the market economy and the European Energy Charter, against the background of the progressive integration of the energy markets in Europe”. ▪ Developed in the context of the recent enlargement of May 2004, the European Union adopted on 11 March 2003 a new framework for its relations with its neighbours, including Ukraine, which materialised in 2004 in the European Neighbourhood Policy. ▪ In order to implement the ENP, an Action Plan was jointly adopted by the EU and Ukraine on the 21 February 2005. In this Action Plan, Ukraine commits to gradually converge towards the principles of the EU on internal electricity and gas markets. ▪ The Action Plan was subsequently followed up with a MOU in December 2005 in which both partners agreed to integrate the electricity and gas markets into the EU IEM through...implementation of key elements of the <i>acquis communautaire</i> on energy ...aligning its legislation with the relevant Community rules in line with the timetable envisaged in the annexes of the (draft) Energy Community Treaty.
Overall objective	To promote the institutional strengthening of the NERC and assist in the longer term development and implementation of international best practice of regulation in the energy sector consistent with progress in and development of the Internal Energy Market.

Specific objectives	<p>To contribute significantly to:</p> <ul style="list-style-type: none"> ▪ NERC’s capacity to ensure the proper development and implementation of primary and secondary legislation, regulations and adaptive decision-taking in the field of Energy regulation in line with(i) the development of the EU internal market and corresponding requirements for regulatory authorities and (ii) the best practices as applied in some regulatory authorities in the EU IEM. <p>The accumulation of adaptive and technical knowledge and skills of NERC’s personnel in line with the future implementation of the new model of the Whole Electricity Market (WEM)</p>
Expected results	NERC has the capacity to implement the recommendations resulting from the project.
Main Activities	Working groups, workshops etc aimed at providing a set of recommendations for NERC to implement or for the government to submit to the Parliament for approval (a new law).
Main Achievements	<p>The proficiency of NERC’s staff has improved.</p> <p>Final report provides a list of expected results and of the corresponding achievements. Achievements are classified: HS (Highly satisfactory) S ((Satisfactory) and U (unsatisfactory).</p> <p>Lack of an Action Plan approved by the beneficiary.</p>
Project main weak points	<p>The local context was not favourable.</p> <p>Insufficient ownership by the beneficiary.</p> <p>Lack of commitment by the Parliament where the new energy law is still pending.</p>
Issues	<p>The next step should be the implementation of the recommendations by a NERC staff that has been trained for that purpose.</p> <p>The field mission (one year after the completion of the project) will give the evaluation team the opportunity to check the impact/sustainability of the project.</p> <p>Several projects were going on concurrently (IBRD, EBRD, EC etc). Insufficient coordination at the local level.</p>
Documentary Sources	<ul style="list-style-type: none"> ▪ Terms of Reference of project : UA06/PCA/EY02 ▪ Final report : UA06/PCA/EY02 April 2009. ▪ Mail exchanges with the contractor

Intervention Title	Support to the Development of Business Capacity of Ukrainian SMEs – International Dimension
Commission Ref.	Decision: TACIS/2004/016-777 Contract n° 2007/136069
Intervention Start date & End date	Start date: 1/09/2007 End date: 31/08/2009
Budget planned	€2,100,000
Budget committed	€2,065,300
Budget disbursed	€1,764,054 as of end-September 2009
Beneficiary	State Committee of Ukraine for Regulation and Entrepreneurship (SCURPE)
Programme Background & History	<p>The project was launched to support the Ukrainian Government and the private sector in increasing the SME sector competitiveness through a series of interventions aiming at the improvement of the state regulatory policy and practices, at the support of SME development and at the direct support to enterprises in the selected sectors and oblasts of Ukraine to improve their export potential and facilitate commercial links with EU companies.</p> <p>The project is supportive to the declared governmental policy and is in line with the priorities with regard to private sector development, export promotion and improvement of investment climate that are fixed in relevant national and international documents.</p>
Overall objectives	<ul style="list-style-type: none"> ▪ To increase the SME Sector competitiveness
Specific objectives	<ul style="list-style-type: none"> ▪ Improve the State policy in the sphere of SME support development ▪ Facilitate commercial links with EU companies and other foreign enterprises ▪ Increase awareness of business internationalisation in the public and SME sector
Expected results	<ul style="list-style-type: none"> ▪ Policies are strengthened and support to SME sector formulated. ▪ The capacity of SCURPE and other government related organisations to promote the development of SME sector is significantly enhanced. ▪ The efficiency and competitiveness of priority enterprise sectors are improved. ▪ The access of SME sector to international market opportunities is facilitated. ▪ Mechanisms and tools to increase SME competitiveness are developed and effectively used. ▪ Business internationalisation issues are widely disseminated among SMEs and related to SME support organisations.
Main Activities	<ul style="list-style-type: none"> ▪ Review current status and threats for SME development and state policy. ▪ Familiarisation with European experience of SME development and state regulation of the sector. ▪ Elaboration of support measures in favour of SME sector and recommendations for improvement of the SME support infrastructure. ▪ Support to implementation of projects/ programmes in the priority areas identified with SCURPE. ▪ Elaboration of training programmes and conducting training for SCURPE and other relevant agencies.

	<ul style="list-style-type: none"> ▪ Selection of pilot SME for consultancy support. ▪ Design and implementation of optimal schemes and mechanisms to establish commercial links with EU companies. ▪ Promotion of long-term business partnerships with EU companies. ▪ Assistance to selected enterprises to develop new company strategic plans. ▪ Elaboration of training programmes and conducting training for local consultants in business infrastructure and development of relevant services. ▪ Elaborating and conducting training for the wider audience of Ukrainian SME managers. ▪ Assistance to selected SME to create and implement new international marketing plans. ▪ Improving Methodological Framework for Improving State Policy in SME Sector. ▪ Dissemination of project results among a wider audience. ▪ Development and distribution of informational and analytical materials. ▪ Design and Elaboration of Materials for SCURPE's periodic publications. ▪ Modernisation of SCURPE web-site. ▪ Maintenance of SCURPE web-site.
<p>Main Achievements</p>	<ul style="list-style-type: none"> ▪ SCURPE and other public bodies have received recommendations on policy issues. Strategic/policy document for SME development have been finalised. ▪ Capacity of SCURPE and other public bodies has been enhanced by means of their exposure to the experience of other countries and training both formal and on the job. ▪ The effectiveness of the project interventions aimed at developing commercial links with EU companies has been better than could have been expected under the difficult economic situation. For example, the partnership and development missions have been successful in terms of establishing contacts between the Ukrainian and Western companies. ▪ The project has also made good contribution to increasing awareness of business internationalisation in the public and SME sector by different means including round tables and other events, development and distribution of information and analytical material. ▪ More than 60 companies (55 selected and 9 on a reserve list) received support from the project, of which 25 companies benefited from outward export missions. ▪ The established project web-site has been regularly updated and has become a useful communication tool.
<p>Issues</p>	<p>Public funding allocated for the implementation in 2009 of the National Programme for the Ukrainian Small Business Development promotion has been cut down as compared to the previous years and is far from being sufficient.</p> <p>Management changes occurred within SCURPE shortly before completion of the project. The new management did not take ownership of the project outputs, particularly as regards component 1 of the project “improvement of state policy in the sphere of SME support development”.</p>

Monitoring reports	Monitoring Reports					
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability
	22/06/2009	b	b	b	b	b
Documentary Sources	<ul style="list-style-type: none"> ▪ Project synopsis ▪ Monitoring Report ▪ Project completion report 					

Intervention Title	Transparency and Efficiency of the Judicial System of Ukraine
Commission Ref.	Decision: TACIS/2005/017-093 Contract n° 2008/141439
Intervention Start date & End date	Start date: 02/06/2008 End date: 01/12/2010
Budget planned	€5,400,000
Budget committed	€5,400,000 (Total project budget €6,000,000 of which €400,000 financed by the Council of Europe)
Budget disbursed	€2,261,584 as of end-September 2009
Beneficiary	<p>Main beneficiary: High Council of Justice of Ukraine</p> <p>Other beneficiaries: Supreme Court of Ukraine, State Court Administration, Ministry of Justice</p> <p>The Programme's main target groups are: judges / prosecutors / lawyers/advocates / court clerks / administrative and teaching staff of judges' and prosecutors' training structures.</p> <p>Implementing Agency: Council of Europe</p>
Programme Background & History	<p>A concept "for the improvement of the judiciary in order to ensure fair trial in Ukraine in line with European standards" was approved the President of Ukraine in May 2006.</p> <p>The current project is a follow-up and development of an earlier Joint EC - CoE Programme "Judicial Selection and Appointment Procedure, Training, Disciplinary Liability, Case Management and Alternative Dispute Resolution Methods", completed on 31 December 2007.</p>
Overall objectives	To assist with the establishment of an independent, impartial, efficient and professional judiciary in Ukraine, and to ensure that the Ukrainian judiciary is transformed into a transparent and fair judicial system that is accessible to all citizens, working efficiently and transparently vis-à-vis citizens and civil society
Specific objectives	<ul style="list-style-type: none"> ▪ to establish a legal framework for a transparent, accessible and efficient judiciary; ▪ to make the judiciary system accessible to all; ▪ to strengthen the efficiency of the judicial system and to improve the quality of judicial decisions corresponding to European standards; ▪ to increase the transparency and accountability of the judicial system.

Expected results	<p><u>Component 1:</u></p> <ul style="list-style-type: none"> ▪ Legal framework on the judiciary is brought in line with European standards. <p><u>Component 2:</u></p> <ul style="list-style-type: none"> ▪ Court rulings, prosecution decisions and procedural information accessible to the public. ▪ Legal aid system established. ▪ Lawyers profession organised in a transparent and unified manner. <p><u>Component 3:</u></p> <ul style="list-style-type: none"> ▪ Administrative organisation of courts and case management strengthened ▪ Financing system of courts is improved ▪ Initial and continuous training system for judges and prosecutors becomes efficient ▪ Legislation for alternative dispute resolution is in place and institutionalised <p><u>Component 4:</u></p> <ul style="list-style-type: none"> ▪ Increased accountability of members of the judiciary (judges, prosecutors, Lawyers etc) regarding integrity and ethical standards ▪ Clarity of judicial procedures at all stages is reinforced and confidence of the population in the judiciary is strengthened. 																										
Project main weaknesses	<p>The project relied on the assumption that the concept “for the improvement of the judiciary in order to ensure fair trial in Ukraine in line with European standards”, approved by the President of Ukraine in May 2006, would give rise to a comprehensive reform of the judicial system. Actually, the draft laws that were necessary to implement this reform were not adopted by the Parliament.</p>																										
Main achievements	<p>Computerisation of the courts, to which essential resources have been allocated (about Euro 1,650,000) has had a very positive impact on court functioning, but the expected impact on the legal framework was not achieved.</p>																										
Issues	<p>In October 2009, the monitoring report noted that “The project is operating in a difficult political environment, which affects the project ability to generate significant impact on the judiciary system as a whole.”</p> <p>The court system is underfinanced. Public funding in the budget 2010 covers about 35% of the existing needs.</p>																										
Monitoring reports	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="7" style="text-align: left;">Monitoring Reports</th> </tr> <tr> <th style="width: 15%;">Date</th> <th style="width: 15%;">Relevance</th> <th style="width: 15%;">Efficiency</th> <th style="width: 15%;">Effectiveness</th> <th style="width: 15%;">Impact</th> <th colspan="2" style="width: 20%;">Sustainability</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">28/10/09</td> <td style="text-align: center;">b</td> <td style="text-align: center;">b</td> <td style="text-align: center;">c</td> <td style="text-align: center;">c</td> <td colspan="2" style="text-align: center;">b</td> </tr> </tbody> </table>						Monitoring Reports							Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability		28/10/09	b	b	c	c	b	
Monitoring Reports																											
Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability																						
28/10/09	b	b	c	c	b																						
Documentary Sources	<ul style="list-style-type: none"> ▪ ToR ▪ Project synopsis ▪ Project Inception Report ▪ Project 1st progress report, May 2009 ▪ Monitoring report 																										

Intervention Title	Promotion of European Standards in the Ukrainian Media Environment
Commission Ref.	Decision TACIS/2005/017-093 Contract n° 2008/146597
Intervention Start date & End date	Start date: 1/09/2008 End date: 1/05/2010
Budget planned	€1,200,000
Budget committed	€1,088,026 (EC contribution). The Council of Europe is contributing 10% of the project costs.
Budget disbursed	€562,284 as of end-September 2009
Beneficiary	Main beneficiary: National Commission on Freedom of Speech and Development of the Media Other beneficiaries: National Council for Television and Radio Broadcasting; Verkhovna Rada Committee on Freedom of Speech; Ministry of Justice; Editors, Journalists, officials of regional and local administrations, civil society. Implementing Agency: Council of Europe
Programme Background & History	The Tacis Action Programme 2005 foresaw the support for <i>Good Governance</i> in Ukraine that among others is to ensure the right of citizens for fair information by media (the <i>overall objective</i> of the project). The Council of Europe implements the project under a Contribution Agreement with the EC. The project was designed jointly by the EC Delegation in Ukraine, the Council of Europe and the main project beneficiary the National Commission for Freedom of Speech and Media Development, which is the consultative-advisory entity under the President of Ukraine.
Overall objectives	To raise standards of journalism with a view to ensuring that the Ukrainian public is better informed about political and social processes in Ukraine and provide continuing support to the process of enhancing the media legislative framework
Specific objectives	<ul style="list-style-type: none"> ▪ Enhancement of the legislative framework for media ▪ Higher ethical standards in the journalism profession. ▪ More active dialogue between the media, civil society and the state administration on the regional level, to generate recommendations for enhanced co-operation at central level.
Expected results	<ul style="list-style-type: none"> ▪ Media legislation is developed in line with European norms and standards. ▪ The legal framework and institutional capacity of a Public Service Broadcaster is developed ▪ Draft Digital Broadcasting Strategy for Ukraine produced ▪ Journalists and editorial staff develop professional working methods on the basis of best practices in Europe. ▪ Enhanced understanding of ethics among media professionals and information available about corruption in the sector ▪ Progress towards the establishment of a self-regulatory mechanism of oversight for the media sector (Press Council/Press Complaints Commission) ▪ Improvements in the mechanisms for co-operation and dialogue between journalists, civil society representatives and state officials
Main Activities	Seminars, workshops, training, press clubs, study tours, monitoring, development of case studies, conferences, publications, TV debates

Main Achievements	Participants in the project and stakeholders positively assess the concreteness of the project objectives, the quality of the outputs delivered and their contribution to positive developments observed in the sector in 2009. This includes in particular ratification by the Ukrainian Parliament of the Convention on Trans-frontier Television.					
Project main weaknesses	The set-up of the Kyiv office took about 5 months. The project logframe left much to be desired.					
Issues	Following the presidential election in January 2010, journalist associations expressed concerns about increasing pressures exerted on journalists, especially in the main television channels.					
Monitoring reports	Monitoring Reports					
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability
	5/02/2009	c	B	b	b	B
Documentary Sources	<ul style="list-style-type: none"> ▪ Project ToR ▪ Project synopsis ▪ Monitoring report 					

Intervention Title	Coal Sector Policy Support Programme					
Commission Ref.	Decision: TACIS/2005/ 017-093 Contract n° 2008/141542					
Intervention Start date & End date	Start date : 1/09/2008 Expected end date : 31/12/2010					
Budget planned	€9,000,000					
Budget committed	€8,939,000					
Budget disbursed	€1,787,800 as of end-September 2009					
Beneficiary	Ministry of Coal Industry of Ukraine.. Other stakeholders : other ministries, mining companies, regional authorities, trade unions etc.					
Programme Background & History	<p>Developed in the context of the recent enlargement of May 2004, the European Union adopted on 11 march 2003 a new framework for its relations with its neighbours, including Ukraine, which materialised in 2004 in the European Neighbourhood Policy.</p> <p>In order to implement the ENP, an Action Plan was jointly adopted by the EU and Ukraine on the 21 February 2005.</p> <p>The Action Plan was subsequently followed up with a MOU in December 2005 in which both partners agreed to cooperate on energy issues.</p>					
Overall objective	<p>To support Ukraine's Stakeholders</p> <ul style="list-style-type: none"> ▪ To advance substantially the development and restructuring of the coal-mining industry in a socially responsible and cost-effective manner. A socially responsible approach comprises, among other aspects, the careful handling of environmental issues and the gradual elimination of ecological damage caused by mining activities and the closure of unprofitable mines. ▪ To improve safety standards substantially by developing a pilot scheme functioning as a model for further development of occupational safety standards and providing a grant scheme to finance innovative proposals in the field of mine safety. 					

Specific objectives	<p>Five components :</p> <ul style="list-style-type: none"> ▪ A. Institutional Strengthening in the Ukrainian Coal Mining Industry ▪ B. Master Plan for the development of the Ukrainian Coal Industry. . ▪ C. Social Policy : Setting up a Social Development Fund. ▪ D. Improving occupational safety in the Mining Industry ▪ E. Catalogue of contaminated sites
Expected results	Achievement of the above mentioned objectives
Main Activities	.Assisting the MoCI in developing and implementing appropriate and adequate policies. Training
Main Achievements To date	<p>The project will be completed by the end of 2010. The main results achieved by February 2010 can be briefly summarised as follows.</p> <p><u>Component A:</u> A tailor-made training programme is established and will be implemented during the coming months</p> <p><u>Component B:</u> The necessary data have been collected by the local experts and a major seminar is scheduled for May 2010, where the main results will be presented.. This will form (with economic assessments) the basis for the Coal Industry Master Plan.</p> <p><u>Component C:</u> Several actions aimed at assessing the social and economic consequences of the coal-mining restructuring process have been undertaken. At the moment of this evaluation report, the launching of a pilot project is considered by all project experts as not feasible</p> <p><u>Component D:</u> Recommendations for a modified and improved legal framework and safety standards in line with European Standards were prepared. And discussed.</p> <p><u>Component E:</u> Significant data from the mines have been gathered from the mines. But an important part of the required basic data is still a state secret. Therefore, the achievement of the goal of the project remains very difficult.</p>
Project main weak points	The nature of the data necessary for the project has not been agreed upon before the start of the launching of the project..
Issues	Access to relevant data
Documentary Sources	<ul style="list-style-type: none"> ▪ Project ToR ▪ Progress report N°3, March 2010. ▪ Mail exchanges with the contractor

Intervention Title	Implementation of Ukraine's Commitments under WTO and ENP frameworks in the rural sector
Commission Ref.	Decision: TACIS/2006/018-038 Contract n° 2008/129457
Intervention Start date & End date	Start date: 17/10/2008 End date: 17/12/2011
Budget planned	€5,000,000

Budget committed	€4,740,000
Budget disbursed	€1,546,977 as of end-September 2009
Beneficiary	<ul style="list-style-type: none"> ▪ Main beneficiary : Ministry of Agrarian Policy of Ukraine (MAP) ▪ Other beneficiaries : Agricultural producers and rural inhabitants; Ministry of Health; Ministry of Foreign Affairs; Ministry of Economy; Ministry of Finance
Programme Background & History	<p>Ukraine joined WTO in May 2008. WTO accession commits Ukraine to harmonise, by 30 December 2011, all its standards, technical regulations and SPS regulations, with international standards.</p> <p>The project is supportive to the Government's "State Targeted Programme for Development of Ukrainian Villages until 2015" adopted in September 2007.</p>
Overall objectives	<ul style="list-style-type: none"> ▪ To achieve greater EU integration and harmonisation with closer compliance with WTO requirements ▪ To support the application of SWAp for agricultural and rural development within the context of WTO accession and the ENP Action Plan
Specific objectives	<ul style="list-style-type: none"> ▪ Greater harmonisation with EU agricultural policy ▪ Closer compliance with WTO requirements and harmonisation with the EU ▪ Fulfillment of ENP Action Plan
Expected results	<p><u>Component 1: Institutional Development</u></p> <ul style="list-style-type: none"> ▪ Enhanced donor co-ordination in the agricultural sector ▪ Policy capacity in the Ministry of Agrarian Policy (MAP) improved; position/policy papers prepared. At least 15 specialists trained in policy analysis ▪ Improved policy framework/ SWAp environment ▪ EU-Ukraine agriculture and rural development policy dialogue promoted; at least 2 training courses in Brussels organised ▪ MARS crop forecasting system operational. Equipment purchased and training for MARS system given at least to 5 specialists ▪ Improved professional skills in MAP; at least 8 training organised each for 5 specialists ▪ Improved visibility and public image of MAP through further development of the official website <p><u>Component 2: Food Safety</u></p> <ul style="list-style-type: none"> ▪ Harmonised food and veterinary Ukrainian legislation put in place ▪ Gap analysis and overall strategy for food safety in Ukraine prepared ▪ Food safety institutional framework analysed, suggestions for improvement made, at least one study tour to European Food Safety Agency organised ▪ Staff of the Agency for Animal Identification & Registration trained, Animal Identification & Registration System and movement control system improved in at least 5 pilot enterprises ▪ Supply tender dossier prepared, reference laboratories operational in residue analysis in pilot regions; residue testing to international standards ensures that any import restrictions based on residue concerns removed for meat, milk and honey and related products; the cost of residue testing reduced ▪ Laboratory staff, inspectors and vets in food safety issues trained on food safety issues (at

	<p>least 100 specialists)</p> <ul style="list-style-type: none"> ▪ Effective co-ordination between SWAp constituent contracts and other projects ▪ Three food standards validated ▪ Access to veterinary databases implemented and DG SANCO newsletters translated <p><u>Component 3: Market Infrastructure</u></p> <ul style="list-style-type: none"> ▪ Implementation of the National Programme for Wholesale Markets Development supported ▪ Improved framework for agricultural professional organisations ▪ At least one wholesale market assisted with preparation of the feasibility study in a pilot region ▪ At least six assembly markets are assisted with preparation of pre-feasibility studies or Action Plans in pilot regions ▪ At least six producer organisations supported in pilot regions ▪ At least ten storage / packing facilities supported to service farmers in pilot regions <p><u>Component 4: Rural Development</u></p> <ul style="list-style-type: none"> ▪ Rural Development Strategy drafted and publicly discussed ▪ 2 operational programmes drafted and prepared for approval ▪ Medium term expenditure programmes agreed with stakeholders and the Project Partner ▪ Lessons learnt from EU Leader + programme, study tour implemented ▪ Rural development website/portal developed on the Internet ▪ Training on rural development provided in MAP and pilot oblasts. ▪ Training materials widely disseminated.
<p>Main Activities</p>	<p>To mitigate the identified risks of medium to high probability, the Consultant has proposed to focus the efforts on:</p> <ul style="list-style-type: none"> ▪ capacity building and institutional development; ▪ effectiveness of inter-agency cooperation; ▪ allocation of adequate resources based on agreements with high level managers; ▪ application of participatory approach to the development of policies, plans and initiatives; ▪ definition of public-private partnership.
<p>Main Achievements</p>	<ul style="list-style-type: none"> ▪ Preparation and implementation of a training programme for MAP specialists ▪ Development of the first draft of the policy paper, <i>Methodology for Developing Medium-Term Expenditure Framework and Mechanisms for Applying it for Programmes of Socio-Economic Development in Ukraine's Agriculture Sector</i>. ▪ Analysis of the draft <i>Rules for Certification of Wholesale Agriculture Markets</i> and presentation of comments and recommendations. ▪ Refinement of the <i>Criteria for Assessing Companies for the Purpose of Granting the Status of a Wholesale Agricultural Market</i>. ▪ Draft of a <i>Model Charter of the Association of Wholesale Agriculture Markets</i> ▪ Formulation of recommendations concerning further development of the system for identification and registration of cattle, pigs, horses, sheep, and goats as well as proposals on improving the system for sharing information by MAP, State Pedigree Inspection, State Veterinary Medicine Committee, and Animal Identification and Registration Agency.

Project main weaknesses	<ul style="list-style-type: none"> ▪ Objective verifiable indicators of the project achievements have not been identified ▪ Project management and coordination are mainly the responsibility of the consultant (parallel PIU). 												
Issues	<ul style="list-style-type: none"> ▪ Budget constraints are severely affecting the Ukrainian public sector and MAP in particular. ▪ Following the Presidential election in January 2010 extensive changes have taken place in the management of the MAP with the consequence that the project team has to deal with new interlocutors. ▪ Post-project follow-up of some project activities (e.g. implementation of operational programmes for rural development) is not ensured by any planned funding. 												
Monitoring reports	Monitoring Reports												
	<table border="1"> <thead> <tr> <th>Date</th> <th>Relevance</th> <th>Efficiency</th> <th>Effectiveness</th> <th>Impact</th> <th>Sustainability</th> </tr> </thead> <tbody> <tr> <td>12/06/2009</td> <td>b</td> <td>b</td> <td>c</td> <td>b</td> <td>b</td> </tr> </tbody> </table>	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability	12/06/2009	b	b	c	b	b
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability							
12/06/2009	b	b	c	b	b								
Documentary Sources	<ul style="list-style-type: none"> ▪ Project ToR ▪ Project synopsis ▪ Monitoring Report ▪ Progress report, April 2010 												

Intervention Title	Harmonization of Competition and Public Procurement Systems in Ukraine with EU standards
Commission Ref.	Decision: TACIS/2006/018-038 Contract n° 2008/147509
Intervention Start date & End date	Start date: 21/01/2009 End date: 21/07/2011
Budget planned	€4,500,000
Budget committed	€4,339,730
Budget disbursed	€1,382,610 as of end-September 2009
Beneficiary	Anti-Monopoly Committee of Ukraine (AMCU), Ministry of Economy (MoE)
Programme Background & History	The EC has been providing continuous support to the Anti-Monopoly Committee. A first TA project in support of the Committee, implemented between July 2003 and March 2007, supported the development of legislation on economic competition compatible with the requirement of the PCA and WTO. It was followed by a Twinning project involving the institutions in charge of competition policy in Hungary and France.
Overall objectives	<ul style="list-style-type: none"> ▪ To contribute to the establishment and implementation of Ukrainian legislation and enforcement mechanisms on competition, state aid and subsidies and public procurement compatible with PCA, EU-Ukraine Action Plan in order to strengthen the functioning of the market economy in the country and thereby facilitate increased business activity, improve investment climate, economic growth and a higher standard of living for Ukrainian population

Specific objectives	<ul style="list-style-type: none"> ▪ The further development of the Antimonopoly Committee of Ukraine (AMCU) as a modern competition authority with an appropriate strategic direction, a sustainable legislative base compatible with the EU standards, a fully functioning advocacy role and modern enforcement practices together with the further development of the skills and capacities of AMCU personnel both in central and regional offices. ▪ The preparation and adoption of Ukrainian state aid legislation establishing the basis for a national system compatible with EU standards together with the creation of institutional and database mechanisms for that system and awareness-raising across the public sector. ▪ The fundamental improvement of public procurement legislation in line with EU law, international standards and best practices. ▪ The improvement of the realization of its functions by the role of the body in charge of PP in line with to be adopted new improved legislation.
Expected results	<p><u>Component 1 (Anti-trust Policy and Law)</u></p> <ul style="list-style-type: none"> ▪ Assistance to competition policy development; ▪ Advice on improving Anti-trust Legislation; ▪ Assistance in institutional development and training; ▪ Methodological support to the improvement of law enforcement record and transparency of the AMCU decisions; ▪ Competition advocacy and public awareness. <p><u>Component 2 (State Aid)</u></p> <ul style="list-style-type: none"> ▪ Development of State aid policy and law; ▪ Methodological support to State aid monitoring and law enforcement; ▪ Institutional Development and Training. ▪ Public Awareness <p><u>Component 3. (Public Procurement).</u></p> <ul style="list-style-type: none"> ▪ Assistance to PP policy and legislative framework development; ▪ Methodological support to PPL implementing, monitoring and law enforcement; ▪ Institutional Development and Training.
Main Activities	<ul style="list-style-type: none"> ▪ Analysis of legislation ▪ Support to the drafting of laws ▪ Institutional capacity building
Main Achievements	<ul style="list-style-type: none"> ▪ The Inter-Departmental Working Group, assisted by Project experts, developed a draft Concept for the transformation of the State aid system in Ukraine. The Governmental Resolution adopted on January 13, 2010 approved the Concept and assigned three principal actors to implement the first stage of the reform: the Ministry of Finance, the AMCU and the Ministry of Economy of Ukraine. ▪ A new Law on Public Procurement, taking into account comments and recommendations by project experts, was adopted in June 2010.
Project main weaknesses	<ul style="list-style-type: none"> ▪ At the time of ToR preparation, there was no clarity with regard to the public body to assume responsibility for Public Procurement. By the time of the project start, the responsibility for this area was assigned to the MoE entailing some changes to the institutional set-up of the project. ▪ The formulation of objective 2 (state aid) with regard to adoption of legislation is deemed by both the Contractor and the Partner as overambitious.

Issues	According to monitors, the impact at a country level remains very uncertain. There are too many external factors and risks, which are likely to jeopardise the project impact. Among them, difficult economic situation, political instability entailing also instability of legal and institutional developments.					
Monitoring reports	Monitoring Reports					
	Date	Relevance	Efficiency	Effectiveness	Impact	Sustainability
	30/06/2009	b	b	b	c	b
Documentary Sources	<ul style="list-style-type: none"> ▪ Project synopsis ▪ Monitoring report ▪ Progress report, February 2010 					

Intervention Title	Support to Sustainable Regional Development
Commission Ref.	Decision: TACIS/2006/018-038 Contract n° 2008/144760
Intervention Start date & End date	Start date: 2 / 07 / 2008 End date: Planned end-November 2011
Budget planned	€6,000,000
Budget committed	€5,994,975
Budget disbursed	€1,825,015 as of end November 2009
Beneficiary	Ministry of Regional Development and Construction
Programme Background & History	<p>Ukraine does not have a comprehensive regional policy. The National policy has a standardised approach, sector by sector, to the different regions.</p> <p>In practice: there is no "subsidiarity" principle: competences of lower level authorities are included in the competences of higher level authorities; public and private investments are mixed: each level of planning includes all events / items in the corresponding territory on behalf of public or private authorities of any level; priorities are decided at the highest level: the local authorities propose a list of programmes and projects, which are then accepted or rejected at the higher level of administration.</p> <p>The development planning process is therefore separated from the budget making process (except for some of the Crimean municipalities which managed to establish a clear linkage between their strategic plans and their budgets).</p> <p>The EU-Ukraine Action Plan sets as its objectives in the area of regional development: Reducing regional imbalances and improve local development capacities: Introduce strategic planning at the national and regional levels in Ukraine and elaborate a draft State strategy of regional development up to 2015; and establish a legislative basis for promotion of regional development, including depressed territories.</p> <p>The project is part of the Commission's endeavours for building sustainable development in Ukraine, which include the following interventions:</p> <ul style="list-style-type: none"> ▪ Regional Development [2001 National Action Programme (NAP) - completed in December 2006] aiming at providing assistance in development and implementation of

	<p>transparent and efficient national regional policies stimulating economic growth</p> <ul style="list-style-type: none"> ▪ Municipal Services Support –MSS- (2002 NAP – completed in December 2006) mainly aiming at introducing sustainability of services in 10 selected cities ▪ Sustainable Local Development – SLD- Service and Supply contracts (2004 and 2005 NAP – started in October 2006) aiming at upgrading municipal services infrastructure and paving the way for sustainable development and modelling it in the 4 selected cities (out of the 10 selected in the MSS project) ▪ Community Based Approach –CBA- (2006 National Action Programme – launching conference planned in November 2007) mobilising local communities around their development priorities
Overall objectives	To upgrade regional policy in Ukraine by extending the EU Regional Development policy
Specific objectives	<ol style="list-style-type: none"> 1) To strengthen the Ukrainian authorities' capacity in policy formulation and decision making process for sustainable regional development; 2) To establish a national financial instrument for regional development; 3) To assist the Ukrainian authorities in implementing the plan of activities for sustainable regional development (Action Plan)
Expected results	<p>For Specific Objective 1:</p> <ul style="list-style-type: none"> ▪ Ukrainian co-ordination and implementation bodies for Regional Development are in place and operational; ▪ The strategy and the plan of activities for Regional Development is formulated and formally adopted for all administrative levels, i.e. national, regional and local. <p>For specific objective 2:</p> <ul style="list-style-type: none"> ▪ The financial instrument for Regional Development is designed, assessed and agreed at the appropriate national and sub-national levels; ▪ A detailed plan for its implementation is elaborated. <p>For specific objective 3:</p> <ul style="list-style-type: none"> ▪ Infrastructure projects are carried out in the selected area; ▪ Regional Development actions are benchmarked in accordance with the newly conceived strategy and Regional Development policies are pertinently updated by the policy-making bodies.
Main Activities	<p>The project has three components including the following activities:</p> <p>Component 1: Coordination, Policy, Strategy</p> <ul style="list-style-type: none"> ▪ Assist the national authorities to (i) set up the Ukrainian coordination and implementation mechanisms for sustainable regional development; (ii) review and draft the necessary legislative framework and implementation modalities; (iii) assess the specific needs and the budgetary costs, in the short and medium-term period, related to the human-resources aspect of sustainable regional development implementation at national and sub-national levels; (iv) assess the specific needs and the budgetary costs, in the short and medium-term period, related to the human resources aspect of sustainable regional development implementation at national and sub-national levels; (v) develop a holistic approach for sustainable regional development; (vi) formulate a national policy and strategy for regional development for all administrative levels; (vii) formulate a plan of activities for the National Regional Development Strategy for all administrative levels. ▪ Assistance to regional authorities in review and update of regional development strategies and implementation fo Plan of implementation for pilot regions <p>Component 2: Financing</p> <ul style="list-style-type: none"> ▪ Assist the national authorities to (i) identify and assess the financial tool to support

	<p>sustainable regional development; (ii) establish interaction between the National Fund for Regional Development (NFRD) and other investments funds</p> <p>Component 3: Implementation</p> <ul style="list-style-type: none"> ▪ Rehabilitation of buildings of hospitals, schools and kindergartens ▪ Needs assessment of sub-national administrations' institutional capacity to deliver adequate public services regarding sustainable development and regional development policy and strategy ▪ Training to enhance sub-national administrations' finance, budgeting, resource mobilisation, planning, managerial and technical skills ▪ Development of coordination, implementation, reporting and monitoring procedures.
Main Achievements	<p>At national level the project elaborated the legal and regulatory framework for functioning and management of the new Regional Development system (Decrees of the Cabinet of Ministers on all bodies and institutions). 6 regulations were drafted (on National Coordination Council for Regional Development, Regional Coordination Council, Regional Development Agency, National Fund for Regional Development, Bureau for Management of the National Fund and procurement procedures). The Project also elaborated draft methodology on elaboration of Regional Development Strategies and Regional Operational Plans requested by the Law on RD.</p> <p>In two pilot regions (Vinnytsya and Crimea) work has been undertaken to review the regional development strategy, define a methodology for regional programming and elaborate a Plan of Implementation of the Regional Development Strategy.</p> <p>Legal acts related to a National Fund for Regional Development (NFRD) and a Manual of Procedures and Organisation of the Bureau for Management of NFRD have been drafted.</p> <p>Contracts have been signed for rehabilitation of public buildings and work has started from July 2009</p> <p>As regards training needs assessment the activities undertaken by the project Support to Sustainable Local Development have been reviewed and the capacities of Oblast administrations have been assessed in four selected regions.</p>
Project main weaknesses	<p>The project did not succeed as yet to establish strong cooperation relations with the Ministry of Economy (MoE), which has a key role in regional development for it provides financial support to less developed regions and their territories, and implements the National Strategy for Regional Development through contracts with the regions.</p>
Issues	<p>The draft law on regional development was rejected by the Cabinet of Ministers just before the Presidential Elections Period. The Ministry of Regional Development, in good relationship with the project's experts, nevertheless proposed to continue pushing the law on RD, even if the result will be delayed.</p> <p>Contrary to what was initially assumed, there is no legal possibility to establish a National Fund for Regional Development as public institution.</p>
Documentary Sources	<ul style="list-style-type: none"> ▪ Terms of Reference of the project ▪ Third Interim Report 15/02/2010 ▪ Monitoring Report of 13/03/2009

Intervention Title	Support to the implementation of Ukraine’s Energy strategy
Commission Ref.	Decision: ENPI/2007/018-788 Contract n° 2008/168501
Intervention Start date & End date	This project is described in Annex II (Action fiche Ukraine) of the Financial Agreement signed by both parties 19 September 2008. End date : three year after the first budget tranche has been released, i.e. 2011 (see below)
Budget planned	87 millions € Budget support : 82 millions € Related technical assistance to the Energy sector : 5 millions €
Budget committed	The 87 millions € budget is expected (as stipulated in the Annex II) to be disbursed in two tranches <ul style="list-style-type: none"> ▪ A fixed tranche of 40 millions € in the first quarter 2008, out of which 11 linked to energy efficiency and renewable energy. ▪ A second tranche of 42 millions € in the first half of 2009, out of which 11 linked to energy efficiency and renewable energy. ▪ A 5 million € TA project to assist the Ukrainian government (follow-up, reporting, providing specific advice etc) As regards the second instalment, actual achievements will be compared to preliminary agreed upon benchmarks/indicators (see below)
Budget disbursed	Only the first (fixed) tranche (€42 million) has been disbursed.
Beneficiary	BSP is a non-targeted support. Disbursed funds go directly to the state budget.
Programme Background & History	Ukraine-EC energy cooperation is based on the energy chapter of the Action Plan and the Energy MoU in the field of Energy of 1 December 2005 and the Aide-Mémoires signed in September and October 2006. It has gained considerable momentum in 2006, thanks to a structure of subsectoral monitoring groups. Ukraine has started from 2007 an intensive energy sector rehabilitation and modernisation programme, that it intends to finance mainly via borrowings on the domestic or the international market, under the coordination of the Deputy Prime Minister for Infrastructure. Takis has been terminated in December 2006 (date to be verified) and replaced by a new mechanism called Sectoral Budget Support. The budget is disbursed under conditions that are specific of the sector concerned, in this case of the energy sector It represents a major change in the way .EU money is being handled.
Overall objective	The objectives of the measures is to reinforce EU-Ukraine energy co-operation for the implementation of the energy chapter of the Action Plan for Ukraine, which targets primarily integration of Ukraine into the EU single Energy Market and reliability of Ukraine as a transit country for the purpose of energy supply security. Only preliminary lessons will be drawn as the projects started in the first quarter of 2008 and is expected to terminate three years later, that is during the first quarter of 2011.

Specific objectives	<p>Implementation by the Government of Ukraine of an overall energy policy converging towards EU energy policy objectives, which is detailed in several sub objectives or indicators that are grouped in ten categories that covers the 2005 MoU (with the exception of Nuclear Safety):</p> <ul style="list-style-type: none"> ▪ Gradual convergence of the relevant Ukrainian laws and regulation towards the principles of the EU internal electricity and gas markets ▪ Development of gas and oil transport infrastructure allowing for diversification of supplies, as well as increased performance and improved safety and security of the gas transit network. ▪ Restructuring of the solid fuel mines ▪ Progress on energy efficiency and the use of renewable energy sources. ▪ Enhanced nuclear safety ▪ Development of strategic oil stocks <p>It is worth while mentioning here that a second FA – dedicated to efficiency and renewable – was launched in December 2009.</p>
Expected results	<p>Progress towards fulfilment of a set of agreed upon indicators. Those indicators concern the three areas of electricity and gas markets regulation, security of energy supplies and transit of hydrocarbons, energy efficiency.</p>
Main Activities	<p>.As explained above there are no activities in the usual sense of the word. It is the responsibility of the Vice Minister of Energy and Fuel to monitor the activities of the relevant ministers (besides MoFE, ministries like the ministry of coal) and operators.</p>
Main Achievements	<p>The second tranche has not been disbursed so far.</p>
Project main weak points	<p>The economic situation of Ukraine.</p>
Issues	<p>1. Coordination with other donors, mainly IFIs Special coordination mechanisms are included in the projects to improve the coordination with other donors (EIB, EBRD, World Bank etc).</p> <p>2.The ownership of the ultimate goal of the programme by the operators. Some of them are still to be convinced of the interest of a liberalisation of the energy sector “à l’européenne”.</p>
Documentary Sources	<ul style="list-style-type: none"> ▪ The Financing agreement between Ukraine and The European Commission ▪ Annex II to the FA, including the list of Performance Indicators for Disbursement.

Annex 8 – Information Collection Grid

EQ 1 on the Rationale of the Commission Cooperation Strategy with Ukraine

To what extent has the Commission cooperation strategy with Ukraine been consistent with and supportive of: (i) the needs of the country and its population; (ii) the objectives and priorities agreed by both partners in the Partnership and Cooperation Agreement (PCA) and the EU-Ukraine Action Plan; (iii) the overall objectives of the EC Neighbourhood Policy ?	
Judgement criteria and indicators	
JC 1.1 – EC cooperation interventions are based on a diagnostic of the needs of the country and its population and address these needs	
Preliminary findings related to the JC based on the findings of the Indicators	
▪ I 1.1.1 –Existence in the programming documents of an analysis of the needs and challenges to address	
European Council Country Strategy on Ukraine, 1999	<p>The European Council has identified the following principal objectives:</p> <p>I. Support for the democratic and economic transition process in Ukraine</p> <p>II. Ensuring stability and security and meeting common challenges on the European continent</p> <p>III. Support for strengthened cooperation between the EU and Ukraine within the context of EU enlargement. (.../...)</p> <p>The EU and Ukraine have a common interest in accelerating the democratic and economic transition process in Ukraine. The successful transformation in Ukraine will bring prosperity not only to Ukraine but to the entire region. In order for this transition process to be successful, reforms must take place to consolidate democracy and the rule of law as well as economic and social reform in view of establishing a functioning market economy. (.../...)</p> <p>The EU and Ukraine have a common interest in the maintenance of stability and security in a free and democratic Europe. The geopolitical situation of Ukraine, situated along the North-South and East-West axes gives Ukraine a unique position in Europe. The EU recognises Ukraine's regional importance. In this context, the EU proposes to strengthen cooperation with Ukraine paying particular attention to nuclear safety and to the strengthening of political dialogue, as provided for in the framework of the PCA, with a view of making it more coherent and operational. (.../...)</p> <p>Following the current enlargement process, some future EU Member States will share an external border with Ukraine. The EU wishes to contribute to the mutual benefit of the Union and Ukraine in this process. In this context, the EU proposes strengthened cooperation with Ukraine, paying particular attention to cooperation in the field of justice and home affairs. The EU also encourages Ukraine's participation in regional, European and world structures.</p>

<p>CSP 2002-2006</p>	<p>The CSP shortly presents the policy agenda of Ukraine and devotes to country analysis a chapter in which are examined (i) the political situation, (ii) the economic and social situation, (iii) the progress of reforms (administrative reforms, PCA implementation and WTO accession, private sector development, banking sector, agriculture, energy sector, social reform; (iv) the sustainability of current policies; (v) the medium term challenges.</p> <p>According to this document, “the main challenges for Ukraine are to consolidate and extend democratic, civic and market institutions, and to develop a national consensus and a political culture around some fundamental concepts of statehood and social and economic organisation.</p>
<p>CSP 2002-2006</p>	<p>The CSP points out that “as Ukraine’s immediate neighbour, the EU has a particular interest in a politically, economically and socially stable, independent Ukraine.”</p>
<p>CSP 2007-2013</p>	<p>The CSP outlines the policy agenda of Ukraine: Internal policy: consolidating democracy; effective fight against crime and corruption; public sector reform; improving the investment climate; provision, of social services External policy: EU integration; NATO accession; cooperation with Russia; regional role; promoting trade.</p> <p>It then presents an analysis of the political, economic and social situation: (i) political situation with differentiation between internal and external issues; (ii) economic situation and trade structures; (iii) social developments; (iv) environmental situation.</p> <p>The CSP states that “the principal objective of cooperation between the EU and Ukraine at this stage is to develop an increasingly close relationship, going beyond past levels of cooperation to gradual economic integration and deeper political cooperation, including on foreign and security policy. EC assistance over the period covered by this strategy will therefore aim at supporting Ukraine’s ambitious reform agenda on the basis of the policy objectives defined in the Partnership and Cooperation Agreement (PCA) of April 1998 and the EU-Ukraine Action Plan of February 2005”</p>
<p>Analysis of the NIP 2011-2013</p>	<p>Given the complex political situation and dramatic decline in Ukraine’s economy, the achievement of the overall goals of the ENPI ‘development of an area of prosperity and good neighbourliness’ in Ukraine remains a greater challenge than indicated in the CSP 2007-2013. This is not only due to the persistent nature of the many problems facing Ukraine since the ‘orange revolution’ but also the lack of political will and capacity of the Ukrainian authorities to initiate and sustain a systematic, comprehensive and effective reform process. To a large extent, the initial reform momentum developed in the wake of the ‘orange revolution’ has been lost in Ukraine. While developing the NIP, the mid-term review does not acknowledge this challenge sufficiently, stating that ‘the main thrust of the CSP remained relevant’. This resulting discrepancy between the CSP and actual situation in Ukraine renders the CSP an increasingly outdated document, despite its core role in the implementation of the ENPI. Nevertheless, while the CSP’s analysis of the political and economic situation of Ukraine and underlying assumptions are outdated, its key priorities remain relevant.</p>

Analysis of the NIP 2011-2013	However, in Priority 1 (Good Governance and the Rule of Law), changes to sub-priorities mean that they do not fully correspond to the actual needs of Ukraine and hence are detrimental to the achievement of the objectives of the ENPI. There is a noticeable shift to, and prioritization of, more threat-oriented areas such, Justice, Freedom and Security, Integrated Border Management and Disarmament as part of Good Governance and away from Democracy and Human Rights. This suggests that Ukraine is perceived mainly as a source of threat and may result in a stronger sense of EU's assistance to Ukraine being driven mainly by interests rather than values, thereby undermining the ENPI objective of promoting 'good neighbourliness'.
Action Programmes	Annual Action programmes present an update of the political, economic and social situation.
ICPS, 2010	Shortcomings of the EC framework include: CSP elaboration and monitoring: NSAs are only consulted before a draft is prepared, and are excluded from the finalization phase. This allows them to influence priority-setting, but prevents them from commenting or otherwise impacting the draft. They are not consulted again until the mid-term review. NIP elaboration and monitoring: NSAs are not consulted before a draft is prepared, and can only comment on the existing Concept Note. This excludes them from the priority-setting process. As with the CSP, NSAs are not involved in the finalization phase and so cannot ensure that their input has been taken into account. AAP elaboration and monitoring: Here again, NSAs are not consulted before a draft is prepared, and they are excluded from the finalization phase. Budget support monitoring: NSAs have no say in the selection of sectors to receive budget support. In addition, as their presence in Joint Monitoring Groups or Steering Committees (JMGs/SCs) is not mandatory, they are generally excluded from them.
<p>▪ I 1.1.2 – Programming documents explicitly show how proposed interventions will address identified challenges</p>	
NIP 2002-2003 and 2004-2006	These two NIPs present, for each of the three areas of cooperation defined in the corresponding CSP, and for each of the main sub-divisions of these areas: (i) the background and justification of the Commission's interventions; (ii) the main and specific objectives of the interventions; (iii) orientations for programme development; (iv) the expected results and indicators.
NIP 2007-2010	This NIP presents the strategic context and justification of the Commission's interventions at the level of the three priority areas. At the more detailed level of sub-priority areas are presented (i) expected long-term impact of the interventions, that is their main objective; (ii) specific objectives; (iii) expected results; (iv) indicators of achievement.
CSP-NIP	See in annex to this grid two tables showing how the priorities identified in the CSPs are addressed in the NIPs The relation between the priorities identified in the CSP and the areas of interventions and main objectives pursued stated in the NIP are particularly clear in the NIP 2004-2006. This relation is much less obvious in the NIP 2007-2010.
Action Programmes	The Action Programmes list and shortly describe the projects that will be implemented in each of the priority areas and what is the main objective of these interventions.

Project Fiches	The Project Fiches attached to the Action Programmes present for each project included in the Action Programme: (i) the rationale of the project (strategic framework; lessons learnt; complementary actions, donor coordination); (ii) the sector context; (iii) a description of the project (objectives, expected results and main activities, stakeholders; assumptions and risks; conditionalities; crosscutting issues); (iv) implementation issues (implementation method, budget and calendar, procurement and award of grant procedures; performance monitoring; evaluation and audit)
<p>▪ I 1.1.3 – Evidence of appropriate flexibility in the Commission’s strategy and objectives to facilitate adaptation to possible changes in people’s needs and priorities</p>	
Delegation	In Ukraine as in other former TACIS countries, there is a National Coordinating Unit whose role is to link between the Delegation and the Government in the process of identification of the Commission’s interventions.
Action Programmes	Although the overall strategy of the Commission’s cooperation and its main areas of intervention are defined for a five to six years period in the CSPs, the Annual Action Programmes give to the Commission the possibility to adjust to emerging priorities. For instance the AAP 2005 states that “the Action Programme 2005 reflects the recent political changes and coincides with the political and specific priorities of the new government. It seeks to provide target support to the implementation of the EU-Ukraine Action Plan, taking duly into account the readiness and ability of the new authorities to undertake reforms.”
<p>▪ I 1.1.4 – Analysis in the projects and programme documents of the needs and challenges they aim at addressing</p>	
Project sample	The Terms of Reference of the projects provide a comprehensive analysis of the intervention background, which includes in particular a presentation of the relevant country background, the current state of affairs in the relevant sector, the problems and needs to be addressed, and the related programmes and other donor activities. When needed the Delegation resorts to consultants to draft the ToR.
<p>▪ I.1.1.5 – Consistence of the projects and programmes design (logframe, beneficiaries, implementation mechanism) with the analysis of needs and challenges</p>	
Project sample	The Terms of Reference detail the overall objectives of the projects, their specific objectives and expected results. We did not find in the sample of projects examined one single case where the monitors would have had to reformulate the project intervention logic. ToRs also specify who are the direct beneficiaries and other stakeholders of the projects, and which implementation modality has been adopted

<p>▪ I 1.1.6 – Views of stakeholders on the appropriateness of identified needs and on the priorities of the EC cooperation</p>	
<p>Andriy and Nataliya Andrusevych</p>	<p>Since 2008 the EC Delegation to Ukraine started to make more efforts for communicating with civil society. The positive example in this regard is the conference held by the EC Delegation “European Commission and Civil Society: Gained Experience and New Opportunities in Ukraine” (July 2008, Kyiv, Ukraine). The main purpose of the conference was to widen the cooperation between Ukrainian civil society organizations and the European Commission.</p> <p>The EC Delegation to Ukraine has the experience of cooperation with civil society organization through providing funding for projects within the Institution Building Partnership Program (IBPP) and European Instrument for Democracy and Human Rights (EIDHR). Nevertheless, there was no funding for projects in the field of environmental protection.</p>
<p>Assessment of the EU-Ukraine Action Plan , 2009.</p>	<p>As the task of this report is primary to assess the progress in the EU-Ukraine Action Plan implementation, not the quality of the plan itself, it’s necessary to highlight its serious shortcomings from the public point of view. The problem is that the tasks provided for the transport and energy sectors in the Action Plan are directed primary to the development of the transit potential of Ukraine; therefore they reflect the interests of the European Union. Event the tasks on “internal” progress in these fields are to ensure the security (in a broad sense) of the transit potential of Ukraine. At first view this may not seem be a big problem, but such disproportion gives wrong indication to Ukrainian officials and diminishes the role of the Action Plan as an instrument for impact on sustainable development of the above mentioned fields.</p>
<p>JC 1.2 – EC cooperation interventions are consistent with the objectives and priorities agreed by both parties in the PCA and the EU-Ukraine Action Plan</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 1.2.1 – References to the objectives of the PCA and the Action Plan in the programming documents</p>	
<p>European Council Country Strategy on Ukraine, 1999</p>	<p>The European Union has the following strategic goals with regard to Ukraine:</p> <ul style="list-style-type: none"> — to contribute to the emergence of a stable, open and pluralistic democracy in Ukraine, governed by the rule of law and underpinning a stable functioning market economy which will benefit all the people of Ukraine; — to cooperate with Ukraine in the maintenance of stability and security in Europe and the wider world, and in finding effective responses to common challenges facing the continent; — to increase economic, political and cultural cooperation with Ukraine as well as cooperation in the field of justice and home affairs.
<p>European Council Country Strategy on Ukraine, 1999</p>	<p>The EU acknowledges Ukraine's European aspirations and welcomes Ukraine's pro-European choice. The EU remains firmly committed to working with Ukraine at national, regional and local levels, in order to support a successful political and economic transformation in Ukraine, which will facilitate Ukraine's further rapprochement with the EU. The EU and its Member States offer to share with Ukraine their various experiences in building modern political, economic, social and administrative structures, fully recognizing that the main responsibility for Ukraine's future lies with Ukraine itself.</p>

<p>CSP 2002-2006</p>	<p>The CSP states that “the EU’s cooperation objectives with Ukraine are to foster respect of democratic principles and human rights as well as transition towards a market economy. They are based on the Partnership and Cooperation Agreement (PCA) and the EU’s Common Strategy, which form part of a proximity policy, reflecting the political and strategic importance of Ukraine to the EU”.</p> <p>It points out that “PCA provision governing goods, services, labour, and capital introduce extensive, legally binding requirements” and that “the European Union Common Strategy on Ukraine, adopted in 1999 as a new instrument under the Common Foreign and Security Policy, aims to develop a strategic partnership between the EU and Ukraine on the basis of the PCA.”</p>
<p>CSP 2007-2013</p>	<p>The CSP states that “EC assistance over the period covered by this strategy will aim at supporting Ukraine’s ambitious reform agenda on the basis of the policy objectives defined in the Partnership and Cooperation Agreement (PCA) of April 1998 and the EU-Ukraine Action Plan of February 2005.”</p> <p>It further stresses EU’s and Ukraine’s commitment under the PCA “to establishing a partnership which provides for close political and mutually beneficial trade and investment relations together with economic, social, financial, civil scientific, technological and cultural cooperation. The partnership is intended, in particular, to promote Ukraine’s transition to a fully fledged democracy and market economy.”</p> <p>It underlines that “the objective of the ENP, launched in the context of the 2004 enlargement round, is to share the EU’s stability, security and prosperity with neighbouring countries, including Ukraine, in a way that is distinct from EU membership. The ENP is designed to prevent the emergence of new dividing lines in Europe by offering neighbouring countries closer political, security, economic and cultural cooperation.</p> <p>It also addresses one of the European Union’s strategic objectives set in the European Security Strategy of December 2003, namely to bolster security in the EU neighbourhood. ENP partners expect to gain closer cooperation with the EU, the chance to participate in EU programmes and a stake in the EU’s internal market, lending strong support to their own political and economic reforms” and that “in the case of Ukraine, specific objectives have been established in the EU-Ukraine Action Plan which was jointly endorsed in February 2005.”</p>

<p>▪ I 1.2.2 – Programming documents explicitly show how proposed interventions will contribute to achieving the objectives of the PCA and AP</p>	
<p>CSP 2002-2006</p>	<p>Relations between the PCA and the Commission’s planned interventions are addressed in the chapter of the CSP titled “EC response strategy”. It states in particular the following:</p> <ul style="list-style-type: none"> ● Co-operation should seek to build bridges across the future eastern borders of the EU and allow Ukraine to benefit from the advantages of EU enlargement, through improved border management ● The Ukrainian Government has requested Tacis to play a major role in supporting Ukrainian compliance with the PCA and the WTO, through support in developing appropriate legislation and in effectively implementing it. Full use should be made of the potential of the PCA to continue to emphasise approximation of Ukraine’s trade-related legislation to that of the EU, in particular in the fields of protection of intellectual property rights, standards and conformity assessment, and a progressive and selective integration of the EU “acquis” in other regulatory areas. ● The EC should also give priority to continued development of a pluralistic democracy with a well-functioning public administration, judiciary, independence of the media and civil society, as well as market economy reforms. ● Support to the social reform process should be high on the agenda, to create a stronger acceptance for further economic reform and to reduce poverty and alleviate the social impact of transition. ● At the same time, enlargement is bound to make the EU more sensitive to soft security threats from Ukraine which need to be addressed: environment (nuclear safety and related issues, including follow-up to the closure of Chernobyl and safety of Ukraine’s nuclear power plants; climate change and Kyoto protocol; Black Sea protection); Justice and Home Affairs (judicial reform and combating organised crime, corruption and illegal immigration); public health (transmissible diseases).
<p>NIP 2004-2006</p>	<p>The NIP commits the Commission to focus its assistance on the priority areas identified in the NIP 2002-2003:</p> <ul style="list-style-type: none"> ● Legal, judicial, administrative reform ● Border management ● Business, trade, and investment promotion ● Civil society, training and education ● Social reform

CSP 2007-2013	<p>As for the previous period, justification of the EC cooperation priorities for the period 2007-2013 is given in the CSP chapter dealing with the EC response strategy. It states that “EC assistance priorities have been identified primarily on the basis of the policy objectives defined in the jointly agreed EU-Ukraine Action Plan”.</p> <p>Priority areas are:</p> <ul style="list-style-type: none"> • Political dialogue and reform : strengthening democracy and good governance, the rule of law; human rights and fundamental freedoms; fight against crime and corruption and development of the civil society including in the social and economic sphere • Economic and social reform and development: further progression on the establishment of a fully functioning market economy; strengthening social reform and encouraging approximation to EU social standards; reducing regional imbalances; promotion of sustainable development • Trade, market and regulatory reform: customs legislation and procedures, technical regulations, standards and conformity assessment, sanitary and phytosanitary issues, establishment and company law, financial services and markets, taxation, competition and consumer protection policy, development of the legislative and administrative framework for SMEs, intellectual and industrial property rights, public procurement and statistics. • Cooperation in justice, freedom and security: the EU Action Plan on Justice and Home Affairs with Ukraine of 10 December 2001 (JHA AP) defines the broad areas of cooperation with Ukraine in the field of justice, freedom and security (JFS). In this context EC assistance will focus on: i) migration and asylum, ii) border management including re-admission-related issues, iii) organised crime and terrorism and iv) the judiciary and the rule of law. • Transport, energy, information society and environment: Strengthening administrative capacity for the formulation and implementation of sectoral strategies and policies converging towards relevant EU policies and legislation is a general priority in the transport, energy, information society and environment sectors. 																																										
<p>▪ I 1.2.3 – Correspondence between the sectoral breakdown of the Commission’s funding and the priorities set up by the PCA and Action Plan</p>																																											
CRIS	<p>Sectoral distribution of contracts 2002-2008</p> <table border="1" data-bbox="435 1442 1337 1919"> <thead> <tr> <th></th> <th>Million €</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>356.76</td> <td>47.8%</td> </tr> <tr> <td>Legal, administrative, institutional reform</td> <td>101.59</td> <td>13.6%</td> </tr> <tr> <td>Border Management</td> <td>91.75</td> <td>12.3%</td> </tr> <tr> <td>Economic Development</td> <td>88.08</td> <td>11.8%</td> </tr> <tr> <td>Social consequences of transition</td> <td>39.11</td> <td>5.2%</td> </tr> <tr> <td>Transport</td> <td>11.77</td> <td>1.6%</td> </tr> <tr> <td>Migration</td> <td>11.39</td> <td>1.5%</td> </tr> <tr> <td>Education</td> <td>11.12</td> <td>1.5%</td> </tr> <tr> <td>Civil society</td> <td>10.32</td> <td>1.4%</td> </tr> <tr> <td>Environment</td> <td>9.18</td> <td>1.2%</td> </tr> <tr> <td>Media</td> <td>4.64</td> <td>0.6%</td> </tr> <tr> <td>Miscellaneous</td> <td>11.44</td> <td>1.5%</td> </tr> <tr> <td>Total</td> <td>747.13</td> <td>100.0%</td> </tr> </tbody> </table>		Million €	%	Energy	356.76	47.8%	Legal, administrative, institutional reform	101.59	13.6%	Border Management	91.75	12.3%	Economic Development	88.08	11.8%	Social consequences of transition	39.11	5.2%	Transport	11.77	1.6%	Migration	11.39	1.5%	Education	11.12	1.5%	Civil society	10.32	1.4%	Environment	9.18	1.2%	Media	4.64	0.6%	Miscellaneous	11.44	1.5%	Total	747.13	100.0%
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<p>▪ I 1.2.3 - Evidence that the cooperation programmes are a response to issues raised in the framework of the policy dialogue and that policy dialogue structures monitor the implementation of cooperation programmes</p>	
Minutes of committee meetings	Monitoring of cooperation is an item, but apparently a relatively minor one, on the agenda of the sub-committee meetings. Comments by the participants mainly concern implementation issues. There is no evidence that sub-committee meetings have a direct influence on the identification of projects.
<p>JC 1.3 – EC cooperation interventions are consistent with the objectives of the European Neighbourhood Policy</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
COM(2004) 373 Final	<p>The objective of the ENP is to share the benefits of the EU’s 2004 enlargement with neighbouring countries in strengthening stability, security and well-being for all concerned. It is designed to prevent the emergence of new dividing lines between the enlarged EU and its neighbours and to offer them the chance to participate in various EU activities, through greater political, security, economic and cultural co-operation.</p> <p>The method proposed is, together with partner countries, to define a set of priorities, whose fulfilment will bring them closer to the European Union. These priorities will be incorporated in jointly agreed Action Plans, covering a number of key areas for specific action: political dialogue and reform; trade and measures preparing partners for gradually obtaining a stake in the EU’s Internal Market; justice and home affairs; energy, transport, information society, environment and research and innovation; and social policy and people-to-people contacts.</p> <p>The privileged relationship with neighbours will build on mutual commitment to common values principally within the fields of the rule of law, good governance, the respect for human rights, including minority rights, the promotion of good neighbourly relations, and the principles of market economy and sustainable development. Commitments will also be sought to certain essential aspects of the EU’s external action, including, in particular, the fight against terrorism and the proliferation of weapons of mass destruction, as well as abidance by international law and efforts to achieve conflict resolution.</p>
<p>▪ I 1.3.1 – From 2005, reference to the ENP objectives in the programming documents</p>	
CSP 2002-2006	<p>The CSP 2002-2006 already insisted on the proximity between Ukraine and the EU and hence on mutual interests:</p> <p>“After enlargement Ukraine will have a long border with the EU. Given Ukraine’s location and size, it is likely to become an even more crucial neighbour and partner for the EU after enlargement. As Ukraine’s immediate neighbour, the EU has a particular interest in a politically, economically and socially stable, independent Ukraine. Ukraine’s continued democratic development and an accelerated process of transition to a market economy are essential for the EU. Proximity after enlargement will require joint approaches to tackling crucial issues in fields such as justice and home affairs, transport and environment. Because of its ports and pipeline networks, Ukraine has an important role as a transit country, especially for EU energy supplies. Ukraine’s trade with the EU and EU investments in Ukraine are still small compared with Ukraine’s economic potential, its market of 50 million inhabitants and its location between the enlarged EU and Russia.”</p>

CSP 2007-2013	<p>The CSP 2007-2013 mentions the ENP, together with the PCA and the European Security Strategy, as one of the strategic objectives “that shape the EU/EC approach to cooperation with Ukraine”.</p> <p>It underlines that “the objective of the ENP, launched in the context of the 2004 enlargement round, is to share the EU’s stability, security and prosperity with neighbouring countries, including Ukraine, in a way that is distinct from EU membership. The ENP is designed to prevent the emergence of new dividing lines in Europe by offering neighbouring countries closer political, security, economic and cultural cooperation. It also addresses one of the European Union’s strategic objectives set in the European Security Strategy of December 2003, namely to bolster security in the EU neighbourhood. ENP partners expect to gain closer cooperation with the EU, the chance to participate in EU programmes and a stake in the EU’s internal market, lending strong support to their own political and economic reforms.”</p>
<p>▪ 1.1.3.2 - Evidence of complementation between interventions at national, regional and cross-border level</p>	
RIP, CBC project fiches	<p>Regional and cross-border projects mainly address issues that have by nature a transnational character, notably transport infrastructure (Traceca, Inogate), environment (CBC programmes), border management et migration management. CBC programmes also include activities aimed at supporting economic development in border regions and at favouring people-to-people activities.</p>
<p>▪ 1.1.3.3 - Evidence of coherence and complementarities between the EC and EU Member States co-operation programmes</p>	
CSP Mid-Term Review	<p>Sweden is the first and only EU Member State engaged so far in joint-programming with the EC in the frame of the ENPI country programme, namely in the environment sector</p>
<p>▪ 1.1.3.4 – Evidence of a value-added of EC interventions</p>	
EU Member States	<p>Size of EC budget for cooperation with Ukraine</p> <p>Policy dialogue within the framework of PCA and negotiation of the Association Agreement</p>

Annex to the Data Collection Grid for EQ1: Comparison between priorities identified in the CSP and main areas of cooperation selected in the NIPs

CSP 2002-2006	NIP 2002-2003	NIP 2004-2006
<p>Areas of cooperation</p> <p>Focus of the Commission's strategy</p>	<ol style="list-style-type: none"> 1. Support for institutional, legal and administrative reform 2. Support to the private sector and assistance for economic development 3. Support in addressing the social consequences of transition 	
<p>Improvement of the trade and investment climate and on strengthening the capacity of the Ukrainian economy to benefit from EU enlargement</p>	<ol style="list-style-type: none"> 1.1 Legal, judicial and administrative reform <ul style="list-style-type: none"> • Adapt legislation, public institutions and the judiciary to the requirement of a democracy and a market economy 2.1 Business trade and investment promotion <ul style="list-style-type: none"> • Promote business and investment development in key areas 	<ol style="list-style-type: none"> 1.1 Legal and administrative reform <ul style="list-style-type: none"> • Strengthening of legal and administrative capacity of central and regional government authorities • Support to legislative approximation and adaptation to WTO requirements • Creation of a business friendly legal and administrative environment with special focus on SMEs • Support to judicial reform and strengthening of an independent and competent judicial system • Support to improving control of use of public funds 1.4 Education and training <ul style="list-style-type: none"> • An education system that can underpin the development towards a functioning market economy, and respond to the challenges in the labour market and social field 2.1 Assistance to enterprise development <ul style="list-style-type: none"> • Consolidation of SMEs and strengthening of enterprises in priority development regions and sectors 2.2 Development of financial markets <ul style="list-style-type: none"> • Up-grade the financial sector with a view of making it fit for fully exercising its role in the development of the Ukrainian economy and society at large

Judicial reform and justice and home affairs (including border management and migration questions)	<p>1.2 Border management</p> <ul style="list-style-type: none"> • Improve the overall border management system in Ukraine with a view to facilitate movement of goods and people, while combating illegal activities 	<p>1.2 Justice and Home Affairs Action Plan and border related issues</p> <ul style="list-style-type: none"> • Enhance implementation of the JHA Action Plan • Support progress in making orderly and legal movements of goods and people across border as fast and easy as possible
Promotion of democratic principles and civil society development		<p>1.3 Civil society, media and democracy</p> <ul style="list-style-type: none"> • Contribute to further development of a diversified, multi-layered, democratic society <p>1.4 Education and training</p> <ul style="list-style-type: none"> • Support to the creation of an information society
Alleviation of the social impact of transition and support to the social reform process	<p>2.1 Social reform</p> <ul style="list-style-type: none"> • Mitigate the social cost of economic restructuring and to reduce social disparities and poverty 	<p>2.3 Local development in selected municipalities</p> <ul style="list-style-type: none"> • Improve quality, access and sustainability of essential services in selected municipalities <p>3.1 Health sector reform</p> <ul style="list-style-type: none"> • Help establishing an effective and sustainable health sector to produce real health gains for the whole population <p>3.2 Support to the development of social assistance policy and services targeting vulnerable groups</p> <ul style="list-style-type: none"> • Improvement of social assistance policy and service provision
Energy	<p>2.2 Fuel gap (2002)</p> <ul style="list-style-type: none"> • Reduce the economic impact of the closure of Chernobyl 3 reactor 	<p>2.4 Energy sector reform</p> <ul style="list-style-type: none"> • Reform and sustainable development of the Ukrainian energy sector • Sustainable and efficient use of energy resources
Environment related issues		<p>2.3 Local development in selected municipalities</p> <ul style="list-style-type: none"> • Support better environment protection at local level

EQ 2 on Democracy and Human Rights

To what extent have the Commission's interventions contributed to strengthening democracy and the rule of law?	
JC 2.1 – The Commission's interventions contributed to enhance the independence of the judiciary and to strengthen its administrative capacity	
Judgement criteria and indicators	
Inventory	<p>During the evaluation period, the Commission's main interventions in support of the judiciary have been the following:</p> <ul style="list-style-type: none"> • Legal training Kiev and selected regions – June 2002 to May 2006 - €4.7 million • Reform of arbitration courts and support to court administration reform – December 2003-March 2008 - €2.0 million (implemented by UNDP) • Improving access to justice for rural populations (DDH) – December 2005 to December 2008 - €0.45 million • Judicial selection and appointment procedure, training, disciplinary liability, case management and alternative dispute resolution – May 2006 to December 2007 - €2.0 million • Transparency and efficiency of the judicial system of Ukraine (implemented by the Council of Europe) – May 2008 to August 2010 - €5.4 million • Accountability and effectiveness of Ukrainian judiciary functioning (civil service component) - July 2008 to December 2010 - €4.9 million • Support to the Academy of Judges (Twinning project) – June 2009 to June 2011 - €1.1 million
EAMR 2008:	<p>While little has been programmed since 2007 specifically in the area of good governance and democratic development (the indicative financial envelope for Priority 1 is €148 million being 30 % of budget 2007-2010), comprehensive ongoing and past assistance of the EC in the area of good governance and particularly reform of the judiciary pursues the objectives of the above mentioned strategic documents (JFS Action Plan), as well as assists Ukraine to implement its Concept on Judicial reform adopted in May 2006 (a still contested judicial reform blueprint: "Concept for the Improvement of the Judicial System and Ensuring Fair Trial in Ukraine in line with European Standards" was endorsed by the President of Ukraine on 10 May 2006). It is implemented by the Council of Europe in partnership with an impressive number of state authorities and Ukrainian organizations. There are at least two essential elements missing in the Ukrainian judiciary at present: a coherent sector policy and an effective sector and donor coordination led by Ukraine. Inter alia, on the basis of various findings of these studies, a dialogue with the Government and the many donors involved in this area (US for example, but some EU MS) is being reinforced by the EC Delegation in order to launch a sector approach and possibly a budget support operation in 2010.</p>

<p>▪ I.2.1.1 – Reforms of the civil, commercial and administrative codes in line with European standards</p>	
<p>JSP-ADRM (no. 121712) MR-40521.01 and MR-40521.02</p>	<p>Project success and sustainability are highly dependent on the measures to be taken by the Ukrainian authorities and civil society. The reform of the judiciary has been declared as a high priority by the Ukrainian President and the Government. This commitment was fixed both in international and national documents. Public funding for the reform of the judiciary has been increased over the recent years. Improvements to the legal framework have been initiated. At the same time, the current political situation still leaves much to be desired to ensure conducive environment for the project. On their side, the beneficiaries of the project have demonstrated a good sense of project ownership and understanding of their responsibility for the project results.</p> <p>Sustainability of the project results to a significant extent relies on further commitment of the country leadership and the main stakeholders in the judicial reform process to move forward. Being recognised as highly important by different political forces, the judicial reform most likely will remain the top issue on the political agenda. Funding of the judiciary has been progressively increasing over the recent years.</p> <p>On its side the project has concentrated on delivery of results and services of importance for proper functioning of the judiciary. Significant attention was paid to building capacity of the defined target groups and their exposure to the best European practices. Changing attitudes and increased competence of the Ukrainian participants in the project are among the key project achievements. Training the trainers and assistance in developing training programmes are also well oriented at continued use. The project contribution to introduction of Alternative Dispute Resolution Method (ADRM in Ukraine is also likely to have a lasting effect.</p> <p>Sustainability is very much dependent on the establishment of a proper legal framework to which the project has contributed and may further contribute. In this respect establishment of dialogue with the new Parliament and Government is important.</p>

<p>Good governance - Anti-corruption project (MR-40540.01; 11/01/2007; MR-40540.02, 29/09/2007)</p>	<p>Active steps have been made by Ukraine in international cooperation. Ukraine is in the process of acceding to the Criminal Law Convention on Corruption and its additional protocol and UN Convention on Corruption. After deposition of the ratification instrument Ukraine became a member of the Group of States against Corruption (GRECO).</p> <p>According to the Decree of the President of Ukraine an Interagency Commission has been created under the National Council for Security and Defence to adopt a comprehensive approach and to make strategic choices in the anti-corruption area. Important reforms are now on the agenda of the Government, including administrative-territorial reform, reform of the civil service, judiciary, prosecution and law enforcement system.</p> <p>The project provided the required expertise for the review of the Law on the Judiciary and Law on the Status of Judges that were submitted to the Parliament. A sufficient support was also provided for the drafting of legislation that results from anti-corruption law package, submitted by the President of Ukraine to the Parliament. Three of the submitted laws have passed first reading in the Parliament.</p> <p>The support to the effective monitoring, coordination and management of anti-corruption measures was not possible as the mechanism for monitoring is not defined.</p> <p>Several meetings were organised for the development of the methodology to carry out the baseline surveys on corruption in the judiciary, law enforcement and political parties. In spite of the resources spent already the project partners proposed to cancel the survey as well as activities related to the financial aspect of the political parties and election process.</p> <p>Government has not supported this priority by specific steps in line with the Concept to counter corruption in Ukraine adopted by the President. In particular there was no progress in development of the Anti-corruption Action Plan, no preliminary public discussion and no preparation of a meeting of National Security and Defence Council on anti-corruption efforts at the Governmental bodies.</p>
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<p>European Neighbourhood Policy: the Case of Ukraine, 2006</p>	<p>In area of protection of human rights and fundamental freedoms the Ukrainian government took efforts to join multilateral conventions, which have not been signed by Ukraine yet. Ukraine became a Party to the European convention of remedies to victims of crimes. Legislative measures have been taken to involve public into decision making. Public Boards and expert groups (on price making and salaries) were established within the Cabinet of Ministers and local governments. Regulation on public monitoring of the Cabinet of Ministers and local governments was approved by the government of Ukraine. However, the long-awaited reform of judiciary did not succeed. The concept of judicial reform was debated in the Verkhovna Rada but without any effective measures adopted.</p> <p>[...]</p> <p>The Ministry of Justice continues to play an important role in the approximation of laws process. More than 3000 pages of the EU acquis have been translated by the Ministry of Justice in 2005 and 2006. Only in the first half of 2005 experts of the Ministry of Justice approved 121 drafts of legal acts as confirming EU law standards.</p> <p>About 100 legal drafts were sent back to responsible ministries for further improvement in accordance with EU acquis. Besides, the Ministry of Justice assisted to the Verkhovna Rada in reviewing compliance of legislative drafts with EU laws.</p> <p>[...]</p> <p>Problems leading to the lack of reform progress include: the lack of effective cooperation between the Ukrainian government and the Verkhovna Rada in issues of aligning Ukrainian legislation in line with EU standards. Many of the government bills have been blocked by the Verkhovna Rada not only because political clashes but also because of insufficient and ineffective exchange of information between the government and the Verkhovna Rada. For instance, this problem appeared during the adoption of the package of laws needed for the Ukraine’s accession to the WTO. Furthermore, the Ukrainian government failed to be transparent to the Ukrainian nation. Many of seminal decisions have been taken “behind closed doors” without involvement of general public into the decision making.(p.64)</p>
<p>Taras Kachka, Ministry of Justice, First Deputy Director, Department of Legislation Approximation</p>	<p>“We never had this kind of reform. The projects were in place, of course, but even if someone did something, it had no effect whatsoever.</p> <p>“The point is that, according to procedure, if a law is drafted, it has to be agreed. But the review process either comes too late or no one pays any attention to it. The way that European experts are involved in this process is especially ineffective, because nobody pays attention to them or their recommendations.”</p>
<p>Yevhen Bystrytskiy, International Renaissance Foundation, Executive Director</p>	<p>“European Commission projects have had no real impact. I have not heard anything to suggest that the government and experts have discussed this.”</p>

<p>Olena Zerkal, Ministry of Justice, Director, Department of Legislation Approximation</p>	<p>“Projects that were coordinated by the European Commission in cooperation with the Council of Europe funded related programs that helped in the development of court legislation. But the last time these underwent review was in 2006.</p> <p>“The format proposed by the EC encouraged interagency cooperation. Project members met, even at the level of deputy chief justices of the Supreme Court. Everyone discussed trouble spots in the laws. People were looking for common ground and reached consensus over critical problems.</p> <p>“But when the funding came to an end, judicial reform also came to a standstill in 2006-2007, dying during first reading in the Rada. Nothing came of it. There was no reform ‘conveyor,’ because it couldn’t be built in the first place.</p> <p>“There’s a conceptual difference between a court and a program put together by the Rada. During the last five years, there have been many different projects, but they were all very politicized. In short, they represented different interests.</p> <p>“Today there’s another project funded by the Commission, whose main beneficiary is the Supreme Court. But it, too, has its own interests, which it pursues to the exclusion of all others. There are no other groups interested in this area, so there is no consolidated position against the Court’s stonewalling. Although the project is ostensibly carrying on, there’s no budgetary support for judiciary reform, because the project has been blocked until the proper legislation is passed.”</p>
<p>▪ I.2.1.2 – Reform of the codes of procedure on the basis of European standards</p>	
<p>JSP-ADRM (no. 121712) MR-40521.02</p>	<p>Draft laws on introducing changes to the two basic laws ‘On Judiciary’ and ‘Status of Judges’ have past the first reading before dissolution of the Parliament. While it was acknowledged by the beneficiaries that the project assistance has led to improvement of the draft laws, an opinion was also expressed that recommendations on these two laws have not been incorporated to the desirable extent. Assistance in the development of legislation in the area of ADRM has been well absorbed and has resulted in drafting of two laws.</p> <p>Expert input to five draft laws (“On the Judiciary”, “On the status of judges”, “On judicial training”, and two draft laws on mediation in criminal matters) was provided and considered by the beneficiaries. This input was partly incorporated into the draft laws (Final report, p.10)</p>
<p>EAMR 2007 final; and EAMR 2009-02</p>	<p>UEPLAC IV: The project successfully supports the understanding, implementation and ownership by the Ukrainian authorities of the whole process of approximation to EU principles and laws in all the areas foreseen in the Partnership and Cooperation Agreement and in the European Neighbourhood Policy Action Plan.</p> <p>Support was provided through EU-funded projects (UEPLAC IV and V) to assist Ukrainian Authorities in the preparation of approximated legislation, in conformity with priorities, in the fields relevant to PCA and Association process</p>

<p>Yevhen Bystrytskiy, International Renaissance Foundation, Executive Director</p>	<p>“I know that work was done in this area. I was even invited to participate as an expert, but it’s not clear what the actual results were. The end result was a book. But the project remained at the level of publications, documents and propositions. A platform for reform was established, but nothing was implemented.”</p>
<p>Taras Kachka, Ministry of Justice, First Deputy Director, Department of Legislation Approximation</p>	<p>“No such reform ever took place. There were projects, but our government was working technocratically and unsystematically with all the documents prepared under these projects. The government did have its own priorities, however.</p> <p>“Here the question arises of constantly changing governments and the quality of their officials. Their capacity is zero, which is why they cannot draft laws.”</p>
<p>Olena Zerkal, Ministry of Justice, Director, Department of Legislation Approximation</p>	<p>“There has been no reform, because not enough effort was put into technical assistance.</p> <p>“All EC projects are focused on organizing events, seminars and discussions, but they are not focused on concrete results. One such result could be to rework a bill of law that would be accompanied by experts at every phase of committee work.</p> <p>“No one did any quality control. So it’s unclear whether the project results will benefit future work. There was no internal audit of the quality of expert analysis within these projects. That makes it hard to judge the effectiveness of the work on the Code.</p> <p>“In the context of this work, I enjoyed working with the experts in one particular format: draft the law, submit it for expert review, get an evaluation, and you can discuss it with those experts. It also helps when people from different organizations get together for discussion.”</p>

<p>▪ I.2.1.3 – Reform of the prosecution system in accordance with the relevant Council of Europe Action Plan</p>	
<p>Venice Commission, 2009</p>	<p>To sum up, the present draft, which is not supported either by the Minister of Justice or the President, does not intend to reform the present functioning of the prosecution service in Ukraine which was inherited from the Soviet “prokuratura” system. It is rather an attempt to preserve the status quo and to put an end to reform efforts undertaken on the basis of the 1996 Constitution of Ukraine.</p> <p>None of the major criticisms made by the Venice Commission in its earlier opinions of 2001, 2004 or 2006 have been taken on board in this new draft law. The draft law retains the features which were objected to by the Venice Commission in its earlier opinions. The prosecutor’s office would remain a very powerful and excessively centralised institution whose functions considerably exceed the scope of functions performed by a prosecutor in a democratic country. The draft does not bring Ukraine any closer to complying with the commitment towards the Council of Europe that <i>“the role and functions of the Prosecutor’s Office will change (particularly with regard to the exercise of a general control of legality), transforming this institution into a body which is in accordance with Council of Europe standards”</i>. The draft should therefore be withdrawn.</p> <p>A comprehensive reform in line with the country’s commitment to the Council of Europe would require, first of all, constitutional amendments such as those recently proposed by the President of Ukraine and, thereafter, an entirely different new law.</p>
<p>Yevhen Bystrytskiy, International Renaissance Foundation, Executive Director</p>	<p>“No changes have taken place in the prosecution system, none are anticipated, and none are evident so far.</p> <p>“I think that reforming this system is a naïve dream.</p> <p>“Of course, plans were drafted, but it’s unclear who these plans support.</p> <p>“There is a problem with this reform since the Constitution was amended and it is not convenient to undertake this right now.”</p>
<p>Taras Kachka, Ministry of Justice, First Deputy Director, Department of Legislation Approximation</p>	<p>“No reforms have taken place and European consultants haven’t helped.</p> <p>“I think we need to completely move away from the concept of consultants as people who come in and offer advice. In 15 years, I saw only one normal consultant. Consultants typically provide either information from the internet or their own opinions.</p> <p>“Reforms are needed. And, as practice has shown, funding has to be directed towards capacity-building to run reforms:</p> <ul style="list-style-type: none"> - <i>invest in people</i>: workshops and educational programs on the basis that the individual will work for the government for a definite period of time; - <i>invest in infrastructure</i>: buying equipment, preparing packets of documents.”

<p>▪ I.2.1.4 – Reform of the court system favouring independence, impartiality and efficiency of the judiciary</p>	
<p>GoU, Concept for improvement of the judicial system 2006</p>	<p>Regardless of much positive advancement in the course of reform, the process of establishment of an independent judiciary in Ukraine has been rather conflicting and inconsistent. Another problem was presented by the strictly conservative approaches to the reform process and a lack of clear understanding of what the judicial system should be like in a state governed by the rule of law. As a result of this, Ukrainian courts have not yet become an effective human rights protection institution. Public opinion about courts is extremely negative. There are very few people who believe in the fair Ukrainian judiciary.</p> <p>Such situation is mainly attributed to the following factors:</p> <ol style="list-style-type: none"> 1. Lack of a Systemic and Consistent Vision of how the Judicial Reform Should Be Further Implemented and Completed 2. Inconsistency of the Ukrainian System of General Jurisdiction Courts with Constitutional Requirements, as well as with the Types and Stages of Judicial Proceedings 3. Incomplete Implementation of the Procedural Law Reform 4. Courts' Excessive Caseload and Insufficient Transparency of Their Activity 5. Factors Undermining the Independence of Judges 6. Insufficient Professional Competence of Most of Judges and Low Effectiveness of the System of Professional Liability of Judges 7. Low Funding of the Judiciary 8. Ineffective Judgment Enforcement System
<p>CoE, 2006</p>	<p>Le système judiciaire de l'Ukraine est issu de l'héritage soviétique, caractérisé par la puissance du parquet et un degré de politisation et de dépendance des tribunaux vis-à-vis de l'exécutif. Aux yeux de l'opinion publique, les décisions de justice « achetées » ou « arrangées » constituent une pratique très répandue. Des efforts ont été entrepris pendant des années pour réformer le système judiciaire mais ils ont souvent été décrits au Commissaire comme étant trop parcellaires et leur mise en œuvre trop chaotique.</p>
<p>European Neighbourhood Policy: the Case of Ukraine, 2006</p>	<p>The major problem is that the implementation of the EU-UA AP did not tackle the reform of judiciary. Hitherto, judiciary remains the most non-transparent branch of power in Ukraine. (p.63)</p>

<p>JSP-ADRM (no. 121712) MR-40521.01</p>	<p>The project Overall Objective (OO) is to <i>'establish an independent, impartial, efficient and professional judiciary in Ukraine'</i>. The time frame and scope of the project are limited to anticipate fundamental changes in the judiciary. Within its limits the project is expected to make contribution to OO by offering a combination of interventions in the defined areas. The project is expected to trigger positive changes and establish grounds for further improvements in the related area. Should the project succeed, it is also expected to create grounds for future EC assistance, which is planned under 2005 Action programme.</p> <p>The project is a complementary effort to the initiatives of the Ukrainian President and Government and to the interventions of other donors and international organisations. Contacts with other donors active in the related area have been established. A donor co-ordination meeting convened in October 2006 at the initiative of the Academy of Judges has provided a good opportunity for information exchange between the donors. No risk of duplication has so far been revealed but given the high presence of different donors in the field the issue of donor coordination should be kept permanently on the agenda.</p> <p>There was general agreement on the need for a new programme to constitute a follow up to the present one axed on the need to make the Ukrainian judicial system more transparent and independent.</p>
<p>EAMR 2007 final</p>	<p>Judicial Selection and Appointment with the Council of Europe: the project was successfully assisting Ukraine in establishing an independent, impartial, efficient and professional judiciary in Ukraine (in order to support the selection and disciplinary procedures for judges and to ensure that judges are provided with proper initial and continuous training to perform their duties efficiently).</p>
<p>Consumer Society and Citizens' network (2005/115-406)</p>	<p>Analysis, consolidation, publication and presentation of current court practices in consumer issues. Development of a handbook for judges on hearing and ruling cases on consumer rights violation. Discussion of the handbook with the Supreme Court of Ukraine and other organizations and experts representing Ukrainian judiciary system. Dissemination of the handbook through the Ukrainian judiciary system.</p>

EAMR 2008-02	<p>There is no common understanding of the judiciary in Ukraine supported by Government, Parliament and the judiciary itself. However, while the judicial system cannot be regarded as stable, there are indications that there is a willingness of the Ukrainian Government to start reforms. This can e.g. be seen by the variety of legislative reforms in this area currently being discussed in Ukraine. In any case, structural reforms will be needed in the future as the current draft laws reforming the Law on the Judicial System and the Law on Status of Judges will not be enough.</p> <p>In the absence of a stable political framework and considering the low level of cooperation among the various institutions involved, some essential preconditions for a full sector approach are still missing, the on-going projects (largely still financed under Tacis) involving the Ministry of Justice, the Supreme Court and the High Council of Justice are likely to help design a clear and agreed strategy at national level and at the same time test and validate procedures and methods for dissemination of know-how and skills required for a better qualification of judges. It is of utmost importance to support and encourage a real government-led Donors coordination, in order to set priorities and elicit synergies.</p>
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<p>EAMR 2009-02</p>	<p>The Joint Programme on "Transparency and Efficiency of Judicial System of Ukraine" is aimed at assisting in establishing of independent, impartial, efficient and professional judiciary in Ukraine, as well as to ensure that the Ukrainian judiciary is transformed into a transparent and fair judicial system that is accessible to all citizens, working effectively and transparently vis-à-vis citizens and civil society. It started in 2008, but commenced the bulk of its activities in January 2009. The Programme has a budget €6M is planned to operate until December 2010. The Programme is co-funded by the European Commission and the Council of Europe. It is implemented by the Council of Europe in partnership with state authorities and organizations of Ukraine, i.e. High Council of Justice, Supreme Court, Ministry of Justice, State Court Administration, High Commercial and High Administrative Courts, and others.</p> <p>The programme on improving "Accountability and Effectiveness of Ukrainian Judiciary Functioning ("civil service component")" started in July 2008 (budget: €5 million; duration: 29 months). The EC provides funding while the WYG-led consortium implements it. It has the following objectives:</p> <ul style="list-style-type: none"> • to support improvement of personnel management of the Judiciary and judicial accountability in Ukraine, • to improve court efficiency through improvement of organisation of workflows and training for heads of the courts and the court personnel, • to improve education and training of State Enforcement Officers in order to improve the implementation and enforcement of court decisions and the last step in the access to courts for the Ukrainian population. <p>A twinning on "Support to the Academy of Judges of Ukraine (AoJ)" (budget: €1.1 million; duration: 27 months) started in July 2009. The Austrian Ministry of Justice already deployed in Ukraine an Austrian judge as a Resident Twinning Advisor. The twinning has the objective to support the strengthening of the institutional capacity of the AoJ through the development of initial training curricula for judges (practical and theoretical) based on the Council of Europe relevant recommendations, working out relevant testing and development of consolidated ongoing training programmes for judges with a focus on EU law.</p> <p>A twinning fiche "Increased Effectiveness and Management Capacities of Administrative Courts in Ukraine" has been significantly improved by the Ukrainian partners after it passed inter-service consultations at the EU HQ in June – July 2009. Tendering is planned to commence in February 2010. The twinning will be aimed to support the administrative judiciary in Ukraine through the High Administrative Court of Ukraine (HACU) in establishing the Administrative Judiciary in line with democratic principles and EU best practices, by means of strengthening institutional capacity, improving administrative legal proceedings and the quality of administrative judgments, and increasing public awareness of the operations of the Administrative Judiciary.</p>
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<p>EAMR 2009-02 (continued)</p>	<p>A sector-wide programme to assist Ukrainian Judiciary is being considered with the two simultaneous studies launched by the Commission. Although overall positive, the studies concluded that an explicit sector reform strategy does not exist. As regards judicial reforms in particular, there is no common understanding of the relevant reform priorities that is supported by the Government, the Parliament and the judiciary itself. The budgets allocated to the judiciary cover less than 50% of the overall needs. The Government-led sector and donor coordination is minimal. At the same time, the above-mentioned reports and assessments state very clearly that it's time for a new form of cooperation with the Ukrainian authorities, which should go beyond the scattered-results approach and aim at a more comprehensive dialogue and set of results with the relevant stakeholders. In the light of the conclusions and recommendations of the recent assessments as well as of the report of the European Court of Auditors issued in 2008, it is clear that the way forward for the EC-Ukrainian cooperation for justice reform is to move towards a sector-wide approach.</p>
<p>European Neighbourhood Policy: the Case of Ukraine, 2006</p>	<p>Future action on approximation of laws in Ukraine must undergo serious revisions in order to achieve objectives of the AP. There is an urging need to shift from mere legislative approximation of laws towards more close involvement of judiciary into the approximation of laws process. The Ukrainian judiciary must pay more attention to applying EU general principles in the process of taking decisions. References to EU general principles and EU common values could drastically accelerate the process of approximation of laws on all levels of power in Ukraine. The Ukrainian judiciary may serve the role of catalyst of the whole approximation of laws process in Ukraine by actively applying European legal heritage in own decisions.(p.66)</p>
<p>ICMPD 2006</p>	<p>A National Commission for the Strengthening of Democracy and the Rule of Law was established in August 2005, under the Chairmanship of Serhiy Holovaty, now the Minister of Justice. It is a permanent advisory body to the President and has 33 members, including retired members of the Constitutional Court, but no serving judges: “It is a political body”. Its remit is to assess the compliance of Ukrainian legislation with “European standards”, notably the Strasbourg <i>acquis</i>. It approved a “Concept for the Improvement of the Judicial System and for Ensuring Fair Trial in line with European Standards” on 22nd March: that is to be promulgated by the President. A Presidential decree was issued on an Action Plan for this Concept on 20th March.</p> <p>The President has announced that a strategy will be published in March 2006; however, the Mission found no confidence that it would be realised. Moreover, the strategy was being developed by “theorists and academics”, and would take no account of practical issues. In fact the working group did include two former judges, but no lay representation, whether from business or other sectors.</p>

<p>ICMPD 2006</p>	<p>A significant amount of legislation has been put in place in the past four years (<i>e.g.</i> the Civil, Commercial, Administrative Justice and Civil Procedure Codes) and progress has been made in developing a strategy for judicial training. The problem is often in translating good legislative intentions into reality (<i>e.g.</i> judicial salaries).</p> <p>Moreover, other areas, the Law on the Status of Judges, on the Legal Profession, the Procuratorate, Legal Aid, remain in dire need of attention even at the legislative level. Nonetheless, if the ambitions set out in the “Concept for the Improvement of the Judicial System and for Ensuring Fair Trial in line with European Standards”, approved by the National Commission at its plenary meeting on 22 March 2006, are realised, and its spirit respected, a very significant step forward will have been taken.</p>
<p>OECD ACN Ukraine report 2006</p>	<p>According to several observers and reports, the judiciary system remains a problematic area in Ukraine. Seventy-two percent of the Ukrainians surveyed in an October 2004 stated that corruption is a serious problem in the courts, and only one-third have confidence in the local courts. Some of the key areas of urgently needed reforms include the following measures:</p> <ul style="list-style-type: none"> • Reinforcing judiciary’s independence through the reform of its legal basis, and by introducing a transparent, fair and merit-based system for the selection and appointment judges, enhancing judicial self regulation and promoting independence and the role of Judiciary Council • Reforming the court structure and full implementation of the administrative courts system; providing the courts with necessary resources for their independent and effective operation; • Strengthening the professional capacity of judges, improving academic and in-service training within the judiciary; • Promoting integrity measures in the judiciary, including internal disciplinary procedures, Codes of Conduct, and education campaigns with a focus on practical training; • Reinforcing the implementation of court decisions to ensure the effective rule of law and to reinforce public trust in the judiciary system; • Facilitating access of citizens to the judicial system including such measures as advice on making claims or redressing actions, short of going to court; preliminary counsel for cases that are likely to end in court, and legal defence counsel for trials. <p>Another important element of the criminal justice reform is the reviewing the role of the General Prosecution Office according to the guidance of the Council of Europe and the Venice Commission and the modernisation of the Criminal Procedure Code of Ukraine.</p> <p>A number of reform efforts are underway, including those led by the Rule of Law Committee under the Ministry of Justice and the Verkhovna Rada Committee on Legal Policy, as well as donor supported projects. However the reform process is extremely difficult and slow and needs to be accelerated.(p.32)</p>

<p>Centre for Judicial Studies, 2008</p>	<p>With regard to guarantees of independence provided by domestic legislation, the majority of respondents consider that constitutional norms on the whole comply with international standards for judicial independence with the exception of the norm on the makeup of the High Council of Justice (Article 131 of the Constitution) in which at least half of the members should be judges elected by their colleagues.</p> <p>The constitutional norm stating that "The independence and immunity of judges are guaranteed by the Constitution and the laws of Ukraine. Influencing judges in any manner is prohibited" has not been positively reflected in Ukrainian legislation on the judicial system and the status of judges and provides insufficient guarantees for judicial independence. The laws "On the High Council of Justice", "On the procedure for the election and dismissal of professional judges of the Supreme Court of Ukraine" and current procedural legislation are rated negatively by the overwhelming majority of judges.</p> <p>In their assessment of the level of respect for judges' independence, compared with the monitoring in 2007 one notes a reduced level of respect for the court from the President (2007 - 50%, 2008- 55%); representatives of big business (2007 - 47%, 2008- 56%); journalists (2007 - 40%, 2008- 45%); people running business (2007 - 28%, 2008- 36%) and members of the public (2007 - 20%, 2008- 45%).</p> <p>The results of both surveys showed that only one fifth of the respondents consider that they have sufficient powers to uphold the authority of judges and respect for the court, and the possibility of having influence on these processes.</p>
<p>Centre for Judicial Studies, 2008</p>	<p>Functional (procedural) independence of judges</p> <p>Results indicate a continuing high level of attempts at influencing the court's position during examination of cases. 71% (against 77% in 2007) of judges, 54% (against 67%) and 81% (against 89%) of bar lawyers confirmed awareness of such instances. Some decrease in the level of influence can be explained by positive internal changes in the judicial system itself since over the last year there has been a reduction in influence from the heads of the courts.</p> <p>According to the answers from judges, the most active in trying to wield unlawful influence on the court are: the parties to the case and their representatives - 55% (against 48% in 2007); Representatives of the media (41% (against 28%); participants in political rallies and pickets - 41% (35%); National Deputies (MPs) 40% (against 39%) and representatives of political parties - 34% (against 35%). The answers from the respondents (judges, prosecutors and lawyers) suggest that there is considerable pressure on judges and heads of the courts from a large number of people during judicial examination of cases. The following forms of influence are most often used: threats to do damage to somebody's career, to have them dismissed or have disciplinary proceedings brought against them; bribery; friendly advice.</p> <p>Non-enforcement or enforcement but with considerable delay of court rulings remains one of the main reasons for lack of faith by members of the public in the court and in the state as a whole. And although judges do not have at their disposal levers for improving this situation, since the process of enforcement is under the control of the executive branch of power, the main complaints are levelled at the judiciary.</p>

<p>Centre for Judicial Studies, 2008</p>	<p>Social protection for judges The assessment of the independence of local court judges according to the criteria of the present level of pay is of deep concern. Only 11% (against 10% in 2007) of the judges surveyed say that their level of pay enables them to be independent. This begs the conclusion that the independence of almost 90% of judges is at risk.</p>
<p>Centre for Judicial Studies, 2008</p>	<p>Disciplinary liability of judges Of greatest concern is the increase in the number of respondents (62% in 2008 against 58% in 2007) who believe that international standards for bringing disciplinary proceedings against judges are not being observed. A judge who is facing disciplinary proceedings should have the right to an examination of the issue by a fair and independent body on an adversarial basis. Current legislation does not contain regulations entitling the judge to provide evidence to refute the charges against him or her, or where the judgment is disputed to appeal against it. Furthermore, there has been an increase - 72% against 65% - in the number of respondents who consider most complaints against judges to be unwarranted. In the absence of clear and objective criteria for assessing judges' work, this can significantly affect judges' independence in carrying out disciplinary proceedings. This issue is important also given that the High Council of Justice, one of the bodies responsible for disciplinary proceedings against judges, does not have a majority of judges on it. This is despite the fact that European standards call for an independent institution with such a majority in cases where judges are facing disciplinary charges.</p>
<p>Council of Europe, Parliamentary Assembly, 2009</p>	<p>With regard to judicial reform and reform of the judiciary, the rapporteurs were informed about the progress with regard to the implementation of the several concept papers and state of preparation of several required laws and legal instruments. While welcoming the progress made, the rapporteurs stressed that it was now time to complete these reforms in line with Council of Europe standards and principles. In that respect they noted that, while the opinion of the Venice Commission is sought during the preparation of the law, their recommendations are not always reflected in the final text, and proposed amendments either do not take into account, or even contradict these recommendations. “We call upon the Verkhovna Rada to ensure the rapid adoption of the laws that are required to finalise the legal reform demanded by the Council of Europe,” they said. Moreover, to ensure that they conform to European standards, the Venice Commission should be asked to provide an opinion on the amended versions that will be proposed for adoption in third reading in Parliament.</p>
<p>UEPLAC IV, Completion Report, 2009</p>	<p>The Ukraine’s political crises (in 2006, 2007 and 2008) and the worldwide financial crisis (2008-9) put on hold most of the legislative reforms. For these reason, UEPLAC has mostly focused its activities on training and capacity building, and had its larger impact on a sector where the work was less politically controversial and more of a technical nature, e.g. Mutual Legal Assistance in Civil Matters. Other sectors that saw some progress thanks to the UEPLAC assistance were Probation & Juvenile Justice (within the chapter of Imprisonment and Detention), Drug Policy implementation and co-ordination (within the chapter Drugs).</p>

<p>Venice Commission, 2010</p>	<p>There are fundamental problems in the system envisaged for the appointment and removal of judges. The proposed role of the <i>Verkhovna Rada</i> in removal proceedings (as well as in those concerning the appointment to a permanent post) is not compatible with the independence of the judiciary. (...) The role foreseen for <i>Verkhovna Rada</i> in both the appointment and removal proceedings precisely creates the impression of inappropriate connections and influence which affects negatively the independence of the judiciary as a whole. It may not be possible to overcome the problems with changes here and there; instead the system as a whole might have to be reconsidered.</p>
<p>Venice Commission, 2010</p>	<p>The system of judicial self-government is too complicated. There are too many institutions: meetings of judges on different levels, conferences of judges, the Congress of judges of Ukraine, council of judges of respective courts and Council of Judges of Ukraine which is a different organ than the High Council of Justice. The structure should be simplified to be effective. This pyramid structure can become an obstacle for building a real self-government and the scope for "judicial politics" seems enormous. The dispersal of powers through many bodies seems to lead to a potentially confusing situation where different bodies would exercise the same powers.</p>
<p>Venice Commission, 2010</p>	<p>All in all, although the draft Law contains many positive features and is an improvement as compared with the previous two drafts, substantial redrafting is needed. Following the discussions in the framework of a Round Table held in Kiev (5 February 2010), the existing draft can serve as a basis for the final text. The development of the text needs some time and effort, but a few months further delay probably would be tolerable considering that the new law is likely to serve as an important yardstick for the evaluation of the state of the rule of law in Ukraine for many years to come and in many arenas.</p>
<p>Yevhen Bystrytskiy, International Renaissance Foundation, Executive Director</p>	<p>"The public has played an active role in developing bills of law for reforming the court system. Two laws even passed first reading, but they've now been annulled.</p> <p>"In this area, much has been accomplished. Courts have undergone a complete technical upgrade: they bought computers and did a total overhaul of the information system. Now, all court decisions are publicized, but nobody pays attention to this or analyzes these decisions."</p>
<p>Taras Kachka, Ministry of Justice, First Deputy Director, Department of Legislation Approximation</p>	<p>"There were no reforms, but there have been some positive changes to the judicial system. Because an informational infrastructure was set up in jurisprudence, the continuity of judiciary law has become more visible and this allows judges to call on precedent."</p>

<p>Andriy Spivak, EU Delegation</p>	<p>“The first project was in 2004. This was a project that assisted reform of the arbitration courts that have now become commercial (<i>hospodarske</i>). This was the first project we funded and it ended in 2006.</p> <p>“In each project, we have had the results we wanted. One of the key results was ensuring that Ukraine is assisted by the EU in reforms. There have been multiple results.</p> <p>“In 2009 the European court monitoring report looked into the implementation of our project. It was highly praised by the EU.</p> <p>“Interventions contribute to independence because Ukrainians opened up. They are more transparent now, because they not only are seen but are also accountable for what they need first and how they make use of our assistance.</p> <p>“Second, there have been huge tectonic shifts: they have to allow foreign nationals to be on their premises on a constant basis.”</p>
<p>▪ I.2.1.5 – Evidence that reported shortcomings in the law enforcement organs and prosecution are addressed</p>	
<p>JSP-ADRM (no. 121712) MR-40521.01</p>	<p>Despite the unfavourable political circumstances during most of the project duration, the Action produced a significant positive outcome on the target groups (judges, court staff, and other members of the judicial profession) and the situation in the target country concerning judicial selection, case management and alternative dispute resolution. This should have a positive impact on the prosecution system.</p>
<p>EAMR 2009-02</p>	<p>The Twinning project "Introduction and Development of Quality Management within the Ukrainian Police" provides daily advice to the police top management on strategic and operational issues and European standards of police operations. Apart from training Police and Interior Troops personnel, the twinning furthermore supported development of the new legislation.</p> <p>The draft law "On the Concept of reforming the police and special government bodies in Ukraine" is under consideration at the Parliament of Ukraine. Its adoption should speed up the process of reforms at the Ukrainian police.</p>
<p>European Neighbourhood Policy: the Case of Ukraine, 2006</p>	<p>Work of law enforcement bodies in Ukraine need drastic reform too. Many of court decisions cannot be enforced due to lack of efficiency and sufficient competence of law enforcement officials. Experience of reform of law enforcement bodies in EU Member States and former candidate countries must be taken into account. Therefore, the priority of the approximation of laws process must be given to the reform of judiciary and law enforcement bodies. (p.66)</p>

<p>OECD ACN Ukraine report 2006</p>	<p>In the area of implementation of the legislation, especially in law enforcement, the low level of communication between various agencies has a negative impact on anti-corruption efforts. Thus only a small number of cases find their way to courts, even fewer ending in convictions. Sharing of data and gathering consolidated statistics remains a challenge. Till present, in Ukraine there is no specialised anticorruption prosecution unit empowered to detect, investigate and prosecute corruption offences. A wide debate continues over the need to set-up a unique structure that would include representatives from all law enforcement forces – either as an independent agency or within one of the institutions that already exist.</p> <p>There is the risk that a prolonged discussion and lack of practical steps might wear down the remaining public trust in the political class and their will to challenge the old patterns. (p.6)</p> <p>Most law-enforcement authorities have general financial expertise at their disposal. In order to ensure effective identification, investigation and prosecution of corruption offences, law-enforcement bodies need to further develop financial expertise specifically oriented to fighting corruption, such as forensic accounting. (p.8)</p>
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<p>Venice Commission Opinion of draft law on judiciary selection of judges, 2007</p>	<p>The Commission welcomes the draft laws as a clear improvement as compared to the current situation and previous drafts. The fundamental provisions are in line with European standards. The Commission further welcomes the announced intention by the Ukrainian Parliament to merge the two very detailed draft laws into a single (hopefully more simple) text. Nevertheless, a number of issues should be addressed:</p> <p>As concerns the judges independence and immunity:</p> <ul style="list-style-type: none"> • The discretionary powers of the President of the Republic should be curbed by limiting him or her to verify whether the necessary procedure has been followed (effect of a “notary”). • Clear and stringent criminal sanctions should protect the judges against external pressure. • Judges should benefit only from a functional immunity. • Judges should be free to join judges associations or unions. • There is no need to provide that a criminal case against a judge can be initiated only by the General Prosecutor or his/her deputy. • Parliament should not have any role in lifting a judges’ immunity (constitutional amendment required). <p>As concerns the establishment of courts and unification of judicial practice:</p> <ul style="list-style-type: none"> • A simpler procedure of establishment of courts providing for cooperation between the President and/or the Ministry of Justice and involving the High Council of Justice would seem more appropriate. • High Specialised Courts and the Supreme Court should not provide abstract explanations but contribute to the unification of judicial practice by way of appeal in individual cases. <p>As concerns judicial appointments:</p> <ul style="list-style-type: none"> • There is no need for a separate High Qualifications Commission. Its competencies should be attributed to a High Council of Justice with a majority of judges. If this cannot be achieved via a required constitutional amendment, the independence of the High Qualifications Commission needs to be further strengthened because its composition seems problematic. • The procedures for the initial appointment of judges are not fully transparent. • Setting a probationary period of 5 years can undermine the independence of judges (constitutional amendment required).
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<p>Venice Commission Opinion of draft law on judiciary selection of judges, 2007</p>	<ul style="list-style-type: none"> ▪ Appointments of judges non-constitutional courts are not an appropriate subject for a vote by Parliament. This would require a constitutional amendment. However, if the Constitution cannot be changed, the overriding of the insistence by the High Qualification Commission on a rejected candidate should require a qualified majority in Parliament. ▪ Objective criteria in the choice should be binding for Parliament, which should be obliged to give reasons for granting or denying appointments. ▪ Appointments of judges to other, in particular higher positions should be done on a competitive basis. <p>As concerns disciplinary procedures:</p> <ul style="list-style-type: none"> ▪ The failure to participate in obligatory training should not be a ground for disciplinary liability. ▪ An incorrect interpretation of the law by the judge should be solved by way of appeal and not by way of a disciplinary procedure. ▪ A clear definition of the term ‘immoral deed’ warranting disciplinary liability is required. ▪ An adversarial system clearly separating accusation and decision should be established. ▪ The right to counsel for the judge needs to be provided. ▪ The right of the judge for an adversarial procedure and to question witnesses should be provided for. ▪ It should be possible to appeal to a court against disciplinary measures. <p>As concerns judicial self-administration:</p> <ul style="list-style-type: none"> ▪ The High Judicial Council should have a majority of judges elected by their peers (constitutional amendment required). ▪ The system of judicial self-administration is overly complex and should be simplified (e.g. building upon a single body such as a High Judicial Council with a judicial majority, perhaps with sub-committees for specialised functions). ▪ The State Judicial Administration and judicial training should come under the control of an independent body of judicial self-administration. <p>As concerns the budget of the judiciary and judges’ remuneration:</p> <ul style="list-style-type: none"> ▪ An autonomous body with substantial judicial representation should play a significant role in presenting and defending the judicial budget before the parliament. ▪ The draft Law should provide for a strict prohibition of any reduction of a judge’s salary. <p>The Venice Commission recommends to pursue the reform of the Judiciary in Ukraine on the basis of the draft laws submitted to Parliament. The fact that the Parliamentary Committee on the Judiciary intends to merge the two drafts into a single law is encouraging in this respect. Clearly, in order to ensure an independent and efficient judiciary, the recommendations set out in this opinion should be implemented in the resulting single Law.</p>
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<p>Yevhen Bystrytskiy, International Renaissance Foundation, Executive Director</p>	<p>“I’m not aware of any particular changes. Of course, from time to time, attention turns to the investigative process, but this doesn’t help. At the level of civil society, I’m not aware of any specific changes.”</p>
<p>▪ I.2.1.6 – Adoption and enforcement of an anti-corruption legislation</p>	
<p>European Neighbourhood Policy: the Case of Ukraine, 2006</p>	<p>The Verkhovna Rada ratified the Council of Europe Civil Law Convention on corruption. Through ratifying this convention Ukraine obtained membership in the GRECO group (Council of Europe group of countries against corruption).</p>
<p>Court of Auditors, 2008</p>	<p>Results achieved to date in projects combating corruption are very modest. Corruption is one of the most pressing problems in Moldova and Ukraine threatening the whole sub-area of judiciary and good governance. Both countries are deeply affected, with a considerable impact on society. The legal and administrative systems are deeply flawed (e.g. lack of public trust, impaired independence of judges, insufficient salaries, high level of perceived corruption).</p>
<p>Court of Auditors, 2008</p>	<p>Numerous donors have been active in the field of anti-corruption in Ukraine. The first significant EU financed project in this area (EU contribution of 1,5 million euro) started in 2006. One year into this three-year EU project the number of activities carried out was substantially lower than initially foreseen:</p> <p>(a) the Ukrainian authorities developed a draft anti -corruption action plan, without using specific drafting support offered by the project. Only at a late stage, in June 2007, did the Ministry of Justice request an expert assessment of the draft. The experts criticised the “lack of transparency of the drafting process” and concluded that the draft action plan was “far from satisfactory”;</p> <p>(b) no activities took place with regard to a monitoring mechanism for the future implementation of the action plan. It is not clear which institution will have the lead in the anti-corruption fight. The issue of monitoring the financing of political parties and electoral campaigns was not tackled. Also a general public opinion survey on corruption was not carried out despite extensive preparatory work for this survey (defining a methodology, expert meetings);</p> <p>(c) while the Commission established the clear need to promote public involvement in the anti-corruption effort, it abandoned the plan of developing a grant programme open to non government organizations (NGOs) and other civil society organisations aimed at promoting public involvement in the anti-corruption effort. The alternative solution, to support the creation of an advocacy and legal advice centre was also not realised due to procedural problems</p>

<p>Court of Auditors, 2008</p>	<p>The audit showed that limited achievements are typically due to a combination of factors involving all main parties (Commission, national authorities, international institutions). For example, in the anti-corruption project for Ukraine:</p> <p>(a) weak needs assessment by the Commission in a difficult context and insufficient coordination with other donors: substantial parts of the project, especially the assistance to drafting legislation, were no longer really wanted by the Ministry of Justice. Other organisations, particularly American ones, also provide anti-corruption legislative assistance;</p> <p>(b) lack of commitment and of cofinancing by the national authorities: the Ministry of Justice failed to provide an adequate office to the project team, thus breaking not only the contract conditions but also its commitment expressed in a separate statement of endorsement;</p> <p>(c) weak management by the contractor which struggled to set up and maintain the project team;</p> <p>(d) external factors: the difficult political situation following the 2 April 2007 presidential decree on early elections combined with a frequent change of leadership in the Ministry of Justice caused the suspension of all legislative activity surrounding the anti-corruption draft laws.</p>
<p>Good governance - Anti-corruption project (ROM621082 BCS final; MR-40540.02, 29/09/2007)</p>	<p>The project supports the implementation of the European and UN (UNCAC) anti-corruption standards and fulfilment of the GRECO recommendations.</p> <p>Expertise on the draft law “Code for Ethics for Persons Authorised to Perform State Functions” was performed by CoE experts. As a result of experience exchange and analyses supported by the project the MoJ could initiate a review of the existing regulations on financing political parties and election campaigns.</p> <p>Good progress has been achieved on capacity improvements at the level of local and regional authorities for corruption prevention</p> <p>Strengthening of the legal framework and enforcement of anti-corruption legislation has not progressed in the expected way during 2007. The delivery of the remaining results has been rescheduled in line with the agreed priorities.</p>
<p>EAMR 2008-02</p>	<p>On 16 October 2008 a joint EC – CoE Support to Governance: Project against Corruption in Ukraine (UPAC) held a round table on "Effectiveness of the National anticorruption policy, role of the civil society and private sector". The conference aimed at strengthening the role of the civil society and private sector in the national anti-corruption efforts, as well as at reviewing the effectiveness of the national anti-corruption strategy and action plan by civil society organisations, raising awareness on proposed reforms and at contributing to enhancing compliance with GRECO recommendations and international and European standards.</p> <p>The Good governance -Anti-corruption project is very well received by the Ukrainian authorities as it helps Ukraine to prepare its institutions to meet requirements of a GRECO peer report of 2007. The requirements of the report have to be met and reported on back to GRECO by September 2008.</p>

EAMR 2009-02	A joint EU-Council of Europe anti corruption project (UPAC) has considerably contributed to the drafting of the new laws and regulations: In June, the Parliament adopted the package of anti-corruption laws which, once entered into force, will enact the Criminal Law Convention on Corruption of the Council of Europe and the UN Convention on Corruption. However, in November, the Supreme Court sent these laws for the scrutiny to the Constitutional Court and in December the Parliament adopted the amendments to postpone the entry into force of the above mentioned laws until 1 April 2010, delaying it for three months.
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<p>OECD – ACN Ukraine report 2006</p>	<p>Ukraine (partially) fulfilled until 2006 only 3 out of 24 recommendations issued by the OECD Anti-corruption network. (p.36)</p> <p>On the surface, there appears a broad political consensus about the urgent need to reduce corruption in Ukraine: the public, the business, major political parties and all branches of public powers agree on this. However, it remains unclear how this can be achieved. The vision and clear leadership in forming an anticorruption agenda, as a part of a broad political and social consensus necessary for fundamental reforms, are still missing in the country, and need to be built up through a variety of practical and opportunistic steps.(p.1)</p> <p>[...]</p> <p>No amendment has been made to the relevant Ukrainian legislation during the evaluation period (2004-2006). In particular, under the current Criminal Code, offer or promise of a bribe and solicitation of a bribe are only considered as attempt, aiding or abetting; bribery of third persons is not covered; sanctions for active bribery and the statute of limitations remain low; the definition of public servant in the Criminal Code is not reformed and does not cover foreign and international public officials. Ukraine is still to introduce the liability of legal persons for corruption.</p> <p>The Draft Law of Ukraine on the Amendments to Some Legal Acts Concerning the Responsibility for Corruptive Offences prepared by the Ministry of Justice of Ukraine attempts to redress some of the abovementioned deficiencies. However, the draft was rejected by the Parliament in the first reading, and was sent back for further elaboration without any clear deadlines for next steps. (p.6)</p> <p>No review of the provisional measures for identification and seizure of corruption proceeds in the criminal investigation has been conducted.</p> <p>There are no comprehensive law-enforcement statistics available to evaluate the effectiveness of the fight against corruption. The information received during the onsite mission shows only the repressive measures taken against low level public officials.(p.7)</p> <p>Law on Public Procurement, adopted on 17 March 2006, aimed to create a competitive environment in the sphere of public procurement, to prevent corruption and to ensure transparency procedures of procurement of goods, jobs and services. The law certainly has merits such as the guarantee of absence of conviction. However, the law passed the public function of organising and controlling the use of public funds to a non-governmental organisation called Tender Chamber, which is not a subject to proper accounting mechanisms, thus increasing opportunities for corruption. On 1 December 2006, new amendments were introduced to this law, which introduce, amongst others, a new structure and identify the anti-monopoly committee as the competent state body for public procurement.(p.8)</p>
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<p>Yevhen Bystriyskiy, International Renaissance Foundation, Executive Director</p>	<p>“To be honest, I’ve taken part during the last three years in meetings with the anti-corruption committee in the framework program. There has been little serious progress, except for:</p> <ul style="list-style-type: none"> • Decent results in social corruption in Ukraine: 56% of Ukrainians look positively upon corruption; • The introduction of External Independent Testing by the Ministry of Education and Science, which Tabachnyk now wants to drop. <p>“All the other attempts to build anti-corruption bodies under international agencies have brought no results. Yanukovich has dragged out the anti-corruption process for yet another year in order to change the government chain-of-command.”</p>
<p>Olena Zerkal, Ministry of Justice, Director, Department of Legislation Approximation</p>	<p>“The European Commission has committed itself to developing legislation for judiciary and anti-corruption reforms, but only in the form of financial support. I know that they got together somewhere and prepared their conclusions about problem issues for judiciary and anti-corruption reform. But that’s where it ended.”</p>
<p>Andriy Spivak, EU Delegation</p>	<p>“UPAC, the Ukrainian Project Against Corruption, was very successful. The Council of Europe sent a core staff member to be the team leader and the project led to a package of anti-corruption legislation that was submitted to the Rada. However, implementation is still being delayed. This project made it possible to bring EC expertise to Ukraine: the president of GRECO came twice.</p> <p>“I used to track the anti-corruption project until last year. Ukrainian legislation complicated. It has too many details, but reality demands that a judge have such a complete list. Lawmakers are afraid to leave too much interpretation to judges. That’s why we have overly complicated legislation. The consolidated bill on the court system has too many details.”</p>
<p>▪ I.2.1.7 – Number of judges and other members of the judicial system having benefited of EC-supported training</p>	
<p>JSP –ADRM final and intermediary reports</p>	<p>Almost one thousand people took part in the activities organised in the framework of the programme. A broad audience could be reached because activities took place all over the country. A significant number of the project activities were organised outside of Kiev.</p> <p>Although the legislative framework did not change during the course of the project, a range of specific activities were conducted to prepare the Academy of Judges (AoJ) for its future tasks in the training for newly appointed judges and in the field of ongoing training. First, an overview of training practices in Europe was presented to the AoJ throughout the course of several events (study visits and round table, translation of documents etc.). Then, specific activities were conducted to develop the contents of the specific curricula. These actions will support the AoJ in setting up initial training as soon as the legislation will be in force and to “professionalize” the continuous training which is already in place.</p>

<p>Ukrainian Judiciary Functioning (MR 111680.02)</p>	<p>The project has started to generate its impact on the target groups, and is likely to have an impact on court functioning in the pilot regions. The project targets its assistance at 136 local general courts constituting about 20% of the total number of these courts in the country. However, insufficient interest of the side of Kiev and Kiev oblast courts has somewhat reduced the project ability to reach this target.</p> <p>By now the project has involved in its activities 118 local general courts, about 500 judge assistants and deputy heads of all 27 regional offices of the State Enforcement Service.</p>
<p>Yevhen Bystrytskiy, International Renaissance Foundation, Executive Director</p>	<p>“Workshops for judges were worthwhile, but I don’t know how many there were. Judges I know told me after this training that the court system abroad is better than ours.”</p>
<p>Olena Zerkal, Ministry of Justice, Director, Department of Legislation Approximation</p>	<p>“I don’t know how many judges took part in educational programs. But I now for sure that we need to increase institutional capacity, including that of educational institutions and of the people who teach there.</p> <p>“Given that the most useful thing that came out of the projects was the library that, to this day, we haven’t been able to get all the books for, for technical reasons. In Ukraine, we cannot spend money on libraries like that because we just don’t have the funds. It would be great if the EC would now fund infrastructure, especially informational, the exchange of know-how, functioning registers, program products, and so on, setting up libraries of trade, administrative, European, and international law. We don’t have this information.”</p>
<p>Andriy Spivak, EU Delegation</p>	<p>“Ukrainians have European expertise at hand: judiciary and the academy of judges. We are contributing through projects to technical assistance and we are bringing experts.</p> <p>“We have invested into building the capacity of Ukrainian institutions. We have supplied equipment that allowed them to connect to a secure computer network and now we will be supplying another EUR 1.5 million’s worth of equipment for administration. We give a lot of equipment and we invest in networks. That is important for the uniformity of court decisions and it improves quality of the system.”</p>

▪ **I.2.1.8 – Statistical trends on the judiciary (number of judges, number of judicial affairs being processed, etc.)**

State Statistics Committee of Ukraine (http://www.ukrstat.gov.ua/)	Year	Offences recorded total	Convicted total	Persons indicted for administrative offences (thsd.)	Civil cases considered by courts (with court decisions) (thsd.)	Fires total
	2002	460389	194212	6472,4	1166,4	41794
	2003	566350	201081	7097,3	1259,3	40374
	2004	527812	204794	7013,7	1457,5	49654
	2005	491754	176934	6370,3	1116,2	53751
	2006	428149	160865	7677,9	1074,6	51432
	2007	408170	152772	8867,5	1240,7	55708
	2008	390162	146858	9874,9	1680,2	49838

Yevhen Bystrytskiy, International Renaissance Foundation, Executive Director

“Statistical trends show:

- A rise in unenforced court decisions;
- A rise in the number of decisions in favor of the plaintiff. But, again, they are not enforced because court decisions are missing enforcement instructions.”

▪ **I.2.1.9 – (If available) results of opinion polls on the judiciary system**

European Neighbourhood Policy: the Case of Ukraine, 2006	In opinion of Ukrainian public the judiciary is associated with sophisticated corruption. Access to judicial profession is extremely limited and, therefore, suspected in nepotism. In 2005 and 2006 some Ukrainian judges issued conflicting and perplexing judgments that suited interests of specific political groups. As a result, the Ukrainian judiciary gained negative image and disrespect with Ukrainian public opinion. (p.63)
OECD ACN Ukraine report 2006	Seventy-two percent of the Ukrainians surveyed in an October 2004 stated that corruption is a serious problem in the courts, and only one-third have confidence in the local courts. (p.32)

	Do you support the activity of the courts in Ukraine?				
	Fully support	Support certain actions	Do not support	Difficult to answer	
Razumkov Centre	Apr 2010	8.9	31.0	44.1	16.1
	Oct 2009	3.9	24.3	62.1	9.6
	Jul 2009	4.0	21.8	61.7	12.5
	Mar 2009	2.9	25.8	62.7	8.6
	Dec 2008	2.6	20.4	65.1	12.0
	Jun 2008	6.1	26.2	52.0	15.8
	May 2008	4.0	32.9	46.0	17.1
	Apr 2008	4.2	29.5	48.6	17.7
	Mar 2008	5.2	32.7	49.6	12.4
	Feb 2008	6.7	37.8	43.0	12.5
	Dec 2007	7.8	29.6	45.9	16.7
	Sep 2007	5.5	27.2	53.4	13.9
	Feb 2007	5.9	33.4	45.4	15.3
	Dec 2006	6.7	29.2	45.0	19.2
	Oct 2006	7.7	31.5	42.5	18.3
	Sep 2006	7.4	34.8	41.0	16.9
	May 2006	8.4	35.8	39.7	16.1
	Jan 2006	8.4	29.8	43.1	18.7
	Nov 2005	6.5	30.2	42.1	21.3
	Oct 2005	6.4	37.8	39.0	16.8
Sep 2005	8.1	38.8	34.5	18.6	
<p>▪ I.2.1.10 – Trend of Ukraine’s ranking at the Transparency International survey</p>					
OECD – ACN Ukraine report 2006	<p>Ukraine’s 2006 Transparency International CPI score is basically unchanged at the level of 2,9 on a scale from 1 to 10 where 1 means the most corrupt and 10 the least (2,3 in 2003; 2,2 in 2004; 2,6 in 2005). Ukraine is on 99th rank of 163 countries. The main areas where corruption is noted as frequent are: business licences; tax collection; and customs.(p.10)</p>				

<p>CIVICUS CSI Ukraine country report 2003-06</p>	<p>Indicator: 2.1.4 - Corruption Description: What is the level of perceived corruption in the public sector? Country Report Result: According to Transparency International's Corruption Perception Index, Ukraine has been among the most corrupt countries of the world for several years in a row. In 2004, Transparency International ranked Ukraine with the score of 2.2, 122nd among 145 ranks of countries in its annual Corruption Perceptions Index (TI, 2004). In 2005 the score has improved to 2.6 putting Ukraine at 107 place among 158 countries under review. (TI, 2005) This ranking is a reflection of the state of business in Ukraine. In particular, it is a manifestation of the fusion of business with government, in exercising an illegal administrative impact on businesses; in the enormous size of the shadow economy, and in the criminalization of the economy as such. Closely linked to this perception of corruption is the problem of money-laundering, which has led to international sanctions on Ukraine in the past. A key factor has been the corrupt nature of government bodies. In practice, key roles in elaborating state policy are played by shadow actors and backroom schemes. Vested interests in financial and industrial sectors, as well as high officials and the president's personal entourage, exert an enormous influence on official government bodies. All this has stripped the decision-making process of openness and transparency. The process of lobbying has not been regulated by law and has often been pursued in a very uncivilized fashion (Hillenbrand, 2005). According to TI Global Corruption Barometer 2004 among the most corrupted Ukrainian institutions are political parties, parliament, police and customs, the least corrupted are religious bodies and NGOs (TI, 2004a). Numerous anticorruption initiatives introduced in recent years have not achieved overwhelmingly positive effects. Nevertheless, some positive improvements have been made to the legal system with regard to the fight against corruption. In 2003, Parliament introduced a flat tax for personal income, adopted new pension laws, and made important changes to the criminal and criminal procedures codes, as well as to laws regulating banking activity. In February 2003, the Financial Action Task Force on Money Laundering (FATF) lifted its recommendations concerning sanctions against Ukraine (introduced in December 2002). However, FATF retained some constraints and called for additional monitoring of financial operations in the country (Freedom House, 2004b) However, at least the attitude of Ukrainians to corruption has changed after Orange Revolution, as IFES (2005) reports: Currently, more Ukrainians say that there is 'no official corruption' than did before the elections (50% vs. 37%).</p>
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JC 2.2 – The Commission’s interventions contributed to foster the development of civil society and the involvement of citizens in the decision making process

Preliminary findings related to the JC based on the findings of the Indicators

Support to free and fair elections can be considered as contributing to better involvement of citizens in the decision making process. As such, the project “*Further Assistance to Election Processes in Ukraine*” (3.5 million €, NAP Ukraine 2005) entailed the following activities: Facilitation of the election code working group. Constant liaison with the Central Election Commission on details of introduction of the voter register. Preparation of a series of studies on the media and elections and a gender analysis of election legislation.

In view of the difficult political situation this year, it was almost impossible to make major progress on either of the main objectives of the project: establishment of an electronic voter register and facilitation of a draft election code. The tender for hardware for the voter register was carried out as foreseen by the OSCE, but actual purchase was not authorised by the Delegation in view of the political risks to the process of establishment of a voter register. By the end of the year, the project beneficiary, the Central Election Commission, appeared to have made sufficient progress in establishing the other necessary pre-conditions for the introduction of the voter register in order to allow the Delegation to authorise the completion of the tender process by the OSCE.

The draft Election Code was also problematic, in that the parliamentary working group set up for this purpose made little progress and did not manage to produce a draft by the deadline foreseen.

<p>▪ I.2.2.1 – An appropriate legal and regulatory framework for CSO has been established and is enforced</p>	
<p>CIVICUS CSI Ukraine country report 2003-06</p>	<p>Indicator: 2.2.1 - Civil liberties Description: To what extent are civil liberties (e.g. freedom of expression, association, assembly) ensured by law and in practice? Country Report Result: Civil liberties in Ukraine are awarded a 3.8 score scale 0 weak to 7 strong) by Freedom House (Freedom House, 2004c). In 2001 International Center for Non-profit Law's (ICNL's) analysis of Ukrainian legislation stated that Ukrainian law provides a solid legal basis for exercising freedoms of speech and association through citizens' associations, unions of citizens' associations, and unions of legal entities. Although these laws are subject to interpretation, restrictions on freedom of association fall within the framework of international law (ICNL, 2001). Similarly, in 2003 Freedom House report Nations in Transition also noted that the Ukrainian Constitution contains broad guarantees for human rights and civil liberties, these rights are not always secure. An example is the situation of members of the political opposition. Some members of the opposition believe that the practice of holding political prisoners has reappeared. On 26 December 2002, 18 members of the rightwing Ukrainian National Assembly were sentenced to two to five years in prison for 'creating mass unrest' during an anti-Kuchma event on March 9, 2001. The European Court of Human Rights also has declared admissible the complaints of Ukrainian inmates regarding torture and inhuman treatment (Freedom House, 2003). The bodies of state power have exercised systemic pressure on representatives of the opposition and on NGOs that are dedicated to the promotion of democracy. Open debate of important issues by society at large has been hindered at both the national level and in specific regions of the country. The fact that the state of civil liberties in Ukraine does not comply with democratic norms, and that it is deteriorating has particularly come to the surface in the course of the 2004 election campaign. In particular, the freedom of expression and freedom of assembly are endangered. Also, the 2004 election campaign was characterised by mass violations of the right to assembly and by massive persecutions for political convictions. Until December 2004, the authorities were able to ignore violations of civil rights and liberties and, in fact, pretended that such violations did not exist (Hillenbrand, 2005). After the Orange Revolution the situation has changed and experts admit that the country achieved better results in the freedom of expression and freedom of assembly, but the general state of human rights protection is still poor. Problems are mostly connected with the unnecessary government interventions in the activity of some CSOs and penal system. (US Department of State, 2006).</p>

<p>CIVICUS CSI Ukraine country report 2003-06</p>	<p>Sub Dimension: 2.5 - Legal environment Description: To what extent is the existing legal environment enabling or disabling to civil society? Indicator: 2.5.1 - CSO registration Description: How supportive is the CSO registration process? Is the process (1) simple, (2) quick, (3) inexpensive, (4) following legal provisions and (5) consistently applied? Country Report Result: In Ukraine the legislative base for CSOs is sufficient although quite complicated. Depending on the mission CSOs can register either as citizens association, charitable organisation, youth organisation, creative and professional union, trade union, religious organisation, credit union, community organisation, organisation of property holders living in block building. In order to register a packet of documents must be provided and usually registration takes up to 2 months. It is comparatively easy to register CSO with regional status, while registration with national or international status involves more complicated procedures. Although the registration procedure for POs complies with standards of good practice, the two-month registration timeframe is too long in comparison to the five-day registration period for commercial legal persons. The absence of a centralised NPO registry and the restricted public access to registry contents are critical flaws in the current law and impede the development of the third sector (ICNL, 2001). It is interesting that respondents were much divided in their answers. Still a majority of respondents consider that registration is quick but not simple in Ukraine, registration procedure is done according to the law, same procedures are applied to all applicants and small organisations can use the procedure that do not put unbearable burden on them. Yet, around half of CSOs representatives had negative experience in registering: RSC participants noticed that registration often depends on the decision of the local government solely, many organisations were denied registering simply because of declared advocacy activity, interpreted it as political. It is also difficult to re-register the organisation or to change its status. There is a discrepancy within legislation as youth organisations should be registered free of charge, while for other entities, the registration involves a payment.</p>
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<p>CIVICUS CSI Ukraine country report 2003-06</p>	<p>Sub Dimension: 2.5 - Legal environment Description: To what extent is the existing legal environment enabling or disabling to civil society? Indicator: 2.5.2 - Allowable advocacy activities Description: To what extent are CSOs free to engage in advocacy / criticize government? Country Report Result: There is a significant gap between legal provisions on civil society advocacy and their implementation in Ukraine. The Ukrainian constitution provides the right of citizens to influence the decision making process through public associations. Article 38 proclaims that citizens have the right to participate in the management of public affairs. Article 40 confirms the citizens' right to direct individual and collective written appeals and to appeal personally to the bodies of state power and local self-government. Citizens can also use the court system to appeal against actions or omission of bodies of state power, local self-governance bodies, public servants and officials. Ukrainian law allows CSOs to actively lobby and participate in the preparation of legal and normative documents, including those requested by state or local authorities or political parties. However, Ukrainian CSOs are not allowed any direct legislative initiative or participation in the forming of government. Also, Ukrainian charities may not provide monetary or other direct support to political parties or candidates (ICNL, 2004). The provisions of civil society involvement in the public policy process assure public participation in policy development and realisation via information distribution, public discussions, consultations, and by creating public councils within government bodies. Although government sets the policy agenda and priorities for public consultations, citizens associations can propose their agenda as well. However, the legal provisions lack mechanisms of government reporting on taking public opinion onto their policy agenda, as well as any public control instruments of government activities. So, the regional stakeholder survey respondents consider that absence of mechanisms to control government put reasonable restrictions on advocacy activity of CSOs (51%), while 24% of participants such restrictions are unreasonable and 15% are sure that there is no such restrictions.</p>
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<p>CIVICUS CSI Ukraine country report 2003-06</p>	<p>Sub Dimension: 2.5 - Legal environment Description: To what extent is the existing legal environment enabling or disabling to civil society? Indicator: 2.5.3 - Tax laws favourable to CSOs Description: How favourable is the tax system to CSOs? How narrow/broad is the range of CSOs that are eligible for tax exemptions, if any? How significant are these exemptions? Country Report Result: Despite complaints of CSOs, the tax system is generally favourable for CSOs activities. Any CSO is exempt from all taxes when statutory documents contain a list of activities to achieve its mission. CSOs income is tax exempt when received as charitable donations and voluntary contributions, passive income, any government money, international technical assistance, humanitarian aid and statutory activities. Some additional tax-privileges are granted to the enterprises that are run by CSOs of handicapped people. However, as part of the CSI's legislation case study, CSOs reported the following problems of the system: getting a separate 'nonprofit' status, which actually provides 'tax-exempt'; selling goods and services is not tax-exempt , necessity to comply with the list of statutory activities, activities are not well-determined by law; poor understanding of CSOs issues by tax authorities esp. in remote areas (CSI Legislation Case, 2005).</p> <p>Sub Dimension: 2.5 - Legal environment Description: To what extent is the existing legal environment enabling or disabling to civil society? Indicator: 2.5.4 - Tax benefits for philanthropy Description: How broadly available are tax deductions or credits, or other tax benefits, to encourage individual and corporate giving? Country Report Result: In Ukraine any legal entities may deduct donations made to non-profit organisations (NPOs) in an amount ranging from two to 5% of taxable income. Ukraine also provides for the possibility of an additional 5% for deductions made to certain enumerated institutions, such as money donated to organisations engaged in the protection of Ukraine's cultural heritage. As businessmen admit this legal provision is not an incentive to donate as usually profits are not reported by Ukrainian business, the deduction is too small compared to the entire turnover, the procedure of documenting the deduction is a burden for the corporation. Tax deduction imposed to the enterprise turnover gets more preference among businessmen, but Ukrainian Parliament resists passing this provision (CSI Legislation Case, 2005). Individuals may take a deduction of two to 5% of taxable income, as long as the donations are made to an organisation that is registered in accordance with the Law on Charity. In Ukraine, donations made by natural persons in forms other than monetary donations (such as in the form of purchase of lottery tickets, participation in fundraising activities, or transfer of assets) are not deductible. The deduction does not apply to small enterprises using the simplified taxation system. Legal persons and individual entrepreneurs qualifying as small businesses pay a unified tax on revenue at the rate of six or 10% of revenue. This system does not grant any tax benefits for donations (ICNL, 2004).</p>
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<p>▪ I.2.2.2 – Statistical trends on the number of registered NGOs, field of activity, membership</p>	<ul style="list-style-type: none"> ▪ The CSI findings largely confirm that most CSOs operating in these countries remain donor-driven, especially in Bulgaria, Georgia, Romania and Ukraine. State support and other forms of contributions, such as individual donations or corporate social responsibility, are extremely minimal. The CSI observed that civil society stakeholders are generally aware of the risks and challenges that lie ahead, and are conscious of the fact that relying on international donors might seriously jeopardise the sustainability of civil society in the future. ▪ Participation: Citizen participation in civil society activities is extremely limited, in spite of the high levels of popular mobilization experienced before the fall of communism. In Ukraine and Georgia, where there was recent popular unrest, the CSI found that participation in civil society activities remains occasional. ▪ Mistrust: Opinion polls revealed that all these countries are marked by high levels of interpersonal mistrust, which easily hampers civic engagement and collective activism. ▪ Donor-driven civil society: Most CSOs are significantly dependent on donor funding, especially from international donors. As a consequence, their programmes and activities remain donor-driven, rather than resulting from grassroots’ needs. <p>Ukraine scores : structure :1.7 environment : 1.6 values : 1.9 impact : 1.5 (on a range from 0 to 3 ; whereby a higher score refers to a better result.) Comparison: Poland 1.3 ; 1.7 ; 2.2 ; 1.7 - Romania 1.3 ; 1.8 ; 1.9 ; 1.6 - Slovenia 1.2 ; 1.6 ; 1.7 ; 1.3</p> <div style="text-align: center;"> <table border="1" style="margin: auto;"> <caption>CSI Scores Data</caption> <thead> <tr> <th>Category</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Structure</td> <td>1.7</td> </tr> <tr> <td>Values</td> <td>1.9</td> </tr> <tr> <td>Environment</td> <td>1.6</td> </tr> <tr> <td>Impact</td> <td>1.4</td> </tr> </tbody> </table> </div>	Category	Score	Structure	1.7	Values	1.9	Environment	1.6	Impact	1.4
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Environment	1.6										
Impact	1.4										

<p>CIVICUS CSI Ukraine country report 2003-06</p>	<p>Indicator: 4.1.3 - Civil Society's Impact on National Budgeting process Case Study</p> <p>Description: How active and successful is civil society in influencing the overall national budgeting process?</p> <p>Score: 1 (low)</p> <p>Country Report Result: CSOs never participated in the national budget policy process due to the laws governing budget development and adopting. In March 2005 when changes to the State Budget 2005 were discussed CSOs were challenged to introduce better provisions for philanthropy that were regulated by this law. Major NGOs and expert coalitions were lobbying the changes in the legislation dealing with the corporate philanthropy privileges and tax-privileges for commercial activity of NGOs in the framework of their statutory activity. Among such NGOs were Association of Ukrainian Banks, Institute of Competitive Society, International Renaissance Foundation and others. Regional stakeholder survey respondents were asked to assess how active civil society has been in influencing public policy in tax policy, which is linked to the National Budgeting process. According to the opinion of RSC participants some activity of CSOs is observed in the field of tax policy, which can be attributed to the active position of business associations, which promote interests of their members, for example Federation Trade Unions of Small and Private Entrepreneurs, Association of Ukrainian Banks, Association of Rent Holders and Entrepreneurs. The success of such efforts was considered to be a bit lower, as RSC participants explained that the procedure of tax policy change is very complicated and only those CSOs that have access to power can succeed. The issue of civil society impact on National Budgeting process was not covered by media as the review process was conducted in June-July and October-December 2004 in the time when budgeting process was not a topic for press. We found four items that deal with the issue, which reflect the role of public council in the Ministry of Defence and some general reflections on how to involve civil society in the budgeting process. This testifies to very limited and almost invisible activity of civil society in the area of budgeting.</p>
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<p>CIVICUS CSI Ukraine country report 2003-06</p>	<p>Indicator: 4.2.1 - Holding state accountable Description: How active and successful is civil society in monitoring state performance and holding the state accountable? Score: 2 Country Report Result: To answer the question on effectiveness and efficiency of Ukrainian CSOs in holding state accountable, the CSI examined the extent to CSOs monitor the state performance and their impact. Fifty-seven percent of RSC respondents think that civil society is only somewhat active in holding the state accountable while only 18% think that CSOs are active or very active. As for successes of civil society in keeping the state accountable only 15% of respondents assess them high while the rest were very sceptical about it (29% think that civil society is unsuccessful in this field). The range of CSOs impact is expressed by the Member of Parliament: During my working experience both in Parliament and government, I always felt pressure – in a positive sense – only from entrepreneurs' organisations. They are the most active. I do not recall any other organisations, maybe apart from environmental ones, who are that active. (Interview of MP Yekhanurov, SEAL, spring 2004). There are 11 items detected by Media Review that cover the impact of civil society in holding state accountable. They mostly focus on the role of CSOs in making government accountable subsequent to the implementation of the Cabinet of Ministers program of the country development. Respondents of Regional Stakeholders Consultations were asked to assess how active civil society has been in influencing public policy on corruption. Ukrainian civil society is considered either inactive or somewhat active in fighting corruption. As RSC participants admitted in 2004, it was very difficult to fight against corruption in the country, where corruption was promoted by government, since CSOs might get in danger of government persecution. Success level of civil society efforts to influence public policy decision-making was assessed also low</p> <p>Indicator: 4.2.2 - Holding private corporations accountable Description: How active and successful is civil society in holding private corporations accountable? Score: 0 Country Report Result: Compared to its role as a government watchdog, civil society's activities in monitoring corporate behaviour is significantly smaller. Fifty-six percent of RSC respondents assess civil society role in holding private corporations accountable as inactive against 8% of respondents who see some activism of CSOs in this field. As for successes, only 6% noted successes of CSOs in keeping business accountable while 51% have not seen any successes. The recent cases named are connected with the construction in public leisure places (parks, children play grounds), initiated by some businesses in large cities. Citizens organise campaigns against such construction, forcing local governments to adopt measures to prevent such construction. In the media there were no articles reflecting the impact of CSOs on private corporations in the monitoring period</p>
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<p>Yevhen Bystrytskiy, International Renaissance Foundation, Executive Director</p>	<p>“The number of registered CSOs has grown to over 40,000:</p> <ul style="list-style-type: none"> • Most of those providing social services are related (wives, brothers, nephews, in-laws) to local government officials and financed by the local budget. • A growing number of CSOs are linked to political parties. • Soviet CSOs continue to exist: unions of composers, journalists and artists funded by the State Budget. • Watch-dog, monitoring and advocacy CSOs (2,500) are set up and funded by international donors, with the EC funding the least.”
<p>▪ I.2.2.3 - An appropriate legal and regulatory framework for trade unions has been established and is enforced</p>	
<p>ENPI Progress report 2006</p>	<p>Ukrainian workers are protected under the International Labour Organisation’s Convention on freedom of association and protection of the right to organise. The Law on Collective Bargaining prohibits discrimination against trade unions. According to Ukrainian Law, trade unions and their organisations require official registration in order to be able to pursue their objectives. Standards and criteria for obtaining such registration seem to be unclear. In some cases, the transition from state-controlled unions to independent and efficient unions does not yet seem fully complete.</p>
<p>Yevhen Bystrytskiy, International Renaissance Foundation, Executive Director</p>	<p>“Such a framework has not been established. In Ukraine, there are no independent trade unions. They are dependent on specific political forces, unlike Germany, where they are professional trade unions.</p> <p>“The network of trade unions here is old. No one has had any influence over it. We tried to set up an independent media union, but it has been ineffectual and is fading away.”</p>
<p>▪ I.2.2.4 – Number of CSOs having benefited of EC support</p>	
<p>ICPS, 2010</p>	<p>NSAs can get involved from the very outset of the CSP drafting process, in the course of consultations between DG RELEX, national authorities, and EU Member States. This represents the key NSA entry point into CSP preparation, as input is necessarily more potent upstream than downstream. The earlier NSAs get involved, the greater their impact on priority-setting will be. However, after these initial consultations NSAs are simply cut out of the CSP elaboration process: there is no entry point for them to comment on the draft CSP elaborated later on. This is critical. For NSAs to have a real impact, they must be able to directly affect the final version of the document.</p> <p>The current system does not allow NSAs to ensure that their input has been understood, or to provide comments on specific components of the draft CSP. In other words, the most NSAs can do is make general recommendations at the very beginning of the process.</p> <p>The mid-term review, however, is a different story. NSAs in all countries participated in this process, which also includes the drafting of new NIPs</p>

<p>ICPS, 2010</p>	<p>The NIP preparation procedure allows non-state actors to participate at the beginning of the process through consultations during which they can comment on the draft NIP (known as a “Concept Note”) put forward by DG RELEX.</p> <p>This is important. But unfortunately, NIP elaboration exhibits exactly the opposite flaw as CSP preparation, and one just as fundamental. NSAs are not consulted before the drafting phase, and can therefore only comment on the existing Concept Note. In other words, they only enter the process once the main priorities have been identified. As a result, it is unlikely that their input can do much more than tweak the existing document – especially since they are also excluded from the finalization phase.</p>
<p>ICPS, 2010</p>	<p>The AAP preparation process allows NSAs to make their voices heard before any drafts are prepared: they participate in both the initial consultations and the measures identification phase led by DG AIDCO and the local EC delegation. As it is in the AAP that projects are selected and funds allocated, this is significant in that it allows for the possibility of NSA impact going beyond priority- setting to affect the more operational aspects of ENPI.</p> <p>But AAP preparation suffers from the same fundamental flaws as the rest of the programming level. Here again, NSAs are left out of the consultations held between the EC and national authorities prior to the actual drafting of the AAP. And here again, NSAs are excluded from the formal approval procedure, which can include consultations between the EC and the partner government when necessary. While these consultations deal more with troubleshooting than with priority-setting and project selection, NSA input could provide a useful external perspective on the issues raised by either party. Only Ukrainian NSAs have become involved in AAP preparation, while Azerbaijani, Georgian and Moldovan NSAs have stayed on the sidelines.</p>

<p>Consumer Society and Citizens' network (2005/115-406)</p>	<p>Consumer Society and Citizen Networks project (source EAMR 2007): implemented by UNDP, started in April 2006 and will be implemented until December 2008. Its goal is to increase civil society's role in sound economic governance in Ukraine according to the European standards. Specifically CSCN aims at promoting access of citizens to information on product safety, consumer rights protection, and to results of independent testing, as well as promoting wide public discussion of challenges facing the consumer society in Ukraine. The project will achieve this by contributing to the emergence in Ukraine of a knowledgeable consumer. CSCN successfully works in four interrelated spheres: (1) knowledge transfer, spreading European practices of independent testing and product safety awareness; (2) providing citizens with access to consumer / economic empowerment information; (3) access to consumer education; and (4) capacity building of the judiciary</p> <p>Transfer of best practices in independent consumers' testing to Ukrainian CSOs from the EU ones. Twinning between EU and Ukrainian consumers' CSOs.</p> <p>Development of on-line information and consultative centres for citizens and for consumer CSOs.</p> <p>The project initiated a nationwide consumer awareness campaign, including public campaign on food safety and nutrition, holds monthly seminars for journalists, publishes and disseminates brochures and leaflets on various consumer rights issues. It is supported by the active involvement of the local CSOs and relevant institutions to the project implementation. In addition, the project develops a mission and strategy for a Consumer Information Centre in Kiev.</p>
<p>EAMR 2009-02</p>	<p>Further support of CSOs active in human rights promotion through launching new calls for proposals (global and local) in the framework of EIDHR AAP 2009. 3 projects were selected and 7 kept in reserve following the EIDHR AAP 2009 local call for proposals (funds from AAP 2009 and AAP 2010 combined).</p> <p>All contracts from AAP 2008 for Ukraine were signed, including for one of the projects held in reserve. Number of ongoing EIDHR projects in Ukraine: 8 for the amount of EUR 1.85 mio (as of December 2009).</p>
<p>Taras Kachka, Ministry of Justice,</p>	<p>“Probably the only success story.”</p>
<p>Yevhen Bystrytskiy, International Renaissance Foundation</p>	<p>“The number of CSOs is unknown. I know only one CSO, the IAB, Independent Association of Broadcasters. Far fewer CSOs have been supported by the EC than by other donors in Ukraine. The criteria for getting EC support are also not known to me.”</p>

<p>▪ I.2.2.5 – Evidence of an involvement of CSO in government decision making processes at national and local levels</p>	
<p>Consumer Society and Citizens' network (2005/115-406)</p>	<p>Implementation of the <u>Consumer Information Centre's</u> action plans, covering but not limited to: public awareness mass actions and campaigns; resource centre for other consumer protection NGOs; maintenance and development of web portal; selection of products for independent testing, implementation of such testing and dissemination of results.</p>
<p>Strengthening Civil society, Ukraine. MR-40523.03 – 03/04/07</p>	<p>The Social Partnership Centres have become generators and promoters of social change by fostering cooperation between NGOs and local authorities. As a result, 30 NGOs are directly involved in decision-making in pilot cities. The cooperation between local authorities and NGOs was improved by the increased number of social projects, co-financed by local authorities. To date, funds were allocated for 27 social projects for NGOs.</p>
<p>EAMR 2008-02</p>	<p>Enhanced involvement of civil society in policy dialogue is a strategic issue which is horizontal in nature. Together with political section, some round tables with Ukrainian NGOs were held on monitoring a number of chapters of the EU-Ukraine Action Plan. A conference organised by the Delegation in Kiev in July 2008 “European Commission and civil society in Ukraine: lessons learnt and new opportunities” aimed at continuing and systematising the dialogue with Ukrainian non state actors on the country’s current development agenda and key challenges of cooperation within the EC assistance programmes. Objectives of the conference included to improve our future strategy of cooperation with the UA civil society, to learn from our past experience of cooperation and to inform about the new EU assistance programs for CSOs. In addition, a web page is being created in the framework of a contract with Press & Information Section as a tool for introducing on-line consultations with civil society organizations. The Mid-Term Review exercise could be the first pilot case beginning sometime in February 2009.</p> <p>Civil society in Ukraine is becoming increasingly active in its desire to be involved in policy dialogue, specifically also on European integration issues. The challenge for the Delegation is to devise an approach which aims at providing the space for civil society actors to be involved in EC programming exercises and seeking mechanisms to involve civil society in the new aid modalities (sector approach and budgetary support). At the same time, the Delegation must attempt to facilitate dialogue between the Ukrainian authorities and civil society, while also finding practical means to build capacity of civil society to participate in policy dialogue.</p>
<p>Olena Zerkal, Ministry of Justice, Director,</p>	<p>“CSOs have been trying to have input into the decision-making process in Ukraine. But the European Commission has had no impact at all.”</p>
<p>Andriy Shevchenko National Deputy, Verkhovna Rada</p>	<p>“Within EC media projects, in addition to the Verkhovna Rada, the public also participated actively and worked on drafting legislation. This made the work comprehensive and many-sided.”</p>

<p>CIVICUS CSI Ukraine country report 2003-06</p>	<p>Indicator: 2.6.2 - Dialogue Description: To what extent does the state dialogue with civil society? How inclusive and institutionalized are the terms and rules of engagement, if they exist? Score: 1 Country Report Result: Today in Ukraine mechanisms are in place to facilitate systematic dialogue between the state and a broad and diverse range of CSOs. In 2002 Ukrainian government started measures to improve transparency and increase public input in political processes. In August 2002, for example, President Kuchma issued the decree On Additional Measures on Ensuring Openness in the Activities of State Institutions. In the fall, several parliamentary committees created consultative boards and invited experts from NGOs to participate. To date, these boards have proven quite effective and have developed several draft laws (Parliament Committee on Foreign Affairs invited CSOs experts on EU integration issues, Parliament Committee on Press Freedom, Finance and Budget Committee). In many local administrations offices on cooperation with CSOs and communities were opened. This is not mandatory for legislative bodies, but is a common practice (Freedom House, 2003). While state-civil society dialogue is regulated, its enforcement is still a question: 82% of Ministries and Branches of executive power established departments of public relations. Looking deeper into their function, they still mostly work with the mass media and focus mostly on presenting a positive image of the respective government institution using the press (54%) but not on consulting civil society and involving it in decision making (Dialog for Reforms, 2003). The respondents of regional stakeholder survey considered the level of dialogue to be either limited (58%) or moderate (37%), naming the cases of creating the CSOs public councils in regions. Again this process was not recognised transparent and equal: only pro-governmental CSOs were invited to participate. At the local level authorities mostly communicate with the leaders of CSOs that personally well-known and are not ready to open and transparent dialog with the sector. Local authorities tend to show greater interest in the activities of NGOs that aim to help the poor, children, and the disabled rather than those that are more engaged in the advocacy. The Counterpart Creative Center survey has shown that in general in the course of the last three years the number of contacts of Ukrainian CSOs with the government increased. However, a large quantity of contacts does not necessarily translate into higher quality and effectiveness. Out of 12 articles on state dialogue with CSOs, found in the media review, 8 types of CSOs were mentioned; political parties and single issue coalitions are mostly important for the State, the others are trade unions and other (not specified types), some dialog exists between state and religious organisations, social movements, environmental CSOs and service CSOs. The Ukrainian government has been making attempts to establish a dialogue with civil society; such efforts enhanced after the Orange Revolution and the subsequent change in government. However, cooperation is still lacking clear and transparent mechanisms of interaction, especially considering the responsibility of government to provide feedback to CSOs. So, we may conclude that dialogue between civil society and government is a 'one-way street', when CSOs have power to access government documents and submit proposals, while no system of ensuring the responsibility of government to take CSOs' proposals into account is in place.</p>
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	<p>Indicator: 4.1.1 - Human Rights Policy Impact Case Study</p> <p>Description: How active and successful is civil society in influencing public policy in human rights area?</p> <p>Score: 3</p> <p>Country Report Result:</p> <p>For the Human Rights Policy Impact Case the case of the Orange revolution, where civil society and citizens protested against the Presidential election fraud of November 2004, was selected. Not surprisingly, the case received the highest coverage in the second period of Media monitoring during 'Orange Revolution' and Presidential elections in November 2004. There are 25 items that cover the topic, which reflect on the actions during revolution as well as speculate about the role of CSOs in the revolution. This section briefly describes the involvement of CSOs in the lead up as well as during the Orange Revolution. During the course of elections in October-December 2004 human rights organisations activity ranged from education and informing citizens about their rights to direct advocacy at courts and work with militia. Ukrainian human rights organisations brought to the attention of international organisations the numerous violations that occurred during the election campaign. In November 2004 a new momentum was achieved through the self-organisation of citizens, the development of youth and student movements and associations of journalists standing for freedom of expression and independent media. As a result society became noticeably more capable of withstanding manipulations, pressure and dirty political technologies that involve misleading information and propaganda. Under the pressure of civil society journalists protested against the order to follow government recommendations in covering the election campaign events – a powerful step to freedom of press in Ukraine. This weakened the power of Kuchma regime to influence the public. And as the final note – civil society could make a major political change – to force the government (first Parliament, then Supreme Court) to recognise the election fraud (Hillenbrand, 2005).</p>
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	<p>Indicator: 4.1.2 - Social Policy Impact Case Study</p> <p>Description: How active and successful is civil society in influencing public policy in social areas?</p> <p>Score: 2</p> <p>Country Report Result:</p> <p>Ukrainians consider that the most unaccomplished task of CSOs is their mission to protect social and human rights and influence government (Razumkov, 2003). In 2000 Ukrainian think tanks developed policy documents on social policy for Cabinet of Ministers of Ukraine (when the Prime-minister was the current President Yushchenko). Expert reviews and public hearings on implementation of the Government Action Plan were held in December 2000 and in April 2001. The government's social policy was widely discussed with extensive involvement of CSOs such as the Institute of Reforms, the Razumkov Ukrainian Center for Economic and Political Studies, the Agency for Humanitarian Technologies, the Institute of Civic Society, the Institute of Competitive Society, the Institute of Politics, the International Center for Policy Studies, the Union of Leaseholders and Entrepreneurs of Ukraine, the Ukrainian Union of Manufacturers and Entrepreneurs, and the Center for Anti-Crisis Studies. As a result of these extensive discussions, a set of specific proposals with respect to mechanisms for raising the population's living standards were developed and eventually considered by the Government (UNDP, 2002). After the adoption of the Law 'On Social Services' in 2003 (enforced in January 2004) Ukrainian CSOs organised a public campaign to change the discriminative provisions for non-governmental sector in this law. The aim of the campaign was to provide equal opportunities for all the providers of social services. During the campaign experts developed and submitted changes to the law as well as conducted wide information campaign. In 2004 the changes to the law were submitted and partially accepted. Media review has shown that civil society impacted on social policy in the sphere of protection the rights of invalids. However, only 2 of the 283 articles (0.7%) covered stories of successful campaigns, of the invalid association headed by MP Sushkenich and the long-term work of the Association of Mentally Disabled Children Parents, headed by famous civil society leader Raisa Kravchenko.</p>
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	<p>Indicator: 4.1.3 - Civil Society's Impact on National Budgeting process Case Study</p> <p>Description: How active and successful is civil society in influencing the overall national budgeting process?</p> <p>Score: 1</p> <p>Country Report Result:</p> <p>CSOs never participated in the national budget policy process due to the laws governing budget development and adopting. In March 2005 when changes to the State Budget 2005 were discussed CSOs were challenged to introduce better provisions for philanthropy that were regulated by this law. Major NGOs and expert coalitions were lobbying the changes in the legislation dealing with the corporate philanthropy privileges and tax-privileges for commercial activity of NGOs in the framework of their statutory activity. Among such NGOs were Association of Ukrainian Banks, Institute of Competitive Society, International Renaissance Foundation and others. Regional stakeholder survey respondents were asked to assess how active civil society has been in influencing public policy in tax policy, which is linked to the National Budgeting process. According to the opinion of RSC participants some activity of CSOs is observed in the field of tax policy, which can be attributed to the active position of business associations, which promote interests of their members, for example Federation Trade Unions of Small and Private Entrepreneurs, Association of Ukrainian Banks, Association of Rent Holders and Entrepreneurs. The success of such efforts was considered to be a bit lower, as RSC participants explained that the procedure of tax policy change is very complicated and only those CSOs that have access to power can succeed. The issue of civil society impact on National Budgeting process was not covered by media as the review process was conducted in June-July and October-December 2004 in the time when budgeting process was not a topic for press. We found four items that deal with the issue, which reflect the role of public council in the Ministry of Defence and some general reflections on how to involve civil society in the budgeting process. This testifies to very limited and almost invisible activity of civil society in the area of budgeting.</p>
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JC 2.3 – The Commission’s interventions contributed to the development of pluralistic media	
Preliminary findings related to the JC based on the findings of the Indicators	
Inventory	<p>Projects implemented during the evaluation period:</p> <ul style="list-style-type: none"> • Support to independent media – December 2002 to May 2005 - €1.0 million • Development of media skills – September 2005 to December 2007 - €1.6 million • Support to electronic broadcast and IT equipment - August to December 2007 – €0.5 million • Promotion of European standards in Ukrainian media environment – September 2008 to May 2010 - €1.1 million
Promotion of European standards in the Ukrainian media environment ROM Report	<ul style="list-style-type: none"> ▪ On September 1, 2008 the project "Promotion of European standards in the Ukrainian Media environment" commenced. It is implemented by the Council of Europe under a contribution agreement with the European Commission. The main aims of the project are to bring Ukrainian media legislation better into line with European standards, reduce corruption in Ukrainian journalism and foster dialogue between media, civil society and local authorities in six selected pilot regions. <p>The project team, together with the Delegation, has established a detailed action plan for the third project component on dialogue between civil society, media and local authorities. A seminar on digital broadcast strategy was held. One seminar on media legislation, specifically on the Convention on Trans-frontier Television had to be postponed due to unavailability of parliamentary deputies. Inception Steering Committee was conducted and Inception Report produced.</p> <p>Instability in the work of the Verkhovna Rada mildly hampered some activities. Vested and competing interests in the area of digital broadcast strategy made the organisation of this seminar rather delicate.</p> <p>In general, media in Ukraine remained vibrant and pluralistic. However, in 2009 there was an increasing tendency to fill the airwaves and print with paid-for-information disguised as news and favouring certain politicians or causes. This fact, in combination with the failure to make any progress on the issue of transparency of media ownership, has had an overall detrimental effect on the quality of information available. The Ukrainian Parliament ratified the Convention on Trans-frontier Television (CITV) which came into force for Ukraine on 1 July 2009. The Convention is intended to bring Ukraine closer to the European standards regarding the re-broadcasting of foreign channels; however, its implementation did not start in 2009. No progress was made to establish a public service broadcaster in 2009 as the Parliament failed to adopt a law on public service broadcasting. The EU-financed project to promote European standards in the Ukrainian media environment implemented by the Council of Europe continued to provide expert analysis and assistance on developing media legislation in line with European norms and standards and promote a code of ethics for journalists.</p>

<p>▪ I.2.3.1 – Existence of an legal and administrative framework ensuring the freedom of media</p>	
<p>EAMR 2008-02</p>	<p>On September 1, 2008 the project "Promotion of European standards in the Ukrainian Media environment" commenced. It is implemented by the Council of Europe under a contribution agreement with the European Commission. The main aims of the project are to bring Ukrainian media legislation better into line with European standards, reduce corruption in Ukrainian journalism and foster dialogue between media, civil society and local authorities in six selected pilot regions.</p>
<p>European Neighbourhood Policy: the Case of Ukraine, 2006</p>	<p>Laws regarding of public television and radio channels were debated but not approved by the Verkhovna Rada of Ukraine. (p.63)</p>

<p>US State Department, 2009</p>	<p>Private media outlets operated free of state control; however, both the independent and government owned media continued at times to demonstrate a tendency toward self censorship on matters that the government deemed sensitive. Although private newspapers were free to function on a purely commercial basis, they often depended on political patrons.</p> <p>There were reports of intimidation of journalists, including by local officials. According to IMI, at least 27 journalists were subjected to physical attacks or intimidation as of November. The majority of these cases, however, did not appear to be centrally organized and were often attributed to local politicians, businessmen, or organized criminal groups.</p> <p>Journalists complained that the owners of television media outlets, who were often closely connected to leading political figures, unduly influenced the editorial content of news programming. For example, on January 29, IMI reported that Channel 5 closed its news program, Chas (Time), and dismissed the program's director and host Yehor Sobolev. According to Sobolev, the decision resulted from a conflict with the channel's majority shareholders over Sobolev's coverage of the 2007 preterm parliamentary election campaign and the shareholders' attempts to dismiss journalist Ihor Slisarenko from Channel 5 in 2007.</p> <p>In addition, there were many reports that journalists and media officials were willing for a price (dzhynsa) to slant reporting or print articles favorable to certain persons or causes. In response to these and a series of similar conflicts, a group of journalists, members of the Independent Media Union, launched a campaign against prepaid reports and hidden advertising presented as news. The journalists maintained that low official salaries encouraged journalists to supplement their incomes with undocumented payments from benefactors seeking to influence news reporting.</p> <p>The law limits the amount of damages that may be claimed in libel lawsuits and allows the press to publish inoffensive, nonfactual judgments, including criticism, without penalty; however, media watchdog groups continued to express concern over extremely high monetary damages that were demanded, and sometimes awarded, for alleged libel. Government entities and public figures, in particular, continued to use the threat of civil suits based on alleged damage to a "person's honor and integrity" to influence or intimidate the press. According to the UHHRU, during the year the amounts awarded for successful suits on these grounds increased, although the number of such lawsuits dropped.</p> <p>According to the State Committee on Communication and Informatization, 10 million persons used the Internet. The government did not restrict access to the Internet, but human rights organizations asserted that law enforcement bodies monitored its use.</p>
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<p>CIVICUS CSI Ukraine country report</p>	<p>Indicator: 2.2.3 - Press freedoms Description: To what extent are press freedoms ensured by law and in practice? Country Report Result: The Press Freedom Survey of Freedom House scored Ukrainian freedom of press 60, which places Ukraine between the ‘partly free’ and ‘not free’ categories. According to Nations in Transit 2003 published by Freedom House, over the last years press freedom in Ukraine was becoming more restricted: in 1997 the score was 4.50, while in 2003 the score was 5.50 (scale from 1 (highest) to 7 lowest). In the years of previous regime (1999-2004) Ukraine had a fairly sizable and vibrant media, journalists and media outlets—both state owned and private—they typically lacked true independence. One of its main causes is the fact that insufficient development of Ukraine’s advertising market forces mass media outlets to rely for financial support on oligarchs, who in exchange wield considerable influence over journalistic content and programming (Freedom House, 2003). In addition, journalists faced regular harassment and violence for their reporting, particularly investigative work on corruption and crime linked to the authorities or to the country’s powerful oligarchs. Existing laws do not fully protect journalists in Ukraine, and violence against them is all too common. The most notorious case was the September 2000 murder of Heorhiy Gongadze, who was editor of the opposition Internet newspaper Ukrains’ka pravda (Freedom House, 2003). In 2001, the “Committee to Protect Journalists” nominated then-President Kuchma as one of the world’s top 10 enemies of the press. In addition, “an elaborate system of censorship, including instructions emanating from the offices of the presidential administration, distorted news and skews coverage of political affairs.” According to the CSI Media review 5.6% of media items are concerned with the problem of information right in Ukraine. The problem of media freedom and bias were very important before the elections, hence independent media paid attention to biasness and dependency of journalists, pressing the independent media – 5th Channel, Dzerkalo Tyzhdnia, while such papers like Uriadovy Courier (government official paper) provided optimistic articles on media freedom in Ukraine. Until November 2004, mass broadcast media exhibited a high degree of uniformity and bias in their coverage. This has changed significantly since the Orange Revolution (Hillenbrand, 2005).</p>
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<p>“Journalists in Ukraine face interference and pressure” - AEJ special report 2009</p>	<ul style="list-style-type: none"> ▪ Increasing direct and indirect pressure on journalists and editors of mass media, the high number of “customer-ordered” articles and TV broadcasts, defamation is more and more present in the information space in favor of politicians who pay to the loyal journalists. ▪ The situation is worsened by the economic crisis, which turned into the decrease of wages of journalists and many wage non-payments. The crisis has forced media owners to return to the shadow economy, to close media companies and to fire thousands of journalists. Today the media market in Ukraine is full of experienced journalists who are seeking jobs in other sectors of the economy. ▪ Legislation concerning media. Ukrainian legislation on mass media needs to be adapted to new realms, taking into account the rapid development of new media: on-line-newspapers, internet TV, internet radio, etc. Ukraine is quite behind in the understanding of the current trends in the information sphere. ▪ Positive issues. At the end of May 2009 parliament adopted a decree "About ensuring the activity of mass media in pre-election period in 2009". According to this document, the Cabinet of ministries should stop control checks of the media by the monitoring services during the time of the Presidential election campaign in Ukraine.
<p>Liudmyla Vasylenko National Radio and Television Council (NRTC)</p>	<p>“The European Commission’s targeted, systematic assistance has helped establish press freedom in Ukraine.</p> <p>“Joint projects are what made it possible to resolve all the problems we are currently faced with: digital broadcasting and its strategy, maintaining a cross-border strategy for regional television, social broadcasts.</p> <p>“Within these projects, we were able to exchange experiences, especially as relates to adapting Ukrainian laws to European standards. Without this assistance, the NRTC would not likely have been able to adapt to European frameworks and norms because we are plagued with financial difficulties.</p> <p>“Cooperation with the EC began in 2000. At that time, we were able to study practice at foreign regulatory centers in Poland and Slovakia as to their impact on television at European cost.</p> <p>“Right now, we meet regularly to discuss upcoming bills. Our discussions around a bill on the defense of public morals had a lot of publicity: Ukrainians are in favor of the bill, while the Europeans say the bill is too severe. Last week, we debated the Law on Communication, which we are working to adapt to European legislation. But we are not the focus of legislative initiatives and can only oversee the upholding of laws.</p> <p>“The next projects would be effective if they:</p> <ul style="list-style-type: none"> • coordinate with Kyiv and not with various countries whose experts do not know what it is like on the ground here; • offer targeted financial assistance, especially for the NRTC, based on the objectives and strategies that face us today and not on freedom of speech or problem-solving.”

<p>Yegor Sobolev, Coordinator, Svidomo</p>	<p>“I have participated in EC media projects myself, together with a girl from Opora and a boy from Party of the Regions. We went around the regions and explained how to influence the government and how to cooperate. Because of this project, an exchange of experience took place among six cities. We talked about the latest best practice and about how community activists and the press can work together. I would say there was more good than bad in this project.</p> <p>“The laws that regulate media in Ukraine are quite progressive:</p> <ul style="list-style-type: none"> • Slander is not a felony. • Media organizations can operate freely and registration procedures are simple. Internet media don’t even have to register officially. • There’s no superfluous regulation of journalistic activities. • We have a progressive law on information that obligates the government to respond to media inquiries. • The Law “On television and radio broadcasting” requires editorial statutes. <p>“But there’s an enormous problem with enacting legislation. We have a National Radio and Television Council that is supposed to distribute broadcast frequencies on a competitive basis. In reality, this takes place in a very opaque fashion and in violation of the law, which has a serious impact on the media. Sometimes good channels can’t reach enough of an audience because they are unable to broadcast themselves widely enough.</p> <p>“The Council may not violate the letter of the law, but it certainly violates the spirit. If the Prosecutor General’s Office were to investigate, it could put every last NRTC group behind bars.</p> <p>“There are also a lot of cases of direct pressure on the media, to which the PGO tends to react feebly.”</p>
<p>Larysa Mudrak, Deputy Director, National Radio and Television Council (NRTC)</p>	<p>“We’re on the threshold of digital television, yet we’re still figuring out how to approach it. This is one area where EC projects were very helpful. In the last few years, the two most effective areas were:</p> <ul style="list-style-type: none"> • annual courses run by the Friedrich Ebert Foundation. This was a year-long program with a clear internal structure and content. • roundtables and debates of current issues. Still, we need results at the level of propositions, not just media comments, but proposals that will go to top government bodies, including the Verkhovna Rada—this would be a major step forward. <p>“To protect press freedoms, we need:</p> <ul style="list-style-type: none"> • systematic and targeted assistance, • contact and communication throughout the year with middle and higher levels of government, • innovative approaches among the regulators for computers, IP telephony and so on.

<p>Olha Bolshakova, Director Legal Initiatives Center Independent Association of Broadcasters</p>	<p>“All the measures in EC projects are oriented towards changing the legislative base in Ukraine. This is a long-term process that offers no instant results.</p> <p>“EC media projects make a positive distinction between the desire to analyze problems and the desire to find means of assistance, but this support has its own rigid framework and is not flexible enough to respond to changes in Ukraine.</p> <p>“The European Commission was first to provide assistance for the introduction of digital broadcasting, especially for small broadcasters. (Prior to this, everybody looked at digital broadcasting as a business venture.) This supported the independence of these companies, because the government decided to focus on national broadcasters and not pay any attention to the transition of local broadcasters to digital.</p> <p>“We’re also initiating changes to legislation on authors’ rights and have asked the EC to do a legal review. We need such reviews of legislation in order to facilitate the entrenchment of press freedoms.</p> <p>“But how is freedom of the press connected to pluralism?</p> <p>“Pluralism is one problem, prohibiting criticism is another. Pluralism is under threat here for financial reasons.”</p>
<p>Taras Shevchenko, Director, Media Rights Institute</p>	<p>“If we’re going to talk about whether there is a legal and administrative framework to guarantee press freedoms in Ukraine, then we can break this down into two questions:</p> <ul style="list-style-type: none"> - Is there a legislative framework? Yes, our legislation is actually quite good. - Does this legislation work? The answer is ‘No.’ <p>“We have a law on public broadcasting, but it is not enforced because of the political passivity of the legislature for the past five years.</p> <p>“It’s great when experts like Ad van Loon are working locally. It’s rare for foreigners to genuinely want to do something meaningful in a country that is not theirs. We’re very happy with the project that Mr. Loon participated in.”</p>

<p>Andriy Shevchenko, National Deputy, Verkhovna Rada</p>	<p>“Yes, we have a legal and administrative system that ensure press freedoms. EC projects have helped in this because they chose improving legislation on freedom of the press, free markets and the protection of journalists as their priorities.</p> <p>“There are two great things about EC projects:</p> <ul style="list-style-type: none">- a focus on concrete legislative points: adapting Ukrainian legislation to European standards;- the constant presence of a specific expert in Ukraine: someone who can answer any questions and who knows the situation. This first project was organized along this principle. <p>“EC projects work with bills of law in a number of areas, but they are not always effective.</p> <p>“The bill on public morals has been dragging along since 2003. Under the EC project, the main objective was to remove the elements in the law on the protection of public morals that were illiberal and highly criticized by the Europeans. There’s also a Commission for the Defense of Public Morals in Ukraine, chaired by Vasyl Kostytskiy. Unfortunately, many journalists and a variety of organizations are of the opinion that Mr. Kostytskiy belongs on the lists of censors.</p> <p>“As to changes to the electoral law, European practice of engaging experts is very useful, as it has attracted people from the community and the press to also become involved in improving electoral legislation. This bill has possibly some of the best media positions presented in any law in the history of Ukraine.</p> <p>“Another project is aimed at adapting Ukrainian legislation to European convention on cross-border telebroadcasting, so that we can become full-fledged participants in the European TV market. In Summer 2009, this convention came into force in Ukraine, after a decade spent working to get it introduced. Right now, we’re in the process of preparing the bill for second reading.</p> <p>“Yet another area is public broadcasting. A bill was registered in the Verkhovna Rada but was rejected.</p> <p>“I find EC projects effective: their results are concrete legislative propositions that lead to specific changes.”</p>
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<p>Ad van Loon, X-Media Strategies</p> <hr/>	<p>“Disposable bills, lots of drafts, and nothing happens. Today, it’s not an issue: people think that freedom is good.</p> <p>“Institutions are needed, but now it doesn’t mean much.</p> <p>“There are no indicators for projects; there’s no specific legal framework.</p> <p>“In terms of digitization, there are some changes, but there is nothing that has been finalized.</p> <p>“We have assisted in the implementation of convention-commitments. Changes needed two drafts.</p> <p>“My conclusion is that whichever goal has been chosen and all the effort on this goal needs to be presented to the public. The public should be informed.</p> <p>“The independence of the council, legal analysis, not flexible. We can produce this, but it is not a necessary public tool, and this analysis has owners.”</p>
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<p>▪ I.2.3.2 – Evidence that journalists rights are respected</p>	
<p>Association of European Journalists (http://www.aej.org/page.asp?p_id=173)</p>	<p>MEDIA IN UKRAINE: An Overview of current obstacles to media freedom and independence - April 6 2010 <i>by Arthur Rudzitsky, President of the AEJ Ukrainian Section and President of the Ukrainian Association of Publishers and Press Distributors (UAPPD)</i></p> <p>I. Freedom of Expression or Owners' Orders? The Western world thinks that media in Ukraine are relatively free, and that Ukraine is the most democratic country in the CIS space in the information and media sphere. But in reality there is a big difference between the way democratic rules and standards are applied in the media sphere in the West, and the situation in Ukraine. Freedom of speech and freedom of expression do exist to some degree in the Ukrainian information field, but there are too many ways in which those freedoms are systematically limited or undermined:-</p> <p>A – The daily coverage of State owned media is unbalanced. They habitually concentrate their news output narrowly on information about state institutions and their activities -- especially the President, the parliament, and the national government, as well as local authorities. Both domestic news and foreign news coverage are viewed almost exclusively from the perspective of Ukraine's concerns and preoccupations, giving a distorted picture of the realities of international affairs. A general lack of adequate funds is one important cause of this deficiency.</p> <p>B – Ukraine has no public media of the kind that are familiar to the populations of western countries. Pledges and intentions “to create public TV and radio” or “to change local media into an important part of the public TV system” etc are routinely made by each new presidential team, and every new Cabinet of Ministers responsible for broadcasting in Ukraine. But in reality the great majority of Ukrainian politicians, including the President, Speaker, Prime Minister etc. are afraid to create the public media – like the BBC in the United Kingdom – in Ukraine. Ukrainian politicians and governors are unwilling to face open criticism of the kind that is normal and expected in countries that enjoy really independent public media, especially broadcasting. Thus, public service broadcasting is seen by many top politicians in Ukraine as their potential adversary. Crucially, one important reason for this hostility is that the creation of a successful public broadcasting system would be a strong competitor to private owned media, which currently owe their allegiance to various businesses controlled or owned by those same top persons in politics and businesses in Ukraine. As a result, the politicians' commitments to establishing public media have so far been shown to be empty words.</p>

<p>Association of European Journalists (http://www.aej.org/page.asp?p_id=173)</p>	<p>C – Privately owned media are in principle free in their editorial policy. However the freedom of action of journalists and employees is all too easily stopped by owners at any time when they choose to intervene. Yes, top journalists in the private media have relatively good salaries, and modern technologies to make products of high quality, which is generally interesting and useful for their audiences or readers. But every staff member in the private media understands that everything is subject to political or business influences of various kinds in Ukraine. There are two media trade unions, both of which purport to support journalists' working rights and to uphold journalistic ethics, but the results of their activities are disappointing. Journalists are not united and solidarity is weak in the face of the pressures I have mentioned.</p> <p>D – Legislation in the media sphere allows state owners or private media owners a virtually free hand to do what they want with their media organisations. In January 2010, the National Commission On Morals and Ethics prepared a new law on moral and ethical issues in the media, named the “Journalists Code”. However, lawyers -- including those working for the parliament of Ukraine and for leading media NGOs -- say that the law fails to protect the rights of journalists in basic respects. One of those legal experts even condemned the new law as dangerous, because it makes a mockery of the concept of freedom of expression, and instead creates a legal framework for censorship to be practised in the Ukrainian media (the criticism of Y. Zakharov, Head of the Group of Human Rights Protection in Kharkiv).</p> <p>E – For media owners, media have regularly been used during campaigns and elections as a tool to promote their own interests, whether party political, personal or business. State owned media often give prime time exposure to powerful figures and candidates during campaigns, in clear breach of Ukrainian laws. But few people care enough to speak up against these abuses. NGO activists, journalists and lawyers are powerless to prevent them, and many have grown inured and accustomed to the lack of genuinely independent media scrutiny of political campaigns.</p>
<p>“Journalists in Ukraine face interference and pressure” - AEJ special report 2009</p>	<p>Pressure cases on journalists. In 2009, the number of cases of violence against journalists increased. Obviously, this can be attributed to the impunity of the violators by the police, prosecutors and courts. Most loud cases include the following:</p> <ul style="list-style-type: none"> • In early January 2009 somebody had set fire to the door of the former owner of the newspaper “Saturday Post” (Lviv) Rustam Kurbanov. Few weeks before this incident unknown people had beaten Kurbanov. • February 16, 2009 unknown people detonated a car of Valery Vorotnyk, the journalist and owner of Media Group "Antenna" (Cherkasy). • March 16, 2009 unknown people had beaten Anatoly Ulyanov, the journalist and art critic, editor of the site "Prosa" (Kyiv), who actively criticized the activities of the National Expert Committee on protection of public morals. • April 24, 2009 unknown shot into the box office lead channel ATV (Odessa) Gregory Kvasnyuk, a leading analytical program "Truth", which frequently criticizes the city and central government.

<p>“Journalists in Ukraine face interference and pressure” - AEJ special report 2009</p>	<p>Protection of journalists' rights in court. Most of the journalists rarely come to court in cases when the violation of their rights takes place, because they do not believe in justice and do not consider it worth their time to be spent on. The rest of the journalists simply do not know how to do it. The cases that reach the court are not always resolved in favor of journalists.</p> <p>In January 2009 there was a dismissed case, started in 2006 on the topic of violation of rights of privacy of Donetsk journalist Aliona Kochkina. Unknown persons were recording video for this journalist, and then attacked her apartment, but investigation failed to find the culprits.</p> <p>In April 2009 the Kyiv Prosecutor's Office made an attempt to close another high-profile cases "in the absence of crime", which was the attack on the STB TV crew, involving a suspected former parliament deputy Oleg Kalashnikov in it. The investigation was resumed only after journalists protests.</p>
<p>Freedom House, 2009</p>	<p>With hundreds of state and private television and radio stations and numerous print outlets, Ukraine’s media sector is diverse but faces many challenges. Throughout the year, hidden political advertising—locally referred to as <i>dzhyynsa</i>—was widespread in the media and weakened the public credibility of journalists. Transparency of media ownership remains poor because businessmen and politicians often prefer to hide their influence over news programs, but it improved somewhat due to research conducted by nongovernmental organizations. Ukraine’s print distribution system also remains problematic and dependent on the national postal service. Some of these deficiencies had been offset by strong economic growth, which increased advertising revenues and the popularity of business reporting, but the economy suffered severely from the global downturn in late 2008. The government does not restrict access to foreign outlets or to the internet, which is used by approximately 15 percent of the population. Although internet publications are not required to register with the authorities, the government retains the ability to monitor websites and e-mail.</p>
<p>Freedom House, 2010</p>	<p>Since the 2004 Orange Revolution, the government has abstained from direct political interference in the media, which have consequently grown more pluralistic, offering a broad range of opinions to the public. In November 2008, the National Council for Television and Radio Broadcasting instituted a local broadcast ban on Russia’s most influential television networks, though it has proven ineffective.</p> <p>Many media outlets are owned and influenced by business magnates with political interests, while local governments often control the local media. Journalists who investigate wrongdoing at the local level still face physical intimidation, and local police and prosecutors do not energetically pursue such cases.</p> <p>Internet access is not restricted and is generally affordable; lack of foreign language skills is the main barrier.</p>

<p>Yegor Sobolev, Coordinator, Svidomo</p>	<p>“In Ukraine, journalists’ rights are not especially upheld and donor efforts in this area are not always effective: they hold roundtables but these have no impact on anything.</p> <p>“Donors finance 3-4 media legal centers: The Association of Media Lawyers, the Center for Media Rights, and the Mass Media Institute, which generally win their court cases.</p> <p>“But a lot depends on the positions of the journalists themselves. For instance, our laws require editorial statutes and an editorial council, but other than at 5 Kanal, they do not actually work anywhere. Journalists themselves do not take advantage of the opportunities presented by pluralism and the editorial council as a means of settling disputes.</p> <p>“What’s also bad for press freedoms is restricted pluralism. Anti-monopoly legislation in Ukraine covers all markets except the media market, which is currently controlled by three major media owners: Khoroshkovskiy (40%), Pinchuk (20%), and Kolomoyskiy. Keeping an eye on them should be the main job of the Anti-Monopoly Committee.</p> <p>“Only 5% of journalists are active in Ukraine, meaning they defend their rights. Only when the pressure starts on the television channels do people start to show an interest in their rights.”</p>
<p>Olena Zerkal, Ministry of Justice,</p>	<p>“Journalists’ rights are supported through the unions and through educational programs.”</p>
<p>Andriy Shevchenko, National Deputy, Verkhovna Rada</p>	<p>“When it comes to upholding journalists’ rights, I have no direct evidence that EC projects have had an impact or otherwise on this issue. I’m not even sure that they can have any influence.”</p>
<p>Larysa Mudrak, Deputy Director, National Radio and Television Council (NRTC)</p>	<p>“The question of information policy in Ukraine is an interesting one. Right now, it only amounts to mutual relations between government bodies and the media. But this process, like any living process that is being shaped, has plusses and gaps. This is the third period of the search for effective, civilized relations, including between the state and the press.”</p>
<p>Volodymyr Mandzhosov, Chair, National Radio and Television Council (NRTC)</p>	<p>“Ukraine needs to focus on areas that require constant attention to specific problems, not just at some specific stage or during a particular project. We are ready to provide whatever help is needed by our media in terms of democratic standards in TV and radio broadcasting.</p> <p>“Only a lazy deputy doesn’t draft bills in the broadcasting sphere here. The trouble is, no one analyzes them. At one time, we had special seminars under an EC program that helped us to formulate good laws in broadcasting that would also foster the protection of journalists’ rights. By contrast, the Law on the NRTC has been written the such a way that the Council is dysfunctional today. Right now, the Council has only three members and we don’t know how much longer we will be unable to make important decisions, such as to extend licenses, which only the NRTC is empowered to do.”</p>

<p>Olha Bolshakova, Director Legial Initiatives Center Independent Association of Broadcasters</p>	<p>“There’s no doubt that EC projects have helped develop the media in Ukraine and to protect the rights of journalists. Given all the obstacles, quite a bit has been achieved. We find it much easier to talk with government officials after we’ve held a seminar for them and taught them a thing or two. But in addition to protecting journalists’ rights, there is a real problem with protecting television and radio broadcasters as well.</p> <p>“The legislation governing media is flawed. Whereas a broadcaster needs to get five licenses in Europe, in Ukraine, this represents more barriers to broadcasting and supports both corruption and political parties. For instance, the Law on TV and radio broadcasting does not cover the switch to digital broadcasting, which restricts the rights of local broadcasting companies. Sub-legislative acts, where they exist, are written in a highly subjective manner.</p> <p>“Upholding the rights of journalists and broadcasters will be promoted when Europe realizes what kind of a situation reigns in post-totalitarian countries. We are currently talking to our colleagues in Moldova, Kyrgyzstan, Kazakhstan and Armenia, where there is essentially no public radio or television. It turns out we have common problems, and they are different from the problems in Europe.</p> <p>“We need to establish an international dialog to develop criteria for evaluating pluralism in our sphere. We need European models for checking the financial independence of media. There are few independent, unbiased studies about what the ordinary Ukrainian wants to hear. Unfortunately, this has not been part of any EC projects so far. Expert seminars and events are all well and good, but to have a serious impact, we need broader activities. For instance, support for scientific research that would offer results that can be passed on to government bodies or greater flexibility in the types of events that are supported.”</p>
<p>Taras Shevchenko, Director, Media Rights Institute</p>	<p>“Today, the trends are negative in Ukraine: journalists’ rights are under threat. It’s not clear which way things will go next. I don’t expect any positive changes. Attacks on journalists aren’t going to be investigated. Everything depends on the position of the public, because this can all be fought and opposed. These are the democratic prospects for media and other areas.”</p>

<p>■ I.2.3.3 – Statistics on media: newspapers (number of daily/weekly newspapers, readership, ...); radio, television, internet</p>		
<p>SOURCES: ; Source: UNESCO UIS Data UNESCO Institute for Statistics; UNESCO Institute for Statistics, March 11, 2003; The Information for Development Program; World Development Indicators database; ITU; CIA World Factbook, December 2003; All CIA World Factbooks 18 December 2003 to 18 December 2008; attrition.org; Compiled by: http://www.nationmaster.com/red/country/up-ukraine/media&all=1</p>	<p><u>households with television > %</u></p>	<p>97.34 % [15th of 160]</p>
	<p><u>Mobile phone subscribers</u></p>	<p>17,214,280 [24th of 198]</p>
	<p><u>Newspaper circulation</u></p>	<p>8,683,100 [4th of 51]</p>
	<p><u>Newspapers</u></p>	<p>61 [15th of 67]</p>
	<p><u>Newspapers and periodicals > Circulation > Daily</u></p>	<p>8,683,000 [7th of 90]</p>
	<p><u>Newspapers and periodicals > Number of titles > Daily</u></p>	<p>61 [24th of 106]</p>
	<p><u>Number of PCs</u></p>	<p>1,327 [50th of 169]</p>
	<p><u>Phone subscribers</u></p>	<p>256.37 [88th of 178]</p>
	<p><u>Radio receivers</u></p>	<p>45,050,000 [12th of 188]</p>
	<p><u>Radios</u></p>	<p>45,050,000 [12th of 221]</p>
	<p><u>Television broadcast stations</u></p>	<p>647 [2nd of 89]</p>
<p><u>Television receivers</u></p>	<p>18,050,000 [14th of 185]</p>	
<p><u>Televisions</u></p>	<p>18,050,000 [14th of 215]</p>	
<p>Taras Shevchenko, Director, Media Rights Institute</p>	<p>“The crisis has had more of an impact on statistics than the EU: the internet is taking away advertising hryvnia, some media have closed down, others are in the process of doing so. All media is dependent on those people who are able to buy it. So I would distinguish two trends: consolidation and monopolization, which don’t face the kinds of institutional hurdles, they do abroad. Consolidation and monopolization will continue to spread because it is more commercially viable to have several TV channels than just one.</p>	
<p>Andriy Shevchenko, National Deputy, Verkhovna Rada</p>	<p>“Print media is in decline, internet is booming. Ukrainska Pravda has 300,000 readers, which is more than our yellow press. There’s no evidence that this has been through EC intervention.”</p>	
<p>Olha Bolshakova, Director Legal Initiatives Center Independent Association of Broadcasters</p>	<p>“We are placing a lot of hope on internet television and radio. We’ve already set up cooperation with the internet association and mobile operators. Internet is cheaper, less regulated and has a broader audience.</p> <p>“Of course, there are problems with internet penetration in Ukraine. And with the internet, radio and TV will obviously no longer be local.”</p>	

<p>Ad van Loon X-Media Strategies</p>	<p>“Freedom of media is covered by 12 laws, including public morality, transparency of public leadership, public broadcasting, assistance to public committees, communications...”</p> <p>“State programs need to be analyzed and the legal framework for communications compared.”</p> <p>“There needs to be a bigger focus on implementing laws, that is, more implementation activities are needed. I’m not really familiar with the instruments.”</p>
<p>▪ I.2.3.4 – Number of journalists having participated in EC-funded training and exchange activities</p>	
<p>Consumer Society and Citizens’ network (2005/115-406)</p>	<p>Development of the programme for monthly training events for media, to be conducted in Kiev and in all oblasts’ capitals.</p> <p>The Overall Objective (OO) of the project is <i>to improve the curriculum and standard of education of students of journalism at university level in Ukraine to ensure that graduates have the high practical and technical skills needed for the journalism profession</i>. By addressing the originally defined problems through a complex approach and in a participatory manner, the project has been making good contribution to OO within the established limits.(MR-40522.03 – 21/06/07)</p> <p>Good progress has been made with regard to module development, capacity building, exposure of students and teachers to good media practice and development of distance learning system. [...] Overall, the project effectiveness to date may be assessed as potentially good given the good level of absorption capacity by the beneficiaries and target groups and their contribution to production of the project results, making further use of these results likely. (MR-40522.03 – 21/06/07)</p>
<p>Taras Shevchenko, Director, Media Rights Institute</p>	<p>“The Media Rights Institute has worked with the EC on an ad hoc basis. We organized and assisted in running 6-7 joint events.”</p>
<p>Ad van Loon X-Media Strategies</p>	<p>“At the local level, public dialog has been established between local government and civil society. Donetsk was merely formal about it, but we saw real cooperation in Sumy, Cherkasy and Chernivtsi. Finalizing activities took place in 6 other cities.”</p>

EQ 3 on Social Protection and Assistance

To what extent have the Commission’s interventions contributed to establishing an integrated, comprehensive and effective social protection and assistance system?	
JC 3.1 – The Commission’s interventions contributed to the development of an integrated social protection system covering in particular health risks and providing pensions to the elderly	
Preliminary findings related to the JC based on the findings of the Indicators	
Inventory	<p>Projects in the area of social protection with a budget above €1 million:</p> <ul style="list-style-type: none"> ▪ Tuberculosis prevention and control in Ukraine – October 2002 to April 2005 - €2.0 million ▪ Health financing and management – December 2003 to August 2006 - €3.0 million ▪ Support to the development on a system of medical standards – September 2004 to December 2006 - €1.9 million ▪ Strengthening Multi-Sectoral Approaches Towards HIV/AIDS Prevention Among Youth – April 2005 to October 2007 - €1.6 million ▪ HIV/STI Prevention among Uniformed Services in Ukraine – October 2005 to September 2009 - €2.5 million ▪ Support to secondary healthcare reform – August 2007 to December 2009 - €4.2 million
I 3.1.1 – Progress in the approximation to that of the EU of the legislative and regulatory framework relative to social protection	
WHO, 2007	<p>An all-Ukrainian poll with 48 200 participants conducted by the State Committee for Statistics from October 2000 to October 2002 showed that 93% of all hospital patients had to provide their own pharmaceuticals and 83% their own food. In addition to official payments for pharmaceuticals and medical services, there are informal payments to medical staff and pharmaceutical purchases that amount to an additional 40%–60% over the officially registered payments.</p>

<p>WHO, 2007</p>	<p>From the beginning of 2005 the European Union project “Health Financing and Management in Ukraine” has aimed at changing the mechanisms of health care facilities financing in two pilot rayons in Kharkiv and Zhytomir Oblasts, each with a population of approximately 35 000. It should be noted that from an international perspective the regional level of health finance reform is more pertinent, but the choice of the rayon level was conditioned by political feasibility.</p> <p>Financing in the pilot hospitals was via a global budget mechanism with line-item accounting. It is essential that when the global budget mechanism is applied, the previously agreed volume of health care services is financed, but in contrast to the line-item model, the funds are assigned to a health care facility without allocation to specific expenses, and the total amount of financing does not depend on the facility’s capacity. The financing is done on the basis of a contract for public procurement of services, the most simple form of block contract. The functions of the health care service purchaser are performed by rayon administrative departments especially established in the course of the project. The purchaser agrees with the health care service provider (central rayon hospital) on the volume of outpatient and inpatient care to be provided for the year and on the total amount of funds to be transferred for the purpose. Having received the funds, the hospital independently undertakes expenditures.</p> <p>It is noteworthy that testing new methods of remuneration met strong resistance from oblast and local authorities, tax collection agencies and treasurers who focus on detailed expenditures and revenues of budgetary institutions rather than on management for higher efficiency. In July, 2005 the local authorities of the pilot rayon in Kharkiv Oblast decided on the separation of primary and secondary care financing and on creation of two independent health care providers responsible for provision of the corresponding types of care. Separate contracts were planned for health service procurement with a newly created rayon primary care centre, which was to have the autonomous status of a communal non-profit enterprise, and with the central rayon hospital.</p> <p>In the secondary care contract (including inpatient and specialized ambulatory care) to be provided by the central rayon hospital, a global budget mechanism was envisioned, while a per capita payment mechanism was planned for the primary care contract.</p> <p>However, in May–June 2006, when the programme should have started, the central rayon hospital administration, medical specialists of the inpatient department and the polyclinic strongly opposed it, putting pressure on the rayon council, including mass demonstrations of union members. In their arguments they mostly referred to an inevitable collapse of secondary care resulting from the partial loss of hospital financing and to the inexpediency of any transformations in the existing deficit in public financing. An underlying motive behind the resistance of central rayon hospital administrations may have been their unwillingness to lose resources and property to the primary care centre. Hospital physicians and medical specialists employed in policlinics are concerned that the work of an independent primary care centre will reduce the need for their services, thus leading to the reduction of medical specialist staff and their revenues, including the unofficial ones. As a result, the procurement system change has been postponed.</p>
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<p>WHO, 2007 (continued)</p>	<p>Another component of the programme proved more successful: centralization of rayon health care financing was carried out in the pilot rayon of Kharkiv Oblast. All rural councils ratified the decision to transfer their health care budget funds to the rayon. Also, all rural health care facilities (rural ambulatories, medical attendant and obstetrician stations etc.) were transferred to joint ownership of all communities of the rayon, and were integrated as organizational subdivisions of the communal non-profit enterprise established under the central rayon hospital, thus losing the status of independent legal entities.</p>
<p>Ihor Pokanevych World Health Organization, Head, WHO Country Office in Ukraine</p>	<p>“There have been 4-5 EC projects in healthcare since 1998 in Ukraine. What was positive was introducing medical protocols, but the Government and Health Ministry have failed to institute these protocols, the potential and work to this day. I was in the group whose goal was to establish European standards of treatment at the national level. But this did not happen because the Academy of Medical Sciences was opposed. The Academy has its own views of how medicine should be and wants to continue to base it on evidence medicine and the perceptions of the physician. The Academy wants to work in traditional ways, but this tradition is different from European traditions. Unfortunately, the Health Ministry is being torn between the Academy and international organizations.</p> <p>“We keep on pushing ahead with the work we’ve accomplished in projects that have already ended. The Healthcare Financing and Administration project was supposed to change the legislation and framework for providing assistance. But due to continual political flux, the government, which was supposed to take the lead, did not do so. Based on project recommendations, we put together a further healthcare development strategy. On this basis, the Yanukovich Government [2004/2007] prepared a national plan, but it was dumped when the Tymoshenko Government came into office. Every government wants its own strategy.</p> <p>“I also participated in a project on secondary assistance during consultations and meetings. At the beginning, our expectations were high, but Ukraine’s legislation made it impossible to fully realize our intentions, while we had no core group that might have affected change. The strategy that was drawn up sits on the Health Ministry’s site to this day.</p> <p>“Today, the main area for reform is physicians and healthcare workers. But only 10-15% are actually unhappy with the situation as it is today.”</p>

I 3.1.2 – Progress in establishing a financially sustainable social protection system	
CASE, 2007	<p>The general approach to financing the health care system in Ukraine has not changed since the Soviet times when it was mandatory, based on joint taxation and provided virtually free to the public. The Constitution of Ukraine, adopted in 1996, declares that “state and community health institutions provide medical services free of charge; the existent network of such institutions may not be reduced.” The citizens` right to health insurance is also guaranteed in the same Article of the Constitution. Since most health facilities in Ukraine are state and community run, despite the existence of the private health care sector, the state budget and the budgets of local and regional self-governing bodies remain the major official source of health care financing.</p> <p>The proportion of the budget allocated for health care in Ukraine cannot meet the needs of the public. The shortage of public funds results in the replacement of free-of-charge health care by medical services for a fee. Personal spending on health care is rapidly becoming more common. According to official statistics, in eight years (1996–2003) the proportion of private payments rose from 18.8% to 38.5% and, including informal payments, the estimate becomes 52%. A network of private health care providers and private health facilities has emerged in Ukraine since its independence. It is hard to estimate the population’s spending on the services delivered by the private healthcare sector due to a lack of relevant statistics.</p>
WHO, 2007	<p>The current system of health care financing does not ensure protection of the population against financial losses from having to pay for medical services in the case of illness. The share of out-of-pocket payments compared to prepaid financing (including public expenditure, voluntary health insurance, and other schemes) serves as indicator of the level of financial protection. Even according to officially registered data, the share of out-of-pocket payment for health care in total health expenditure reached 27.5% in 2004. If we consider informal payments, this share rises to 39.2%, more than in the other central and eastern European EU member states, whose 2004 average was 27.2%.</p> <p>There is inequity in health care funding in the country’s regions.</p> <p>Regulation of the governmental obligation to provide free health care is insufficiently transparent. The range of guaranteed free health services is extremely wide, but the right of making decisions about the volume of health care provided free of charge or paid is given to the service providers. This results in insufficient transparency between consumers and providers and furthers the practice of informal payments. The state fails to control a significant portion of funds that could be invested in health care.</p>

<p>WHO, 2007</p>	<p>There is a lack of incentives for a better quality of health care services and more efficient use of resources, as well as a lack of responsibility for the state of public health. At the micro-level, health professionals who receive their salaries for the time at work, without taking into account real results of their work, are not interested in an efficient use of resources, in obtaining as high rate of public health as possible per one unit of invested funds, in building their professional activities on the basis of the principles of evidence-based medicine, and in searching for an optimal balance between costs and quality, etc.</p> <p>Similarly, the managers of health care facilities are not interested in structural changes within these organizations, for under the current mode of management and financing such changes (for example, the reduction of the number of inpatient beds, of the staff, etc.) may result in smaller volumes of budgetary funds allocated for the maintenance of institutions. Because of the practical absence of competition among health care service providers, their managers do not have any incentives to efficiently control quality or reduce costs.</p>
<p>Betliy & al., 2007</p>	<p>Basically, the Ukrainian health care sector was rather intact since the collapse of the Soviet Union, while neighboring countries were conducting various health care reforms. While according to the Constitution the health care is declared to be free of charge, the private payments both formal and informal are common in Ukraine. Insufficient government financing created the situation that promoted segregation of population by the level of income, place of residence, and, thus, contradicts to the constitutional guarantee of free health care provision to all. As a result, the current health care system is delivers poor results and lacks equity. Taking into account social and economic transition of the last decade, Ukrainian health care sector needs reforms and implementation of new type of relations both on the national and local levels.</p> <p>Recent years have been marked by heated discussions related to the introduction of the compulsory state health insurance. However, numerous draft laws failed to be approved by the Parliament. The weakest point of those draft laws was treating this type of insurance as a mechanism of pouring more money into the current system.</p>
<p>Betliy & al., 2007</p>	<p>According to the information of the Verkhovna Rada in 2006 share of wages reached almost 70–75% of total health care spending, while most countries devote a bit over</p> <p>42% of total general government health expenditures to paying its health workforce and a bit over 50% of total health expenditures. In Ukraine the wage level in the sector remains one of the lowest in economy and wages are usually not connected to the quality, quantity and type of services provided. Low wages coupled with poor control contribute to prevalence of informal payments in the sector.</p>

<p>Betliy & al., 2007</p>	<p>The existing system relies on health care planning and regulation by central and local authorities. The managers of health care establishments lack incentives and abilities to increase efficiency and responsiveness to patients needs. The principle of purchase of medicine on the central level creates a situation when HCPs lack necessary medicine, while having a stock of needless medicine.</p> <p>At present, health care providers (HCPs) administer broad budgets, where funds are allocated not according to provided services, but to the existing facilities. In such a system patients are seen as a cost factor and an item of spending, where each additional patient and treatment cuts into the budget. HCPs have few incentives to become more productive as this has no impact on the budget</p>
<p>Betliy & al., 2007</p>	<p>The existence of private health insurance (PHI) in Ukraine is foreseen in the Law 'On Insurance' (approved in 1996). The Law stipulates general conditions for insurance, such as insurance risks, exceptions from insurance cases, restrictions, <i>etc.</i> The detailed insurance conditions (<i>e.g.</i> insurance premiums, terms and conditions of insurance payments) are defined in an insurance contract. There is no real legal rule defining relationship between public health care system and PHI. Basically, the PHI plays a role of substitute for public financing as gives a chance to people to be treated better.</p> <p>For now, there is no legal regulation of the cooperation of insurance companies and health care establishments. The insurance companies do not have a way to influence directly the quality of service provided by the HCP. Legislation lacks clear provisions that define basis and procedures for establishing fees for health care. Therefore, the price of services depends on the bargaining power of insurance company and health care establishment.</p> <p>Only near 1% of population is covered by health insurance. Low incomes of Ukrainians are one of the major factors of poor development of the PHI. Another explanation is a little trust to the private insurance companies. The share of the PHI in the structure of health care expenditures remains low (around 0.5–2.0%). Most of health care establishments are not included into the PHI schemes.</p>

<p>Betliy & al., 2007</p>	<p>On the regional level the problem of insufficient government financing of the health care is solved through creation of so-called 'likarniani kasy', which is kind-of a sick-funds. Such organizations basically fall into the category of 'commercialization' measures, as authorities or other organizations, patients and health care providers appear in legal financial relationships.</p> <p>The sick-funds are not regulated in Ukraine by specific legislation. The legislation on either charitable organizations or public unions is usually applied. Sick-funds are often created as public nonprofit organizations that promote provision of quality health care and protect patient's rights. The participation in such organizations is voluntary. The number of sick-funds in Ukraine approaches 200 and according to some estimations number of participants might reach 5 m persons. According to available data 61.8% of sick-funds work as public unions, while the 31.2% work as charitable funds. The revenues of sick-funds are comprised of membership contributions of individuals or legal entities. Their activity is aimed at provision of health care, which cannot be received at the expense of government financing. On average more than 50% of revenues is spent for pharmaceuticals, and 30% is directed towards purchasing medical equipment, materials and diagnostic examinations. Around 10% of funds is spent for improving qualification of health personnel and additional payments to them.</p>
<p>Betliy & al., 2007</p>	<p>The perception of main problems of health care system by patients and doctors is different. The patients stressed on the following problems:</p> <ol style="list-style-type: none"> 1. Impossibility to receive quality state guaranteed health care without 'informal payment'; 2. No guarantee of timely provision of quality health care even in case of 'informal payment'; 3. Insufficient qualification of health personnel; 4. Careless attitude of health personnel to patients. <p>According to the health personnel the main problems of health care system are the following:</p> <ol style="list-style-type: none"> 1. Low salary, which does not reflect the social role of health personnel in the society; 2. Poor material, technical and diagnostics basis of hospitals; 3. Low incentives for professional development; 4. Careless attitude of patients to their health.

<p>Ihor Pokanevych World Health Organization, Head, WHO Country Office in Ukraine</p>	<p>“Healthcare Financing and Administration was a very good project. We’re still using its books and other outputs. Still, among CIS countries, Ukraine is the only one that has not reformed its healthcare system. That’s why there is a system, but it doesn’t work. 80% of funding goes to payroll and nearly nothing goes towards development.</p> <p>“50% of Ukrainians delay in going to a doctor because they don’t have the money. Healthcare spending was 3.2% of GDP in 2009, but unofficially it was nearly 8%, with 4.8% going to honoraria and payments ‘under the table.’</p> <p>“Today, Ukraine’s healthcare system is functioning from sheer inertia and its limits are pretty severe. There is no medical protection or social security in the healthcare system. Government officials and business owners make use of foreign clinics, so there is little reason for them to concern themselves with healthcare at home. In the last decade, nothing has really changed and the needs are the same.</p> <p>“Ukraine has never been never one of those countries that places healthcare among its priorities. It has the lowest life expectancy, the highest rates of HIV/AIDS and other diseases. It has one of the lowest immunization and vaccination rates among European countries. For Europe, Ukraine could be dangerous even as a source of contamination with polio.</p> <p>“We shouldn’t look at the healthcare system as a consumer, as a system that eats up money, but as a system that generates it.</p> <p>“The Government and WHO’s European rep office have already put together an agreement. The technical side will be the Ministry’s remit: putting together an HR plan, preparing for emergencies, building consensus, and undertaking stakeholder analysis.</p> <p>“After a pilot project, Zhytomyr Oblast went off the system of budgeting, replacing it with two basic principles:</p> <ul style="list-style-type: none"> - performance-based financing; - money follows the patient (for instance, from the county to the oblast if the patient is transferred). <p>“At the implementation stage, today we need to change provisions in our legislation, such as Art. 49 of the Constitution, which declares that healthcare services are completely free for the general population and that the number of state healthcare facilities may not be reduced. We have counties where 30 people staff a maternity facility that sees only 15 births a year. That’s absurd.”</p>
<p>BRAAC, 2009</p>	<p>In Ukraine the absolute number of population in working age will start to go down in 2015. Ukrainian labour force of 22.4 million in 2007 will decrease to 14.4 in 2050; employment will decrease from 20.9 to 13.9 million. The number of pensioners will grow at accelerated rate. The number of pensioners per number of contributors (systemic dependency ratio) will grow from 0.90 to 1.39.</p> <p>The mandatory retirement age in Ukraine, 55 for women and 60 for men, is one of the lowest in Europe. One of the consequences of it is that Ukrainians spend more years as pensioners than for example the average in OECD countries. In 2007 life expectancy for average Ukrainian at the moment of retirement was 23.1 years whereas the same average for OECD was 20.5 years (for 2004). The Ukrainian women work smaller number of years but stay at retirement longer than women in any other European country!</p>

<p>BRAAC, 2009</p>	<p>After the minimum pension hike in 2004 (minimum pension up by 177 percent) the cost of pensions jumped from 9.2 percent of GDP in 2003 (a moderate level at European standards) to 15.3 percent of GDP in 2005 (the most expensive system among EU as well as non-EU countries). Additionally, the high share of pension expenditure in GDP is a result of low mandatory retirement age.</p> <p>The minimum pension level compared to the average net wage is the highest in Europe. That partially contributed to a substantial reduction of the poverty rate from 31.7 in 2001 to 7.9 in 2005. However, that rate has been constantly decreasing since 2001 and effect of the increase of the minimum pension does not look as the key factor behind that process. Moreover, poverty rate among the prime age workers (around 8 percent) was much above the rate among pensioners (around 4.5 percent) in 2005. At the same time the mandatory retirement age in Ukraine (55 for women and 60 for men) is the lowest in Europe and the part of earned income that must be contributed to the pension system (33.8 percent) is one of the highest in Europe.</p>
<p>BRAAC, 2009</p>	<p>The very high level of expenditure on pensions has led to introducing measures contributing to its reduction. In 2005-2006 pension parameters were changed (indexation of benefits below inflation). That allows to project pension expenditure decreasing to 12.2 percent of GDP in 2010 and 11.0 in 2015 (status quo scenario) or event to 11.6 in 2010 and 9.9 in 2015 (additional measures introduced). The projected reduction of pension expenditure – if hold in reality – will be spectacular.</p> <p>The measures introduced or to be introduced in a couple of years to come will improve fiscal sustainability of the pension system in Ukraine. However, these regulations will lead to a sharp reduction of relation of pension benefit to the wage before retirement (so called replacement rate) from 42.6 in 2006 to 35.5 in 2010 and 29.7 in 2015 (status quo scenario) or even to lower levels if additional measures are introduced. These reductions if they occur will improve current financial sustainability of the system. Without that reduction of the replacement rate this situation would be difficult. On the other hand however, these will be really sharp reductions of pensions in relation to wages. We do not discuss these changes here. They seem to bring the pension system back to a sustainable fiscal situation in the short run. However, the measures introduced and planned within the parametric adjustment are insufficient in longer perspective.</p>
<p>Ministry of Labour</p>	<p>The ratio between the average pension rate and the average wage was 49% as of 31.12.2007, 43% as of January 2007, 44% as of January 2006, and 39% as of January 2005.</p> <p>The average pension rate was higher than the minimum pension by 42% as of December 2007 (UAH 590 against 415.11), by 23% as of January 2007 (UAH 478.38 against 380), and by 16% as of January 2006 (UAH 406.82 against 350).</p>

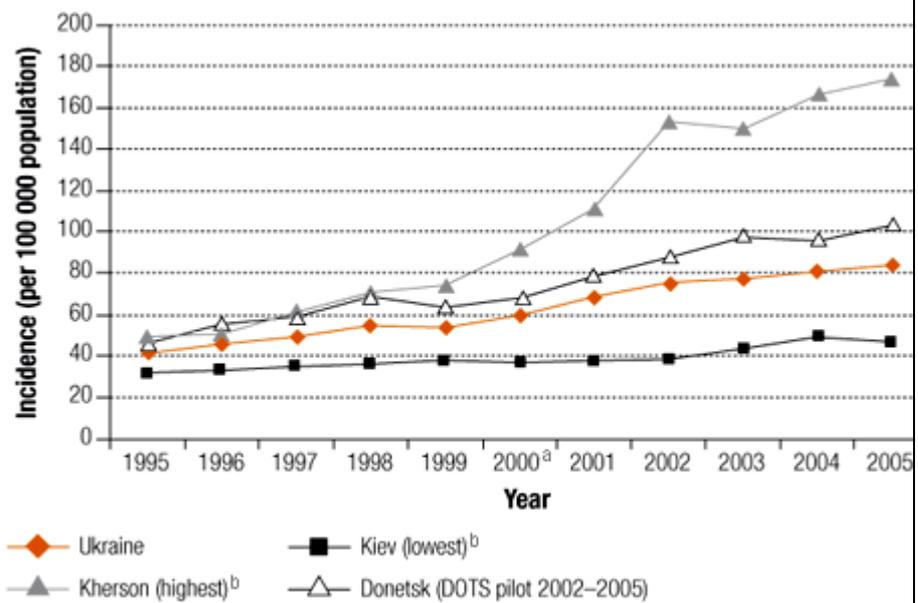
<p>CASE, 2010</p>	<p>The new law “On Mandatory State Pension Insurance” enacted in 2004 introduced a pension system that is significantly different from the Soviet-type pension system that existed in Ukraine prior to the introduction of this law. The new system is based on the three pillars.</p> <p>The first tier is a PAYG system with benefits based on the careful accounting of personal contributions to the system instead of average wage and years worked. The pensions of the beneficiaries of the previous pension system were recalculated to the new system, and most benefits were slightly increased. The second tier is a fully-funded pension investment fund run by the government. The third tier is a system of licensed private pension funds.</p> <p>First pillar:</p> <p>Old-age pension is guaranteed to every male over 60 and every female over 55 if they have worked for at least five years. The minimal pension is guaranteed to males that worked at least 25 years, and females that worked at least 20 years. The minimal pension is required to be higher than the minimal subsistence level in the country determined by the budget law.</p> <p>The amount of the pension payment from the solidarity system is determined by (1) total duration of employment, (2) amount of payments to the pension fund, (3) individual income coefficient, and (4) average salary in the country in the year prior to the year in which the pension is paid. The amount of old-age pension is increased for every year of delayed pension (not applying for pension after reaching pension age). The maximum increase is over 85% for delaying pension for 10 years.</p> <p>Second pillar:</p> <p>This system is based on individual accounts for each person participating in the mandatory state pension insurance. The system is funded by a portion of the payroll taxes paid to the Pension Fund. The State Pension Investment Fund invests funds into enterprises in order to generate additional income. The State Investment Fund provides individuals with one of the following types of pensions: fixed-term annuity, life-long annuity, annuity for spouse, and single payment pension. Payments of the pensions (except the single-payment pension) are administered by insurance companies which are contracted either by individuals or the pension fund. When an individual becomes a pensioner, the State Pension Investment Fund transfers the amount accumulated by the individual at the personal account to the managing insurance company which provides payments to the individual according to the contract between the individual and the insurance company.</p> <p>Third pillar:</p> <p>This system can be implemented through private pension funds, banks providing pension deposit accounts, and insurance companies. The system can provide fixed-term annuities, annuities (pensions), single pension payments, and annuities (pensions) for a spouse. The system is funded on a non-mandatory bases though individual payments. The third pillar of the Pension System can be introduced only eleven years after the introduction of the second pillar.</p>
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I 3.1.3 – Percentage of the population covered by the social protection system	
<p>Ihor Pokanevych World Health Organization, Head, WHO Country Office in Ukraine</p>	<p>“It’s hard to talk numbers. The work was at the national level and in counties in two pilot oblasts.”</p>
<p>Ludmila Radautan Monitor, EU Results-Oriented Monitoring Program for European Neighborhood Countries</p>	<p>“The project was based in Kyiv oblast. Some new services were set up in Kyiv oblast and three were integrated. In two places, they managed to establish integrated social services. If you have a problem in your family, you go to a single window (one-stop shop) and they will help you. In the third location, it proved impossible. In the very beginning, we made a thorough analysis of what there was, needs and financial capacity.</p> <p>“Oblast agencies contributed financially. In Brovary and Vyshhorod, one-stop shops were set up and have continued to operate until now.</p> <p>“I saw a lot of smaller cities where the system is absolutely destroyed. At that time, I believed that this was absolutely appropriate. Many officials were ready for training and they prepared trainers in a very comprehensive way. The question was, Who was going to fund it all?</p> <p>“Regrettably, people have changed. Still, we really managed to do something concrete to develop social services, to develop new quality standards, and mechanisms of guide keeping. They calculated costs per child. In time, they promoted the idea of money.”</p>

In the Ukraine, the second-largest country in eastern Europe with a 2005 population of 47.1 million, the incidence of active TB rose from 41.7 per 100 000 population in 1995 to 84.1 per 100 000 in 2005 (Fig. 1). In the same period, the prevalence of active TB increased from 193.1 per 100 000 population in 1995 to 219.1 per 100 000 in 2005 (Fig. 2). Meanwhile, the mortality rate from TB has almost doubled, increasing from 14.3 per 100 000 population in 1995 to 25.3 in 2005 (Fig. 3). But the TB burden is not evenly distributed. The incidence rate in penitentiary institutions is 3 to 4.5 times higher than the civilian sector. South-eastern Ukraine, which has a large number of penitentiary institutions, has incidence rates (e.g. Kherson region, 174 per 100 000; Mykolayev region, 111.1 per 100 000) that are 1.5 to 3 times higher than those in the capital city of Kiev (46.8 per 100 000; Fig. 1).⁷

Bulletin of the World Health Organization, 2008.

Fig. 1. Estimated incidence of active tuberculosis by region



^a Due to changes in reporting system the incidence in 2002 increased on 10.2%.

^b Regions with lowest and highest incidence rates in 2005.

Source: Ukrainian Ministry of Health, 2007.

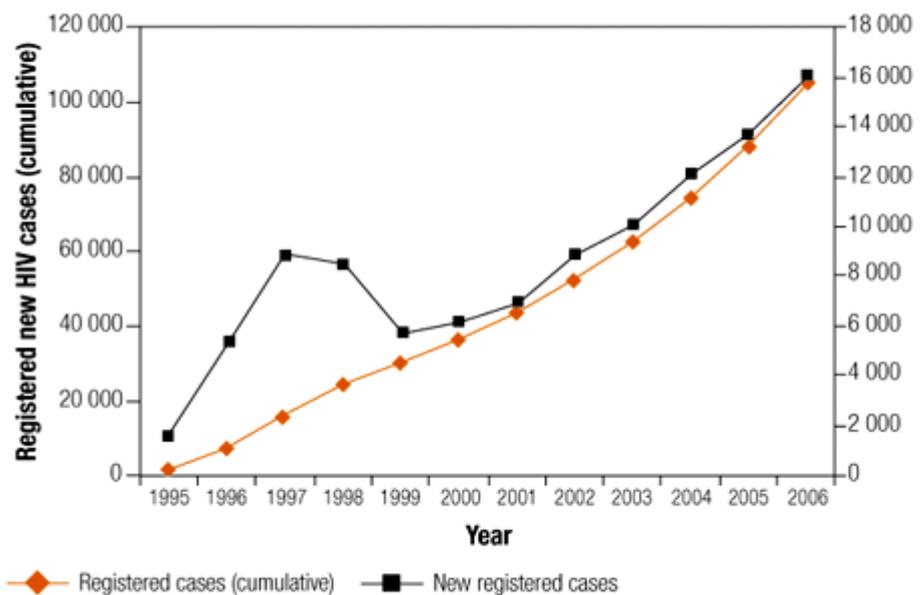
In 2005, the Ukraine reported a case detection rate of 86% for new and relapsed cases of TB and DOTS coverage rate of 29%, one of the lowest rates in Europe. The latter is of particular concern, as the Ukraine has one of the highest MDR-TB levels (10% of new and 29% of previously treated cases) in Europe.⁸ In the WHO 2006 Report on Global Tuberculosis Control, the Ukraine was the only eastern European country for which no trend data was available for the notification and treatment success rates, collaborative TB-HIV activities and MDR-TB levels for the whole country.

TB and HIV

As with TB, the incidence and prevalence of HIV has also risen. In 2006, there were 16 078 new registered cases of HIV, almost a tenfold increase from the number of registered cases in 1995 (Fig. 4). By 2005, Ukrainian authorities had reported a cumulative total of 88 626 HIV cases, but the Joint United Nations Programme on HIV/AIDS (UNAIDS) estimates put this figure nearer to 410 000, with an estimated incidence rate of 1.4% in adults aged 15 to 49 years. The Ukraine is now the most HIV-affected country in Europe and has the second-highest number of HIV-positive people after the Russian Federation. The HIV epidemic is predominantly driven by IDUs, but most IDUs do not have access to appropriate services. According to sentinel surveillance in IDUs, prevalence rate of HIV infection is 38.6% (59% in Odessa and Simferopol) and among commercial sex workers who also inject drugs, this level rises to 83%.¹¹ According to the UNAIDS definition, the Ukraine is at the edge of a concentrated HIV epidemic among IDUs and other risk groups that account for over 60% of all cases of HIV reported to date, and the share of heterosexual transmission has grown.

Bulletin of the World Health Organization, 2008.

Fig. 4. Number of newly registered and cumulative cases of HIV



Source: WHO health for all database and Ukrainian Ministry of Health.

I 3.1.4 – Level of protection secured to beneficiaries (percentage of healthcare expenses; minimum pensions compared to poverty line)	
<p>Ihor Pokanevych World Health Organization, Head, WHO Country Office in Ukraine</p>	<p>“As long as there’s no consensus, we can’t go forward. If we want to institute standards and treatment protocols, we need to have consensus in this country.”</p> <p>“The best results we’ve had so far have been with introducing the DOTS approach to treating tuberculosis: medication is taken under the supervision of a physician, TB is detected when individual comes in with problems, fluorography has been replaced by microscopy. In the past, the number of cases kept growing steadily, whereas now the situation with TB has normalized. But it’s going to take 9-10 years to persuade the Academy of Medical Sciences and the Ministry to teach physicians and adopt the new strategy for diagnosing and treating TB.”</p>
<p>US Office for Retirement and Disability Policy, Ukraine country statistics;</p>	<p>Old-age pension: Age 60 (men) or age 55 (women) with at least 5 years of covered employment; requirements are reduced for those who worked for at least 5 years under arduous or hazardous conditions, for mothers of five or more or disabled children, for disabled war veterans, and for other specified categories.</p> <ul style="list-style-type: none"> ▪ In all cases, contributions must be paid for periods of covered employment. Covered employment can include years spent in higher education, the armed services, caring for disabled persons or children younger than age 3, or being unemployed and seeking a job, if contributions are paid for these periods. ▪ Partial pension: Paid if the insured has less than 25 years (men) or 20 years (women) of covered employment. <p>Old-age pension: 1% of the wage base is paid for every full year of covered employment with at least 5 years of covered employment. The pension is paid monthly.</p> <p>The wage base is based on 60 months of earnings before June 1, 2000, regardless of interruptions, plus all covered periods from June 1, 2000.</p> <p>The minimum pension is 544 hryvnias (July 2008). The minimum old-age pension is equal to the minimum subsistence level for a disabled person.</p> <p>There is no maximum pension</p>

JC 3.2 – The Commission’s interventions contributed to the design and implementation of a national strategy on employment	
Preliminary findings related to the JC based on the findings of the Indicators	
I.3.2.1 – Existence of a national strategy on employment	
CASE, 2007	<p>Since Ukraine’s independence the following developments with regards to labour issues can be considered positive:</p> <ul style="list-style-type: none"> • Labour force participation and unemployment rates are not that bad and approximate the EU average; • The proportion of women in the labour force is fairly high (48.9 per cent) and is similar to the situation in the EU; • Between 2000 and 2004, the share of people who identified themselves with “middle class” increased from 9.2 per cent to 16 per cent; • The share of wage and salaried employees covered by occupational injury insurance is quite high (84 per cent); • With a collective bargaining coverage rate of 74.1 per cent, Ukraine is at the level of the EU average. <p>Negative developments and trends can be outlined as follows:</p> <ul style="list-style-type: none"> • Monetary increase in wages and salaries has not been able to compensate for the loss in purchasing power caused by inflationary processes; • Over 16 per cent of low pay workers earned less than 2 USD a day, which means that in 2004 the salary of low pay workers in Ukraine was less than the established minimum wage; • In spite of a relatively low unemployment, the number of long-term unemployed grew almost tenfold. Ukraine’s falling unemployment rate is largely a function of the negative population growth pattern than of the creation of new jobs; • In comparison with the EU, Ukraine has the lowest incidence of employer sponsored/ organized training; • Job-related training especially for women is a major concern. Moreover, the majority of the • Ukrainian employees had received no promotion in the past five years; • In spite of the decline in strike activity, the last decade witnessed continued erosion of the social security system and a deterioration of working condition in such accident prone industries as construction and mining.

<p>Ministry of Labour</p>	<p>One of the priorities of the public employment service is the citizens return to the efficient work, shortening the unemployment period and accelerating their employment by means of increasing their competitiveness on the labor market. To achieve this goal the public employment service conducts the professional training of the unemployed according to the demand of the labor market and the requests of the employers.</p> <p>The compulsory state social unemployment insurance Fund of Ukraine finances the professional training, retraining and further training of both unqualified workers and the professionals with the higher education.</p> <p>In 2008, 26,1 thousand of various educational institutions, enterprises, organizations, agencies took part in the training of the unemployed.</p> <p>The main requirement while setting up the unemployed training is the coordination the employer’s need and the job applicant’s interests and this facilitates the person’s employment in the shortest possible time and his/her dedication to this job.</p> <p>Each year the number of the employed citizens after they have been trained is increasing. In 2008 their number increased twice as compared to 2007 and amounted to 172.9 thousand persons.</p> <p>The professional training is constantly coming closer to the employers’ demand and is held directly on the production site. The public employment service uses various kinds of training, for instance the training in compliance with the individual training plans, training according to the employer’s order, practical study on the production site.</p>
<p>Ministry of Labour</p>	<p>The effective mechanism of the social partnership between the employment service and the employers is the subsidy for employing the jobless persons at the expense of the compulsory state social insurance Fund of Ukraine. This subsidy provides the jobless persons employed according to the employment service letter of referral the decent conditions and the remuneration of his/her labor, additionally this subsidy supports the employer encouraging him/her to expand the production and to create new work places.</p> <p>This employment centre service is designed first and foremost for the employment of the persons who are not competitive on the labor market.</p> <p>For 2008 by means of the employers’ subsidizing almost 45 thousand unemployed people were employed and near 18 thousand out of 45 thousand are persons who need the additional social protection.</p>
<p>Vasyl Kostrytsia Journalist, International Labor Organization</p>	<p>“There is a strategy, but it’s only for today.</p> <p>“Until 2005, EC projects had ambitious goals: reforming legislation and changing it. There have been plenty of outputs but no outcomes.</p> <p>“We had projects to draft a Labor Code that was supposed to be approved but sat five years after first reading in the Rada. All stakeholders were involved in its preparation: Government, unions and lawmakers.”</p>

I 3.2.2 – Existence of public institutions in charge of assisting the persons in search of a job	
Ministry of Labour	State Employment Centre (http://www.dcz.gov.ua) and its local offices administer the program of unemployment benefits.
Ministry of Labour	<p>In 2001 the Law of Ukraine „About the compulsory state social unemployment insurance of Ukraine” came into force and the public employment service was assigned the functions of the Fund executive administration. The Fund administration is accomplished by the state, the representatives of the insured individuals and the employers on the parity basis.</p> <p>The staff of the public employment service amounts to over 15 thousand persons, these people render the state social services to the employers and job applicants. Almost 93% of all employment service employees work directly in the municipal and regional employment centres.</p> <p>The main social services and material security rendered by the employment service :</p> <ul style="list-style-type: none"> • Searching an appropriate job and assisting in employment, including the subsidy to the employer, and the assistance in starting one’s own business; • Informational, consulting services related to the employment including the employment abroad; • Professional training, retraining and further training; • Setting up and financing the public works for unemployed; • Paying the unemployment benefit; • Paying one-time assistance for the unemployed to start their own business; • Paying the material assistance during the professional training, retraining and the further training of the unemployed; • Paying the material assistance to the unemployed including the assistance to his/her incapable family members and other kinds of material assistance.
Vasyl Kostrytsia Journalist, International Labor Organization	<p>“One of the EC projects with which we worked was tied into preventing migration and trafficking in people, and this mostly means finding jobs. This project worked with victims or potential victims of trafficking.</p> <p>“This project helped put together a national program for preventing illegal migration and trafficking in humans. The national employment program and the annual state programs have provisions in law about this. Among the measures that were proposed under these programs were elements of our project: developing a guide for state employment center (SEC) workers; specialists at all SECs and all county and oblast centers for illegal migration were trained; and a special system for employment and trafficking issues was established.</p> <p>“In addition, we taught nearly 50 people how to set up their own businesses and put together a business plan, and we offered them credit to start up their own operations. We helped 26 rural women to set up their own businesses, some of whom even created new jobs: one already has 10 employees working in a stitching shop.</p> <p>“This year, UAH 300 million has already been allocated for star-up business assistance: this should help create some 10,000 jobs, which is a first for Ukraine.”</p>

I 3.2.3 – Existence of a system of unemployment allowances and coverage of this system

<p>US Office for Retirement and Disability Policy, Ukraine country statistics;</p>	<p>Source of Funds</p> <ul style="list-style-type: none"> ▪ Insured person: 0.5% of earnings. ▪ Self-employed person: Voluntary contributions only. ▪ Employer: 1.9% of payroll. ▪ Government: Subsidies as needed from central and local governments. <p>Qualifying Conditions</p> <ul style="list-style-type: none"> ▪ Unemployment benefits: The insured must be registered at an employment office, be able and willing to work, and have income not exceeding the minimum wage. The benefit may be reduced, suspended, or terminated if the worker is discharged for violating work rules, leaving employment without good cause, violating conditions for job placement or vocational training, or filing a fraudulent claim. <p>Unemployment Benefits</p> <ul style="list-style-type: none"> ▪ With up to 2 years of covered employment, the benefit is based on 50% of average earnings; with 2 to 6 years, 55% of average earnings; with 6 to 10 years, 70% of average earnings. For the first 90 calendar days, 100% of the benefit is paid; 80% for the next 90 calendar days; 70% thereafter. Benefits are paid for up to 360 days in a 2-year period. For insured persons within 2 years of retirement, benefits are paid for up to 720 calendar days. ▪ The minimum benefit is equal to 23% of the minimum subsistence level. ▪ The maximum benefit is equal to the regional average wage in the previous month. ▪ Unemployment assistance: Paid to unemployed persons who have exhausted their entitlement to unemployment benefits and if the monthly average income for each family member does not exceed the established legal minimum. ▪ Dependent's supplement: Paid after receiving unemployment benefits for 360 days and unemployment assistance for 180 days. <p>Funeral grant: Paid to dependents, family members, or the person organizing the funeral. The grant equals the minimum subsistence level.</p> <p>Administrative Organization</p> <ul style="list-style-type: none"> ▪ Ministry of Labor and Social Policy (http://www.mlsp.gov.ua) provides general policy coordination. ▪ State Employment Centre (http://www.dcz.gov.ua) and its local offices administer the program.
<p>Nina Synenko Ministry of Labor and Social Policy, Section Head, Professional Development of Labor Potential and Alternative Service</p>	<p>“EC on-the-job training projects fostered the development of a system of professional development on the job. The results were aimed at increasing employment. Outcomes of the project included a draft of a concept on increasing professional qualifications and a bill that has currently been returned for reworking. We consider this project both effective and productive.”</p>

I 3.2.4 – Trends in employment and unemployment																	
State Statistics Committee of Ukraine	<p>Unemployment saw during the first part of the evaluation period a slow but steady decrease, but increased in 2009 to the level of 2003 due to the global financial crisis.</p> <table border="1"> <tr><td>10,3</td><td>2002</td></tr> <tr><td>9,7</td><td>2003</td></tr> <tr><td>9,2</td><td>2004</td></tr> <tr><td>7,8</td><td>2005</td></tr> <tr><td>7,4</td><td>2006</td></tr> <tr><td>6,9</td><td>2007</td></tr> <tr><td>6,9</td><td>2008</td></tr> <tr><td>9,6</td><td>2009</td></tr> </table>	10,3	2002	9,7	2003	9,2	2004	7,8	2005	7,4	2006	6,9	2007	6,9	2008	9,6	2009
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Vasyl Kostrytsia Journalist, International Labor Organization	<p>“The situation on the labor market has grown worse. In April 2009, unemployment hit 9.6%, based on economic activity, and there were 3.8% registered jobless. Prior to the crisis, there were 250,000 registered vacancies. By the end of January, they had fallen below 50,000.</p> <p>“After April, the number of vacancies began to grow again and joblessness went down. But there are two factors at work here:</p> <ul style="list-style-type: none"> -seasonal work, unofficial construction, and so on; -people on the unemployment rolls were cut because they rejected three job offers. <p>“Registered unemployment in Ukraine is lower than the real number of jobless. On one hand, not all who are out of a job bother to register; on the other, the number of people who are able to turn to employment centers is artificially kept low through administrative means. This is especially true of rural areas, where families generally have acreage that they farm. Adult members are automatically considered self-employed, even if these parcels of land do not bring them any profit. This norm is unfair, but it is convenient for the Employment Service and the Government, because they save money.</p> <p>“These kinds of restrictions balanced out the income and expenditures of the Employment Fund. In reality, though, it did not give them anything, because people are unable to avail themselves of any assistance and are tossed out of the labor market.</p> <p>“Today, Ukraine has around 8.1% unemployment, but less than 3% registered jobless.”</p>																

<p>JC 3.3 – The Commission’s contributions contributed to the provision of social assistance to the most vulnerable groups of the population</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>Inventory</p>	<p>Projects in the area of social assistance with a budget above €1 million:</p> <ul style="list-style-type: none"> ▪ Development of integrated social services for exposed families and children in Ukraine – March 2005 to September 2007 - €1.6 million ▪ Strengthening Regional Social Services – May 2005 to July 2008 - €2.6 million ▪ Support to establishing a comprehensive system of social services for young drug users – September 2006 to December 2009 - €3.0 million ▪ Support to the development of mid-term strategy for improving the system of social benefits – July 2008 to December 2010 - €3.4 million
<p>I.3.3.1 – Accuracy and relevance of statistics on vulnerability</p>	
<p>Development of integrated social services for exposed families and children, Draft Progress Report, March 2007</p>	<p>Funded from the Tacis Action Programme 2003, the project helped create favourable conditions / develop alternative social services in order to ensure the right of vulnerable children to live in a safe and secure family environment, aiming at reduction of children placed in boarding institutions.</p> <p>Generally, the original project design was satisfactory.</p> <p>Recent statistics (2007) indicate that there has been a 50% reduction in the rate of children admitted to state institutions (NB Specific Project Objective 1 envisaged a 15% reduction indicating that the expected outcome has been exceeded). In 2005 293 children were placed in state residential institutions in Kyiv oblast, in 2006 this figure dropped dramatically to 151.</p> <p>There has been a 63% increase in numbers of social workers employed by the Centres for Social Services in rayons, cities, towns and villages from 103 in 2005 to 279 at the end of February 2007.</p>
<p>Natalia Lukianova Director, State Social Services for Family and Youth</p>	<p>“There are official statistics, but not statistics the way we’d like to see them.</p> <p>“According to statistics, there are 13 million families in Ukraine, whereas we have data on 600,00 families, of whom we help 25,000.</p> <p>“There are also statistics by branch and by category. All statistics are with Derzhkomstat, the state statistics committee. But there is no concept of vulnerable groups there. For us, social vulnerability means one thing, for them, another.</p> <p>“Something was partly done by the projects. But only in part. In terms of the strategy and plan, there were no special objectives established because state statistics are one thing and monitoring another.</p> <p>“When it comes to statistics on HIV/AIDS, the narcotics service has registered 180,000 IDUs. To stop the epidemic, we need to be able to cover 60%. We cover 30%.</p> <p>“As part of the project, a system for monitoring young people who inject drugs was developed. We particularly monitor the work of our services that work with these groups.</p> <p>“But there are no consolidated statistics about vulnerable groups in Ukraine, nor even a concept of what vulnerable groups are, as such.”</p>

<p>Liubov Shnerenko Deputy Director, State Social Services for Family and Youth</p>	<p>“I have no idea. If there is some kind of statistical data on vulnerability, it hasn’t reached us.”</p>
<p>Halyna Zhykovska Ministry for Family, Youth and Sport, Director</p>	<p>“Our assistance to vulnerable groups only covers about 30%. People still don’t believe that someone might be willing to help them and don’t know how they might be helped with their problems. We have no working mechanism for providing support or pathways to solutions.”</p>
<p>Vasyl Kostrytsia Journalist, International Labor Organization</p>	<p>“There are no statistics as such, but practice has shown that 60% of individuals who are at risk of being trafficked or have been trafficked were actually officially registered employees at a company in Ukraine. The remaining 40% were essentially jobless. “There are no official statistics to confirm gender parity or disparity. Gender policies depend on every individual employer.”</p>
<p>I 3.3.2 – Existence of a government policy relative to social assistance</p>	
<p>Ministry of Labour</p>	<p>Ukraine has a working system of social assistance that consists of benefits to families with children, state social benefits to low-income families, orphan children and children deprived of parental care, cash allowances to caregiver parents and foster parents for provision of social services in family-type children’s home and foster families, to children in ward or under guardianship, benefits to persons with childhood disability and disabled children, and housing subsidy programmes. Such support is provided on the monthly basis to more than three million families and individuals needing it.</p>

<p>Ministry of Labour</p>	<p>The Law of Ukraine on Social Services states that social services are a complex of legal, economic, psychological, educational, medical, rehabilitation and other measures targeted at certain social groups or individuals being in complicated life circumstances and needing outside help for improving or renewing their vital activities, social adaptation and return to full-fledged life.</p> <p>Main forms of provision of social services consist of social servicing and material aid.</p> <p>To obtain social services provided by state and communal entities, a person in need of them should file a written application to a local executive authority or a local government. To obtain social services provided by non-state entities, a person in need of them should apply to a relevant entity providing the services.</p> <p>Social services are financed from the state and local budgets, special funds, funds of enterprises, institutions and organizations, payment for social services, charity aid funds, funds of social service recipients, and other sources provided for in laws.</p> <p>Funds necessary for financing of social services should be planned in local budgets.</p> <p>Funds for financing of targeted programmes of social services provision should be envisaged in the state and local budgets. Territorial programmes of social services development are financed from special-purpose subventions allocated to a local budget or by means of pooling local budget funds for implementation of joint projects.</p> <p>An exhaustive list of social services, conditions for provision thereof, and a procedure to regulate their payment tariffs are established by the Cabinet of Ministers of Ukraine.</p>
<p>Ministry of Labour</p>	<p>In order to create conditions for the provision of targeted social service directly on the domiciliary basis, social welfare service centres for family, children and youth are operating in Ukraine on the regional, district, city, village and settlement level as well as regional-level social servicing institutions. The social welfare service centres for family, children and youth are special institutions providing social services to family, children and youth being in complicated life circumstances and needing outside help.</p> <p>The main working objective of the social welfare service centres for family, children and youth is to provide psychological, socio-pedagogical, socio-medical, socio-economic, legal and information services to family, children and youth (paragraph 4, Resolution by the Cabinet of Ministers of Ukraine No. 1126 of 27.08.2007 <i>On measures to improve social work with families, children and youth</i>).</p> <p>In 2007 social service centres provided services to 775,709 persons.</p>

<p>Ministry of Labour</p>	<p>The Law on “State Assistance to Families with Children”, adopted in 1993, introduced about 11 types of different family allowances; most of these allowances are distributed on a categorical bases, and only limited number of the allowances is provided on the income-based means test basis. Most benefits were provided in-kind. The government is supposed to provide reimbursement for the free services to the producers of such services, e.g. telecommunication or transportation companies. Despite attempts to fulfill its obligations, the government constantly failed to finance all obligations, increasing debts to service providers and to beneficiaries.</p> <p>In order to shield families from the impact of the rapidly increasing energy and housing prices the government in 1995 introduced the “Housing and Municipal Services Allowance Program”. The program increased government responsibilities and pressure on the budget. The allowances were financed from local budgets, and regions with weak revenue bases rapidly accumulated arrears.</p> <p>The Decree of the President of Ukraine “On the Strategy to Eradicate Poverty” (Decree #637/2001, August 15, 2001) mentioned that the share of social privileges in the total amount of household incomes of the poorest and the richest 10% of households equaled 5.5% and 8.1%, respectively in 2000.</p>
<p>A. Klymenko Ministry of Labor and Social Policy, Deputy Director, Department of Finance</p>	<p>“A project in support of a medium-term strategy to assist with social benefits was launched in August 2008 and is scheduled to finish towards the end of this year. As part of the project, a center for data collecting and tracking was set up at the Center for Social Policy Studies under the Labor Ministry. Special equipment was installed, along with special software. A program product was also prepared, which makes it possible to model the situation with financial social payments like privileges, subsidies.</p> <p>“This program allows the modeling of how changes in the minimum wage, costs and so forth might affect the size of social assistance and the likelihood that they will grow, which was earlier all calculated by hand by specialists.</p> <p>“The project also attempted to discover unofficial employment and to submit propositions regarding normative and legislative bases on how to encourage legitimizing and registering workers.</p> <p>“The project has already shown which legal and normative changes are needed. By the end of 2010, we will have a medium-term strategy.”</p>
<p>N. Shkuratova Ministry of Labor and Social Policy, Specialist, Section Head, Normative-Legal Work with Elderly and Social Services</p>	<p>“The project to strengthen regional social services was one of the best. It was aimed at strengthening and improving social services.</p> <p>“EC experts helped us work up our normative base and prepare an action plan, with which we are now working.</p> <p>“During the course of the project, we reworked the Laws on social services, on civic associations, and on the procurement of social services. We also drafted a decree on licensing but it is currently on hold.</p> <p>“Our work in local centers made it possible to expand the range of services and the nature of the services. We drafted quality standards that have gone to our regional centers and we are now planning now to institute them. The project also supported the development of a system for services at the client’s cost: we have put together a new list of services for clients.</p> <p>“The project also helped us coordinate work with other agencies and regional centers. After the project ended, this work also ground to a halt because we don’t have the necessary resources. Then, there were meetings, technical</p>

	<p>assistance and legislation.</p> <p>“Coordination and managing the reform process remain as problems. Institutionalization and coordination are needed. We need to return to the law on social services and social procurements.”</p>
<p>EAMR 2009-02</p>	<p>The EU funded project "Strategy for improving the system of social benefits" supports representatives from the Ministry of Labour and Social Policy and the Ministry of Finance in developing an advanced statistical model and methodologies for projecting budget allocation for social protection with special attention on development of mid-term and long term scenarios of policy decision taken in social benefits payments. In a parallel the Ministry of Labour and Social Protection is looking for support in the development of social contracting mechanisms and introducing new financial instruments for funding social services instead of funding institutions.</p>
<p>Ludmila Radautan Monitor, EU Results-Oriented Monitoring Program for European Neighborhood Countries</p>	<p>“I remember this project. I monitored it in 2006 and 2007. The final assessment was in 2007. Now they prefer to have the final monitoring, which is not good for the commission or for the evaluator, because six months before the end is not the final picture of the project.</p> <p>“The project was a pilot and was meant to set up a One-Stop Shop service. It was ideal for implementing. There was a training center. No international trainers after project ended, but the center still exists.</p> <p>“Disseminating the pilot project is the work of the State, of the Government. Social services are the work of the Government, but the Government is not doing it. And it wasn’t in the project.</p> <p>“The project had a policy component. I mentioned regulation of several services that were approved. The Government now has to do it. People changed, priorities changed and they forgot about the project. It happens every time. Policies are the same, but priorities have changed.</p> <p>“The new government decided to change a reasonable document.</p> <p>“There is no consistent political will. If a policy is adopted, a new government shouldn’t change it.</p> <p>“There is no policy dialog as technical assistance.”</p>

<p>World Bank, Social assistance project</p>	<p><i>Social Assistance</i> programs are expected to account for about five percent of GDP in 2005. The social assistance benefits are delivered under five main programs: (i) social privileges; (ii) Chernobyl benefits; (iii) housing and utility allowances; (iv) family benefits (which in turn include 11 different types of benefits); and (v) social assistance for low-income families. The analyses of these programs demonstrate that although they reduce poverty in the aggregate, they could be much more effective in targeting the poor. The failure of the current social safety net to support the poor is in great part due to program mix, design and lack of local administrative capacity to deliver them. Some of these social assistance programs are targeted to certain categories of population and others are means-tested. Some of the social assistance benefits are provided in cash or in-kind, others, e.g., housing and utilities allowances, are in the form of direct transfers to service providers. Recent reforms undertaken by the Government in its effort to improve the system performance have generally been in the right direction towards the consolidation of benefits targeted to the poorest and most vulnerable sectors of society. However, some issues remain to be addressed to allow further improvement of policy and administration of the system. These include: (i) achieving greater coherence in the system; (ii) strengthening information on living standards and poverty monitoring; (iii) improving targeting of benefits to reduce the scope of error, while keeping the cost of targeting reasonable; (iv) improving the administration and simplification and standardization of delivery level procedures for cost effective and monitorable service provision.</p>
<p>World Bank, Social assistance project</p>	<p>Since the 2002 reform, more than 750 social welfare offices employing some 17,000 staff are responsible for the administration of social benefits (receipt of applications and eligibility assessment). The consolidated local welfare offices are now in need of modernization that will introduce simplified and standardized business procedures and information system that will allow them to deliver services quickly and to monitor programs effectively. These administrative reforms are the main focus of the Social Assistance System Modernization Project (SASMP).</p>
<p>Development of integrated social services for exposed families and children Draft Progress Report, March 2007</p>	<p>The model of social services for families in crisis being developed places an emphasis on prevention of placement of children in institutions. This was recognised as a fundamental building block of Ukrainian national policy on 13 March 2007 during the pan-Ukrainian conference hosted by the President of Ukraine Victor Yushchenko.</p> <p>A consultative group to help improve the legislation met on 23-24 March 2006 and included the acting-Director of State Social Services for Family Children and Youth as well as senior managers representing the relevant departments of the Ministry of Family Youth and Sport and Kyiv oblast State Administration. The event concluded with recommendations for further development of the appropriate systems and mechanisms to ensure new services are fully integrated into local structures.</p> <p>Project Legal Expert has collated and submitted comments and recommendations on the Draft Law on Social Services currently being considered by the Verhovna Rada.</p>

<p>Development of integrated social services for exposed families and children, Email exchange with Mr Polyuk, PM in the Delegation</p>	<p>The project contributed a lot in terms of lobbying children rights at the centre level and specially with civil servants in the Ministry for Family Youth and Sports. In general since that time a lot has been done in terms of children rights protection and for the moment a working group in the Ministry of Justice is working for the preparation for ratification of Council of Europe Convention of Children rights protection against sexual abuse and child pornography.</p> <p>A number of amendments has been introduced in the law regulating benefits for children in a families with one parents and for handicapped children, as well as concerning the salary for the foster parents and the provision to regulate sanitary norms for different type of children care.</p>
<p>Development of integrated social services for exposed families and children, Draft Progress Report, March 2007</p>	<p>The Project Team also participated in the development of the National Action Plan for Children</p>
<p>Development of integrated social services for exposed families and children, ROM</p>	<p>The project was implemented within three components: (a) Social services; (b) Legal; and (c) Capacity building / Awareness raising, which were closely interlinked.</p> <p>The produced results are really impressive. Within (a) Family Support and Early Prevention services were developed in 35 rayons and city administrations, Foster Care - in 19 rayons (originally planned 10) and full range of Integrated Social Services - in two rayons with utilisation of ‘Single Window’. Additionally to the original plan, family social workers were introduced in 19 villages. The Report on Funding new social services for children and families was presented in August 2007 with clear proposals for the new system and recommendations on its best possible planning and financing.</p> <p>The project took active part in elaboration of the new Law on Social Services for Families (approved in November 2006), drafting of the Deinstitutionalisation Strategy and of a series of by-laws and regulations (b). The Results within (c) include a Manual on Integrated Social Services, approved by the Ministry of Education (August 2007), creation of the Kyiv oblast Training Centre, preparation of 26 Trainers and carrying out of 46 training events. Different publicity materials, including posters, leaflets and stickers were disseminated within the public awareness campaign. In parallel, information was regularly publicised via mass media.</p>
<p>Natalia Lukianova Director, State Social Services for Family and Youth</p>	<p>“There were a number of EC-funded projects to improve the delivery of social services to children and families. We were the executors and partners of these projects. But all EC projects are pilot projects that are not intended to build up a specific system. Not all the goals and objectives were met during these projects. Execution depended on what agencies we worked with.</p> <p>“UNICEF projects tend to be carried out the most effectively, as they include a stage when positions are agreed, a review of plans, and the inclusion of us as partners at every stage of the process. Working with UNDP and UNDA is not as good, as we are only engaged in the last phases of implementation and have little impact on things. Decisions are largely made without consideration for our</p>

	<p>opinions.</p> <p>“Right now, we’re working on the communicative component regarding women’s and children’s rights. We’re putting together recommendations and already have a bunch of trained trainers. We received direct technical assistance in the form of computers and cars purchased for us.</p> <p>“The Cabinet issued an instruction on the system of reforming social services two years ago. As part of its implementation, we developed a strategy for delivering social services to families, young people and children. But to undertake it we put together a TWINNING proposal and are waiting for the result. The State Social Service was the initiator of this strategy and we did it all ourselves, without help from the European Commission.”</p>
<p>Vasyl Kostrytsia Journalist, International Labor Organization</p>	<p>“The ILO plans to continue cooperating with Ukraine in terms of protecting labor migrants through bilateral agreements and job support on the labor market. Migrants who return home need to integrate and reintegrate into their local labor markets. People can invest, but they often come back instead. There is no social net for them, so they also become excluded from life in Ukraine. Many people cannot start their own businesses because of the nature of running a business in Ukraine and the lack of honest competition. They then leave Ukraine again to work at unskilled jobs and gradually lose their professional skills.”</p>
<p>N. Shkuratova Ministry of Labor and Social Policy, Specialist, Section Head, Normative-Legal Work with Elderly and Social Services</p>	<p>“In Ukraine, vulnerable groups are excluded from ordinary life. There still is no social policy based on inclusion.</p> <p>“In the social arena, invalids, the mentally ill and the mentally or developmentally handicapped are all excluded. Meanwhile, beds are being cut back today in psychiatric hospitals. These people need to come under social assistance, but the system’s not ready for that.</p> <p>“We still have no idea how to plan work to protect vulnerable groups and settle matters with the state. Many of these people could work: the state ought to be allocating money for their adaptation and to gain profits from their work.</p> <p>“There was an EC project that tried to improve services that might help overcome exclusion in pilot regions. The boarding homes became more open and ties were established with the community. We’re still figuring out how to work with parents. But the Commission paid no attention to child psychiatry and exclusion.</p> <p>“The project had some good experts who worked openly and wanted to continue their work. But the project did not contain planning and instituting reforms at the state level. Social services continue to be scattered among agencies and there is no single administration responsible for them.</p> <p>“Also, in order to institute reforms, there needs to be dialog with the community. Unfortunately, we have no such tradition and it costs a lot.”</p>

<p>Support to the development of strategy for improving the system of social benefits</p>	<p>The project’s approach is based on the transfer of technical experience and expertise to support the MOLSP’s capacity for budget projection and allocation in the social protection field by developing the relevant tools and models. It is important to underline that the Project uses experience of the Ukrainian institutions and experts in social research and policy analysis as a starting point to establish a country-adapted information system.</p> <p>The project’s overall objective is to provide the Ukraine with tools which will allow the decision makers to make proper long term choices, having first foreseen the possible consequences of social benefit system modernization. Three project purposes have been defined as follows: 1.) Support the beneficiary in developing an advanced model and methodologies for projecting budget allocations for social protection based on reliable statistics and categories of population eligible for different benefits paid from the budget; 2.) Increase the capacity of the beneficiary to use modern tools for projecting budget allocations for social benefits and translating possible financial projections into social policy formulation; and 3.) Support the beneficiary in developing possible scenarios of social benefit system modernization focused on optimization and increasing efficiency of existing budget resources allocation.</p>
<p>EAMR 2007 final</p>	<p>Every Child Project: award-winning PR campaign to promote foster care over institutional care for Ukrainian children</p>
<p>WB UKRAINE - Social Assistance System Modernization Project; P075231; Loan #4807-UA</p>	<p>WB Project on Modernization of the Social Assistance System aiming to reform social assistance, including the establishment of a Management Information System.</p> <p>In anticipation of the adoption of a new and improved procurement law, the Project was designed to procure small civil works under the national rules. However, instead of improvements, the national procurement rules became completely unacceptable for the World Bank and, as a result, the Bank procurement rules were followed even for small civil works. This caused significant delays in completing renovations in 750 local welfare offices</p>
<p>I 3.3.3 – Involvement of CSOs in the formulation of the social assistance policy</p>	
<p>Development of integrated social services for exposed families and children, Draft Progress Report, March 2007</p>	<p>The Project has established a working partnership with Kyiv oblast Health Protection Department and work continues to improve the cooperation between social workers and medical staff at rayon level. At the end of December 2006 the cooperative relationships established between different agencies and in particular Health and Social Services has resulted in the prevention of abandonment of 44 infants who have remained with their mothers.</p>

<p>CIVICUS CSI country report 2006</p>	<p>Indicator: 4.1.2 - Social Policy Impact Case Study Description: How active and successful is civil society in influencing public policy in social areas? Country Report Result: Ukrainians consider that the most unaccomplished task of CSOs is their mission to protect social and human rights and influence government (Razumkov, 2003). In 2000 Ukrainian think tanks developed policy documents on social policy for Cabinet of Ministers of Ukraine (when the Prime-minister was the current President Yushchenko). Expert reviews and public hearings on implementation of the Government Action Plan were held in December 2000 and in April 2001. The government's social policy was widely discussed with extensive involvement of CSOs such as the Institute of Reforms, the Razumkov Ukrainian Center for Economic and Political Studies, the Agency for Humanitarian Technologies, the Institute of Civic Society, the Institute of Competitive Society, the Institute of Politics, the International Center for Policy Studies, the Union of Leaseholders and Entrepreneurs of Ukraine, the Ukrainian Union of Manufacturers and Entrepreneurs, and the Center for Anti-Crisis Studies. As a result of these extensive discussions, a set of specific proposals with respect to mechanisms for raising the population's living standards were developed and eventually considered by the Government (UNDP, 2002). After the adoption of the Law 'On Social Services' in 2003 (enforced in January 2004) Ukrainian CSOs organised a public campaign to change the discriminative provisions for non-governmental sector in this law. The aim of the campaign was to provide equal opportunities for all the providers of social services. During the campaign experts developed and submitted changes to the law as well as conducted wide information campaign. In 2004 the changes to the law were submitted and partially accepted. Media review has shown that civil society impacted on social policy in the sphere of protection the rights of invalids. However, only 2 of the 283 articles (0.7%) covered stories of successful campaigns, of the invalid association headed by MP Sushkenich and the long-term work of the Association of Mentally Disabled Children Parents, headed by famous civil society leader Raisa Kravchenko.</p>
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<p>Ministry of Labour</p>	<p>The social welfare service centres for family, children and youth cooperate with public organisations in realisation of social programmes. One of the areas of cooperation consists of volunteer activities.</p> <p>Besides, the centres cooperate with public organisations:</p> <ul style="list-style-type: none"> - regional units of the Red Cross Society; - Children’s Christian Fund; - Fund for Prevention of Chemical Dependencies and AIDS; - European Children’s Charitable Organization; - regional branches of the Children’s Fund of Ukraine; - Fund for Social Protection of Disabled Persons of Ukraine; - Ukrainian Family Planning Association; - Plast All-Ukrainian Scout Organization; - Oberih Charity Fund of Mercy and Orphan Protection; - La Strada-Ukraine International Woman’s Rights Centre, and others <p>The top-priority areas of volunteers’ activity today include social work with families including young woman, children with special needs and orphan children; prevention of negative phenomena in the youth environment; and popularisation of healthy lifestyles.</p> <p>According to operational data of the social welfare service centres for family, children and youth, 607 public and charitable organisations cooperated with them during 2007, including 3 international, 3 all-Ukrainian, 164 regional, 221 city-level, and 216 district-level organisations.</p>
<p>Ministry of Labour</p>	<p>Concerning persons with special needs, it should be noted that public organisations of disabled persons are the first to test new models of service provision because it is they that know problems of such persons from inside and see ways to solve them as no-one else does.</p> <p>Article 14, Law of Ukraine on Basics of Social Protection of Disabled Persons in Ukraine entitles public organisations of disabled persons to provide social services, exercise public control over compliance with disabled persons’ rights, represent disabled persons’ interests and protect their rights, etc. According to the Ministry of Justice of Ukraine, 54 all-Ukrainian public organisations of disabled persons were registered and working as of 31.12.2007.</p>
<p>Natalia Lukianova Director, State Social Services for Family and Youth</p>	<p>“One of our main objectives is to work with CSOs. It is to them that we owe thanks for many models that have become state policy. Because of them, we had nearly 25 experts from different sectors and broad debate on the formation of social assistance policy. CSOs helped us write a strategy for the development of social assistance in Ukraine. But it was put together prior to the crisis and now, understandably, we won’t be able do to anything without funding. So local Centers continue to adopt their work plans, which include no communication with NGOs or dissemination of information through them to the general public.”</p>
<p>Vasyl Kostrytsia Journalist, International Labor Organization</p>	<p>“The priority areas for cooperation between the state and CSOs is the upcoming administrative reform, which should include issues of social dialog and collective bargaining.</p> <p>“As to the EC, it would be useful to include in the next projects the possibility of cooperating with the International Labor Organization as well in order to adequately secure a social dialog in the process of implementing reforms.”</p>

I.3.3.4 – Comprehensiveness of the social assistance system	
<p>Development of integrated social services for exposed families and children, Email exchange Mr Polyuk PM in Delegation</p>	<p>The most important aspect was to develop methodology for the integrated social services and demonstrate that this methodology can work in the Country. Many deliverables and results are effectively used now at the centre and local levels. The model proposed for the integrated social services for children in difficulties was taken on board by many stakeholders regional administrations. This model is now effectively used by UNICEF project that is implemented in the other part of Ukraine. This one is also co-funded by the EU.</p>
<p>Natalia Lukianova Director, State Social Services for Family and Youth</p>	<p>“Today, Ukraine has no integrated system for providing social security to the public. It is scattered among many ministries who each are responsible for their component. There is no single government body that covers all the components. There is no assessment from which we might even extrapolate coverage. Nor has there been any project that might have helped us figure this problem out, where these issues would be studied and people would talk about them. “There hasn’t been any assessment of what portion of the population needs our services. So the services we provide go only to those who actually turn to social services and can prove that their family needs social services. “The best pilot project was in Kyiv Oblast, but it has isolated the oblast from other regions. But there’s no anticipation, geographically, what should happen where and how the practices and results achieved during the pilot might be extended further.”</p>
<p>O. Postiuk Ministry of Labor and Social Policy, Deputy Director, Department of Social Partnership and Social Insurance</p>	<p>“I don’t know about the system. We undertook a project in 2002-2003 to develop the system of worker’s compensation insurance against on-the-job catastrophes. “The support had its downside because not all of the experts were real specialists and 80% of the time they simply studied us. However, the remaining 20% of their work made it possible to persuade our lawmakers and now Ukraine is developing social insurance that way it is in Europe. That’s a major achievement. “Incidentally, some Ukrainian aspects were reflected in German legislation. Now there, as here, there is a single fund for all insurance, which makes the system more unified.”</p>
<p>Liubov Shnerenko Deputy Director, State Social Services for Family and Youth</p>	<p>“For comprehensive assistance, we need projects aimed at local communities, at bringing in a social work specialist to these communities. Maybe a single individual for the Ministry of Labor and others.”</p>
<p>Halyna Zhykovska Ministry for Family, Youth and Sport, Director</p>	<p>“Thanks to our donors and the EC in particular, a bill to counter trafficking in humans is currently being drafted. It has already gone through a preliminary review at the Ministries. A targeted program through 2016 is also being drafted, to provide protection for victims and those who have suffered from trafficking in humans. “The EC has helped us enormously with support in organizing campaigns, roundtables and seminars, developing a legislative base, engaging experts, ensuring a national mechanism for gender parity, and countering domestic</p>

	<p>violence. In this context, we even drafted a strategy and short-term plans. We also plan to set up a consolidated hotline for countering trafficking and domestic violence and to launch a television program that would look at actual calls and help solve problems.”</p>
<p>I 3.3.5 – Cooperation between governments at central and local level and CSOs in the provision of services to vulnerable groups</p>	
<p>Development of integrated social services for exposed families and children, Draft Progress Report, March 2007</p>	<p>Project has formed a partnership with the NGO Ukrainian Centre for Common Ground who has worked to develop restorative justice programmes in Ukraine. Through several conferences the notion of development of multi-agency working to reduce juvenile crime was supported and will target personnel of Criminal Militia, Centres for Social Services, Department for Education and local rayon and city administration officials.</p>
<p>Natalia Lukianova Director, State Social Services for Family and Youth</p>	<p>“We tried to operate parallel to the state strategy, by helping organize the work of local Social Assistance Centers. The EC has had no impact on this, although it should have been there. “Local communities and their mayors should independently determine the numbers of social workers needed, depending on the number of orphans, alcoholics, and so on. The EC could plan its funding and direct it to resolve such community problems using the capacities of those communities.”</p>
<p>M. Yegorova Ministry of Labor and Social Policy, Head, Foreign Labor Migration and International Cooperation</p>	<p>“Directly—two projects in countering trafficking with people that were directed at increasing the institutional capacity of the State Employment Service at all levels and improving legislation. “Chernivtsi Oblast was the pilot region. Both projects were carried out entirely according to plan and both sides were very satisfied with the cooperation. In the project carried out jointly with the ILO, we worked to improve the institutional capacity of the State Employment Service and to change the methodology used by the SES regarding women. The project also provided ad hoc support for migrant women. “The specific aspects we studied were fully analyzed. All our experience is being put to use and we’ve had positive feedback from users. The results have been entered into the methodology of the SES at all levels. “The projects had two key aspects:</p> <ul style="list-style-type: none"> • The informational component of the State Employment Service: assistance and protection for potential migrants and employers; publications, brochures for all categories of individuals who turn to the SES; • In-depth work: providing assistance to potential migrant women. On one hand, so that they do not leave, and, for those who come back, so that they can apply the skills they have learned. We helped arrange microcredits for them to set up their own businesses and have special training programs to help develop business plans.”

<p>Vasyl Kostrytsia Journalist, International Labor Organization</p>	<p>“The EC Delegation in Ukraine’s Gender Program has five projects. Among them are projects directed at establishing equal opportunities and increasing the opportunities for women to find work and start up a business. During this project, more than 300 women launched their own businesses and underwent special training. Many of them were in rural areas.”</p>
<p>Capacity building of the social protection organization (contract nr.:117- 315): FINAL NARRATIVE REPORT, 03/10/2008</p>	<p>The project funded a local CSO supporting Roma children. Throughout the project regular meetings were held with local authorities that can be assumed to have risen the awareness about Roma issues. However, there is no indication that this CSO has been involved in local decisions.</p> <p>In view of the fact that because of resistance of Uzhhorod City Council to give premises for Roma Children Home for Orphans the implementation of proper activities was postponed it is possible to say that relationship with local authorities is not satisfactory. But, the problem was caused only by the Head of Uzhhorod City Council. There was fully support from Department of Health Protection of Uzhhorod City Council.</p> <p>The relationship with regional authorities, i.e. Zakarpatska Oblast State Administration, can be assessed as very good one. There is fully support from the Head of Administration and his adviser, Department of Education and Science, Department of Health Protection, Department for Under-Age Population Issues and Department for Family and Youth Issues</p>
<p>EAMR 2007 final</p>	<p>Community based approach project: Ukraine-wide project to support local communities' capacity to organise village and neighbourhood associations to identify and address problems at the local level has been launched.</p>

EQ 4 on Economic Reform and Development

To what extent have the Commission's interventions in support of economic reforms contributed to economic growth, poverty reduction and alleviation of regional imbalances	
Judgement criteria and indicators	
JC 4.1 – The Commission's cooperation contributed to the implementation of a macroeconomic policy conducive to strong and sustainable economic growth	
Preliminary findings related to the JC based on the findings of the Indicators	
Inventory	<p>During the evaluation period, the Commission actively supported reforms of the Ukrainian fiscal system in four key areas:</p> <ul style="list-style-type: none"> • External audit: Audit Public Finance at Kiev – May 2002 to May 2006 - €1.9 million • Cash and debt management: Effective State Budget Management – November 2004-December 2006 - €2.7 million • Taxation: Support to Taxation Reform – April 2005 to May 2008 - €1.5 million • Internal control: Assisting the State Control and Revision Office of Ukraine (KRU) in implementing the new system of public internal financial control (Twinning project) – September 2007 to December 2009 - €1.2 million. <p>In 2009 was launched a 2.5 year and €4.4 million project in support of the harmonisation of competition and public procurement systems with EU standards. A twinning project on debt management and budget forecasting is currently under preparation.</p>
SIGMA, 2006	<p>Ongoing technical assistance to budget management and projects under preparation include the following assistance:</p> <ul style="list-style-type: none"> • TACIS assistance to the State Treasury from 2004 to 2006 (3 million euros); • The Municipal Budget Reform project, supported by the USAID, from 2005 to 2008, which has an "add-on work" component to provide training and technical expertise to the MoF in implementing a national "Performance Programme Budgeting" (cost of the component: US\$ 4 million); • PHRD grants, notably to support the preparation of the World Bank's "Public Finance Modernisation Project"; • The World Bank's "Public Finance Modernisation Project", which is under preparation (preliminary total cost estimate: US\$ 65 million, of which the World Bank is financing US\$ 50 million). The main objective of this project is the development of an integrated public financial management system, but it would also include a "strengthening institutional capacity and operational effectiveness" component to assist the MoF in capacity-building (for a possible cost of US\$ 3 million). <p>The above assistance should fulfil the needs for strengthening public expenditure management at the MoF level. Further assistance should focus on strengthening capacities at line ministry level. In particular, developing a programmatic and performance oriented approach in budgeting will require adequate capacities in line ministries for expenditure programming, defining and monitoring performance indicators; and modernizing the accounting system will require training the budget organizations' accountants.</p>

<p>Joint evaluation report EU-Ukraine Action Plan</p>	<p>Macro-economic developments: Following a slow-down of economic growth in 2005, the last two years have seen robust economic growth (in 2007: 7.3%), supported by strong domestic demand fuelled by rapid credit expansion and wage growth. Inflation accelerated throughout 2007, reaching 16.6% (year-on-year) in December 2007, driven by food prices and services (notably energy). State intervention in the economy through direct subsidies and tax breaks should be disciplined and progressively reduced. Open and transparent privatisation procedures should be based on a formal mid-term privatisation strategy. International surveys on the ease of doing business have not shown tangible improvements in Ukraine over the last three years, which therefore remains a priority for the country, i.a. through a wide-ranging tax reform, risk-based and less burdensome administrative controls, and the simplification of the licensing system.</p> <p>As regards public procurement, changes in the legislative and administrative set-up in Ukraine have overall reduced transparency and hampered the efficiency of the public procurement system in Ukraine.</p>
<p>I 4.1.1 – Trend of budget deficit as a percentage of GDP</p>	
<p>IMF Statistics</p>	<p>From 2000 to 2008 the Central Government budget balance varied within a range of +0.5% of GDP (in 2002) and -4.4% of GDP (in 2004)</p>
<p>SIGMA, 2006</p>	<p>Budget execution on a cash basis is controlled. However, improvements are needed to (i) ensure a smooth implementation of the budget; (ii) complete the implementation of commitment registration; (iii) ensure that payments are made only once the goods are delivered or the services rendered, (iv) minimise the costs of cash management or maximise revenues from liquid assets; and (v) implement measures discussed in the PIFC assessment.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Traditionally authorities play with transfer distributions throughout the year. The major bulk of expenses are usually postponed until the second half and, in case of a funds' shortage, some items are underfinanced. This approach helps the Finance Ministry to keep deficit (and debt) numbers in good shape.</p>
<p>SIGMA, 2006</p>	<p>The concept paper for the development of Public Internal Financial Control (PIFC) is an important step forward in the development of a sound Ukrainian PIFC system, based on EU/ PIFC principles. In fact, the three EU pillars of a PIFC system (sound financial management control system, decentralised internal audit and a central harmonisation unit in the MoF) are recognised and defined in the concept paper and action plan, although not dealt with adequately in all aspects.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Current Ukrainian fiscal policy is characterized by short-term planning and spontaneous changes to revenues and spending plans. Special Fund and earmarking specific revenues for some specific needs (mainly social) serves to protect selected spending during stormy political times.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Budgeting process in Ukraine is based on short-term (one year) planning. The approach is convenient for the prompt revision of recurrent expenditures but is unacceptable for sustainable capital investments. Although the government has approved plenty of strategic plans, implementation is not possible with unstable financing and yearly budget revisions. There were no successful efforts to extend the time horizon for budget planning, although several draft laws to improve budget planning are pending in parliament.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The Public Finance Modernization Project (supported by a World Bank credit) includes a review of budget execution procedures for capital projects. The World Bank requested strengthened joint monitoring (by the Finance Ministry and the Ministry of Economy) for the implementation of capital projects.</p>

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The government has not changed tax rates (except excise duties) since 2007 when the personal income tax (PIT) rate was raised to 15% (from 13%). That was the final stage of the PIT reform initiated in 2004.</p> <p>At the same time the tax base has been under permanent revision. The VAT underwent the most drastic changes in recent years. The most serious revisions took place in 2005 when the government eliminated tax privileges for Special Economic Zones (SEZ). In addition, in 2006 Ukraine and Russia moved to new schemes on natural gas supplies. According to new arrangements, gas supply was subject to VAT taxation, which was not the case before. As a result, the VAT revenues almost doubled in 2006 to 9.3% of GDP vs. 4.8% in 2004. In 2008 the new VAT reforms changed the tax base. The government abolished the VAT promissory notes for imported products, which stimulated prompt increase in the VAT inflow (up to 10.6% of GDP in the first half of 2008); however, subsequently, on the heels of hryvnia devaluation, imports decreased and the VAT revenues reduced slightly by the end of 2008 (9.5% of GDP in 2008). At the same time the VAT share in the structure of government budget revenues increased from 27% in 2007 to 30.9% in 2008.</p> <p>By the end of 2008 there was growing pressure to reduce the tax base. The authorities consider a lower tax a way to overcome economic problems, and some legislative initiatives envisaged shrinking the tax base for the VAT, PIT and enterprise profit tax.</p>
<p>I 4.1.2 – Financing mechanisms of the budget deficit</p>	
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Up until recently, the government has increasingly relied on borrowing from abroad. The share of domestic debt dropped from one third of total state debt (year-end 2004) to approximately 25% (year-end 2007) and has remained at this level throughout 2008 (and as of 2008 year-end).</p> <p>Currently, domestic debt financed through debt securities composes about 23% of the total outstanding state debt (as of December 2008; total state debt does not include guarantees provided by the government) suggesting there is a vast capacity for the government to solidify its presence in the domestic debt market. Not only does the domestic debt issue reduce government transaction costs, but more importantly, it supplies financial instruments to the domestic capital markets, where the lack of reliable instruments is identified as one of the major problems.</p>
<p>I 4.1.3 – Trend of monetary growth</p>	
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>A number of important and high-priority tasks still need to be addressed, including improving the political independence of the NBU by extending the governor’s term in the office and eliminating possibilities for political pressures. Draft Law suggesting amendments to the Law “On the National Bank of Ukraine” (No. 0851 of 23 November 2007) is under consideration by the Parliament’s Finance and Bank Commission. The draft extends the governor’s term from five to seven years and narrows circumstances when council members can be dismissed (possibilities of dismissal for political reasons are restricted substantially). The draft Law also suggests several amendments to reduce the sources of conflict of interest for management and employees of the National Bank: no employee, including the governor and deputy governors, can work for both the NBU and the government, parliament, or commercial enterprise. The governor and top managers of the NBU cannot own shares in commercial banks, hold loans from commercial banks or perform managerial duties for a commercial bank. Although the appropriateness of the specific formulations and restrictions is a matter of further and deeper analysis, overall, the suggested amendments are a step in the right direction and will help to strengthen political and operational independence of the central bank, both as the monetary policy authority and commercial bank supervisor.</p>

Blue Ribbon Analytical and Advisory Centre, 2009	A welcomed recent development to strengthen reporting and disclosure requirements approved in December 2007 was a resolution to govern the procedures for preparation and disclosure of financial statements by Ukrainian banks. The resolution details the content requirements and format of mandatory financial information as well as the frequency and procedures for disclosure. Most provisions in the resolution are consistent with IFRS guidelines and are regarded as the way to narrow the gap between Western standards and practices and those used by Ukrainian banks.
I 4.1.4 – Interest rates	
IMS statistics	The spread of Ukrainian banks (difference between lending rate and deposit rate) which was above 10% in the early 2000s as decreased since then and stands since 2006 at around 5.5%. This figure is still high compared to developed countries where the spread is usually limited to 2%-3%. It suggests a lack of efficiency of the banking sector.
I 4.1.4 – Inflation rate	
IMF Statistics	During the period 2002-2008 inflation as measured by the Consumer Price Index averaged 10.8% with a low at 0.8% in 2002 and a maximum of 25.2% in 2008
IMF Reviews 2004 to 2008	From 2004 onwards the IMF reviews pointed out the risk of an overheating of the economy. To fight inflation they recommended restrictive fiscal measures and more flexibility of the exchange rate. They underlined that the de facto peg of hryvna to the dollar limits the ability of monetary policy to combat inflation. In 2008 the NBU changed its exchange rate policy from peg to the dollar to managed floating.
JC 4.2 – The Commission’s cooperation contributed to the establishment of a fully functioning market economy	
Preliminary findings related to the JC based on the findings of the Indicators	
Inventory	<p>During the evaluation period, the Commission contributed to the establishment of a functioning market economy and to the development of the private sector through a series of projects, the largest being:</p> <ul style="list-style-type: none"> • Enterprise restructuring Facility – December 2002 to October 2007 - €2.9 million • Ukrainian-European Policy and Legal Advice Centre – June 2002 to May 2006 - €4.7 million followed by Ukrainian-European Policy and Legal Advice Centre – July 2006 to June 2009 - €4.4 million • Legal and institutional basis for protection of competition (Antimonopoly Committee) – July 2003 to March 2007 - €2.5 million • Improving SME environment – March 2003 to September 2006 - €2.7 million • Support to the accident insurance system in Ukraine – March 2004 to November 2007 - €1.6 million • Improvement of risk management capacity of SMEs in agriculture - May 2005 to April 2009 - €1.9 million • SME finance support to regional banks and banks with large regional branch network – July 2006 to July 2009 - €1.0 million • Support to the Ukrainian insurance sector – April 2006 to March 2009 - €2.9 million • Strengthening of the Ukrainian Financial Services sector – August 2008 to December 2010 - €3.7 million <p>In addition, the Commission contributed to the EBRD programmes in support of SME finance (€1.0 million) and of the development of microcredit (two contributions of €1.5 million each)</p>

<p>Joint evaluation report EU-Ukraine Action Plan</p>	<p>Further steps towards improving the business and investment climate in Ukraine, including a transparent and predictable legal and administrative framework as well as an independent judiciary, are essential.</p> <p>As regards financial services, progress has been achieved through the adoption of WTO related banking and insurance legislation, but further steps are needed, including the adoption of rules on the introduction of disclosure rules regarding the ownership of banks and a unified approach to the drafting of the new Law “On Insurance”, which would ensure closer conformity with relevant European and International rules and commitments.</p>
<p>I 4.2.1 – Progress in the approximation to that of the EU of the legislative and regulatory framework relative to economic activity</p>	
<p>ENP Progress Report 2004</p>	<p>The 2001 Law on Protection of Economic Competition prohibits anti-competitive concerted actions (authorisation may be granted in certain circumstances) and abuse of a dominant position, and also provides for a system of merger control. The new Economic Code, in force since January 2004, introduces further provisions on competition. Ukraine’s legislation does not define, or provide for the control of, state aids although the 2001 Law prohibits a number of anti-competitive actions by public authorities. A national competition authority (the Antimonopoly Committee) has been in place since 1993 and operates through a central office in Kyiv as well as a network of regional offices. Appeals against a decision of the Antimonopoly Committee or its regional offices can be made both at administrative and judicial level.</p>
<p>ENP Progress Report, 2006</p>	<p>Regarding competition policy, a new law “On protection of economic competition” was adopted in 2005. The Action Plan calls <i>inter alia</i> for assessment of the adequacy of the current legislative framework and ensuring the powers and independence of the Antimonopoly committee of Ukraine. To evaluate its progress in this area in a neutral way, Ukraine has agreed to submit itself to an OECD "peer review" of its competition policy in the OECD's Global Forum on Competition, which will take place in October 2007, on the basis of an independent report available shortly before that.</p>
<p>ENP Progress Report, 2006</p>	<p>As regards public procurement, the many changes that have been introduced into the legislative and administrative set-up have reduced transparency and some key changes are not in accordance with international and EU best practices. Information on public procurement has become more difficult to obtain while the division of responsibilities between public and private bodies is now unclear. It has, however, been agreed to collaborate on improving this legal and institutional situation.</p>
<p>ENP Progress Report, 2006</p>	<p>Discussions with Commission experts are taking place with a view to the possible adoption and implementation of the European Charter for Small Enterprises. An Euroinfo Centre was opened in Ukraine at the end of 2005.</p>
<p>ENP Progress Report, 2006</p>	<p>International surveys on the ease of doing business did not show tangible improvements in 2007, therefore raising questions on the prospects for more broadly-based growth in the longer term. According to these surveys, Ukraine is lagging considerably behind the regional peers, in particular in the areas of paying taxes, dealing with licences and protecting investors. The 2006 law on a business permit system is not fully implemented, because, mainly, of the lack of implementing regulations. The 2007 law on inspections reflects understanding of the need to reduce the administrative burden on companies but it has not yet deployed its effects, partly due to divergences in interpretation by different State bodies. Tax inspections and, generally, the intricate tax system represent a considerable barrier to business development, which should be tackled through a comprehensive tax reform.</p>

<p>ENP Progress Report, 2007</p>	<p>A new tax code, which is supposed to replace and consolidate more than 200 regulations in force, is still to be approved by Parliament. Ukraine still has to improve and simplify its VAT administration system, as no long-standing solution was found for the issue of reimbursement of VAT refunds. In terms of remaining challenges, Ukraine will also need to reinforce the administrative capacity of the Tax Administration, in particular by moving towards a more focused risk-based system for tax control and audits. Contacts have been established with the European Commission services for an exchange of views on the principles of the code of conduct for business taxation.</p>
<p>ENP Progress Report, 2007</p>	<p>Concerning competition policy, a draft law amending certain elements of the Ukrainian law on the protection of economic competition, including state aid aspects, has been rejected by the Parliament. There has been no progress with regard to the transparency and independence of the competition agency, the Anti-Monopoly Committee of Ukraine. Staffing problems have been further aggravated by the wide range of its responsibilities which also cover the public procurement area. Ukraine agreed to an OECD peer review of its competition policy, which took place just after the reporting period in the beginning of 2008. The draft report contained many recommendations for improvements in legislation and practice. In the area of state aid, no progress is to be reported.</p>
<p>ENP Progress Report, 2007</p>	<p>The public procurement legislation is not yet in line with international and EU practices and does not provide for enough transparency and stability. The significant increase of the role and power of the tender chamber without adequate mechanisms of public control on its activities is a source of concern. The institutional structure of the procurement system is unclear, creating overlaps in terms of function and control positions. It should however be noted that Ukraine is currently working on a revised legislation to address the above mentioned shortcomings.</p>
<p>ENP Progress Report, 2008</p>	<p>In the area of company law, the practice of company registration is quite transparent but there are problems as regards liquidation of companies. The draft law “on joint stock companies” was adopted by Parliament in September 2008 and approved by the President in October. The Law aims at defining conditions that rule joint stock company activity as well as the legal status and the mechanisms to protect shareholders. The establishment of a modern company law framework is essential to creating a sound business and investment climate. Finally, Ukraine took initial steps in the field of accounting to impose International Financial Reporting Standards on the banking sector.</p>
<p>ENP Progress Report, 2008</p>	<p>Reform of the tax system is still pending. A ‘Draft Strategy for Tax System Reform in Ukraine’ was prepared by the Ministry of Finance in August 2008 and submitted to the Cabinet of Ministers of Ukraine. Objectives include the gradual reduction of the tax burden on the economy, increased fiscal efficiency of taxes by means of a broadened tax base, improved administration system, and renewed efforts to combat corruption in the administration of VAT, and curbing tax evasion.</p>
<p>ENP Progress Report, 2008</p>	<p>In March 2008 the Ukrainian Parliament adopted an amendment to the public procurement law. It abolishes the relevant parts of the legislation in force since 2006 which were not in line with EU practices and which undermined fair competition. A draft law was presented in April 2008 to simplify public tenders and abolish costs of tender and publication. The Government plans to draft a strategy and an action plan on public procurement in order to further align and review the new draft law of April 2008 before it is adopted by Parliament. Overall, very limited progress took place in reforming the public procurement system which is not yet up to international standards.</p>

<p>IMF Review May 2009</p>	<p>In its review of May 2009, the IMF presents in a table the main achievements and outstanding issues of Ukraine in various fields of reform. As regards “business conditions”, the IMF list the following achievements:</p> <ul style="list-style-type: none"> • Levelled playing field by eliminating tax preferences (2004-05). • Reviewed over 9,000 business regulations and repealed and amended nearly 5,000 (2005-06) • Adopted Joint Stock Company Law (2008) <p>It list the following pending issues:</p> <ul style="list-style-type: none"> • Abolish anachronistic Economic Code and improve the market-oriented Civil Code. • Amend legislation on protection from unfair competition. • Adopt International Accounting Standards (IAS) for large corporates. • Lift the moratorium for the resale of agricultural land; remove current restrictions in Land Code on non-agricultural land ownership; establish registries for real estate and agricultural land property rights. • Implement reform of the court system to ensure independence and impartiality. • Re-launch transparent privatization program.
<p>UEPLAC, Aide-memoire, 2009</p>	<p>According to the OECD conclusion in a “Peer Review of Competition Law and Policy in Ukraine” (2008) “Ukraine has a comprehensive and well-designed competition law and an effectively managed and well-regarded agency to enforce it”. The strengths of a competition protection system in Ukraine include regulation covering practically all aspects of market behaviour by economic operators as well as wide jurisdiction of the Antimonopoly Committee (AMC), availability of control over compliance of legislation by all economic operators, irrespective of forms of ownership and national origin. An important positive aspect of the competition policy and law is control over activity and acts of government agencies (except for top-level government bodies) in terms of their impact on competition.</p> <p>The weaknesses in Ukraine’s competition policy are associated, first and foremost, with <i>lack of legal regulation of state aid</i> as well as exclusion from the competition rules and establishment of a special operating regime for natural monopolies, lack of independent regulators or their inefficiency in the important competitive markets as affected by monopolists (such as transport), existence of special price-formation systems for the so-called socially significant commodity markets being established by the acts of the Cabinet of Ministers of Ukraine or local government bodies.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>State procurement was regulated by the Law No. 1490-14 which was adopted in 2000 and had been permanently amended since then. The initial arrangement fell short of best practices of transparency and accountability. Amendments introduced in the Law “On Amending of Certain Legislative Acts of Ukraine Concerning Additional Guarantees of the Financial Interests of the State” No. 2664-IV of 16 June 2005 have actually worsened the situation further. In particular, the Tender Chamber was introduced establishing a highly monopolized and non-transparent system for public procurement.</p> <p>In 2008 this arrangement and the previous law were abolished by Law No. 150-VI of 20 March 2008. This happened with electoral pledges and on the demand of local authorities. At the end of 2008 the situation operated as it had before 16 June 2005 and was not transparent and, most certainly, was heavily corrupt. The state procurement is now regulated by the Cabinet’s Decree No. 921-2008-p of 17 October 2008. Its initial version was cancelled by the Constitutional Court (because procurement is regulated by the law) but was immediately restored. It was welcome as a good step forward, however it is too early to assess whether the amendments have decreased the corruption.</p>

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The Ministry of Justice of Ukraine developed the draft Law “On Main Principles of Economic Activity” to eliminate the provisions in the main wording of the Economic Code that overlap with sector laws. Drafters, looking to compromise, tried to preserve alternate to the Civil Code system of legal entities. Nevertheless, the draft was declined by the Parliamentary Committee for Economic Policy because it insisted on preservation of the Economic Code. The negative impact of the Economic Code includes such dangerous elements as: strengthening the primacy of state property and administrative methods of running the economy; primitive methods of administrative interference in economy; existence of the alternative inept system of legal entities based on non-functional criteria of “patterns of ownership”; and attempts to squeeze out the Civil Code from the sphere of regulating property turnover between legal entities. Outdated law provisions in the Economic Code lack regulatory sense and impede development and modernization of many sectors of economic legislations (insurance, banking, foreign trade, securities, communal sector, etc). The code preserves an out of date and ineffective system of administrative and departmental management of state property. Abolishment of Commercial Code is necessary precondition for development of many sectoral laws which regulate economic activity on sound principles and common European legal concepts.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The current Law “On Business Associations” and provisions of the Civil Code do not provide detailed, reliable and flexible regulation for limited liability companies. As a result, there are numerous conflicts between the participants of limited liability companies and often result in the liquidation of business. The elimination of this important shortcoming, which impedes the development of small and medium sized businesses, did not attract enough attention from Parliament or government authorities. The draft laws submitted to the Parliament include a questionable proposal to cancel limitations for the maximum number of participants in limited liability companies, while the problem of unsuitability of a limited liability company to respond to conflicts of interests and the collective action of many participants is ignored. Proposals of the Ministry of Economy of Ukraine that introduce amendments to the Law “On Business Associations” to improve the business climate by reducing the minimum amount of chartered capital for limited liability companies do not resolve the issues of regulation within limited liability companies.</p>

<p>European Business Association, 2009</p>	<p>Currently there is no legislative framework for public procurement. There are lots of issues to be specified in legislative acts with regard to regulation of public procurement. In particular, transparency is equally crucial when it comes to opening tenders and ensuring availability of all relevant and required information to suppliers (timely publication in open, free-of-charge and widely-accessible sources). Time-limits for receipt of bidding proposals are also to be strictly specified so that to ensure adequate time to prepare bids for submission.</p> <p>It is also essential that public procurement is provided with appropriate technical endorsement (electronic means of communication). This could lead to reduction in costs of the procurement process and result in intensified technical cooperation between the parties.</p> <p>Moreover, so far the parties can not secure that procurement procedures for goods, services and works are followed by relevant all-level state authorities, including municipal ones. Moreover, practical conditions allowing both national and non-resident bidders to participate in the public procurement on equal terms must be ensured. On 18 December 2008 the Verkhovna Rada of Ukraine adopted the Law of Ukraine on Amending Certain Legislative Acts of Ukraine (on mitigating impact of global financial crisis on domestic industry development) No. 694-VI. In the point 2 of the Transitory Provisions of this Law it is stipulated that by 1 January 2011 public procurement of goods, works and services is provided only from domestic producers except for goods, which are not produced in Ukraine. Though such measure is temporary, it is not in line with the European public procurement principles.</p>
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<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The adoption of the Law “On Joint-Stock Companies” on 19 September 2008 was a big step forward for Ukraine. The concept and detail differ noticeably from other legislative acts regulating joint-stock companies. The advantages of the new law include: regulation of the preemptive rights of the shareholders to purchase additionally issued shares; the requirement on placement of shares at market price; the strengthened role of supervisory boards to effectively and promptly protects shareholders’ interests; well defined regulation for decision-making processes in a company with a single shareholder; provisions for representing minority interest shareholders in the supervisory board through a requirement to elect the supervisory board by cumulative voting; the establishment of significant contracts and contracts with interest present; clear and detailed regulation for shareholders general meeting, procedure for winding up of joint stock companies. The Law “On Joint-Stock Companies” created new standards for Ukrainian law and provided an important conceptual base for further development of corporate legislation.</p> <p>At the same time the law contains substantial gaps and does not fully correspond to EU Directives on Company Law and best practices of corporate governance. The provision to have a special majority of 75% of the total number of shareholders (par.5 Article 42) instead of such a majority of shareholders attending the general meeting (as envisaged by the Law “On Business Associations” and the Civil Code) for particular issues can paralyze the activity of joint-stock companies. Both joint-stock companies and the Ukrainian securities market will be damaged by the mandatory listing of shares of all public joint-stock companies and on the sale of their shares at stock-exchanges only (par.1 Article 24), which will lead to mass escape of potential issuers from joint-stock companies as a legal vehicle, imitation of trade activity and false liquidity.</p> <p>The Law “On Joint-Stock Companies” does not reflect such important mechanisms as fiduciary duties of company’s officials, derivative lawsuit, exclusive right of supervisory board to elect the executive body, mechanism of authorized shares, tender offer for purchase of controlling block of shares, absentee voting of shareholders (by post). Including these mechanisms eliminates major risks in the system of governance, reduces the cost of the decision-making process and improves the investment appeal of Ukrainian issuers.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The purpose of draft Law No. 3224 of 25 September 2008 “On the List of Permissive Documents for Business Activities” is to codify all business permissions into a single law. It passed the first reading. However, the very idea of such a law is worthwhile only if it will eventually reduce (not increase) the number business regulations and replace (not augment) numerous and contradictory laws. There is a threat that the law may serve as an additional tool to increase regulations which happened to the Law “On Business Licensing” 10 years ago. The total number of permissions listed in the adopted draft exceeds two hundreds.</p> <p>The Law “On State Regulatory Policy” and the Law “On Business Permissions” abolished requirements which are not directly stipulated in the later but still remain at the level of bureaucratic reconciliations. The Act of the Cabinet of Ministers No. 824-r of 11 June 2008 requires several state agencies to accomplish this task in three months. It was further reinforced by the President’s Decree No. 698 of 9 August 2008. However, the process is not finished yet.</p> <p>At the same time, abeyance of the abovementioned Law ”On Business Permissions” and the Law “On the Principles of the State Supervision (Control) in the Realm of Business” (No. 877-V of 5 April 2007) remains the most problematic issue.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>There were no significant improvements in the performance of Antimonopoly Committee (AC) in 2008. The main weakness of the committee was the inability of the Parliament to appoint a committee head. The AC is ineffective and lacks power.</p>

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>In 1998 the Cabinet approved a program to reform the accounting system in Ukraine, and subsequently the International Accounting Standards have been gradually implemented. By the end of 2007 the government developed and approved approximately 32 accounting norms in accordance with the International Accounting Standards. Although gradual progress has been observed, companies still continue to use both national and international book keeping standards. Usually, national standards are used for tax reporting while international standards are applied for communication with investors and partners.</p> <p>In October 2007 the Cabinet also approved a strategy to apply international standards in Ukraine. The program seeks to harmonize accounting standards, improve regulations, and introduce training programs for accountants. It is expected that Ukraine will complete the reform by 2010.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Public procurements remain an unresolved issue. During 2005-2007 the Law “On public procurements of foods, services and works” was subject to frequent revisions. With every update to the procurement procedure, the situation became even more complicated. Finally, by the middle of 2007 the procurement system was paralyzed by amendments introduced in June 2007. The key issues were related to (i) extremely low procurement volumes subject to the tendering mechanisms; (ii) tightened requirements to tender procedures; and (iii) expensive, complicated, and obligatory consulting services.</p> <p>The shortcomings of the updated law drastically increased administrative costs for vendors. As a consequence, small and medium size procurements became unprofitable for commercial companies. Broadly speaking, in the second half of 2007 procurement procedures affected the supply of goods and services for public and state companies. State institutions accumulated huge funds (about UAH5.0 billion by August 2007) but were unable to use them because of low participation of vendors. The situation was further aggravated when a troublesome obligatory consultancy services for procurements was required by law (delivered by members of Tender Chamber of Ukraine (TCU)).</p> <p>Public concern over rent-seeking schemes made the authorities look for mechanisms which would unblock the procurement process. In March 2008 the Cabinet of Ministers approved temporal regulations for public procurements eliminating the above procedure.</p> <p>The temporal procedures have, in fact, resolved the problem. Procurements are operational. The Ministry of Economy regained the coordinating role in the procurement process (instead of the TCU). The most important step was to cancel the obligatory consultancy services which eliminated burdensome administrative costs. Vendors received free access to tender announcements and all payments for tender documentation have been cancelled. Moreover, a new free-of-charge internet portal was established to publish procurement information. In addition, the minimum limits for application of tendering procedures have been raised to UAH 100,000 for goods and services (previously UAH 20,000) and up to UAH 300,000 for work (previously UAH 50,000).</p> <p>Although significant progress has been achieved to disseminate information and procurement procedures, the mechanism needs to be elaborated further. In fact, the improvement comes at the expense of decreased transparency and public control. In Ukraine this means a high level of corruption. There should be a trade-off between simplicity/flexibility and the controlling mechanism; however, authorities shifted the balance too far in favour of simplicity.</p>

<p>OECD Peer Review, 2008</p>	<p>This Report assesses the development and application of competition law and policy in Ukraine, focusing on activities over the past five years (2003-07). It concludes that Ukraine has a comprehensive and well-designed competition law enforced by an effectively managed and well-regarded agency. The AMC is vested with a broad array of law enforcement and advocacy powers and has a wide jurisdictional reach, covering virtually every business entity operating in Ukraine and virtually every executive branch agency below the highest organs of power. The agency is thus effectively positioned to advance competition policy objectives, and deserves praise for the record it has compiled in realising that potential.</p> <p>Particular strengths of the AMC include its dedication to fair and responsive operations, its commitment to vigorous outreach, and its traditional status as an autonomous agency secure from interference by other government bodies. The agency is widely regarded as stable, well administered, and free from corruption. While not all agree with every action that the AMC takes, there is a consensus view that the Committee strives diligently to serve the objectives of the competition law.</p>
<p>UEPLAC IV, Final Report, 2009</p>	<p>Within the sphere of the Internal Market and Economic and Trade-related Reforms, UEPLAC provided a significant number of outputs and advice.</p> <p>The main activities were concentrated in the core areas, such as company law, free movement of goods, public procurement, taxation, financial services and others. Advisory services were provided, among others, to the Ministry of Justice, the Ministry of Economy, the Ministry of Agrarian policy, the Ministry of Finance and other public institutions. The expert team was also engaged in a productive interaction with other technical assistance projects, being implemented in Ukraine as well as the international organisations dealing with the internal market and trade-related issues component.</p> <p>A numerous number of legal studies were also undertaken and finalised by UEPLAC, namely in the field of Company Law (study and expert opinion on the draft legislation on the Joint Stock Companies that was adopted in 2008), Insolvency matters (a concept paper and opinion on trans-border insolvency), Taxation (study and concept paper as well as consecutive expert opinions on specific matters, including environmental taxation), a study and a Concept Paper on the best practices to follow and shortcomings to address in the drafting of a law on Market Surveillance, legal opinions on REACH and TBT, a case-study based on a concrete proposal of a draft law in Ukraine and a study and expert opinion in the field of Public Procurement legislation and, finally, a study on conceptual approach to Legislative Reform of the Limited Liability Companies legislation. Further to a specific request forwarded by the SDLA, a Concept Paper on Institutions and mechanisms governing the control of State Aid at various stages of European integration was also produced. Some other legal studies and opinions were produced by the UEPLAC experts that concerned Personal Data Protection, Financial Services and Cross-Border Co-operation.</p>

I 4.2.2 – Progress in banking regulation and reform of the financial sector	
ENP Progress Report, 2004	Banking regulation and supervision have been strengthened considerably since the late 1990s. Regulation and supervision of the sector is carried out by the National Bank of Ukraine, directly responsible to the president and the Verkhovna Rada. Steps taken in recent years include the adoption of a modern Law on Banks and Banking Activities (amended in 2001), the adoption of a law on the deposit guarantee fund in 2001, and the removal of the operating licence of Bank Ukraina (an insolvent state-owned bank) in that same year.
ENP Progress Report, 2004	<p>Significant weaknesses remain in the banking system. In particular, non-performing loans (including substandard and doubtful loans) continue to represent a significant share (about one fifth at end-2002) of the loan portfolio. The banking system is also highly concentrated, with the largest eight banks accounting for over 60% of its total assets. Many banks are very small and in some cases act de facto as the financial departments of large enterprises. The initial absence of minimum statutory capital requirements facilitated the multiplication of small banks. The central bank increased minimum statutory requirements, which has led to liquidation of some of the banks not complying with prudential regulations. The number of active banks has declined from 230 in 1995 to 157 in 2003.</p> <p>The degree of banking intermediation in Ukraine remains low but the banking system has been growing quickly since 2000, with loans increasing by 61% year on year and deposits by 63% in 2003. This rapid growth largely reflects a return of confidence in the banking system in the context of an improved macroeconomic performance.</p>
ENP Progress Report, 2006	<p>Concerning financial services, the National Bank of Ukraine has passed various resolutions with the aim of improving audit and supervision in the banking sector. A draft law on banking activities, concerning the conditions for the setting up of credit institutions and minimum capital requirements, was adopted in September 2006. Progress has also been made with the adoption, in 2005, of legislation concerning the regulation of securities markets, which enhances the powers of the State Commission for Securities, and on the licensing of professional activity in the securities market.</p> <p>There has been no progress in the area of freedom of capital movements. The National Bank of Ukraine introduced new regulations which still contain restrictions on the purchase by non-residents of short-term government securities, cumbersome requirements for foreign payments and reserve requirements on foreign currency loans from non-residents.</p>

<p>ENP Progress Report, 2007</p>	<p>As regards financial services, progress achieved during the reporting period was essentially linked to the adoption of WTO-related banking and insurance legislation. There was however no progress as regards the adoption of crucial rules on the introduction of disclosure rules regarding the real ownership of banks and non-bank financial institutions. These rules are fundamental to ensure appropriate supervision over the financial services sector. In the insurance sector, the two legislative WTO packages included amendments to the insurance law to bring its provisions into compliance with Ukraine’s WTO commitments, in particular regarding the access of non-residents to Ukraine’s insurance market. At the same time, several acts aiming at improving the regulatory as well as supervisory framework for non-bank financial institutions were issued by the State Commission on Regulation of Financial Services Markets in 2007, covering among others rules on insurance reserves for life and nonlife insurance or amendments to rules for the placement of reserves for life insurance payments. A more unified approach to the drafting of the new law “on insurance” would certainly contribute to its quality and conformity with relevant European and international rules and commitments. Finally, in November 2007 the Cabinet of Ministers approved the “concept for the state target programme for the modernisation of capital markets” which aims at addressing the deficiencies in the capital markets infrastructure through consolidating stock exchange, establishing of a central depository and a central payment and settlement system. There are however concerns about a possible duplication of existing infrastructure.</p>
<p>ENP Progress Report, 2008</p>	<p>As regards financial services, the Draft Law “On changes to the laws of Ukraine on banking regulation” has been before Parliament since November 2007. The draft law foresees amendments to a number of legal acts in the banking sector. Banking supervision remains a challenge due to the opaque ownership structures of some banks and related industrial establishments. A joint Working Group, composed of the National Bank of Ukraine, the State Commission for Securities and Stock Market, and the State Commission for Regulation of the Financial Services Market has prepared draft amendments to several laws concerning the regulation of financial services markets which were submitted to the Parliament in September 2008 but have not been adopted yet.</p>
<p>European Commission, Current SME support structure in Ukraine, 2009</p>	<p>TACIS Bank Sector Reform (on-going) - The project assists with the improvement of industry practices in line with best international standards, following a demand-driven approach led by a group of ten selected Ukrainian banks. Priority areas addressed by the project are:</p> <ul style="list-style-type: none"> • Credit and risk management; • Branch network management; • Financial control and Cost management; • Internal audit; and corporate governance. <p>The results of these activities will be disseminated through a training campaign targeting a wider group of Ukrainian banking professionals and the bank supervisors from the National Bank of Ukraine (NBU).</p>

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The following legislative initiatives have been adopted:</p> <ol style="list-style-type: none"> 1. Work continued to develop a long-term strategy for the development of Ukraine’s financial sector (a draft Strategy of Development of Ukraine’s Financial Sector through 2015). The strategy outlines an efficient system for the protection of investors’ legitimate interests by enhancing information transparency in the market and implementing compensation mechanisms according to EU law requirements. 2. A draft law “On Amending the Law of Ukraine on the Securities and the Capital Market” (to disclose information in the capital market) was developed with specifications to disclose regular and specific information on a security issuer. 3. A draft Law “On the Investment Guarantee Fund in the Capital Market” was developed, to regulate the creation and operation of the Investment Guarantee Fund. This fund will finance compensation payments to investors in case of loss, this includes – funds and securities delivered to a securities dealer under a securities management agreement and funds invested in securities of co-investing institutions.
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>In order to implement the modern elements of a system of prudential supervision over the non-bank financial institutions and requirements to the corporate management as a part of the risk management system a draft Law of Ukraine on Amending the Law of Ukraine “On Financial Services and State Regulation of Financial Services to the extent of the draft LU “On Amending of Certain Laws of Ukraine on the Regulation of Financial Services Markets” No. 3124 of 8 September 2008. The relevant document suggests regulation of peculiarities of the corporate management systems in financial institutions on the legislative level, financial institutions’ disclosure of information on corporate management, and disclosure of information to the financial service consumers according to the international standards, etc.</p>
<p>I 4.2.3 – Trend in GDP growth at global level, by sectors and by enterprise status</p>	
<p>IMF Statistics</p>	<p>Over the period 2002-2008 annual GDP growth averaged 5.4% in real terms.</p>
<p>Statistical Committee</p>	<p>Between 2002 and 2008 the share of agriculture in GDP halved from 14.6% to 7.7%. Mining and manufacturing remained stable at respectively 5% and 20% of GDP. The share of trade increased from 12.2% to 15.9% and the share of other services gained 10 percentage points from 17.5% to 27.6%. The share of transport and telecommunication diminished from 13.7% to 10.6%.</p>
<p>Statistical Committee</p>	<p>As far as industry is concerned, the most dynamic sectors (according to industry production indexes) have been the following: manufacture of transport vehicles and equipment (+27.7% annually); wood working and production of wood products (+19.5% annually), manufacture of electrical, electronic and optical equipment (+14.4%); cellulose, paper and printing (+14.2%); rubber and plastic products (+13.2%); mechanical machinery and equipment (10.6%); food and beverages (10.4%).</p>

I 4.2.4 – Private investment as a percentage of GDP													
IMS Statistics	From 2000 to 2008, Gross Capital Formation has increased regularly as a share of GDP from slightly less than 20% in the early 2000s to more than 27% in 2007 and 2008												
Statistical Committee	<p>Distribution of investment by source of finance (average of the years 2002-2008)</p> <table border="1"> <tr> <td>State budget</td> <td>5.9%</td> </tr> <tr> <td>Local budget</td> <td>4.2%</td> </tr> <tr> <td>Enterprises own resources</td> <td>58.1%</td> </tr> <tr> <td>Foreign investments</td> <td>3.9%</td> </tr> <tr> <td>Bank loans and other lending</td> <td>14.5%</td> </tr> <tr> <td>Households and others (housing)</td> <td>13.4%</td> </tr> </table> <p>But whereas in 2000 bank loan and other lending contributed only 1.7% to financing investments (against 68.6% for enterprises own resources), the share of this source of finance increased regularly up to 17.3% in 2008 (enterprises own resources decreasing correlatively to 56.7%).</p>	State budget	5.9%	Local budget	4.2%	Enterprises own resources	58.1%	Foreign investments	3.9%	Bank loans and other lending	14.5%	Households and others (housing)	13.4%
State budget	5.9%												
Local budget	4.2%												
Enterprises own resources	58.1%												
Foreign investments	3.9%												
Bank loans and other lending	14.5%												
Households and others (housing)	13.4%												
I 4.2.5 – Trend of banking loans to the private sector													
IMS statistics	The spread of Ukrainian banks (difference between lending rate and deposit rate) which was above 10% in the early 2000s as decreased since then and stands since 2006 at around 5.5%. This figure is still high compared to developed countries where the spread is usually limited to 2%-3%. It suggests a lack of efficiency of the banking sector.												
European Commission, Current SME support structure in Ukraine, 2009	<p>One of the main driving forces of SME development is financial support provided from the State. Based on data collected by regions and submitted to SCURPE , the financial credit support for SMEs is provided by 178 banks and 1859 non-bank, non-financial credit institutions, where 1601 are credit unions, 683 are leasing companies, 268 are funds for entrepreneurs support and 2789 are investment funds.</p> <p>Today Ukrainian banks, that have been implementing the loan programmes of EBRD and German Ukrainian Fund (GUF), are the most significant sources of loans for SMEs. In particular, the participating banks in the Micro credit programme of EBRD are: “Aval”, “Privatbank”, “Forum”, “Nadra”, Creditprombank”. The banks related to GUF are: "Privatbank”, “Forum”, “Nadra”, “ProCreditBank”, “Creditprombank”</p>												
Statistical Committee	Whereas in 2000 bank loans and other lending contributed only 1.7% to financing investments (against 68.6% for enterprises own resources), the share of this source of finance increased regularly up to 17.3% in 2008 (enterprises own resources decreasing correlatively to 56.7%).												
ACC, 2010	The Ukrainian financial system experienced significant growth for seven years prior to the current financial crisis. The banking sector served as a foundation of a rapidly expanding economy characterized by high profit margins, growing personal incomes, and easy access to credit — spurred on by access to foreign capital, the entrance of foreign banks, and loose domestic monetary policy. Bank lending grew by over 70% between 2006 and 2008, with over 50% of the loans being issued in foreign currency. Net bank assets increased by a multiple of four during the last four years while the credit to GDP ratio increased from 20% in 2002 to 77% in 2008.												

ACC, 2010	<p>In 2009, the rise in unemployment and deteriorating disposable incomes led to a sharp increase in the number of non-performing loans (NPLs), which increased to 14.5% in 2008 and to 30% currently (higher according to some sources). The rapid growth of NPLs, closed access to international credit markets, large repayment needs, and high currency risks have helped spark bank runs on deposits. Since October 2008, about 25% of bank deposits have been withdrawn.</p>
I 4.2.6 – Trend in the creation of new enterprises	
European Commission, Current SME support structure in Ukraine, 2009	<p>In 2000 in accordance with the Law of Ukraine “State support of SME” the further development and support of SME infrastructure was foreseen in the setting up and provision of support for a network of business centres and business incubators.</p> <p>Since July.2008, 467 business centres, 70 business incubators, 41 Techno-parks, 2974 information consulting institutions, 1657 community unions are said to have been established. However, in reality very few of these are actually operational.</p>
Blue Ribbon Analytical and Advisory Centre, 2009	<p>Although the simplified taxation system (STS) proved to be an extremely efficient instrument for facilitating small business development, the mechanism of tax collection appeared to be a convenient tax avoidance tool for entrepreneurs. Broadly speaking, the STS has been widely applied to reduce tax obligations for both personal income and enterprise income tax. The system proved to be most attractive for decreasing social payments obligations, which remained at extremely high level. An enterprise could economize up to 40% of wages using the STS.</p> <p>Under this system, social funds and the Pension fund receive significantly less money. The STS, in fact, envisages some contributions to social funds; however, the payments are negligible and, in perspective, those who use the STS will not receive pensions unless they are subsidized.</p> <p>The situation is being watched closely by both the government and international organizations. These institutions recommended increasing the effective tax rate for the STS and restricting the list of economic activities eligible for the STS. This type of reform would eliminate the tax avoidance component of the system. However, no real steps have been taken to date. For the majority of private entrepreneurs the system offers the opportunity to avoid paying company income tax.</p>
DG Enterprises	<p>EU-Ukraine ENP Action Plan foresees the establishment of an enterprise policy dialogue between the Commission and Ukraine, on the basis of the European Charter for Small Businesses (Charter).</p> <p>In March 2009, European Commission Vice-President Verheugen launched an SME dialogue between the European Commission and Ukraine in order to implement an SME policy based on European principles. Dialogue takes place primarily with the Ministry of Economy and the State Committee for Regulatory Policy and Entrepreneurship (SCURPE).</p> <p>The second meeting of the enterprise policy dialogue between Ukraine and the European Commission took place in Kyiv on 20 November 2009. The meeting covered mainly the implementation of the European Charter for Small Enterprises in Ukraine and the move to the Small Business Act (SBA). Furthermore, possible fields of cooperation within the framework of Eastern Partnership were discussed. The next meeting will be held at the end of 2010 in Kyiv.</p>

Statistical Committee	Small enterprises (excluding agriculture)					
		Number	Total employment (1000s)	Of which wage earners	% of total enterprises employment	% of total enterprises sales
	2000	217,491	1730.4	1709.8	15.1	8.1
	2001	234,831	1818.7	1807.6	17.1	7.1
	2002	256,823	1932.1	1918.5	18.9	6.7
	2003	273,620	2052.2	2034.2	20.9	6.6
	2004	285,734	1978.8	1928.0	20.2	5.3
	2005	297,869	1890.4	1834.2	19.6	5.5
	2006	337,892	2232.3	2158.5	23.5	18.8
	2007	354,510	2231.5	2154.3	23.7	18.1
2008	333,883	2237.4	2156.8	24.3	16.3	

I 4.2.7 – Indicators of business climate

World Bank	At the World Bank survey “Ease of doing business” Ukraine ranks 142 out of 183 countries.			
	Ease of...	2010 rank	2009 rank	Change
	Doing Business	142	146	-4
	<i>Starting a Business</i>	134	126	+8
	<i>Dealing with Construction Permits</i>	181	181	0
	<i>Employing Workers</i>	83	90	-7
	<i>Registering Property</i>	141	144	-3
	<i>Getting credit</i>	30	27	+3
	<i>Protecting investors</i>	109	143	-34
	<i>Paying taxes</i>	181	182	-1
	<i>Trading across borders</i>	139	139	0
	<i>Enforcing contracts</i>	43	46	-3
<i>Closing a business</i>	145	145	0	

<p>World Economic Forum</p>	<p>At the survey of the World Economic Forum on competitiveness, Ukraine ranks 82 out of 133 countries.</p> <table border="1" data-bbox="497 400 1337 1075"> <thead> <tr> <th></th> <th>Rank (out of 133)</th> <th>Score (1 to 7)</th> </tr> </thead> <tbody> <tr> <td>Overall ranking</td> <td>82</td> <td>4.0</td> </tr> <tr> <td>Basic requirements</td> <td>94</td> <td>4.0</td> </tr> <tr> <td><i>Institutions</i></td> <td>120</td> <td>3.1</td> </tr> <tr> <td><i>Infrastructure</i></td> <td>78</td> <td>3.4</td> </tr> <tr> <td><i>Macroeconomic stability</i></td> <td>106</td> <td>4.0</td> </tr> <tr> <td><i>Health and primary education</i></td> <td>68</td> <td>5.4</td> </tr> <tr> <td>Efficiency enhancers</td> <td>68</td> <td>4.0</td> </tr> <tr> <td><i>Higher education and training</i></td> <td>46</td> <td>4.4</td> </tr> <tr> <td><i>Goods market efficiency</i></td> <td>109</td> <td>3.7</td> </tr> <tr> <td><i>Labour market efficiency</i></td> <td>49</td> <td>4.6</td> </tr> <tr> <td><i>Financial market sophistication</i></td> <td>106</td> <td>3.6</td> </tr> <tr> <td><i>Technological readiness</i></td> <td>80</td> <td>3.4</td> </tr> <tr> <td><i>Market size</i></td> <td>29</td> <td>4.7</td> </tr> <tr> <td>Innovation and sophistication factors</td> <td>80</td> <td>3.4</td> </tr> <tr> <td><i>Business sophistication</i></td> <td>91</td> <td>3.6</td> </tr> <tr> <td><i>Innovation</i></td> <td>62</td> <td>3.2</td> </tr> </tbody> </table> <p>The factors most frequently cited by the interviewees as being problematic for doing business in Ukraine are:</p> <ol style="list-style-type: none"> 1. Policy instability 2. Access to financing 3. Corruption 4. Tax regulations 5. Government instability 		Rank (out of 133)	Score (1 to 7)	Overall ranking	82	4.0	Basic requirements	94	4.0	<i>Institutions</i>	120	3.1	<i>Infrastructure</i>	78	3.4	<i>Macroeconomic stability</i>	106	4.0	<i>Health and primary education</i>	68	5.4	Efficiency enhancers	68	4.0	<i>Higher education and training</i>	46	4.4	<i>Goods market efficiency</i>	109	3.7	<i>Labour market efficiency</i>	49	4.6	<i>Financial market sophistication</i>	106	3.6	<i>Technological readiness</i>	80	3.4	<i>Market size</i>	29	4.7	Innovation and sophistication factors	80	3.4	<i>Business sophistication</i>	91	3.6	<i>Innovation</i>	62	3.2
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<p>I 4.2.8 - Entrepreneurs' assessment of obstacles to business development</p>																																																				
<p>European Business Association, 2009</p>	<p>Permit procedures. The relevant normative act finally was adopted in May 2009. The Cabinet of Ministers Resolution No. 526 dated 21 May 2009 affirmed the list of permits, which are to be issued by the permit centres exclusively. Adoption of this Resolution streamlined substantially the procedure of permits issuance and helped to solve the matter of interpretative varying by the state authorities in charge for issuing permits.</p> <p>However, not all government authorities brought their legal documents into conformity with the Law of Ukraine on Business Permit System in Economic Activity No. 2806-IV that has been in force since January 2006. Thus, up to now the declarative principle has not been implemented in full. Furthermore, the period of obtaining permit documents is often too long, and the issuance procedures are opaque and complicated. It would be therefore advisable to introduce the generally accepted universal practice of the “implied consent principle” application in Ukraine, which means that in case of absence of negative response from a permit authority within a defined term the permit is deemed to be issued.</p>																																																			

European Business Association, 2009	In spite of adoption of the Law of Ukraine on Basic Principles of the State Supervision (Control) in Economic Activity No. 877-V dated 5 April 2007, some provisions thereof have never been implemented in full due to the fact that other legal documents have not been brought into conformity with it. Thus, in particular, the majority of the supervising authorities have neither developed nor adopted any risk criteria of the economic activity provided for by the Article 5 of the Law of Ukraine on Basic Principles of the State Supervision (Control) in Economic Activity. These criteria are necessary to determine the risk degree for this or that business activity, and accordingly, to determine the frequency of planned inspections. Furthermore, this very Article 5 of the Law of Ukraine on Basic Principles of the State Supervision (Control) in Economic Activity envisages that each state supervising authority determines the issues in respect of which planned inspections are to be conducted, which in fact has never taken place in some instances.
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JC 4.3 – Economic growth contributes to poverty reduction

Preliminary findings related to the JC based on the findings of the Indicators

Joint evaluation report EU-Ukraine Action Plan	Social developments: While the overall unemployment rate has decreased to 6.8%, Ukraine still faces major challenges such as a shortage of qualified workers, a lack of quality jobs and the large share of the informal economy. The adoption of a new modern Labour code is a priority for the government and social dialogue needs to become more effective.
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I 4.3.1 – Development trend of household income by nature of income

Statistical Committee	Economic growth in the 2000s resulted in a decrease of unemployment. The number of unemployed persons (ILO definition) decreased from 2,630 thousand (12.4% of the labour force) in 2000 to 1,424 thousand (6.9%) in 2008. In 2009 as a consequence of the economic crisis unemployment jumped to 1,956 thousand (9.6%).
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Statistical Committee	Rate of growth on the households income 2002-2008			
		Nominal	Real	% of total income in 2008
	Total	28.8%	14.7%	100.0%
	Wages and salaries	29.2%	15.0%	43.3%
	Profit and mixed income	25.5%	11.8%	15.5%
	Property income (receivable) Social benefits and other current transfers	32.3% 29.7%	17.8% 15.5%	3.4% 37.8%

I 4.3.2 – Statistics on the distribution of household incomes

Statistical Committee	Population with a per capita total income below subsistence (*)									
		2000	2001	2002	2003	2004	2005	2006	2007	2008
	Million person	39.2	39.9	39.8	35.2	30.3	25.3	23.1	13.2	8.1
% of population	80.2%	82.7%	83.3%	76.2%	65.6%	55.3%	50.9%	29.3%	18.1%	
(*) 626 UAH monthly in 2008										

I 4.3.3 – Results of poverty surveys	
World Bank, Poverty update, 2007	<p>Ukraine recorded one of the sharpest declines in poverty of any transition economy in recent years. The poverty rate, measured against an absolute poverty line, fell from a high of 32 percent in 2001 to 14 percent in 2004, and then again to 8 percent in 2005. The main cause was the rapid increase in labor productivity in recent years, driven by increased capital utilization following the initial output contraction of the early 1990s, and more recently, increased domestic and foreign investment. This drove real wages up by 24 percent in 2004 and by 20 percent in 2005. Generous increases in public sector wages and transfers also played an important role. In addition to large increases in average pension payments, a sharp increase in childbirth assistance introduced in 2005 improved the situation of households with children. These increases in incomes from wages and social transfers increased household expenditures, lifting many households above the poverty line. The poverty rate probably declined again in 2006 because of the 18 percent increase in real wages, and in spite of an increase in household tariffs for energy during the second half of the year</p> <p>As poverty declined, the average depth of poverty fell; that is, the remaining poor became less poor. All groups along the distribution of household expenditures benefited from the general rise in incomes, with the poorest and richest quintiles recording slightly above average growth in expenditures. Inequality between expenditure groups was virtually unchanged over 2004-2005.</p>
Sustainable Regional Development, TOR, 2008	<p>Most of the poverty exists in rural areas despite the fact that the recent economic growth is due, to a good extent, to agricultural growth. Notably, estimates have shown that the incidence-of-income poverty does not vary much between rural and urban areas, but when it comes to access to municipal services, like health facilities, education, safe water, basic sanitation and provision of productive resources, the rural deprivations significantly surpass urban ones. Moreover, economic growth has not been translated into increase in employment or income at the local level.</p>
JC 4.4 – The Commission’s cooperation contributed to reducing regional imbalances	
Preliminary findings related to the JC based on the findings of the Indicators	
Inventory	<p>During the evaluation period, the Commission contributed to strengthening the capacities of local governments and financed the development of infrastructure at local level. The largest interventions in this field are the following:</p> <ul style="list-style-type: none"> • Assistance to regional development – June 2004 to November 2007 - €3.8 million • Municipal services support – December 2004 to November 2008 - €2.0 million • Sustainable local development – October 2006 to October 2010 - €5.0 million. In addition to this TA project, the Commission finances the provision of works and equipment for a total amount above €10 million. • Community-based approach to local development – September 2007 to March 2011 - €12.0 million • Technical assistance support to Ukrainian municipalities (preparing a EBRD loan) – December 2008 to December 2013 - €5.0 million • Support to sustainable regional development – July 2008 to September 2012 - €6.0 million

USAID, 2007	<p>USAID’s currently defined local government strategy encompasses a two-pronged approach that includes both work at the national level to put in place a legal framework to support decentralization and work directly with municipalities. In practice, however, the Mission has provided far greater assistance for bottom-up support to municipalities than for development of the constitutional and statutory framework needed to support decentralized institutions. The reasoning for this emphasis was a practical one: weak or absent political will at the central level for necessary reforms.</p>
<p>1.4.4.1 – Implementation of the European Charter on local self-government</p>	
Council of Europe, 2004	<p>On 24.4.1998 Ukraine ratified the European Charter of Local Self-Government</p> <p>According to the Ukrainian Constitution, district and oblast councils are bodies of local self-government that represent the common interests of territorial communities of villages, settlements and cities; the chairman of a district council and the chairman of an oblast council are elected by the respective council and lead the executive staff of the council (4 paragraph, article 140 and 4 paragraph, article 141).</p> <p>In 2004 the Government prepared a National Strategy on the Reform of the Territorial Organization System of the Authorities. This document was submitted for advice to the Venice Commission of the Council of Europe.</p> <p>In its report, the Venice Commission considered that “there are in the National Strategy meritorious attempts to provide a conception of the reform and improvement of the local self-government system in conformity with the standards of the European Charter of Local Self-Government”. But it also noted that a lack of political consensus on this issue. Besides the draft National Strategy presented by the Government there were several at that time similar national initiatives concerning the reform of local self-government at various stages of discussion in the Ukrainian parliament political system.</p>
SIGMA, 2006	<p>The current law on the “Local governments in Ukraine” was approved on 12 June 1997, and has been amended several times, with the goal of adapting the legislation to the 1996 Constitution and to the European Charter of Local Self-Governments.</p> <p>Probably, one of the most important achievements of this Law was the division of powers (competences) into exclusive (self-governing) powers and delegated ones, i.e. belonging to the state power. The law established certain aspects of local self-government principles such as the material and financial bases of local self-government, which are movable and immovable property, revenues from local budgets, off-budget target funds and other funds, land, natural resources which are the communal property of territorial communities, and that local budgets are independent and shall not be included to the State Budget. However, the law was imprecise and local governments have no clearly determined powers as to their budget, the management of the municipal economy and its property and even their staff.</p> <p>On the other hand, the state interferes too much in the formation of revenues of local governments as well as in their expenditures. Every now and then, the parliament passes laws on benefits for numerous categories of citizens, who are not supposed to have financial support from the national budget. These benefits are supposed to be covered from the local budgets which have no provisions for this and, therefore, cannot afford these expenditures. In this way, the responsibility for the resolutions adopted by the central administration is transferred to local governments.</p>

1.4.4.2 – Progress towards developing and implementing an efficient regional development policy																					
WB, 2006	<p>The share of local budgets in total spending has been declining. During 2002-05 local budget expenditures grew as a ratio of GDP, but at a slower pace than other components of the General Government Budget (i.e., the state budget and social fund expenditures). As a result, the share of subnational spending in total spending fell from 34.2 percent in 2002 to 29.8 percent in 2005. Local budget expenditures play an important role in various budget programs, especially in education and health.</p> <p>Local budget expenditures</p> <table border="1"> <thead> <tr> <th></th> <th>2002</th> <th>2003</th> <th>2004</th> <th>2005</th> </tr> </thead> <tbody> <tr> <td>Local budget as % of total budget expenditures</td> <td>34.2%</td> <td>32.0%</td> <td>30.2%</td> <td>29.8%</td> </tr> <tr> <td>Local budget spending on education as % of total spending on education</td> <td>57.8%</td> <td>61.7%</td> <td>60.7%</td> <td>60.9%</td> </tr> <tr> <td>Local budget spending on health as % of total spending on health</td> <td>79.0%</td> <td>75.8%</td> <td>71.7%</td> <td>77.4%</td> </tr> </tbody> </table> <p>Among a variety of issues, the problem of unfunded mandates at the local level persists. The share of financed delegated expenditures for local budgets fell from 81 percent of total local expenditures in 2002 to 72 percent by 2005, but the scope of responsibilities was not reduced accordingly. This is especially acute in relation to social privileges, which are discussed later in this chapter. While this first programmatic PFR for Ukraine does not analyze expenditures in detail at the local level, such an exercise is planned for the next PFR. In particular, this exercise should focus on education, health, social assistance, and housing and community services, all in the context of the intergovernmental fiscal framework of Ukraine and the role of state and local institutions in program implementation.</p>		2002	2003	2004	2005	Local budget as % of total budget expenditures	34.2%	32.0%	30.2%	29.8%	Local budget spending on education as % of total spending on education	57.8%	61.7%	60.7%	60.9%	Local budget spending on health as % of total spending on health	79.0%	75.8%	71.7%	77.4%
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SIGMA, 2006	<p>On the one hand, the budgets of <i>oblasts</i> and <i>rayons</i> are independent from the state budget and are submitted to elected territorial councils for approval. On the other hand, according to article 119 of the Constitution, "local state administrations on their respective territories ensure the preparation and implementation of respective <i>oblast</i> and district budgets".</p>																				
ENP Progress Report, 2007	<p>In 2007 progress on regional development was hindered by the re-organisation of competences between the concerned ministries (Ministry of Economy and Ministry of Regional Development) and by political changes. Ministries had to prepare their work plans by the end of January. Real work on strategy update will only start after the approval of the work plan.</p> <p>In September 2007 the Cabinet of Ministers approved the programme of social and economic development for 2008. The programme envisages the creation of a specific body for the modernisation of the communal economy that will attract resources from international financial organisations under state guarantees. This would mean considerable progress as the main problem for upgrading networks, utilities and buildings' common parts is the lack of finance.</p>																				

<p>EC Delegation, RD Concept Paper, 2007</p>	<p>The Commission will implement in Ukraine projects on regional development, composing a package, which will be designated below as "Regional Development Programme", RDP. RDP is based on two principles:</p> <ul style="list-style-type: none"> • To focus on economical development, leading to allocate the funding to the local infrastructures; • To ensure a holistic approach, i.e. all the conditions for economic development in one point at once. <p>The final objective is to provide Ukraine with a national tool to allocate money to the regions for their development. This will help to reduce disparities between regions, either because they are isolated or because there did not yet develop industrial capacity. It follows the same approach and justification than the EU Structural Fund; therefore, by implementing RDP, the Commission is also helping Ukraine to set up a "Euro compatible" tool in an area which for the EU is an essential policy and which is of high relevance for a neighbour country committed to take on board EU systems and rules.</p>
<p>Sustainable Development Project, ROM Report, 2009</p>	<p>The Overall Objective of the project is <i>'to improve quality, access and sustainability of essential services in selected municipalities and to pave the way for sustainable local development'</i>.</p> <p>The design is well oriented at generating economic, social and environmental impact throughout the four selected territories. The progress in this direction has been satisfactory during the period.</p> <p>The project design envisages extension of the impact to the country level by including development of a comprehensive sustainable local development model which could be applied to all the medium-sized Ukrainian towns. Fulfillment of this task has been planned closer to the project end. It would be timely, however, to agree with the ministries on the best ways for extending the project benefits to other small cities and to start outlining the national model. Fulfillment of assumptions at the level of PP that refer to continuation of reforms and further commitment of Ukrainian authorities for delivering improved municipal services and promoting sustainable development policies is not certain at present. This may diminish the anticipated impact.</p> <p>Co-operation with other donors/projects has been going very well. The activities were implemented in partnership with such donors as USAID, CIDA and World Bank and others. The project has been also closely collaborating with the bilateral assistance projects active in the pilot territories. In accordance with the ToR requirements the project has also conducted a comprehensive analysis of the past and has established good co-operations with the ongoing projects funded by the EC. Among them are such projects as Secondary Health Care, Blue Ribbon Advisory and Analytical Centre, Support to Sustainable Regional Development etc.</p>
<p>LGI, 2008</p>	<p>Observers agree that fiscal decentralisation since 2001 remained incomplete, naming similar ranges of lacking elements with varying views on priorities. Widely shared concerns include: a mismatch between centrally imposed input norms and budget allocation rules, insufficient local revenue autonomy to maintain current expenditure mandates, insufficient administrative discretion at sub-national level, inefficiency of the current transfer formula (which is open to manipulation and stimulates spending inefficiencies), and the need to clarify and improve division of functions between government layers¹. These studies also complain about continued weaknesses in regulation of capital budgeting and sub-national borrowing.</p>

<p>LGI, 2008</p>	<p>Ukraine’s Budget Code imposes a high degree of functional decentralisation for major sectors of public service provision. According to the Budget Code, sub-national budgets are responsible for the bulk of spending programmes in healthcare, education and social services to vulnerable population groups. Combined spending on these functions is around 85% of local budget expenditures. According to the WB PFR, local spending on education accounted to 64.1 % of total consolidated education expenditures in 2006, and local budget on healthcare in that year was 79.3%. Moreover, housing and communal services are funded almost fully from local budgets. Local spending is also critical to other sectors, such as transportation.</p> <p>Equalisation transfers, allocated based on relatively simplistic criteria, remain key source of funding. The Budget Code proscribed transfer allocation principles focused on equalising opportunities of access to services rather than actual outcomes. This assumed significant delegation of regulatory responsibilities to local authorities.</p> <p>At the same time, there is a sharp mismatch between fiscal and administrative responsibilities in all social sectors, imposing considerable unfunded mandates.</p> <p>Local governments have very low discretion in allocating funds and administering respective programmes. Administrative decision-making (including facility-level budgeting) is subject to a rigid vertical structure of input norms, dictated by central line ministries. One consequence is imposition on local governments of vertically protected recurrent spending, including half of the total public wages. Some decisions on local approaches to service provision are also stimulated by incentives built in the transfer formula: although most variables in the formula are linked to demographic variables, some other variables still allocate funding based on existing infrastructure of service providers. In particular, the formula allocates funds for social care based on the number of clients registered with particular residential institutions, reinforcing their domination.</p>
<p>WB, Intergovernmental Finance, 2008</p>	<p>Local governments spend 80 percent and 64 percent of the total budgets of health and education, respectively, and provide the bulk of the services in these sectors. Local governments are also important to other sectors in need of reform, such as housing, communal heating, water, sanitation, transport, and social assistance. Local governments are also key in channeling fixed capital investments across sectors and across the country (spending 55 percent of the total national budget in this area).</p>
<p>WB, Intergovernmental Finance, 2008</p>	<p>Despite their large role in allocating spending, the ability of local governments to determine spending structure and to allocate expenditures within sectors is quite limited. The intergovernmental fiscal system (which is the backbone of local finances) did undergo positive reforms in 2001-02, but the reform process remains incomplete. Improvement across the four key pillars of the intergovernmental fiscal framework is necessary to enable the system to receive and allocate resources more efficiently, facilitating the proper financing of local services and infrastructure provision. Some examples underscore this situation: (i) expenditure responsibilities overlap to some extent, creating inefficiencies and duplication at the local level, and many of the lower tier government units are too small to deliver basic social services effectively; (ii) incentives to increase local government’s “own” tax revenues are small and revenue autonomy is very limited, and consequently local governments are over-dependent on shared revenues and transfers; (iii) there is a lack of predictability and transparency combined with perverse incentives in intergovernmental transfers that affects the planning horizon of local governments and their predisposition to overcome inefficiencies in service provision; and (iv) the framework for sub-national borrowing is underdeveloped. Moreover, the parallel vertical structure of management of social services such as health and education continues to dictate how budgets are formed at the facility level and aggregated at the local government level (mainly on the basis of inputs rather than demand), which dramatically reduces local authorities’ budget flexibility for efficiency gains.</p>

<p>WB, Intergovernmental Finance, 2008</p>	<p>Local governments have little discretion for expenditure allocations and administrative decision-making in services such as health and education, which undermines local accountability. Ukraine has a blended system of de-concentrated and delegated expenditure responsibilities. Despite some notional spending autonomy at the local level, line ministries continue to exert significant top-down control over spending, thereby undermining local autonomy and accountability. The budget formation at the service facility level (in health and education) and its aggregation at the local budget are based on line ministries’ “norms” that have their roots in the Soviet system. These norms dictate staffing levels and other resources needed on the basis of facility characteristics (for example, number of doctors based on the existing number of beds in health facilities, or non-teaching staff based on the number of square meters of a school) and on the existing oversized network of service facilities, rather than on the actual demand for services. Because of the mandatory nature of these regulations (and there may be harsh consequences for non-compliance) there is a severe problem of inflexibility in local budget allocations, which translates into high recurrent spending, particularly for wages, heating, and the like, leaving few resources for capital investments and quality-enhancing expenditures. Poorer local governments are particularly affected, which leads to inequalities in per capita public investments across localities. The problem is exacerbated by the legislation that prohibits closing health facilities and schools, and by the difficulties local governments face in firing personnel.</p>
<p>LGI, 2008</p>	<p>In 2006, the CoM approved a <i>National Strategy for Regional Development to 2015</i> crowning a five-year design process led by the Ministry of Economy. The 2006-2015 Strategy was linked to a wider legislative package regulating regional policy issues, including a law on “Stimulation of regional development” (approved in 2005). The Strategy took up contemporary approaches to regional development and set out, as its major goal, to create conditions for the regions to increase their competitiveness and to achieve sustainable growth up to their full technological and human potential. The document broke this goal down to four objectives, one of which was to develop appropriate institutional and legal framework for the strategy to work. However, necessary institutional changes were described in terms of principles rather than concrete proposals. E.g., these included formation of local self-government (without specifying its exact make-up or level); harmonisation of territorial structure with the principles of European Charter of Local Self-Government, fiscally balanced equalisation of access to public services, etc. It also established that any re-shuffling of responsibilities between levels of government should be based on mutual consent with local governments, that territorial changes should be introduced gradually and with pre-emptive resolution of potential legal and political conflicts.</p> <p>The Strategy assumed that, provided a proper institutional framework is in place, regional policy would be implemented with the help of the following instruments:</p> <ul style="list-style-type: none"> • Regional contracts • Programmes for reducing depressiveness of certain territories; • Targeted national programmes (“targeted solutions to systemic problems”); • Regional development strategies; • CoM’s coordinatory function, ensuring that regional development goals are respected by other central policies. <p>Most of the instruments designed (and approved) in 2006 remain were not realised to their full potential. Implementing the new instruments for regional policy proved to be difficult and slow. By this time, only one regional contract was concluded with Donetsk Oblast (the second contract with the Lviv Oblast is in the signing stage). Many of the regional development strategies drafted by the oblasts are assessed by experts as weak and abstract. A draft procedure for allocation of capital grants (designed within DFID LARGIS II project) was not taken forward into a full-scale legislation.</p>

LGI, 2008	<p>Since March 2007, leading role in reforms “to ensure regional policy implementation” was assigned to a newly created Ministry of Regional Development and Construction (MoRDC). Most interviewees agree that there is a degree of institutional duplication in division of responsibilities between the MoRDC and the regional development department of the MoE. But despite the fine institutional line between responsibilities of key ministries in regional development, they agree, in principle, on a sensible role scheme which assumes considerable inputs from each ministry. With the leading role of MoRDC in shaping core institutional framework for regional policy, the MoE continues to play a major role in implementation of the regional policy and its tools. At the same time, the MoRDC is responsible for allocation of capital grants, which is one of the key instruments for regional policy implementation. The MoF remains responsible for fiscal sustainability of regional development and planning, including sustainability of the rules for intergovernmental fiscal relations on which regional development instruments rely.</p>
FISCO, 2009	<p>Mismatch between administrative and financial responsibilities imposed on sub-national governments has been the core problem of Ukraine’s intergovernmental finance long since pre-crisis times. Local governments have very low discretion in allocating funds and administering respective programmes.</p> <p>Administrative decision-making (including facility-level budgeting) is subject to a rigid vertical structure of input norms, dictated by central line ministries. These norms are contained in ministerial guidelines dictating the amounts of staffing and other resources based on existing infrastructure inputs, but also in constitutional prohibition of closing facilities in healthcare and education. These norms are also the key principle behind budgeting at the facility level and negotiating these budgets with local governments. One consequence is imposition on local governments of vertically protected recurrent spending, including half of the total public wages. Some decisions on local approaches to service provision are also stimulated by incentives built in the transfer formula as described earlier. This input based budgeting, which permeates the system, creates strong negative implications for technical and allocative efficiency in key sectors, where the quality of service delivery is deteriorating at dramatic rates.</p>

<p>European Commission, Current SME support structure in Ukraine, 2009</p>	<p>In recent years, Ukraine has made a series of steps to resolve regional development problems. In particular, the Concept of State Regional Policy (CSRP), approved by Presidential Decree in May of 2001, outlined the state goals, tasks and priorities regarding regional development and called for civil society involvement in finding solutions to local problems. To practically implement the Concept, the resolution of the Cabinet of Ministers of Ukraine “On Measures Concerning the Implementation of the Concept of State Regional Policy” (13 September 2001, #437-p) was adopted.</p> <p>State Regional Policy in Ukraine is fulfilled in the following way:</p> <ul style="list-style-type: none"> • Forming an effective system of public authority in regions, able to provide stable development of the territories • Assistance in improving living conditions, finance, information and human resources provision for the regions • Stimulation of interregional integration, overcoming of regional estrangement and integration of regional information and educational resources into one united area • Creation of effective mechanisms for representation of region’s interests at all national levels. <p>Regional Development Agencies (RDAs) emerged in Ukraine in the mid 1990s, with their position and effectiveness gradually improving since the adoption of the Constitution in 1996 and the Law on Local Self-Government in 1997. Today, RDAs exist in every Oblast centre, as well as in many smaller towns. The most effective in its activity are: Regional development and European integration agency (Lvov) and Agency of Regional development of Carpathians (Sambir)</p> <p>In April 2001, a number of leading Ukrainian RDAs formed an association, the National Association of Regional Development Agencies (NARDA). Currently, there are 43 RDAs which are NARDA members. NARDA’s mission (as an important component of the infrastructural support for regional development) is to efficiently co-ordinate state regional policy and its own regional development policy through the systemic realisation of its functions by their own efforts and the coordinated actions of members.</p>
<p>Sustainable Regional Development, ToR, 2008</p>	<p>The National policy has a standardised approach, sector by sector, to the different regions. There is no comprehensive regional policy in place.</p> <p>Currently:</p> <ul style="list-style-type: none"> • there is no "subsidiarity" principle: competences of lower level authorities are included in the competences of higher level authorities; • public and private investments are mixed: each level of planning includes all events / items in the corresponding territory on behalf of public or private authorities of any level; • priorities are decided at the highest level: the local authorities propose a list of programmes and projects, which are then accepted or rejected at the higher level of administration. <p>The development planning process is therefore separated from the budget making process (except for some of the Crimean municipalities which managed to establish a clear linkage between their strategic plans and their budgets). This is the main weakness of the current Regional Development planning process.</p>

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Roughly speaking, inter-budgetary relations have remained unchanged since fiscal decentralization reform in 2001. Since decentralization local authorities of the second and third level (i) receive access to the budget planning process, (ii) obtain significant leveling transfers and (iii) receive subventions from the central budget for special programs (usually social protection). This is a considerable improvement compared to the inherited Soviet inter-budgetary mechanism. However, even decentralized, the budget system remains difficult for local communities. Local authorities are still very dependent on the central government. The Budget Code envisaged significant local budgets' liabilities. At the same time, a shallow revenue base has created a permanent deficit for locals (more than 40% of local spending). The gap is covered at the expense of leveling transfers and support from the central budget. However, the mechanism of transfers is not perfect.</p> <p>The leveling scheme – so called “leveling formula” – is a complicated and subsequently vague tool for calculating the leveling transfers. Many different coefficients of the formula make it impossible for locals to predict their revenues. Moreover, different lobbyists usually try to introduce/correct coefficients for strengthening financing of their regions. In other words, the formula is inefficient as a leveling mechanism. It does not solve the problem of manual distribution of funds among the different regions.</p> <p>Subventions are also subject to the centralized distributing process. Traditionally, locals overestimate their needs claiming excessively high subventions, thus hoping to get at least part of the requested funds. Naturally, the Finance Ministry has only partially satisfied the overestimated claims and the level of financing, to large extent, is subject to the arbitrary decision of the central authorities. Obviously, this situation gives the central powers huge influence at the local level.</p> <p>However, positive steps are possible. The real estate property tax (defined in the draft budget for 2009), for example, could significantly strengthen local budgets.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The key mechanism for investing Ukrainian government funds works through Performance (Targeted) Programming. Although there are separate projects that also comprise a considerable part of capital investments. The Performance Programming consists of projects which target officially prioritized goals. To receive financing the programs need Verchovna Rada approval. Usually, the central budget is responsible for financial support of the approved programs; however, co-financing with local budgets also takes place. The projects in the programs are coordinated with line Ministries and State local administrations.</p> <p>The key problem with Performance Programming is the excessive number of programs. Different groups manage to lobby parliament with hundreds of projects. As a result, only some of them receive sufficient and sustainable financing. For many years officials have been discussing the acute necessity to reduce the number of projects; however, so far almost three hundred different programs receive state financing.</p>
<p>I 4.4.3 – Evidence of strengthened capacity of regional and local authorities</p>	
<p>Razumkov Centre, 2008</p>	<p>According to the Constitution of Ukraine, the executive power in regions, districts, cities of Kyiv and Sevastopol is exercised by local state administrations, presenting components of the system of executive bodies led by the Cabinet of Ministers. Meanwhile, heads of those administrations are appointed/ dismissed by the President of Ukraine upon the submission of the Cabinet of Ministers and in their work “are responsible to the President of Ukraine and to the Cabinet of Ministers of Ukraine, and are accountable to and under the control of bodies of executive power of a higher level”.</p> <p>To be sure, in presence of a conflict between the Government and the President, such dual procedures of appointment/responsibility bring “diarchy” on the local level, “a conflict of loyalties” and, therefore, affect operation of the executive branch both on the central and (especially) on the regional level.</p>

<p>Razumkov Centre, 2008</p>	<p>Ukraine has laid down the basis for the regulatory-legal framework of the state policy of regional development, created a system of bodies of power and local self-government for its formulation and implementation, gained initial experience of use of its key tools. Meanwhile, the regulatory-legal framework is incomplete and imperfect; the system of bodies of power is deregulated and too vulnerable to transient political influences, capabilities of local self-government bodies are limited and insufficient to manage local socioeconomic processes, including processes of economic development; the experience of application of regional policy tools is rather negative, since those tools exerted no substantial influence on regional disparities, removal of doldrums territories, etc. By and large, the state policy of regional development in Ukraine has had little in common with the European principles and experience of a regional policy. In particular, by contrast to European countries witnessing fiscal and administrative decentralization (including in unitary states), Ukraine not just preserves but strengthens the rigid centralised hierarchy of the executive branch. Local self-government was not developing in the way it should, its bodies are short of powers and resources. Furthermore, introduction of the proportional system of election of regional, district and city councils brought about extreme politicisation of local self-government bodies and disqualification of their members.</p>
<p>Extract from the Ministry for Regional Development and Building of Ukraine Board Decision No.1 of February 22, 2008</p>	<p>...So far, there is no integral and effective system of implementation of the state regional policy, no effective mechanism of relations of the centre with regions and among regions. The legal framework regimenting regional development is inconsistent and deregulated. Problems of disparities in the socio-economic development of regions are not resolved; the level of their competitiveness and investment-innovative activity remains low. Activity of local executive bodies, local self-government bodies and businessmen associated with acceleration of development of regions on the basis of fuller employment of the natural, economic, labour, scientific and other potential is not effectively encouraged. No effective system of management of urban development and appropriate economic support for local self-government has been created. Despite the accession to the European Charter of Local Self-Government, it has not acquired traits of self-sufficiency, adequacy, and political independence at solution of local issues</p>

I 4.4.4 – GDP growth by region

<p>Statistical Committee</p>			<p>GDP per capital in 2004 (UAH per capita)</p>	<p>Average GDP growth rate volume 2003-2008</p>
		Five richer oblast		
		Donetsk	9713	4.6%
		Poltava	8841	6.7%
		Dniepropetrovsk	8609	6.6%
		Zaporizhzhya	8093	7.9%
		Odesa	7028	9.3%
		Five poorer oblast		
		Kherson	4546	8.7%
		Zhytomyr	4397	6.3%
		Zakarpattya	4238	7.1%
		Chernivtsi	3589	10.7%
		Ternopil	3516	11.0%

I 4.4.5 – Trends in employment and unemployment at regional level	
Statistical Committee	Data on the labour market at regional level are only available from 2008 onwards. In 2008 on yearly average the unemployment rate (ILO definition) varied from 3.1% of the labour force in the city of Kiev and 4.9% in the Odeska Oblast to 9.6% in the Ternopilska Obalst, the national average being at 6.9%
I 4.4.6 – Development trend of household income at regional level	
Statistical Committee	Compared to a national average of 100.0 (13,972 UAH) in 2008, the average disposable income per capita varies from a maximum of 185.0 in the city of Kiev to a minimum of 70.6 in the Zakarpattya Oblast. Since 2002, regional disparities have aggravated: the relative standard deviation (standard deviation divided by the national average) increased from 15.0% in 2002 to 21.5% in 2008. This phenomenon is however entirely due to growth rate of disposable in the city of Kiev much higher than in other regions. Excluding the city of Kiev, the relative standard deviation has remained stable at around 11%, indicating that regional income disparities have neither aggravated nor receded.
I 4.4.7 – Provision of municipal services in the regions/cities having benefited of EC support compared to other cities/regions	
Source	No information retrieved

EQ 5 on Trade and Foreign Direct Investments

To what extent has the Commission co-operation contributed to strengthening economic links between Ukraine and the EU through the development of trade and of direct investments?

Judgement criteria and indicators	
Inventory	<p>During the evaluation period, the Commission actively supported trade-related reforms through the main following interventions:</p> <ul style="list-style-type: none"> • Application of a foreign trade regime – Standards, Technical regulations and conformity assessment – August 2003 to September 2006 - €1.4 million • Application of a foreign trade regime – Establishing a framework for the protection of intellectual property rights – December 2003 to November 2006 - €0.6 million • Establishment of an agricultural standards certification and control mechanism in line with WTO-SPS requirements – March 2005 to December 2006 - €1.4 million • Strengthening of Standardisation, Market Surveillance, Metrology and Legal Metrology, Conformity Assessment and Consumers Policy in Ukraine (Twinning project) – September 2007 to March 2010 - €1.4 million • Support to the Development of Business Capacity of Ukrainian SMEs, International Dimension – September 2007 to August 2009 - €2.1 million • Strengthening activities of the National Accreditation Agency of Ukraine (Twinning) – February 2008 to May 2010 - €1.4 million • Implementation of Ukraine’s commitments under WTO and ENP frameworks in the rural sector (Sector Wide Approach) – October 2008 to December 2011 - €4.7 million <p>A budget support programme (€39 million) aimed at supporting the removal of barriers to trade has been launched in 2009.</p>
<p>JC 5.1 – The Commission’s co-operation supported the adoption of a legal and regulatory framework conducive to the development of trade and of foreign investments</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 5.1.1 – Development of trade-friendly national policy and legislation</p>	
ENP Progress Report, 2004	<p>Since 2001, Ukraine has made progress in implementation of the trade-related PCA commitments. However, a number of contentious issues remain, for example in the field of automobiles, and export duties on scrap metal. More generally, the EU is concerned about frequent changes in regulations affecting foreign trade, lack of transparency, discrimination, and corruption. These points were covered in detail in the joint report on PCA implementation endorsed by the Co-operation Council in March 2003.</p>
ENP Progress Report, 2004	<p>Ukraine has concluded trade and economic MFN agreements with a number of non-EU, countries notably some of the countries covered by the European Neighbourhood Policy. Ukraine has concluded Free Trade Agreements with all of the CIS except Tajikistan. In September 2003, the presidents of Ukraine, Russia, Kazakhstan and Belarus signed an agreement on the creation of a Single Economic Space (SES). This agreement foresees the creation of a free trade area and, eventually, a customs union, in addition to the coordination of the signatories’ energy policies and the stabilisation of their currency exchange rates. The implementation of this agreement remains an open and controversial issue in Ukraine. It was ratified by the Ukrainian parliament in April 2004.</p>

World Bank Ukraine Trade Policy Study, 2004	Overall, Ukraine’s statutory trade regime at the moment (2004) is quite liberal compared with both the EU and transition economies in CEE (before they joined the EU), but it is not the most liberal. Starting from 1999, the Ukrainian Government (GOU) has intensified its efforts to liberalize foreign trade and expand opportunities for integration with world markets. However, the trade regime’s real picture is much less favourable. The real barriers for trade remain considerable and they relate to the behind the border administrative regulations and enforcement mechanisms, which are not reflected in the standard measures of protection such as import tariffs.
World Bank Ukraine Trade Policy Study, 2004	<p>There has been a steady trend toward trade liberalization in terms of reduction of average tariff and non-tariff barriers (NTB) since the peak of protection attained around 1999. Ukraine’s import tariff levels are mild on average, and they appear to be in line with comparator countries, albeit with a few tariff peaks. The import-weighted average tariff amounted to about 5 percent in 2002. This includes predominantly tariff free imports from the CIS that account for about a half of the total merchandise imports.</p> <p>At the same time, about 5.6 percent of positions in the tariff schedule have tariffs above 25 percent. Collections of import tariffs make only three percent of the total government tax revenues.</p> <p>However, the Ukrainian tariff schedule has three important drawbacks:</p> <ul style="list-style-type: none"> • Agriculture seems to be excessively protected. Average tariff equivalents for agricultural goods were much higher than non-agricultural tariffs (31.4 versus 2.7 percent in 2002). • Tariff escalation, which increases protection of domestic producers of finished products over statutory import tariffs, is significant. Within the same manufacturing sector tariff differences between industrial inputs and finished goods amount to 3-8 times. • The tariff schedule is overly complex, which encourages both commodity misclassification and corruption. The number of different tariff rates went up from seven in 1993 to 50 in 2003.
World Bank Ukraine Trade Policy Study, 2004	The number of non-tariff measures faced by imports into Ukraine has significantly increased since the mid-90s. Nevertheless, compared to OECD countries, Ukraine seems to be quite liberal in terms of low index for official non-tariff core protection. Available business surveys point to serious implementation problems of NTBs (e.g., in the area of certification) that raise effective trade barriers and sours the business climate.
ENP Progress Report, 2007	Since 2006, Ukraine has taken measures to restrict export of grains several times, including a <i>de facto</i> export ban at the end of 2006 and in June 2007. This created unpredictability and disruption in the functioning of the market. More generally, the use of export restrictions as a means to control prices on the domestic market remains of concern.
ENP Progress Report, 2008	There are still concerns regarding the transparency of the domestic market of grain. Since October 2006 Ukraine has been applying a regime of export quotas on grain. In May 2008 the government abolished export quotas for wheat, barley and rye and cancelled licensing for the export of maize. Also in May, the President suspended by decree the government resolutions on the Establishment of Quotas for Sunflower Oil and Seeds Export and on the order governing licenses issuance.
EBA, 2008	For more than a decade the procedure of refunding export VAT suffered numerous malfunctions which have affected major international companies operating in Ukraine. Enormous delays in refunds have forced businessmen to slow down implementation of their investment plans and take back loans from banks to avoid suffering damage. As a result, motivation for enhancing domestic production in strategic industries like agriculture and oil refining significantly decline, while volumes of import grow,, thus ruining competition. We believe that it is not the legislation but rather implementation of current laws is the matter of primary concern.

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>In 2008 the Government only partially ensured VAT refunds to exporters. The Resolution of the CMU of 6 August 2008 No. 1082-r outlines a rapid procedure of VAT refunds to grain exporters. The State Tax Administration of Ukraine (STA of Ukraine) developed a scheme of VAT refund to grain traders – grain exporters, which purchased grain directly from agricultural producers at the commodity exchange prices not lower than the defined minimum state purchased prices. As of 1 January 2009 the state debt on unrecovered VAT refund equalled 3 billion UAH (as of 1 January 2008 the sum was 4.1 billion UAH). Outstanding of the state debt before exporters of grain makes about 1 bln UAH. Debt on VAT refund before enterprises of mining and metallurgical industries made 797.5 million UAH as of 1 January 2009.²⁰ The STA of Ukraine links the arrears with the cancellation of the payment by drafts and increase in export. In the framework of the Anti-Crisis Order No. 965/2008 of October 24²¹ the President of Ukraine commissioned the government to ensure within a month timeframe the refund from the budget of the amount demanded by VAT payers, confirmed by the check-ups and the availability of the returned within a 60-days timeframe foreign currency receipts from export of commodities and services.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Previous trade agreements with CIS countries focused on free trade regime without any exemptions. The Ukrainian government has already agreed on cancelling exemptions from the free trade regime with Moldova (as of the date of Ukraine’s accession to WTO), Belarus (2007) and Russia (since 2009).</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Ukraine is losing its foreign trade advantage due to complex legal procedures to fulfil administrative requirements (time for export - 31 days, time for import - 39 days), which deteriorates the quality of customs servicing and commodities flow capacity. In 2007 the procedure was longer for both (33 days for export and 46 days for import). As a point of reference, Poland’s time to export is equal to 19 days and to import is 26 days. Another complex issue is the inferiority of the legal and regulatory base which understates the actual value of commodities for import and export. The draft Law of Ukraine “On Amending of Certain Legal Acts of Ukraine to Conduct Preliminary Documentary Control at the Check Points at the Customs Border” was further developed to speed up the customs procedure processes by simplifying cargo transfers at border check points as well as standardize and simplify border crossing documentation related to compliance with the international law and practices of joint control.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Shortly after WTO accession the EU cancelled quotas on the import of steel products in EU from Ukraine determined by an agreement between the Government of Ukraine and the European Community on trade of certain steel products. On its side Ukraine abolished licensing the export of Ukrainian metal products to the EU (for which the quotas were established in the Resolution of the Cabinet of Ministers of 04 June 2008 No. 529).</p>

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>At the time of WTO accession Ukraine committed to gradually decrease the approved schedule of export duties on sunflower seeds, live cattle, animal hides, and on ferrous scrap and non-ferrous scrap, preserving the right to apply export duties in the future. In order to fulfill these commitments the rates of export duty on flax seeds, sunflower seeds were decreased to 14% of the customs value in 2008. Moreover, the rate of export duty on the seeds of the above crops will decrease annually by 1% until the duty is 10 %. Export duties on live cattle and animal skin have begun to decrease as of 1 January 2009.</p> <p>Export duties for waste and scrap of ferrous metals will decrease to comply with the Laws of Ukraine No. 400-V of 30 November 2006 and No. 1105-V of 31 May 2007. Export duties for scrap of ferrous and non-ferrous metals and semi-finished products manufactures with their use will also decrease to comply with the Laws of Ukraine No. 441-V of 13 December 2006 and No. 1106-V of 31 May 2007.</p>
<p>EC</p>	<p>Since the launch of negotiations on the DCFTA in February 2008, eight negotiating rounds have been conducted. The most recent round of FTA negotiations was held in Brussels on 5-9 October 2009. Negotiations took place on a large range of issues (tariffs, investment/services, and rules such as intellectual property rights, sanitary and phytosanitary standards, and technical barriers to trade). Some chapters, such as customs and trade facilitation and intellectual property rights, are close to provisional completion (the chapter on rules of origin has already been finalised). Discussions on regulatory approximation, for instance concerning sanitary and phytosanitary standards, or technical barriers to trade, will be covered intensively in the next few months. The next round of negotiations (9th round) will take place on 7-11 December 2009 in Kyiv.</p> <p>Further substantial efforts will be needed to complete negotiations in this complex area. In further negotiations on the DCFTA part, both sides will be guided by the fact that the establishment of a deep and comprehensive Free Trade Area between the EU and Ukraine will lead to gradual and ever deeper integration of Ukraine with the internal market, in parallel with the implementation of relevant elements of the <i>acquis communautaire</i>.</p>
<p>▪ I 5.1.2 – Implementation by Ukraine of its commitments towards WTO</p>	
<p>ENP Progress Report, 2008</p>	<p>Ukraine formally became a member of the WTO in May 2008. Along with the Accession Protocol, Ukraine committed to pass 10 WTO-related pieces of legislation, of which only six were adopted in the reporting period.</p> <p>The law setting up the necessary mechanisms for the harmonisation of import duties rates according to the “Schedule of Tariff Obligations of Ukraine to the WTO” was not adopted during the reporting period. In fact, from the legal point of view, Ukraine is yet to comply with its WTO obligations as regards import duties implementation as the only legal ground for the application of WTO-bound tariffs in Ukraine in force in 2008 was the Interim Government Instruction to the Customs Service issued in May 2008. Particular attention will have to be paid to this issue, also considering that the possibility to raise import duties for some products in order to improve the country’s worsening external trade balance in the context of the financial crisis was evoked both by the Government and Parliament Members.</p>
<p>Joint evaluation report EU-Ukraine Action Plan, 2008</p>	<p>Regarding Ukraine’s participation in the multilateral trade framework, Ukraine has been strongly engaged to promote its accession process to the WTO. For example, various law packages necessary to fulfil Ukraine’s bilateral and multilateral WTO commitments were approved. This work led to the finalisation of the accession process in February 2008, with the adoption of the WTO Working Party Report by the WTO General Council on 5 February. After ratification, Ukraine will focus on the faithful implementation of multilateral commitments. The adoption of the WTO Working Party Report opened the door for the start of negotiations on 18 February on the deep and comprehensive Free Trade Area to form a core element of the New Enhanced Agreement.</p>

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The CMU Implementing Order No. 1570-p of 17 December 2008 approved the <i>Plan of priority measures to meet Ukraine’s commitments within the WTO membership framework</i>. It specifies tasks for ministries and agencies within their functional responsibilities, e.g. preparation and submission of a considerable list of notifications to the WTO Secretariat; the country’s accession to the Agreement on Government Procurement and to the Agreement on Trade in Civil Aircraft; preparation of information for the WTO Integrated Database. This part is being successfully performed. As to drafting laws and bringing regulatory legal acts of central executive authorities, specified by the Implementing Order No. 1570-p, into conformity with the country’s WTO membership commitments, there has been certain progress, but the requirement on mandatory compliance with state and other standards has not been cancelled till now. This requires drafting of amendments to the Law of Ukraine on Standardisation, to the Law of Ukraine on Protection of Consumer Rights, and to the Law of Ukraine on Amending the Cabinet of Ministers Decree on Standardisation and Certification No. 46-93 of 10 May 1993, development of which is assigned to the State Committee of Ukraine for Technical Regulation and Consumer Policy.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>From 2005-2008 55 Laws of Ukraine and several resolutions of the Cabinet of Ministers of Ukraine were adopted to comply with WTO rules. By the end of 2008 only a few draft laws remained to fulfill accession obligations. The outstanding draft Laws are: No. 3322 of 28 October 2008 “On Amending the Article 1 of the Law of Ukraine “On Safety and Quality of Food Products” as regards refinement of the term “standard” in compliance with Annex 1 “Terms and Definitions” of the WTO Agreement on Technical Barriers to Trade; No. 2297 of 31.03.2008 “On Amendment of the Law of Ukraine “On Fish, Other Living Aquatic Resources and food made of them”; No. 3301 of 20 October 08 “On Amending the Article 1 of the Law of Ukraine “On Establishing a Tariff Quota on Importing Raw Cane Sugar into Ukraine”.</p> <p>Immediately after official accession to the WTO Ukraine had to comply with the import duty rates determined by the schedule of Ukraine’s tariff commitments and amend the Law of Ukraine “On Customs Tariff”. The draft Law for such amendments, developed by the Government (No. 2351), was rejected by the VRU. Instead, on 3 June 2008 the VRU adopted a draft Law No. 2351-1, prepared by the members of Parliament; however the President of Ukraine vetoed this Law because the import duties’ rates for particular goods did not comply with agreements outlined in Ukraine’s accession to the WTO. Provisional import duties that do not exceed rates provided by the international agreement on Ukraine’s accession to the WTO were applied on the basis of the order of the CMU to the State Customs Service of Ukraine until the 17 December 2008. At that time the VRU adopted the Law No. 676-VI “On Amending the Law of Ukraine “On the Customs Tariff of Ukraine” so that the rates of import duty were in compliance with the WTO accession commitments. The critical comments of the President were taken into account.</p> <p>The Resolution of the CMU of 30-October 2008 N 1381-r “On Approval of the Action Plan of Adjusting Ukrainian Economy to WTO Requirements” commissions ministries to accelerate the implementation of the provisions of sector programs adopted in past years.</p>

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>The negative foreign commodities trade balance for 2008 was USD18.5 billion, which is 62% higher than it was in 2007. In an effort to stop the negative tendencies in foreign trade development the Government of Ukraine approved the Resolution “On Adoption of the Action Plan on Lowering the Negative Foreign Trade Balance”. This Plan applies strict control over the import of commodities to eliminate and prevent the import of commodities that do not conform to national veterinary, sanitary, phytosanitary, ecological and pharmacological standards. The set of proposed anti-crisis activities includes proposals that do not comply with commitments on opening the internal market undertaken by Ukraine at WTO accession. If the situation worsens with a balance of payments GATT allows use of safeguard measures but in compliance with provisions of Articles XII and XVIII:B of GATT. Application of quantitative restrictions on import is not allowed by WTO agreements even as a measure to improve the balance of payments in regarding with par.2 of WTO agreement “Understanding the Balance-of-Payments Provisions of the GATT 1994”. Because several law provisions passed by VRU in December 2008 did not comply with the commitments to the WTO and GATT they were vetoed by the President of Ukraine in January 2009. In February VR overrode the Presidential veto. Then the President sent few laws to the Constitutional Court because of noncompliance issue with the Constitution of Ukraine and international agreements. As of April 2009 it was not known what WTO’s response was to the 13% temporary surcharges to custom value of imported goods, except for the goods of critical import, which were established in accordance with the Law “On Amending of Certain Legislative Acts of Ukraine in Regard to the Improvement of the Situation with Balance-of-Payments of Ukraine Due to the World Financial Crisis”.</p>
<p>Joint evaluation report EU-Ukraine Action Plan, 2008</p>	<p>Following the introduction of grain export limitations in 2006 and similar export restrictions in other areas, Ukraine has agreed that for the future such limitations would be temporary; should be introduced only when it was really needed, in a fully justified and transparent manner, taking into account Ukraine’s legal obligations; and should be implemented in a non-discriminatory manner.</p>
<p>European Business Association, 2009</p>	<p>In accordance with the point 313 of the report of the working group considering Ukraine’s accession to the World Trade Organisation (respective document WT/ACC/UKR/152 dated 25 January 2008), the mandatory certification of any food products had to be abolished from the date of Ukraine’s accession to the WTO (16 May 2008), and from that date on food products had to be certified only by the State Sanitary and Veterinary Services. Although these Ukraine’s commitments were secured through the ratification of the Protocol on Ukraine’s WTO Accession by the Law of Ukraine No. 250-VI dated 10 April 2008, they are not being met to this day. Despite the abovementioned requirements Ukraine has to meet and the normative acts (specifically the Cabinet of Ministers of Ukraine Order No. 1570-p dated 17 December 2008, by which the State Committee on Technical Regulation of Consumer Policy had to abolish mandatory certification of food products by the end of 2008), which were adopted to align Ukrainian legislation with international practices, the State Committee for Technical Regulation and Consumer Policy continues carrying out mandatory certification of food products in accordance with its Order on Approving the List of Products Subject to Mandatory Certification in Ukraine No. 28 dated 1 February 2005.</p>

<p>▪ I 5.1.3 – Removal of technical barriers to trade in particular, norms, standards, SPS</p>	
ENP Progress Report, 2004	Ukraine's legislative system with respect to sanitary and phytosanitary issues is fragmented and insufficiently transparent. Enforcement capacity needs to be strengthened for Ukraine to be able to meet international and EU standards. Food safety, product liability and traceability, and the introduction of HACCP (Hazard analysis and critical control points) would seem to be the priority areas. Ukraine is a member of the International Epizootic Office (O.I.E) and is working towards accession to the Codex Alimentarius and the International Plant Protection
ENP Progress Report, 2004	On technical regulations and standards for industrial products, Ukraine adopted three laws in May 2001, on conformity confirmation, accreditation and standardisation. Progressive implementation of these laws resulted in the creation of the National Agency of Ukraine on Accreditation and should see a shift towards voluntary (rather than mandatory) standards and the drafting of technical regulations based on the European 'new approach' directives. Steps were taken in 2000 to simplify the certification procedures applicable to certain mass-produced goods (for example electrical appliances and construction materials). Ukraine is also aware of the need to avoid the creation of multiple testing requirements by different public authorities.
ENP Progress Report, 2006	On the free movement of goods and technical regulations, Ukraine has confirmed its commitment to negotiate an Agreement of Conformity Assessment and Acceptance of Industrial Products (ACAA) and has selected the priority sectors to be included. Good progress is being made in implementing the "ACAA Action Plan" agreed in 2005. Several laws on standards, technical regulations and conformity assessment procedures and on consumer protection were adopted in 2006. Building up of the administrative, legal and technical capacity to manage and enforce legislation properly remains a challenge.
ENP Progress Report, 2006	On sanitary and phyto-sanitary issues, progress was made in preparing for WTO accession, <i>inter alia</i> by enacting framework laws in the veterinary, phytosanitary and food safety areas and adopting a plan for compliance with WTO rules. Ukraine is a member of the Codex Alimentarius, the World organisation for animal health (OIE) and joined the International plant protection convention (IPPC) in 2006. Intensified cooperation with the EU included a general assessment of controls of feed and food safety, animal health, animal welfare and plant health, realized by the Commission's Food and Veterinary Office, whose preliminary conclusions were overall encouraging. An FVO inspection mission on fishery products took place in June 2005, and Ukraine has satisfactorily addressed the identified deficiencies. Therefore, Ukraine will be added to the list of countries authorized to export fishery products to the EU.
ENP Progress Report, 2007	On free movement of goods and technical regulations, Ukraine continued to work on the implementation of its Action Plan towards an Agreement on Conformity Assessment and acceptance of Industrial Products (ACAA). In 2007, the Ukrainian Standardisation Body (DSSU) established a working group for the preparation of the draft law on market surveillance, which was registered in the Parliament in January 2008. The wide scope of application of the DSSU's draft could pose problems as non-food and food products require completely different infrastructures, expertise, methodologies and practices of surveillance. Another draft law on market surveillance has been developed by the Secretariat of the President of Ukraine and is already registered in the Parliament. While in general being better aligned with the EU practices on market surveillance than the DSSU's version, this draft cannot be considered either as the one providing for an effective system for market surveillance. It includes many restrictive provisions for authorities, which could render ineffective any market surveillance authorities and activities. No progress can be reported regarding the reform of the infrastructure for quality, including the establishment of an independent national standardisation body and the separation of conformity assessment and market surveillance functions. On the other hand, the transposition of the sectoral legislation started in all the priority sectors. The adoption of new national standards aligned with those of the EU continued although the speed of preparation of the new standards is slower than envisaged. The voluntary application of standards is discouraged by, among others, the practice of compulsory certification. Ukraine should ensure that old standards are automatically repealed when new standards are adopted.

<p>ENP Progress Report, 2007</p>	<p>Ukraine made some progress on sanitary and phyto-sanitary issues, although practices and controls are not yet such as to allow exports to the EU of most animal products, Ukraine adopted a law on veterinary medicine, several pieces of implementing legislation and an action plan to advance the national programme for approximation with EU legislation.</p> <p>Ukraine reorganised the state veterinary department into a central governmental body, the State Committee of Veterinary Medicine. Some Ukrainian food establishments started to implement strengthened hygiene rules. Ukraine restructured the central state laboratory of veterinary medicine into the State Research Institute of Laboratory Diagnostics and Veterinary/Sanitary Testing. It continued the accreditation process of veterinary laboratories.</p> <p>The European Commission’s Food and Veterinary Office assessed Ukraine’s residue control systems regarding animals and animal products. The Community added Ukraine, for the first time, to the list of countries with approved residue monitoring programmes for milk and eggs. This is an important step towards the authorisation of exports to the EU. Honey export is already allowed. Ukraine continued to address the challenges resulting from multiple outbreaks of rabies in wildlife and domestic animals. Ukraine participated in workshops under the European Commission’s “Better training for safer food” programme.</p>
<p>ENP Progress Report, 2008</p>	<p>On the free movement of goods and technical regulations, progress towards an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) remained very limited, even within the three priority sectors identified by Ukraine in 2006/2007 (machinery, electrical equipment and simple pressure vessels). There are two draft laws on market surveillance. The transposition of sectoral legislation and international/EU standards in the priority sectors progressed slowly in 2008. No significant progress was achieved in reform of the institutions responsible for the regulation of the quality of industrial products. In April 2008, Parliament adopted amendments to the law on standards, technical regulations and conformity assessment procedures”. The amended law refers to the “central executive conformity assessment authority” without specifying which organisation will take responsibility. It specifies the notification procedure in Ukraine and the procedure for recognition of conformity assessment results by foreign bodies. In June 2008, the Cabinet of Ministers approved a “Concept for the Development of the State Metrological System of Ukraine 2008 – 2015”. However the Concept does not envisage changes in the organisational structure of the metrology system, which is highly problematic because of the unclear division of responsibilities between several institutions involved. So far, accreditation remains the only quality infrastructure function separated from DSSU, the Ukrainian standardisation body but Compulsory certification is still widespread. A technical assistance project will focus on the reform of the quality infrastructure as a priority.</p>

ENP Progress Report, 2008	<p>Ukraine took further steps towards gradual convergence with EU sanitary and phytosanitary standards. In May 2008 the Parliament approved in first reading amendments to the law “On Veterinary Medicine” containing, <i>inter alia</i>, provisions on an animal identification system. The Government prepared a National Plan for monitoring residues and contaminants in live animals and animal products 2008-2013 and submitted it to the Parliament. Ukraine continued strengthening laboratories including by working towards a reference laboratory for avian influenza. Hygiene rules based on the hazard analysis critical control point system (HACCP) were further introduced in some establishments. In July 2008, the European Commission’s Food and Veterinary Office (FVO) carried out an inspection visit on dairy products and recommended that Ukraine address certain deficiencies. Following the discovery of sunflower oil contaminated with mineral oil, Ukraine implemented a new control system which allowed exports to the EU of sunflower oil to continue. In September 2008, FVO carried out a mission to assess the new control system. Ukraine should continue to investigate the source of contamination. In September 2008, the EU added Ukraine to the list of countries with approved residue monitoring plans for poultry (including geese), aquaculture finfish and equidae. Ukraine aims to further expand this list, which already includes milk, honey and eggs, to other areas. Listing is an important step towards the authorisation of exports to the EU. Currently, Ukraine is authorised to export various animal products to the EU for animal feeding and for technical purposes. In November 2008, Ukraine participated, together with Belarus and the Russian Federation, in a European Commission Task Force meeting in Riga on rabies eradication. Ukraine also participated in workshops under the European Commission’s “Better Training for Safer Food” programme.</p>
Joint evaluation report EU-Ukraine Action Plan, 2008	<p>On technical standards, Ukraine negotiated and started to implement the Agreement of Conformity Assessment and Acceptance of Industrial Products (ACAA). While many legislative and normative changes have been introduced, the priority now is to focus on structural reforms of Ukraine’s quality control system. On sanitary and phytosanitary issues, cooperation has strengthened due to a number of missions to Ukraine by the EU’s Food and Veterinary office in 2006 and 2007. The EU took note of the Ukrainian side’s proposal to start discussions on a veterinary agreement, and suggested that this could be envisaged at an appropriate time in the framework of the NEA.</p>
EBA, 2008	<p>European exporters and investors are facing an increasing number of unjustified non-tariff barriers in the form of compulsory product certification, burdensome labelling standards, cumbersome import approval requirements and consequently customs clearance delays. Unreasonable sanitary and health requirements can also create barriers that hamper exports to Ukraine, not least because Ukrainian national standards often differ significantly from international ones. This results in high compliance costs, which impacts the ability of businesses to sell on the Ukrainian market, affecting particularly the EU small and medium enterprises. Even after its WTO accession Ukraine faces a huge problem with technical regulation system. The Ukrainian system of technical regulation including setting and enforcing compliance with mandatory requirements for products (or related processes), as well as monitoring such compliance does not comply with the fundamental provisions of the EU legislation; as a result, foreign trade partners of Ukrainian companies do not recognise results of the national conformity assessment and metrology authorities’ activity.</p>
EBA, 2008	<p>Adoption of the Law on Amendments to the Law on Standards, Technical Regulations and Conformity Assessment (concerning conformity assessment procedures) No. 255-VI dated 10 April 2008 is a step forward in regulating recognition of conformity assessment results of foreign trade partners. The mechanism for such recognition would imply adoption of bilateral/ multilateral agreements between Ukraine and its counterparts to implement this provision in practice.</p>

EBA, 2008	<p>The main reason for not recognising certification results is the lack of standards harmonisation. Both in Ukraine and in the EU countries voluntary-based standards are considered to prove conformity with respective technical regulations. But at present a significant number of existing Ukrainian standards are outdated and conflicting with modern techniques and approaches. Such approach is inconsistent with international norms and rules and the WTO principles, in particular the Agreement on Technical Barriers to Trade. Implementation of the international approach to standardisation (principle of voluntary use of standards) is limited due to the lack of technical regulations for products. Instead, most goods in Ukraine are still subject to compulsory standards. Furthermore a significant number of standards, which prove conformity to requirements of technical regulations (New Approach Directives), have not yet been adopted by Ukraine.</p>
EBA, 2008	<p>The regime established by the existing Ukrainian legislation to regulate the use of food additives in Ukraine is inconsistent with the regime set up by such international instruments as the Codex Alimentarius and the EU Directives. Therefore, it raises obstacles both to importers to Ukraine and domestic producers because Ukrainian rules are different from the rules applied in the countries which are the major trade partners of Ukraine. Due to that, Ukrainian exporting companies find themselves in harder conditions than producers from the countries of export. Such significant differences in sanitary rules cause obstacles to international trade, which need to be eliminated in accordance with the Agreement on Application of Sanitary and Phytosanitary Measures. In particular, pursuant to Article 3 of the Agreement on Application of Sanitary and Phytosanitary Measures, a country that intends to use sanitary and phytosanitary rules different from rules based on international standards and rules must scientifically justify them. Furthermore, according to Annex A to this Agreement, international standards and rules relating to food additives are established by the Codex Alimentarius. If any WTO member state files a complaint against Ukraine following its accession to the WTO, the rules that are more rigorous than those set by the Codex Alimentarius will apply only to the domestic products and not the products imported from other WTO countries.</p>
DG Entreprises	<p>Cooperation with Ukraine has been primarily in the field of technical regulations and standards. The aim is to open access to the Single Market for certain industrial goods produced in Ukraine, and open access for EU manufacturers to Ukraine's market (i.e. to increase Ukraine's stake in the internal market). This would take the form of an Agreement on Conformity Assessment and Acceptance of Industrial Goods (ACAA). The ACAA would also form an important element of the planned FTA.</p>
Blue Ribbon Analytical and Advisory Centre, 2009	<p>Most export producers still have to comply with the double standards of Ukraine and the country to which they are importing. The State Committee of Ukraine for Technical Regulation and Consumer Policy is attempting to harmonize the national, international, and European standards in view of the State Program of Standardization for 2006-2010. As of the beginning of November 2008, 472 national standards meet with international and European standards and were approved (in total 5,015 standards were enacted constituting 20% of the general number of Ukrainian standards). 19 technical regulations were approved during 2007-08. The annual budget of the State Committee of Ukraine for Technical Regulation and Consumer Policy allotted on this purpose does not exceed 12 million UAH; however, sector ministries also receive funds from the state budget for to harmonize sector standards. European technical aids and other donors can become a substantial source of financing. The international principle of voluntary standards is not legally regulated in Ukraine. The majority of obligatory technical regulations are in the development stage.</p>

EBA, 2009	<p>The Ukrainian system of technical regulation suffers from the lack of compliance with the core fundamental provisions of the EU legislation and requires further development. Among major legislative acts ensuring technical regulation in Ukraine, there are the Law of Ukraine on Standards, Technical Regulations and Conformity Assessment Procedure No. 3164-IV dated 1 December 2005, Law of Ukraine on Standardisation No. 2408-III dated 17 May 2001, the Cabinet of Ministers of Ukraine Decree on Standardisation and Certification No. 46-93 dated 10 May 1993 and the Cabinet of Ministers of Ukraine Resolution on State Surveillance of Conformity with Standards, Norms, Rules and Responsibility for its Violation No. 30-93 dated 8 April 1993, etc. As a part of its commitments to becoming a World Trade Organisation member Ukraine must harmonise all of its national and regional standards with international standards or technical regulations by 30 December 2011. Taking into account that international and European standards are revised every 5 years on average, it will be hard for Ukraine to achieve the necessary harmonisation level due to the low progress with the revision of outdated standards as so far only technical regulations were adopted by the respective Cabinet of Ministers of Ukraine Resolutions. Adoption of the Law of Ukraine on Amending the Law of Ukraine on Standards, Technical Regulations and Conformity Assessment (concerning conformity assessment procedures) No. 255-VI dated 10 April 2008 was a step forward in regulating recognition of conformity assessment results of foreign trade partners. However lack of clear mechanism for such recognition and poor equipment of testing laboratories in Ukraine imply adoption of bilateral/multilateral agreements between Ukraine and its counterparts to implement this provision in practice. Nevertheless, this problem could partly be solved by Ukraine's accession to the Agreement on Conformity Assessment and Acceptance of Industrial Products – ACAA – in the field of mutual recognition agreements and related technical dialogue with the EU and help Ukrainian manufactures to enter European and international markets.</p>
<p>▪ I 5.1.4 – Development of national policy and legislation facilitating foreign investments</p>	
ENP Progress Report, 2006	<p>First steps in eliminating barriers to the establishment of companies were taken though the September 2005 law on the licensing system. This law simplified the legislation and sharply reduced the time and number of permissions required to start a business. The new legislation on automobiles eliminated local content requirements and special tax breaks for local production.</p>
ENP Progress Report, 2006	<p>In the absence of a substantial improvement in the investment climate, however, the steep increase in FDI inflows observed in 2005 may prove to be a once-off phenomenon. Policy measures are required, for example, in areas such as the fight against corruption, a more transparent plan for further privatisation consistent with the rule of law, the adoption of the Joint stock company law, incompatibilities between the civil and commercial codes and court systems, the overall improvement of transparency and predictability and further reduction of the burden of licensing and inspection regimes.</p>
ENP Progress Report, 2007	<p>Little progress can be noted as regards the elimination of barriers to the establishment of companies. In November 2006, the Parliament adopted a law that allowed access of foreign bank branches to the Ukrainian market after Ukraine's WTO accession. Amendments were also adopted to the insurance law to bring the law into compliance with Ukraine's WTO commitments, in particular regarding the access of non-residents to the national insurance market. The number of permits and licenses required in most economic sectors impedes business and constitutes a huge cost factor for the companies.</p>
ENP Progress Report, 2007	<p>There has been no progress in the area of freedom of capital movements. Administrative and sometimes tax problems with the repatriation of foreign investments still exist.</p>

ENP Progress Report, 2008	A number of legislative acts were prepared during the reporting period in areas related to the free movement of capital. These acts aim at improving the legislation on the unified state currency policy, streamlining legislation in the sphere of foreign investment and improving the system of information exchange between public bodies that carry out controls in the area of foreign trade. Notwithstanding possible justification under the safeguard clause, measures taken by Ukraine in the context of the financial crisis may have an impact on the standstill provision concerning foreign exchange rules.
Blue Ribbon Analytical and Advisory Centre, 2009	On 28 January 2009 the National Agency of Ukraine for Foreign Investments and Development was created by Cabinet of Ministers of Ukraine (Decision No. 48). The tasks and skills of the new Agency generally corresponds to BRAAC recommendation, but analysis of regulations issued by the agency reveal a weakness in the mechanisms for receiving feed-back from foreign investors on regulatory policy, investment climate etc.
<p>▪ I 5.1.5 – Implementation by Ukraine of the PCA provisions relevant to foreign investments (establishment rights; intellectual, industrial and commercial property rights; capital movements; etc.)</p>	
ENP Progress Report, 2004	In the field of intellectual and industrial property rights, legislative initiatives taken include amendments to the law on Copyright and Neighbouring Rights, changes to the Criminal Code to clarify and strengthen the penalties for infringements and a new Customs Code which includes IPR-relevant provisions. IPR requirements have also been included in the Civil and Commercial Codes. The so-called Omnibus Law (in force since June 2003) was the vehicle for many of the changes in IPR legislation, codifying and modifying laws on copyrights, trademarks, rights to inventions and utility models and rights to industrial designs. The Omnibus law strengthened enforcement: courts can now issue preventive measures (which is new in the Ukrainian legal system) including the inspection of business premises or the seizure of property belonging to third parties. Ukraine has also taken a step towards improved judicial protection of intellectual property rights by providing for relevant training for judges from economic courts on IPR matters (specialised IPR courts do not exist). Improving border control is important for effective IPR enforcement.
ENP Progress Report, 2004	The Law of 18 January 1991 on Investment Activities is the main legislative act governing investment activities in Ukraine. The Law determines general legal, economic and social conditions, and aims at ensuring the protection of rights, interests and property of investing entities irrespective of types of property ownership or nationality. It sets the same rules for both national and foreign investors. Specific features of the foreign investment regime are however determined by a law of 19 March 1996 on the Regime of Foreign Investment, which foresees that any company with a 10% foreign participation in its statutory capital is a company with foreign investment and forbids investment in certain sectors. Ukraine has concluded agreements on protection of investments with more than 50 countries, including most Member States. The main obstacles to foreign investment include “red tape” (cost and time of business registration and licensing requirements) and corruption.
ENP Progress Report, 2006	On intellectual property rights, progress has been made in upgrading relevant legislation (notably in the area of laser-readable disks and raising criminal sanctions) and, partly, its enforcement. Effective implementation and progress on issues such as geographical indications (GIs), data protection and copyright obligations is required.

<p>ENP Progress Report, 2007</p>	<p>On intellectual property rights, the EU and Ukraine have engaged since April 2006 in an in-depth dialogue. Ukraine is in the process of thoroughly revising its legislative framework as a consequence of the ongoing WTO accession negotiations. Effective implementation and progress on issues such as geographical indications, registration of medical products, copyright obligations and deterrent penal sanctions are required. The revised customs law, which entered into force in February 2007, provides for <i>ex-officio</i> actions. However, weak enforcement of IP rights, including at the borders, remains an issue of concern as there is still a widespread circulation of counterfeited and pirated goods, including medicines. Ukraine is listed in category 2 of the EU enforcement survey. Ukraine has not yet set up a national coordination council to focus on enforcement activities.</p>
<p>ENP Progress Report, 2008</p>	<p>Ukraine continued to revise its legislative framework on intellectual property rights with the adoption, in April 2008, of the law “On Amendments to several Laws of Ukraine on Intellectual Property Rights” due to its accession to the WTO. It further aligns with TRIPS norms as regards geographical indications in particular. A number of key legislative acts, such as the revised Copyright law and new laws on Industrial Property Rights, are in the pipeline. The State Department for Intellectual Property took measures to strengthen IP dialogue with right-holders and the business community. In October 2008 Ukraine signed a cooperation agreement for the years 2008-2009 with the European Patent Office. The National Coordination Council in charge of enforcement activities is still not established. There is still a high level of piracy, including internet piracy, and counterfeiting in Ukraine. Border measures remain inefficient, which makes it easy to smuggle counterfeited goods into Ukraine.</p>

▪ **I 5.1.6 – Attractiveness of the business environment in Ukraine *vis-à-vis* Poland and CIS countries**

<p>World Bank</p>	<p>Ukraine’s ranking at the World Bank 2010 survey “Ease of doing business” (out of 183 countries).</p>																																																																								
	<table border="1"> <thead> <tr> <th>Ease of...</th> <th>Ukraine</th> <th>Poland</th> <th>Belarus</th> <th>Moldova</th> <th>Russia</th> </tr> </thead> <tbody> <tr> <td>Doing Business</td> <td>142</td> <td>72</td> <td>58</td> <td>94</td> <td>120</td> </tr> <tr> <td><i>Starting a Business</i></td> <td>134</td> <td>117</td> <td>7</td> <td>77</td> <td>106</td> </tr> <tr> <td><i>Dealing with Construction Permits</i></td> <td>181</td> <td>164</td> <td>44</td> <td>161</td> <td>182</td> </tr> <tr> <td><i>Employing Workers</i></td> <td>83</td> <td>76</td> <td>32</td> <td>141</td> <td>109</td> </tr> <tr> <td><i>Registering Property</i></td> <td>141</td> <td>88</td> <td>10</td> <td>17</td> <td>45</td> </tr> <tr> <td><i>Getting credit</i></td> <td>30</td> <td>15</td> <td>113</td> <td>87</td> <td>87</td> </tr> <tr> <td><i>Protecting investors</i></td> <td>109</td> <td>41</td> <td>109</td> <td>109</td> <td>93</td> </tr> <tr> <td><i>Paying taxes</i></td> <td>181</td> <td>151</td> <td>183</td> <td>101</td> <td>103</td> </tr> <tr> <td><i>Trading across borders</i></td> <td>139</td> <td>42</td> <td>129</td> <td>140</td> <td>162</td> </tr> <tr> <td><i>Enforcing contracts</i></td> <td>43</td> <td>75</td> <td>12</td> <td>22</td> <td>19</td> </tr> <tr> <td><i>Closing a business</i></td> <td>145</td> <td>85</td> <td>74</td> <td>90</td> <td>92</td> </tr> </tbody> </table>	Ease of...	Ukraine	Poland	Belarus	Moldova	Russia	Doing Business	142	72	58	94	120	<i>Starting a Business</i>	134	117	7	77	106	<i>Dealing with Construction Permits</i>	181	164	44	161	182	<i>Employing Workers</i>	83	76	32	141	109	<i>Registering Property</i>	141	88	10	17	45	<i>Getting credit</i>	30	15	113	87	87	<i>Protecting investors</i>	109	41	109	109	93	<i>Paying taxes</i>	181	151	183	101	103	<i>Trading across borders</i>	139	42	129	140	162	<i>Enforcing contracts</i>	43	75	12	22	19	<i>Closing a business</i>	145	85	74	90	92
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World Economic Forum, 2010	Ukraine ranking at the World Economic Forum 2010 report on competitiveness (out of 133 countries)				
		Ukraine	Poland	Russian Federation	
	Overall ranking	82	46	63	
	Basic requirements	94	71	64	
	<i>Institutions</i>	120	66	114	
	<i>Infrastructure</i>	78	103	71	
	<i>Macroeconomic stability</i>	106	74	36	
	<i>Health and primary education</i>	68	35	51	
	Efficiency enhancers	68	31	52	
	<i>Higher education and training</i>	46	27	51	
	<i>Goods market efficiency</i>	109	53	108	
	<i>Labour market efficiency</i>	49	50	43	
	<i>Financial market sophistication</i>	106	44	119	
	<i>Technological readiness</i>	80	48	74	
	<i>Market size</i>	29	20	7	
Innovation and sophistication factors	80	46	73		
<i>Business sophistication</i>	91	44	95		
<i>Innovation</i>	62	52	51		
World Economic Forum, 2010	Indicators of market access (Global Enabling Trade Report 2009)				
		Ukraine	Poland	Moldova	Russia
	Trade-weighted average tariff rate for non-agricultural products	3.1	0.5	2.1	12.7
	Trade-weighted average tariff rate for agricultural products	31.6	9.3	13.1	26.2
	Index of non-tariff barriers	7.8	43.7	2.3	31.2
	Variance of tariffs	23.4	10.8	6.4	15.8
	% share of tariff lines with domestic peaks	6.5	9.8	13.2	3.3
	% of HS tariff lines with at least one specific tariff	7.7	10.5	4.6	16.9
	Number of distinct tariffs for all sectors	900	1491	406	1859
	Duty-free imports as a share of total imports	61	68	81	33
	Average of the applied tariff rates, including preferential rates, that the rest of the world applies to the country	5.5	5.6	5.5	5.4
	Trade-weighted average difference between the MFN tariff and the most advantageous preferential duty	55.0	10.4	80.2	37.0

<p>JC 5.2 – The Commission’s cooperation contributed to strengthen the capacity of Ukrainian enterprises, in particular SME, to sell their products in foreign markets and in particular in the EU</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 5.2.1 – Strengthened capacity of Ukrainian entrepreneurs to export to the EU (information, participation in fairs, networking, etc.)</p>	
<p>ENP Progress Report, 2006</p>	<p>Discussions with Commission experts are taking place with a view to the possible adoption and implementation of the European Charter for Small Enterprises. An Euroinfo Centre was opened in Ukraine at the end of 2005.</p>
<p>SME Project, 2009</p>	<p>State support for export and import development is defined in the National Programme SME Support and Development (dd. 21.12.08 N 2157-III), which is specifically related to:</p> <ul style="list-style-type: none"> • Creation of the mechanism of state support for foreign economic activity for the stimulation of SMEs to participate in improving the export potential of Ukraine and the provision of incomes for critical import goods • Adoption and realization of special programmes aimed at creating economic export potential, including using opportunities of non government SMEs and also support for those programmes aimed at limiting the import of those types of goods which could bring a significant decline in the production level in some local industries • Setting up a special fund for financing foreign economic programmes aimed at radical change of the existing export (import) structure, and increasing the technological and organizational level of production, especially in prioritized economic sectors; • Promotion of Ukrainian goods and services in the international market • Stimulation of the development of the local market for goods produced by SMEs which meet International standards • Creation of a quality certification system for export and import goods.
<p>SME Project, 2009</p>	<p>Many Ukrainian enterprises still lack the understanding of foreign investors’ and customers requirements and basic skills to prepare good investment proposals and to communicate with foreign business partners. At the same time, professional assistance, consultancy or training from investment promotion agencies and business support organisations is scarce. Business support and investment promotion organisations are mainly focused on the ‘supply side’ (identifying and servicing investors), but not on the ‘demand side’ (improving Ukrainian enterprises’ absorption capacity, the ability to attract and work successfully with investors).</p>
<p>SME Project, 2009</p>	<p>Internationalisation of Ukrainian SMEs through attracting Foreign Direct Investment and developing exports requires substantial practical support from official SME support institutions. In many countries so-called SME agencies provide this support. Ukraine does not possess such a central institution and the SME-related departments in the oblast administrations are not yet prepared to perform such a role.</p> <p>A central organisation identifying and taking care of SME needs is missing in Ukraine. In particular, there is no national export promotion agency. Even measures which are fundamental to SME support in many European countries such as organizing a national booth on important international trade fairs are not practiced in a way that reflects the size, structure and potential of the Ukrainian economy.</p>

<p>▪ I 5.2.2 – Development of standards and certification</p>	
<p>IFC, 2008</p>	<p>The following key issues in the Ukrainian system of technical regulations have been identified:</p> <ul style="list-style-type: none"> • Mandatory compliance with state standards applicable de facto to all goods and many services, meaning that any innovation requires to register a new standard or a “technical specification” – instead of having only security and information (labeling) requirements be mandatory, and let the choice of technical solutions to the producers • Excessive use of mandatory certification, for over 400 types of goods and services, without regard to their actual level of risk for the public, or to other types of regulation already applicable (for instance food products, which are already regulated by the Sanitary and Veterinary Services) • Excessive coverage of business inspections, in particular at the production level, instead of focusing on targeted checks of products on the market to ensure their safety and the respect of essential requirements • Applicable standards still mostly coming from the former Soviet Union, which not only do not correspond to international standards, but are typically far more restrictive and prescriptive, and slow down the adoption of new approaches and technologies – the transition to international standards is still too slow • All functions are still bundled in one institution, which creates conflicts of interest and does not allow specialists to focus properly on their missions, as they have to deal with several, fully different perspectives simultaneously • Insufficient participation of the private sector in the standardization process, which on the international level is primarily driven by industry actors. <p>In spite of these shortcomings, Ukraine can boast on the upside a vast number of well qualified specialists in MSTQ institutions. Its technical infrastructure is better than some of the neighboring countries, but lack of rationalizations (far too many laboratories in too many overlapping institutions) means that it is practically impossible to upgrade at the present stage.</p>
<p>IFC, 2008</p>	<p>The Ukrainian technical regulations system is based on the previous Soviet system and differs from what is understood as standardization and certification or conformity assessment in Europe and OECD countries.</p> <p>Standards are compulsory for most of goods, and many services, whereas in most of the world compliance with standards is optional. Over 60% of Ukrainian businesses have to comply with compulsory standards and/or technical specifications.</p> <p>Registering all technical specifications in 2006 cost to Ukrainian SME about \$2,000 (for food service it was up to \$3,000 and for manufacturing firm - up \$8,000) and took two month on average (for each third enterprise is was up to half a year and longer).</p> <p>Mandatory certification procedures covers over 400 types of goods and services and affects a significant share of Ukrainian enterprises, including low-risk businesses and sectors, which are already regulated in other ways.</p> <p>The State Committee for Technical Regulations and Consumer Protection is responsible simultaneously for development and approval of standards, issuing certificates, conducting inspections of producers, and ensuring market surveillance and protection of consumer rights – a combination of responsibilities and powers, which can lead to significant conflicts of interest.</p>

<p>European Business Association, 2009</p>	<p>The Ukrainian system of technical regulation suffers from the lack of compliance with the core fundamental provisions of the EU legislation and requires further development. Among major legislative acts ensuring technical regulation in Ukraine, there are the Law of Ukraine on Standards, Technical Regulations and Conformity Assessment Procedure No. 3164-IV dated 1 December 2005, Law of Ukraine on Standardisation No. 2408-III dated 17 May 2001, the Cabinet of Ministers of Ukraine Decree on Standardisation and Certification No. 46-93 dated 10 May 1993 and the Cabinet of Ministers of Ukraine Resolution on State Surveillance of Conformity with Standards, Norms, Rules and Responsibility for its Violation No. 30-93 dated 8 April 1993, etc.</p> <p>As a part of its commitments to becoming a World Trade Organisation member Ukraine must harmonise all of its national and regional standards with international standards or technical regulations by 30 December 2011. Taking into account that international and European standards are revised every 5 years on average, it will be hard for Ukraine to achieve the necessary harmonisation level due to the low progress with the revision of outdated standards as so far only 29 technical regulations were adopted by the respective Cabinet of Ministers of Ukraine Resolutions.</p> <p>Adoption of the Law of Ukraine on Amending the Law of Ukraine on Standards, Technical Regulations and Conformity Assessment (concerning conformity assessment procedures) No. 255-VI dated 10 April 2008 was a step forward in regulating recognition of conformity assessment results of foreign trade partners. However lack of clear mechanism for such recognition and poor equipment of testing laboratories in Ukraine imply adoption of bilateral/multilateral agreements between Ukraine and its counterparts to implement this provision in practice.</p> <p>Nevertheless, this problem could partly be solved by Ukraine’s accession to the Agreement on Conformity Assessment and Acceptance of Industrial Products – ACAA – in the field of mutual recognition agreements and related technical dialogue with the EU and help Ukrainian manufactures to enter European and international markets.</p>
<p>European Business Association, 2009</p>	<p>Ukraine expressed its interest to sign the Agreement on Conformity Assessment and Acceptance of Industrial Products – ACAA with the EU in 2005 as a part of the EU-Ukraine Action Plan implementation. ACAA aims to open access to the single market for certain industrial goods produced in Ukraine, and open access for EU manufacturers to Ukraine’s market (i.e. to increase Ukraine’s stake in the internal market). Moreover, the ACAA signing would also form an important element of the EU-Ukraine Free Trade Agreement. Among priority sectors for the alignment with the EU Ukraine identified Electro Magnetic Compatibility, Low Voltage, Machinery and Simple Pressure Vessels.</p>
<p>European Business Association, 2009</p>	<p>Necessity to introduce market surveillance regulation according to the EU norms and principles is declared as a part of the Ukraine’s intentions to sign ACAA and used to be one of the components of the TWINNING project implemented under the State Committee for Technical Regulation and Consumer Policy of Ukraine. Thus, at the moment without the Law establishing and regulating market surveillance system in Ukraine, the current state pre-market control does not assure consumer safety and protect consumer rights as well as creates a burden for innovative development. Though, some development has taken place and two draft laws on market surveillance issue were developed. One of them was submitted to the Parliament by the President on 17 January 2008 (the Draft No. 1365) and still remains under consideration with no visible progress to adopt it in the nearest future. While the second one was drafted by the State Committee for Technical Regulation and Consumer Policy of Ukraine and published on their official site on 23 October 2007 though later was withdrawn requiring additional elaboration.</p>
<p>▪ I.5.2.3 – Evidence of an increased capacity of Ukrainian enterprises to produce EU and internationally compliant goods and services</p>	
<p>Source</p>	<p>▪ No information retrieved</p>

JC 5.3 – The Commission’s cooperation contributed to increasing integration of Ukraine in the world economy																																																									
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WB, 2010	<p>Ukraine ranked 102nd in World Bank’s latest Logistics Performance Index (LPI 2010) out of 155 countries. In LPI 2007, Ukraine ranked 73th, with almost identical scores. This means that other countries’ performance was improving, whereas the respondents saw little change in Ukraine. These rankings are based on assessments made by freight-forwarding/logistics professionals outside Ukraine. The most cited problems include:</p> <ul style="list-style-type: none"> • Unpredictability and corruption at borders, not only from custom agents but also from other technical regulators • Weaknesses in the business climate in general that prevent investment in the production of new goods • Absence of coherent policies to attract foreign direct investment (FDI) • Inadequacies in the transport network, in particular connecting Ukraine to the European Union • Customs procedures and cumbersome border inspections that reduce the competitiveness of Ukrainian goods, especially those for which timely delivery is critical • Network effects and linkages among industries inherited from Soviet times that are slow to be broken up • Specific regulations such as mandatory product standards that reinforce traditional linkages and prevent integration into new markets • The slow and costly process of VAT reimbursement to exporters (consistently the most cited obstacle in exporters’ surveys) • <input type="checkbox"/> General complexity of regulations relating to exporting and their unfair enforcement, including numerous precustoms permits, registration licenses, technical regulations, and certification, and the related delays and high compliance costs. 																																																								
<ul style="list-style-type: none"> I 5.3.2 – Contribution of Ukrainian external trade to GDP growth 																																																									
World Bank Ukraine Trade Policy Study, 2004	<p>Ukraine’s strong trade performance has made a major contribution to recent economic recovery and growth acceleration in the country. About 40 percent of total GDP growth in 1999-2002 could be attributed to the increase in net exports. In 1999-2003, total merchandise exports increased (in current U S dollars) by about 100 percent. In addition, as a transit country, Ukraine has been increasingly benefiting from trade in services: export of services exceeds 10 percent of GDP, two thirds of which comes from transportation (primarily transit of Russia’s oil and gas to Europe).</p>																																																								

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	GDP growth	18.4%	29.1%	27.9%	23.3%	32.5%	31.5%																																																																																
	Contribution	-1.3%	7.3%	-6.6%	-4.3%	-4.7%	-4.8%																																																																																
<p>■ I.5.3.3 – Diversification of Ukrainian exports</p>																																																																																							
World Bank Ukraine Trade Policy Study, 2004	<p>Analysis shows that Ukraine’s export elasticity on foreign incomes has been low, implying that the existing export structure, if not improved, will limit opportunities for further growth expansion. Ukraine’s recent export trends have been constrained by structural problems. So far the role of efficiency factors, which could become longer-term export drivers, has been limited, while the contribution to export growth from both new export products and new exporters has been low. A major shift toward better incentives for a more diversified export structure would be needed in order for Ukraine to maintain high rates of export expansion, as well as to strengthen linkages between trade and growth performance.</p>																																																																																						
World Bank Ukraine Trade Policy Study, 2004	<p>At the moment, Ukrainian exports remain highly concentrated. The combined share of metals, chemicals, and mineral products amounted to 60 percent of 2003 total exports. Over 1999-2003, two sectors - iron and steel and mineral products – contributed 45 percent to total export growth. Overall, the Ukrainian export structure is heavily biased toward so-called “sensitive commodities”, such as metals and chemicals, that are particularly exposed to protectionism in global markets and are also highly sensitive to changes in market conditions. Thus, since 1995, the market position of leading Ukrainian exporters has been vulnerable due to a large number of antidumping investigations. The share of Ukraine in the global number of anti-dumping investigation is about 10 times higher than its share in global trade. Export diversification is the only way to make export less sensitive to both global market price changes and potential protectionism pressures.</p>																																																																																						
Blue Ribbon Analysis and Advisory Centre, 2009	<p>Export tended to diversify. WTO accession stimulated traditional exports.</p> <table border="1"> <thead> <tr> <th></th> <th>2005</th> <th>2006</th> <th>2007</th> <th>2008</th> <th>2007 June- Dec.</th> <th>2008 June- Dec.</th> </tr> </thead> <tbody> <tr> <td>Hirschman Index</td> <td>0.171</td> <td>0.168</td> <td>0.162</td> <td>0.181</td> <td>0.161</td> <td>0.180</td> </tr> <tr> <td>Percentage of first 10 items in total exports</td> <td>42</td> <td>40</td> <td>40</td> <td>43</td> <td>39</td> <td>44</td> </tr> </tbody> </table>								2005	2006	2007	2008	2007 June- Dec.	2008 June- Dec.	Hirschman Index	0.171	0.168	0.162	0.181	0.161	0.180	Percentage of first 10 items in total exports	42	40	40	43	39	44																																																											
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WB, 2010	<p>Ukraine’s current export base is narrow and requires diversification that can be achieved by lifting substantial trade-specific barriers that put a burden on current and potential exporters. The distortion of input costs has predictably led to an excessive trade concentration in energy-intensive commodities, in particular metallurgy. Export diversification is an urgent medium-term priority because Ukraine’s strong current comparative advantage in metallurgy, in particular, faces serious medium- to long-term threats related to outdated technology, low labor productivity, and declining global market conditions.</p>																																																																																						

WB, 2010	Trade patterns by commodity group are even more concentrated than the geographical pattern. The most important export commodity group at 2-level classification, ferrous metals, accounted for 26 percent of total exports, and the top five commodities at 2-level classification were a total of 52 percent in 2009. In imports, the most important commodity group at the 2-level—energy, petroleum, and related products—accounted for 32 percent, and the top five commodities at the 2-level a total of 56 percent. Diversification of especially the export base would be crucially important for Ukraine. The current pattern leaves it highly vulnerable to outside economic and even political shocks, as has been demonstrated since the end of 2008.																																																							
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Joint evaluation report EU-Ukraine Action Plan, 2008	Total trade between the EU and Ukraine has progressively increased over the three years. Growth in EU exports has slightly exceeded growth in EU imports from Ukraine. The EC-Ukraine steel and textiles agreements were successfully implemented over the period and contributed to an increase of trade in these product groups (both agreements will end with Ukraine’s formal accession to the WTO). In line with the EU Council conclusions of February 2005, the EU granted Market Economy Status to Ukraine in December 2005. Following the introduction of grain export limitations in 2006 and similar export restrictions in other areas, Ukraine has agreed that for the future such limitations would be temporary; should be introduced only when it was really needed, in a fully justified and transparent manner, taking into account Ukraine’s legal obligations; and should be implemented in a non-discriminatory manner.																																																							
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Eurostat	<p>Ukraine’s foreign trade</p> <table border="1" data-bbox="411 1532 1347 1859"> <thead> <tr> <th rowspan="2">Million €</th> <th colspan="3">Imports to Ukraine</th> <th colspan="3">Exports from Ukraine</th> </tr> <tr> <th>Total</th> <th>EU 27</th> <th>% EU</th> <th>Total</th> <th>EU 27</th> <th>% EU</th> </tr> </thead> <tbody> <tr><td>2004</td><td>23,353</td><td>7,676</td><td>33.0%</td><td>26,090</td><td>8,868</td><td>34.0%</td></tr> <tr><td>2005</td><td>29,138</td><td>9,858</td><td>33.8%</td><td>27,202</td><td>8,217</td><td>30.2%</td></tr> <tr><td>2006</td><td>46,386</td><td>20,092</td><td>43.3%</td><td>31,203</td><td>8,970</td><td>28.7%</td></tr> <tr><td>2007</td><td>54,835</td><td>24,597</td><td>44.8%</td><td>37,789</td><td>11,289</td><td>29.9%</td></tr> <tr><td>2008</td><td>67,841</td><td>27,662</td><td>40.8%</td><td>45,804</td><td>13,061</td><td>28.5%</td></tr> </tbody> </table>	Million €	Imports to Ukraine			Exports from Ukraine			Total	EU 27	% EU	Total	EU 27	% EU	2004	23,353	7,676	33.0%	26,090	8,868	34.0%	2005	29,138	9,858	33.8%	27,202	8,217	30.2%	2006	46,386	20,092	43.3%	31,203	8,970	28.7%	2007	54,835	24,597	44.8%	37,789	11,289	29.9%	2008	67,841	27,662	40.8%	45,804	13,061	28.5%							
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Eurostat	Ukraine's main trade partners in 2008									
	Main import partners		Main export partners							
	EU 27	40.8%	EU 27	28.5%						
	Russia	27.4%	Russia	23.4%						
	China	8.7%	Turkey	8.2%						
	Turkmenistan	4.7%	USA	3.4%						
	Belarus	3.1%	Egypt	2.1%						
<ul style="list-style-type: none"> I 5.4.2 – Trends in the share of Ukraine in EU exports 										
Statistical Committee	Ukraine :structure of imports by origin									
		Total	CIS	EUR 27	Other					
	2000	100.00%	57.61%	28.94%	13.45%					
	2001	100.00%	55.99%	30.10%	13.91%					
	2002	100.00%	52.83%	32.43%	14.74%					
	2003	100.00%	49.99%	34.16%	15.84%					
	2004	100.00%	52.45%	32.93%	14.63%					
	2005	100.00%	47.13%	33.74%	19.14%					
	2006	100.00%	44.82%	35.96%	19.23%					
	2007	100.00%	42.18%	36.65%	21.17%					
	2008	100.00%	39.25%	33.75%	27.00%					
	Average annual growth rate	25.4%	19.6%	27.9%	36.9%					
<ul style="list-style-type: none"> I 5.4.3 – Share of European Foreign Direct Investments in total FDI 										
<ul style="list-style-type: none"> I 5.4.4 – Share of European Foreign Direct Investments as a percentage of GDP 										
UNCTAD	Flow of Foreign Direct Investments in USD million									
		2000	2001	2002	2003	2004	2005	2006	2007	2008
	Ukraine	595.0	792.0	693.0	1424.0	1715.0	7808.0	5604.0	9891.0	10,693.0
	Poland	9,343.0	5,714.0	4,131.0	4,870.0	12,756.0	10,249.0	19,591.0	22,612.0	16,533.0
	Belarus	118.8	95.8	247.1	171.8	163.8	305.0	354.0	1,785.2	2,158.1
	Moldova	127.5	54.5	84.1	73.8	87.7	190.7	251.1	493.4	712.8
	Russia	2,714.2	2,748.3	3,461.1	7,958.1	15,444.4	12,885.8	29,701.4	55,073.2	70,320.0
UNCTAD	Foreign Direct Investments per capita (USD)									
		2000	2001	2002	2003	2004	2005	2006	2007	2008
	Ukraine	12.2	16.4	14.4	29.9	36.3	166.4	120.2	213.7	232.5
	Poland	243.1	148.9	107.8	127.2	333.6	268.3	513.4	593.0	433.9
	Belarus	11.8	9.6	24.8	17.3	16.6	31.1	36.2	183.6	223.0
	Moldova	31.1	13.5	21.2	19.0	23.0	50.7	67.7	134.5	196.2
	Russia	18.5	18.8	23.8	55.0	107.4	90.0	208.4	388.0	497.3

UNCTAD	Foreign Direct Investments as a % of Gross Capital Formation										
		2000	2001	2002	2003	2004	2005	2006	2007	2008	
	Ukraine	9.68	10.58	8.53	13.79	11.72	41.27	21.14	25.59	..	
	Poland	22.96	14.49	11.11	12.30	27.87	18.48	28.86	23.91	..	
	Belarus	4.52	3.42	7.70	4.06	2.80	3.81	3.23	12.95	..	
	Moldova	64.14	22.00	30.98	20.06	15.93	25.95	25.97	33.72	..	
	Russia	6.20	4.75	5.59	10.04	14.22	9.47	16.84	20.30	..	
Statistical Committee	Percentage of EU 27 countries in the total stock of FDI. Situation on the 31 st December										
	2004	2005	2006	2007	2008	2009	2010				
	56.0%	54.7%	71.5%	75.2%	77.6%	79.0%	78.3%				
Statistical Committee	Share of EU countries in the stock of total EU FDI. Situation on the 31 st December 2009										
											%
	Cyprus										27.4%
	Germany										21.1%
	Netherlands										12.8%
	Austria										8.3%
	United Kingdom										7.6%
	France										5.2%
	Sweden										4.1%
	All others										13.6%

EQ 6 on Environment

EQ6 To what extent has the policy dialogue between the Commission and the Government of Ukraine, as well as Commission’s interventions in the field of environment and in other sectors, contributed to sustainable development and environment protection	
JC 6.1 – The Commission’s cooperation with Ukraine contributed to establishing conditions for an effective environmental governance	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p> <p>Ukraine faces significant challenges if it is to promote environmental protection. Key areas include air and water quality, waste management, nature-protection and radiation contamination in the north-eastern part of the country. As regards climate change, Ukraine has significant possibilities to use the flexible mechanisms under the Kyoto Protocol, but has been unable to translate this into a comprehensive strategy, including negotiation positions for the Copenhagen Summit.</p> <p>During the last years the EU support was focused on the water governance (including the Black Sea collaboration) and biodiversity areas (mainly funded by the Tacis Regional Action programmes). In October and December 2009 were launched two framework activities for twelve month each to support the Ukrainian authorities in implementation of their commitments in the International Conventions: Espoo, Aarhus, Danube and Ramsar. The Twinning project “Support to the Ministry of Environmental Protection of Ukraine in implementation of the Law on the Ecological Audit” is to be launched in 2010. As well as €35 million is allocated to implement the Environmental Sector Budget Support programme in Ukraine in 2010-2012. (EAMR 2009-02)</p>	
Assessment of EU-Ukraine AP	<p>The steps taken by the state authorities in Ukraine to implement the Action Plan’s objective of strengthening administrative structures and procedures can be hardly considered to be consistent and adequate. The distribution of powers of and among the state authorities responsible for environmental protection issues, including the Ministry of Environmental Protection, was not subject to comprehensive revision for years. The key policy document in environmental protection area - the Main Directions of the State Policy of Ukraine in the Field of Environmental Protection, Use of Natural Resources and Environmental Safety (1998) - has not been ever revised. A draft Strategy of the National Environmental Policy of Ukraine for the period till 2020 was developed.</p>

<p>Assessment of EU-Ukraine AP</p>	<p>The annual Measures to Implement the EU-Ukraine Action Plan (2005, 2006, 2007, and 2008) provided for the adoption of the following plans and programs:</p> <ul style="list-style-type: none"> - Strategy of the National Environmental Policy of Ukraine till 2020 (Measures for 2008); - National Action Plan on Environmental Protection for 2009-2012 (Measures for 2007, 2008); - Concept on the Protection of Water Resources (Measures for 2005, 2006, 2007); - State Program on the Conservation of Biodiversity for 2005-2015/ 2007-2025/ 2008-2025 (Measures for 2005, 2006, 2007); - State Program on the Development of the Reserves till 2020 (Measures for 2006, 2007); - Action Plans within the Large Carnivore Initiative for Europe and Large Phytivorous Animals Initiative (Measures for 2005, 2006). <p>These planned measures were not implemented in a timely manner. These measures were postponed from year to year. At the same time there is some progress in the field of adoption of plans and programs. The Cabinet of Ministers of Ukraine adopted a few concepts. This is one of the obligatory stages for development of the state special programs. The Cabinet of Ministers adopted the following concepts:</p> <ul style="list-style-type: none"> - Concept of the National Environmental Policy of Ukraine till 2020, approved by the Order of the Cabinet of Ministers of Ukraine No880-p of October 17, 2007; - Concept of the State Program of the Conservation of Biodiversity for 2005-2025, approved by the Order of the Cabinet of Ministers of Ukraine No 675-p of September 22, 2004 (it had been approved before the AP was signed); - Concept of the State Program of the Development of Reserves till 2020, approved by the Order of the Cabinet of Ministers of Ukraine No 70-p of February 8, 2006. <p>According to these concepts a few draft plans and draft programs were developed:</p> <ul style="list-style-type: none"> - Draft of the Strategy of the National Environmental Policy till 2020; - Draft of the State Environmental Program of Conservation, Renovation and Sustainable Use of Biodiversity of Ukraine for 2009-2027; - Draft of the State Environmental Program of Development of Reserves till 2020.
<p>I 6.1.1 – Content and outcomes of the policy dialogue between the Commission and GoU on environmental issues</p>	
<p>Interview in Ministry of Environment</p>	<p>The ministry considers policy dialogue with EC is constructive and useful. Especially in the area of drafting of the new National Environmental Strategy it has received comments from the EC and other EU MS, especially Sweden and Germany.</p> <p>The content concerns in particular the harmonization of Ukrainian legislation to EU standards, and the Ministry</p>

<p>Assessment of the EU-Ukraine Action Plan , 2009.</p>	<p>Recently the institutional capacity of the state bodies to work with European integration issues was strengthened (creation of the special departments on the European integration within the Ministries, special trainings, etc.) Ukraine actively incorporates the commitments related to the cooperation with EU, including those under the ENP and EU-Ukraine Action Plan, into its national policy, strategic and legislative instruments.</p>
<p>Assessment of the EU-Ukraine Action Plan , 2009.</p>	<p>The annual measures to implement the EU-Ukraine Action Plan and annual measures to implement the State Program on Adaptation of the Legislation of Ukraine to the legislation of the EU provide for adoption of new legislation. The level of implementation of such measures in the field of environmental protection is low.(p.21)</p>
<p>Andriy and Nataliya Andrushevych (Researchers in Environment and Law, University of Oregon)</p>	<p>The EU-Ukraine Action Plan is a framework document which provides for main directions of activities. The category “Other key areas”, section “Transport, energy, information society and environment” provides for some environmental protection issues. The environmental protection and promotion of sustainable development are not among the priorities for activities in the Action Plan. The environmental issues are not integrated properly into other fields regulated by the Action Plan, including transport, energy, agriculture, etc.</p>
<p>Environment-People-Law, International public interest environmental law organization (EPL, Lviv)</p>	<p>EU has been pushing for reforms through the Association Agenda and EPL is quite happy with the issues included in the chapter on environment. EU has been clear in the Danube Channel case, pushing Ukraine for the implementation of international agreements.</p>
<p>I.6.1.2 – Existence of administrative structures and procedures effectively ensuring strategic planning of environmental protection and co-ordination between relevant actors</p>	
<p>Assessment of the EU-Ukraine Action Plan Nataliya Andrushevych. – Lviv. – 2009.</p>	<p>The distribution of powers of and among the state authorities responsible for environmental protection issues, including the Ministry of Environmental Protection, was not subject to comprehensive revision for years.</p> <ul style="list-style-type: none"> • The key policy document in environmental protection area - the Main Directions of the State Policy of Ukraine in the Field of Environmental Protection, Use of Natural Resources and Environmental Safety (1998) - has not been ever revised. • A draft Strategy of the National Environmental Policy of Ukraine for the period till 2020 was developed. A concrete Action Plan needs to be developed for implementing the strategy. Also it still needs further improvement and consultations with the public. • It is necessary to harmonize current and future sector strategies with the Strategy of the National Environmental Policy. • It is necessary to ensure the real access and public participation in the decision-making process on environmental issues. • It is necessary to increase the coordination between different state bodies and to develop the mechanisms of the practical cooperation of ministries and institutions on the environmental protection issues.(p.15)

<p>Olena Maslyukivska (Senior Lecturer at National University of "Kyiv-Mohyla Academy")</p>	<p>There is an increasing number of young people in the ministries who have studied abroad and who are quite professional and capable.</p>
<p>Environment- People-Law (EPL, Lviv)</p>	<p>Too many staff in the Ministries have changed, resulting in a loss of professionalism There is also a lack of financial and human capacity in the relevant (local) bodies, such as inspectorates. Building their capacity has not been a priority of the government. Hence the inspectorates are also reluctant to act. The Ministry of ENV is the weaker player among other Ministries. But not only politically, also in terms of human resources it is not clear if the ministry has the absorption capacity for the money of the SBS.</p>
<p>I 6.1.3 – Existence of structures and procedures to carry out environmental impact assessments</p>	
<p>Assessment of the EU-Ukraine Action Plan, 2009.</p>	<p>Low level of the practical implementation of legislation/plans/programs/policy/ international documents at national level. One of the main problems for every assessed objective is low level of implementation of legislation, plans, programs, policy, and international conventions. Even in the fields where necessary legislation is in place practical implementation is not adequate. This is true for the fields of EIA, access to environmental information, preparation of regular reports on the state of the environment, etc.</p>
<p>Andriy and Nataliya Andrushevych</p>	<p>The proper legislation and key procedures for the environmental impact assessment (EIA) are in place. Key problem areas include the capacity of state authorities (personnel capacity), practical opportunities for public participation and restricted access to information. Ukraine lacks clear mechanisms for strategic environmental assessment (plans, programs, draft laws) and EIA of transboundary impacts (under Espoo Convention). It is necessary to include again into the new Practical Instrument an objective to reinforce structures and procedures to carry out environmental impact assessments, including in relation to transboundary issues but with specific priorities to increase capacity of the personnel involved in the EIA, to improve practical mechanisms for public participation in EIA, to ensure adequate access to information in EIA process, to adopt legislation for strategic environmental assessment and ratification of SEA Protocol (2003) to the Espoo Convention, to adopt measures for proper implementation of the procedures under Espoo Convention.</p>

<p>Assessment of the EU-Ukraine Action Plan, 2009.</p>	<p>Environmental impact assessment in Ukraine comprises two separate procedures: so called OVNS (EIA done by the developer) and <i>state environmental expertiza</i> (EIA done by environmental protection agencies). EIA legislation in Ukraine includes: the Law of Ukraine on Environmental Protection (1991), the Law of Ukraine on Environmental Expertiza (1995), the Decree of the Cabinet of Ministers of Ukraine on the List of Activities and Objects Which Pose a High Risk to the Environment (1995), the Decree of the Cabinet of Ministers of Ukraine on the Procedure for Submission Documents for State Environmental Expertiza (1995), State Building Norms DBN A.2.2-1-2003 “Structure and Content of EIA During Planning and Construction of Enterprises, Houses and Buildings”. A special order establishing the procedures for performing state environmental expertiza was repealed in 2004. From decision-making perspective only state environmental expertiza can be considered. State environmental expertiza is obligatory for activities and objects which pose a high risk to the environment. The list of such activities and objects is set by a decree of the Cabinet of Ministers. Recently, a new draft decree was developed which incorporates screening approach used in EU legislation and Espoo Convention (1991).</p>
<p>Andriy and Nataliya Andrushevych</p>	<p>Lack of capacity of the personnel is a relevant issue for both public agencies and consulting companies (which do planning and project development, including OVNS/EIA). In practice, experts involved use outdated data and methodologies developed during USSR times. The assessment of this question was based on personal interviews.</p> <p>Key problem areas are: capacity of state authorities (personnel capacity), practical opportunities for public participation and restricted access to information. In addition, Ukraine lacks clear mechanisms for strategic environmental assessment (plans, programs, and draft laws) and EIA of transboundary impacts (under Espoo Convention).</p>
<p>National Ecological Centre Ukraine (NECU, Focus Group Discussion with 4 Members of Staff</p>	<p>Reports state that EIA are only used as an obstacle to investment in selected cases to receive bribes.</p> <p>CSO are eligible to see the EIAs done if they formally ask for this, however, in practice the reports are not made public, at least not the full reports. There is not even a list made public for which project EIAs are undertaken, which violates the Aarhus convention.</p> <p>As general practice the authorities receive only a summary report with the conclusion but not the technical annexes on which the decision is based. This means that there is no way of verifying whether there was collusion between the applicant and the company doing the EIA.</p>
<p>EPL</p>	<p>There is a lack of HR: only 3 staff for the revision process, and usually external consultants are hired because the Ministry is not able to do the review.</p> <p>Access to EIA’s is difficult for the public if given at all.</p> <p>Collusion of interests in EIAs when companies interested in positive advice have to pay to EIA. There are too many loopholes in the official process, a bylaw is missing to regulate the EIA procedures. The EC should push for such a bylaw.</p>

I.6.1.4 – Implementation by Ukraine of the Aarhus Convention on access to information, public participation in decision-making, and access to justice in environmental matters	
Assessment of the EU-Ukraine Action Plan, 2009.	<p>On December 27, 2008 the Cabinet of Ministers of Ukraine adopted the Action Plan for Implementation of the Decision of Parties to the Aarhus Convention.</p> <p>The legislation in the area of access to environmental information and public participation is still inadequate: gaps and inconsistency are of primary concerns. No adequate practical mechanisms were set up to ensure effective access to information and public participation in environmental matters. (p.16)</p>
Assessment of the EU-Ukraine Action Plan, 2009.	<p>All implementing legislation was adopted before AP was signed. However, experts show the need for additional legislation to be taken. This is confirmed by the decisions of Aarhus Convention Meetings of the Parties (2005 and 2008). P.33)</p> <p>The need for further implementation steps is also supported in the decisions of the Meetings of the Parties of the Aarhus Convention (2005 and 2008). Latest decision by MOP-3 (Decision III/6f) adopted a conditional caution to Ukraine following country's failure to implements its recommendations of 2005. The key issue - development of mechanisms for practical implementation of the Aarhus Convention in Ukraine – was not addressed by Ukraine. In December 2008 the Cabinet of Ministers adopted an Action Plan for Implementation of the Decision III/6f. This is an important step which may improve Convention's implementation in Ukraine. However, the Convention covers issues which are outside the authority of the Ministry of Environmental Protection while the Ministry is the key implementing agency under the action plan mentioned. The action plan foresees establishment of an inter-agency working group – a step which may partly address the lack of competence of the Ministry of Environmental Protection. However, the existence of such a working group could not be evidenced in 2010.</p>
Andriy and Nataliya Andrushevych	<p>The legislation of Ukraine provides for specific provisions on the informing and on the public participation in the programs' adoption: The legislation provides that the initiator publishes the draft concept of the program in the official mass media and web-site. The initiators are supposed to hold a public discussion of the draft concept (at conferences, meetings, etc.) and take into account the proposals coming from such discussion.</p> <p>The above mentioned requirements are often ignored; further informing and public participation in the process of the development of the draft program is complicated. There is a lack of access to the texts of draft programs</p>

<p>EPL</p>	<p>In 2003, the Government of Ukraine approved a project to dig a deep-water navigation canal through Ukraine’s portion of the Danube Delta Bilateral Biosphere Reserve. Ecopravo-Lviv (EPL), a Ukrainian public interest environmental law NGO, challenged this decision on both environmental and procedural grounds (including lack of public participation in the EIA process).</p> <p>First of all, EPL filed cases against the Government of Ukraine challenging the Government’s decision to dig a deep-water navigation channel through Ukraine’s portion of the Danube Delta Bilateral Biosphere Reserve. On 10 February 2004, the Commercial Court of Kyiv rendered a decision to sustain the suit by EPL against the Ministry of Environment Protection of Ukraine. The court based EPL’s right to appeal to court on the Aarhus Convention, which Ukraine had ratified, even though the State had not yet adopted implementing legislation. The court ruled that the consent by the Ministry of Environment regarding construction of the canal was illegal and the decision was invalid.</p> <p>In addition to seeking remedies in national courts, EPL filed complaints with a variety of relevant international bodies in late 2003 and early 2004. These included:</p> <ul style="list-style-type: none"> • The Compliance Committee of the Aarhus Convention (on access to information, public participation in decision-making, and access to justice in environmental matters). Romania also subsequently filed a complaint with the Compliance Committee; • The Implementation Committee of the Espoo Convention (on EIA in a transboundary context). The Implementation Committee refused, by a vote of 4-3 in 2004, to consider the complaint. Romania subsequently filed a complaint with the Implementation Committee; • A Letter of Emergency Notification filed with the Executive Secretary of the Convention on the Conservation of Migratory Species; • An Emergency Complaint filed with the Permanent Secretariat of the International Commission for the Protection of the Danube River; • A Letter of Notification filed with the Secretariat of the African-Eurasian Water Bird Agreement (AEWA); <p>Also, EPL has raised the issue with the Ramsar Convention and the UNESCO Man and Biosphere Programme, and both institutions expressed concern about the canal.</p>
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I 6.1.5 – Support given to civil society actors and local authorities to promote environmental awareness	
Andriy and Nataliya Andrushevych	<p>The civil society in Ukraine doesn't have enough information on the European integration, the procedures of the public involvement are not developed well.</p> <p>No funding within the ENPI is currently available for the civil society organizations, in particular in the form of small grants.</p>
Assessment of the EU-Ukraine Action Plan, 2009.	<p>Key problem is absence of any specific measures taken by the Government to implement this objective. Specific issues identified include inadequate powers of the local authorities in the field of environmental protection, low level of cooperation between local authorities and civil society on environmental issues, absence of any communication strategies with civil society on environmental issues, inadequate support to civil society.</p> <ul style="list-style-type: none"> • Public participation in policy-development at national and local levels got lower scores because of existing general practice of exclusion of environmental NGOs from the development of sectoral policies at any level. • Access to environmental information held by local authorities is worse when compared to access to information held by the Ministry of Environmental Protection or its local agencies. (p.17)
National Ecological centre Ukraine (NECU)	NECU registered as NGO at the Delegation in May 2009 but until June 2010 has never heard anything from the EC, except the note that they were registered.
Inter ECO-NET Focus Group Discussion (including participants from Kholodny Institute of Botany, and Ukrainian Steppe Nature Reserve)	<p>NGOs cannot get funding from Ukraine's environmental funds. 95% of all organizations have only foreign funds.</p> <p>For some projects, NGOs needed a letter from the Ministry in order to get funding, which is detrimental to their independence and there are reports to NGOs even have to give part of the funding received from the EC to the ministry.</p>
EPL	<p>CBC Programme is difficult for applicants: the formulation of requirements in the case of an anti-pesticide project was not clear.</p> <p>Staff changes in the Delegation made the process slower for the applicants since the new staff needed time to work themselves in.</p>

<p>JC 6.2 – The Commission’s cooperation contributed to the GoU taking active action for preventing deterioration of the environment, protecting human health and achieving rational use of natural resources</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>I 6.2.1 – Evidence that Commission’s interventions in the field of environment aimed at piloting good practices</p>	
<p>ENPI Strategy Paper 2007-2013; TACIS RAP 2001-2006</p>	<p>The ENPI Strategy Paper 2007-2013 for the Eastern Region underlines the importance of sustainable development and environmental protection. The EU-Ukraine Action Plan devotes two chapters to respectively the promotion of sustainable development and the protection of the environment.</p> <p>Over the period 2002-2008 covered by the evaluation Commission’s interventions in the field of environment amounted to only €9.2 million out of a total of €747.1 million. These interventions include two large action grants addressing the issue of biodiversity, both launched in 2008. All other interventions had a size below €250,000 and have been implemented at regional or local level mainly in two areas: water management and solid waste management. In addition, Ukraine benefitted from the TACIS Regional Environmental Programme. The Regional Action Programmes (TACIS RAP) 2001-2006 include 35 projects with a total financial envelop of approximately €48m.</p>
<p>Evaluation of Environment Projects under TACIS RAP & Identification of Environment Projects for ENPI East 2010-2013, Evaluation Report, p.21</p>	<p>“there is no doubt that each TACIS project implemented in the region has had an impact on institutional development. The transfer of experience and knowledge on different topics was an important component in institutional capacity building and helped countries to solve or prepare themselves to solve different transition period related issues. Policy development was one of the priority areas for the TACIS programme and there were different policy documents developed to support projects which had institutional capacity building considerations. In addition, every project includes tasks aimed towards legislative and institutional strengthening.”</p> <p>The evaluation also found that not all recommendations made in projects have resulted in real structural institutional changes, but knowledge and experience accumulated during their implementation was important in order to achieve strengthening of environmental institutions. The implemented TACIS projects have had the most significant impact on environmental administration for river basin management and monitoring capacity building as well as climate change.</p>

<p>Andriy and Nataliya Andrusevych</p>	<p>In 2005 – 2008 the Ministry of the Environmental Protection participated in the following environmental projects funded by the EU: “Technical assistance to prepare investments projects in the Black Sea basin” (3 300 000 euro) and “Management of the transboundary river basins: second phase, Prypyat river” (1 200 000 euro).</p> <p>At the present time the Ministry of the Environmental Protection of Ukraine is preparing twinning project “Support to the Ministry of Environmental Protection of Ukraine in implementation of the Law on Environmental Audit”.</p> <p>On November 25, 2008 the Ministry of Environmental Protection together with the European Commission in the framework of using the TAIEX instrument held the seminar on remedying consequences of technogenic accidents (on the example of accident in Kerch).</p> <p>The Annual Program for 2007 within ENPI did not provide for funding for projects in the field of environmental protection. The main attention was paid to the implementation of the Energy Strategy of Ukraine.</p>
<p>Mr Vladimir Tarasenko, former National coordinator of Eurasian Steppes Project</p>	<p>The project delivered many outputs that remained in use after the end of the project, especially the methodology to assess whether an area has protected species used before the land is developed or used for forestation. Currently there is a draft Ministerial instruction based on the outputs of the projects that would make such an assessment binding. These instructions contain concrete guidelines for forest inspectors for protecting steppe areas.</p> <p>The project has also produced a mapping of bionetworks in steppe areas, which was for instance approved by the Luransk oblast with the result that any development will need to take these routes into account and protect them. However, a mapping of bionetworks for the whole of Ukraine is needed.</p> <p>The project also made the issue of protection of steppes public and this resulted in that steppe protection became one of the 10 priorities of the NES. Local people were informed how many and what type of cattle they could use in steppe areas and trained how to develop a green-tourism in the area;</p>
<p>Inter ECO-NET, Focus Group Discussion</p>	<p>There were high expectations for the Eurasian Steppes project, but only very little results were achieved. Some materials were used by the project without due referencing. Not much new information was produced. Not clear what the project left in the country. The final report was not widely distributed, not even to experts involved in protection of steppes.</p>

<p>Yelena Panina Team Leader Black Sea Cooperation Project</p>	<p>The key priority of this project was legislative development and after a difficult inception phase eventually consensus was reached with the Ministry of Environment. Concerning legislation, the project developed a draft law on Coastal Zone Protection.</p> <p>This draft law is interesting in that it was developed in a multidisciplinary fashion with participation of legal, institutional, coastal planning experts, etc. as well as with the Ministry.</p> <p>The draft law has been submitted now for consultation and coordination with other ministries, however, before that it was changed so that it is not clear what the impact of the EC support now is. However, the direction of environmental protection remains clearly orientated towards EU standards. In addition, the close discussions with the Ministerial staff has brought benefits to the capacity of the ministry.</p> <p>The project also supported Ukraines participation in regional cooperation fora, notably the Bukarest convention. One major issue here has also been to promote the accession of the EU to the Bukarest convention.</p> <p>EC support has been crucial to help Ukraine to progress in environmental protection: it has supported legislation to the extent that the current system is acceptable from the point of view of EU standards. However, implementation is very poor. This is partly due to that existing legislation is not precise enough and requires some follow-up work.</p>
<p>Andriy and Nataliya Andrusevych</p>	<p>The Black Sea Cooperation Project did not do any serious awareness raising, the brochures it produced were too superficial and only talked about the project whereas they should raise wider issues of coastal zone protection.</p>

<p>Andriy and Nataliya Andrusevych</p>	<p>Under TACIS, procedures for CSOs to participate were much too complicated: they showed a large box containing just one application for a grant; the amount of paperwork required is excessive, the list of documents needed as annexes seems unnecessary long and not relevant! In addition, everything had to be delivered in 6 hard copies, which is not sustainable from an ecological point of view and resulted in significant shipping costs for the organisations.</p> <p>The requirement of cofinancing excludes a significant number of organisations and is even for the larger CSO's difficult, because a 10% cofinancing of a project of 300.000€ comes close to 3 months of budget for a larger CSO. So, they had to take loans from banks under not very advantageous conditions and incurring high risks for the organisation.</p> <p>This is in particular because of the usual 6 months delays in funding, which results in that the CSO will outspend its budget, taking loans and using funds from other sources until they are finally paid by the EC. It takes up to 13 months for the final payment. This is risky and unsustainable and causes problems for the organisation's other activities.</p> <p>Hence, several CSO's in Ukraine decided not to apply for EC grants or project. In addition, the impression arises that it is always the same players that get the projects while it is not transparent why.</p> <p>Also many details of the rules are not feasible in practice: for instance that everything would have to be purchased VAT free, but in Ukraine this is simply impossible for CSOs executing EC projects. They cannot always avoid paying VAT but are then not reimbursed for it, resulting in a loss for the organisation.</p> <p>Also the procedures to participate in CBC projects are far too complicated: initially it was planned to have applicants submit a concept note (3-4 pages) and only a selection would be invited to submit a full application. This would make sense since it limits the amount of work required. But nowadays it is always required to submit the full application right away. This is only feasible if the organisation stops working on other projects and concentrates its resources on the application. In other words, these requirements contribute to less activities in the field of environmental protection and more on paperwork!</p> <p>There has been training on CBC applications, but that training was not useful since the application procedure remains too difficult for many small CSOs and it remains necessary for each applicant to work his way through the long manual for applications.</p> <p>In addition, it took the EC 3 months to send a proof of receipt for the application!</p>
<p>Andriy and Nataliya Andrusevych</p>	<p>Various sources said that the fact the local staff in the delegation stay sometimes for many years in their position (as opposed to international staff), leads to a lack of transparency which CSOs received contracts from the EC.</p> <p>There are some CSO who complain about the lack of communication from the person in charge of environment in the Delegation and about the limited communication from the Delegation in general. There exists the impression that the Delegation is very selective as to with whom it communicates and who will get information. There is not enough transparency.</p>

I 6.2.2 – Evidence that Commission’s interventions in such areas as energy and infrastructure contributed to pilot good practices as regards environment protection	
Assessment of the EU-Ukraine Action Plan , 2009.	Implementation of the Action Plan provisions on improving the environmental profile of transport and energy has failed. As a matter of fact environmental issues are not a priority for the Government of Ukraine. Low priority given to these issues in the Action Plan further contributed to such approach and insufficient implementation of relevant provisions. The key problem is the delay in developing new transport policy when first steps are taken beyond the Action Plan period. The progress with energy part of the Action Plan is not better. State programs on energy efficiency and use of renewable energy sources were developed and approved by governmental bodies at a speed of a snail. Situation with nuclear safety is critical: decommissioning of Chornobyl NPP is far behind the schedule and overbudgeted comparing to initial plans, nuclear sector is yet to show any progress in solving the problem of nuclear waste and spent fuel management.
Andriy and Nataliya Andrushevych	Ukraine is still in the process towards land privatization, an issue that is important for environmental protection. However, the Ministry of Environment has no influence on agriculture which is problematic for environmental protection. Even if the Minsitry would have a lot of money, e.g. through budget support, this would not mean that it have influence over other Ministries, because they are connected to very important/powerful interests.
I 6.2.3 – Existence of a national strategy on environment protection	
EC HQs	A key achievement has been the drafting of a National Environment Strategy (NES, 2009-2020) by Ukraine. The drafting process was accompanied by the Commission, which gave recommendations (both from HQ level as well as through the Delegation) on how the NES could be improved as agreed in the June 2008 Environment Sub-Committee. The comments by the Commission have by and large been incorporated in the NES, which can be considered as concrete result of how policy dialogue contributes to improving environmental protection in Ukraine. In addition, the process of drafting the NES while taking into consideration Commission comments, can be considered as one of the outcomes of the Association Agenda since it supported Ukraine in setting priorities in a broad and demanding sector. However, the NES as well as the National Environmental Action Plan (2009-2013) have not yet been adopted by Parliament.
Assessment of the EU-Ukraine Action Plan , 2009.	The Cabinet of Ministers of Ukraine approved the Concept of the National Environmental Policy of Ukraine for the period till 2020. The Strategy of National Environmental Policy of Ukraine for the period till 2020 was approved in June 2010 while the Action Plan for 5 years is under development.(p.18)

<p>Assessment of the EU-Ukraine Action Plan , 2009.</p>	<p>There has been some progress in the field of adoption of plans and programs. The Cabinet of Ministers of Ukraine adopted a few concepts. This is one of the obligatory stages for development of the state special programs. The Cabinet of Ministers adopted the following concepts:</p> <ul style="list-style-type: none"> - Concept of the National Environmental Policy of Ukraine till 2020, approved by the Order of the Cabinet of Ministers of Ukraine No880-p of October 17, 2007; - Concept of the State Program of the Conservation of Biodiversity for 2005-2025, approved by the Order of the Cabinet of Ministers of Ukraine No 675-p of September 22, 2004 (it had been approved before the AP was signed); - Concept of the State Program of the Development of Reserves till 2020, approved by the Order of the Cabinet of Ministers of Ukraine No 70-p of February 8, 2006. <p>According to these concepts a few draft plans and draft programs were developed:</p> <ul style="list-style-type: none"> - Draft of the Strategy of the National Environmental Policy till 2020; - Draft of the State Environmental Program of Conservation, Renovation and Sustainable Use of Biodiversity of Ukraine for 2009-2027; - Draft of the State Environmental Program of Development of Reserves till 2020. <p>A few drafts are now at the stage of approval by the Parliament of Ukraine.</p>
<p>National Ecological Centre Ukraine (NECU)</p>	<p>The adoption of a National Environmental Strategy (NES) would not change much in practice since the key actors and Ministries will not take in into account. There is no political will to enforce environmental protection over other interests. The approval of the NES will not lead to a revision of national strategies in other sectors even if there are contradictions with the NES.</p> <p>After public consultations, the secretariat of the Council of Ministers continued working on the strategy and it was not clear/ transparent which version was submitted to parliament. Some of the changes are significant, so was for instance the concept removed that polluters have to pay the “full price” of the cost caused by the pollution.</p>

<p>Mama-86 (Ukrainian National Environment NGO, Kiev.</p>	<p>Since 2007 there have been three draft strategies for a NES, leading in 2008 to a relatively good NES for which civil society had been consulted (albeit they were given only a little time to prepare (1 week)). CSO's comments were taken into account and the NES included measurable indicators. However, before putting the NES before parliament, it was changed and the indicators taken out.</p> <p>Currently the Council of Ministers is trying to push a new NES through in order to receive budget support from the EC; the NES was not put to consultations with CSOs. This NES is deficient because it does not address the real state of the environment in Ukraine but rather give an overly optimistic picture while having an unrealistic list of things that will be done without any clear link to available funding, nor are there priorities for different actions, nor clear indicators how results will be measured.</p> <p>It should also be noted that UEPLAC provided a draft NES, but that this was of insufficient quality in the sense that it did not take into account the existing legislative and administrative framework, nor did it provide good indicators. It was too descriptive and not strategic (only process orientated and not result orientated), and made heavy use of UNDP reports without much own original work.</p> <p>Hence there is a great need for TA to improve the current NES and establish a concrete Action Plan for its implementation.</p>
<p>Inter Eco-Net Focus Group Discussion</p>	<p>The NES is not connected to reality, to the practice of what is de facto implemented. Many proposed programmes are not realistic and the strategy is not connected to a budget.</p>
<p>Olena Maslyukivska (Senior Lecturer at National University of "Kyiv-Mohyla Academy")</p>	<p>The NES is not of the best quality, especially in the sense of including measurable and realistic indicators</p>

I 6.2.4 – Existence of framework legislation and procedures for key environmental sub-sectors (water, air, solid waste, protection of natural resources)	
Evaluation of Environment Projects under TACIS RAP	There are many draft programs in different sub-sectors, but in 2009 only one program was approved (State Program “On Forests of Ukraine” for 2010 – 2015).
Assessment of the EU-Ukraine Action Plan , 2009.	Regarding the existence of framework legislation and procedures for key environmental sub-sectors (water, air, solid waste, protection of natural resources), a group of Ukrainian environmental experts concludes that there is no political will to implement measures on adaptation of the water legislation of Ukraine to the EU legislation. No responsible state bodies for the effective implementation of water legislation had been appointed by March 2009. The report also states that there is a low technical level of preparation of Ukraine for the adaptation of water legislation. The level of the implementation of water related issues of the State Program on Adaptation of the Legislation of Ukraine to the EU Legislation is considered very low. On the other hand, the proper legislation and key procedures for the environmental impact assessment (EIA) are in place. Also, skilled human resources in water issues exist.
Andriy and Nataliya Andrushevych	The Annual Measures to Implement the EU – Ukraine Action Plan provided for adoption of a number of programmes and plans on various environmental issues, including a State Program on the Conservation of Biodiversity for 2005-2015. No such programme has been adopted.
Assessment of the EU-Ukraine Action Plan , 2009.	There is no political will to implement measures on adaptation of the water legislation of Ukraine to the EU legislation. There is low technical level of preparation of Ukraine for the adaptation of water legislation. The level of the implementation of water related issues of the State Program on Adaptation of the Legislation of Ukraine to the EU Legislation is very low. Human resources in water issues are well skilled and the population wants to have access to good quality drinking and bathing water. These actors may help to make necessary progress in this field. (p.15)
I.6.2.5 – Existence and actual implementation of national programmes and plans for key environment sub-sectors	
Andriy and Nataliya Andrushevych	The following concepts of programs or drafts plans and programmes were developed: Concept of the National Environmental Policy of Ukraine for the period till 2020, Concept of the National Program on Conservation of Biodiversity for 2005-2025, Concept of the National Program of Development of Reserves for the period till 2020; draft Strategy of the National Environmental Policy for the period till 2020, draft National Program of Development of Reserves for the period till 2020.
Assessment of the EU-Ukraine Action Plan , 2009.	The annual implementation reports of the EU-Ukraine Action Plan indicate the level of implementation of such measures. The level of implementation of these measures in the field of environmental protection is very low. For example, in 2007 no measure provided in the field of environmental protection was implemented. The indicated measures were postponed to the next 2008 year.(p.23)

<p>Assessment of the EU-Ukraine Action Plan , 2009.</p>	<p>The issue of protection, reproduction and use of water resources is complex and therefore these issues fall within the competence of various authorities in Ukraine.</p> <p>One example of the implementation experience of certain EU directives is the Law “On Drinking Water and Drinking Water Supply”. Article 6 of this Law provides for the “approximation of requirements of state standards for drinking water, drinking water production technologies as well as means of measurement and methods of assessment to the relevant standards, technologies, tools and methods adopted in the European Union”.</p> <p>Today Ukraine has two legal acts on the quality of drinking water: State Standard 2874-82 “Drinking Water. Hygienic Requirements and Control of Quality” and State Sanitary Rules and Norms 136/1940 “Drinking Water. Hygienic Requirements for Water Quality of Centralized Household Drinking Water Supply”. It should be noted that while the State Standard 2874-82 provides for the monitoring of water quality using 28 indicators, the State sanitary rules and norms provide for twice as much indicators (56 indicators), which is even more than envisaged in the EU Directive 98/83 EEC.</p> <p>State sanitary rules and norms are not applied to bottled drinking water and water from local water sources if they are not used by a centralized water supply system and without pipe split network. This does not meet the European Directive 98/83 EEC. However, it should be noted that State sanitary rules and norms 136/1940 constitute, to a large extent, a compromise document that takes into account the provisions of the WHO Guidelines (1992) and Directive 98/83 EEC.</p> <p>State sanitary rules and norms 136/1940 has been in force for over 10 years and but still is not fully introduced into drinking water supply system. E.g., if one examines information about the water quality of centralized water supply sources in the city of Kyiv on December 2008, the indicators of drinking water met State Standard 2874-82 "Drinking Water", i.e., water quality was controlled according to the State Standard.</p> <p>The reasons are obvious: the inability of outdated water treatment technologies to ensure the desired quality of drinking water, lack of necessary research and their adequate laboratory equipment. The above reasons are impeding and will impede future adaptation of Ukrainian legislation on water resources to the European Law. This also applies to the Council Directive 91/271/EEC concerning urban wastewater treatment and many other “technical” Council directives, including Directive 2000/60/EEC of the European Parliament and the Council of October 23, 2000 (“Water Framework Directive”), which says that development of the river basins management plans should include measures that are required by the Directives 76/160/EEC, 79/409/EEC, 98/83/EEC, 96/82/EEC, 85/337/EEC, 86/278/EEC, 91/271/EEC, 91/414/EEC, 91/676/EEC, 92/43/EEC, 96/61/EEC). The outdated equipment and lack of own production of necessary clean-up and laboratory equipment will hinder the transition of Ukraine to the EU standards.</p>
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I 6.2.6 – Existence and actual enforcement of legislation and procedures relative to environment protection in such sectors of the economy as industry, transport, agriculture	
Assessment of the EU-Ukraine Action Plan , 2009.	<p>In Ukraine there is no political will to strengthen the priority of the environmental policy and its integration into the development strategies of the country.</p> <p>It is necessary to adopt the Strategy of Sustainable Development and to ensure the integration of environmental considerations into the key policy sectors.</p> <p>It is necessary to create special bodies to ensure the effective integration of environmental considerations and development and future implementation of the Strategy on Sustainable Development.(p.18)</p>
Andriy and Nataliya Andrushevych	<p>The level of implementation of Action Plan provisions aiming at improving the environmental profile of transport and energy is very low. There is a delay in developing of the new transport policy and actual start of activities on its preparation is beyond the Action Plan period. The government didn't develop or approve the state programs on energy efficiency and use of renewable energy.</p>
Assessment of the EU-Ukraine Action Plan , 2009.	<p>The strategic planning of social and economic development and sectoral national policies hardly takes into account the environmental considerations. According to the Methodological Recommendations on Planning of the Regional Development Strategies, the environmental considerations have to be integrated into the mechanism of development of the Regional Development Strategies, and the alternative scenarios have to be analyzed.</p> <p>The procedure of the coordination of the decision-making of the Cabinet of Minister of Ukraine according to the Regulation of the Cabinet of Ministers provides for some opportunities for the integration of environmental considerations.</p> <p>In general, the strategic planning of social and economic development and sectoral policies hardly takes into account the environmental protection considerations. The “integration” takes place in the form of preparation of a separate chapter, mostly small. The SEA doesn't take place, the alternatives are not considered. The Law of Ukraine “On State Forecasting and Development of the Programs of Economic and Social Development of Ukraine” (2000) defines the order of preparation, approval and content o the programs of the economic and social development of Ukraine, which doesn't provide for environmental considerations.</p>

Interview in Ministry of Environment	<p>At the present time the system of management of the central state bodies includes only some elements and prototypes of administrative mechanisms for the integration of environmental considerations into the sectoral policies. There are positive examples of integration environmental considerations into sectoral policies. For example, the State Specific Program of the Ukrainian Village Development till 2015, approved by the Regulation of the Cabinet of Ministers of Ukraine No. 1158 of September 19, 2009, provides for integrated environmental considerations in its objectives and tasks.</p> <p>The procedures of the Regulation of the Cabinet of Ministers of Ukraine provide for some possibilities for the Ministry of Environmental Protection to carry out an integrated environmental policy. Nevertheless, the lack of legislative requirements for integration of environmental policy into sectoral policy doesn't make the environmental policy a cross-cutting issue.</p>
National Ecological centre Ukraine (NECU)	<p>The level of fines for polluters has been too low over the last years, giving an incentive to continue polluting instead of innovating/renovating. However, it seems that a draft tax code, currently under preparation is increasing the fines substantially.</p>
Andriy and Nataliya Andrusevych	<p>Environmental concerns are not taken into account in other policies, for instance higher risks of floods in certain areas due to climate change are not taken into account in housing planning.</p>
<p>I 6.2.7 – Capacity development of the administrations in charge of permissions, enforcement and inspections in relation to environment protection</p>	
Andriy and Nataliya Andrusevych	<p>The distribution of powers of and among the state authorities responsible for environmental protection issues, including the Ministry of Environmental Protection, was not subject to comprehensive revision for years. The key policy document in environmental protection area - the Main Directions of the State Policy of Ukraine in the Field of Environmental Protection, Use of Natural Resources and Environmental Safety (1999) - has never been revised.</p>
Assessment of the EU-Ukraine Action Plan , 2009.	<p>There's a need for capacity building of the personnel involved in the area of modern technologies, lack of access to databases containing modern data on possible risks and impacts of certain planned activities (p.54)</p>
Assessment of the EU-Ukraine Action Plan , 2009.	<p>Implementation of European system of integrated pollution prevention and control according to Directive 2008/1/EC is the most important task for reforming the existing Ukrainian system.</p> <p>The Ministry of Environment Protection of Ukraine (MEP) designates authority to administer and issue permits to its territorial agencies. All 27 regional (oblast) agencies employ 130 officers altogether; they are dealing with permits for more than 15,000 enterprises. Out of these officers approximately 41% deals with atmospheric air, 37% - water use and discharges, and 22% - solid waste disposal. However, their salaries are significantly lower than in commercial sector; there is also lack of toolkits and methodologies. (p.60)</p> <p>Inspection activities are fulfilled by the State Environmental Inspectorate and its special regional bodies (the State Environmental Inspectorate of the Autonomous Republic of Crimea, oblasts, Kyiv and Sevastopol cities, Black Sea and Azov Sea marine inspectorates). Effectiveness of their activities needs improvement.</p>

<p>Assessment of the EU-Ukraine Action Plan , 2009.</p>	<p>The permitting and enforcement system of Ukraine has all necessary elements and in general corresponds to international practice of environmental protection management. However, permitting, enforcement and compliance practice differs significantly from the European Union standards primarily because of absence of practical toolkits and technical conditions as part of permits. The system was inherited from Soviet times and still relies on unrealistic sanitary-hygienic norms. This leads to immense gap between declared strict legal standards and actual environmental impact.</p> <p>The situation may be improved by implementation of the Directive 2008/1/EC on Integrated Pollution Prevention and Control and broad use of best available technique approach.(p.61)</p>
<p>Mr Tarashenko, former National coordinator of Eurasian Steppes Project</p>	<p>Inspection and enforcement of legislation remains the key problem, it is limited both by human and financial resources. Efficiency needs also to be improved by use of IT.</p> <p>Inspectors are locally employed and can thus come under pressure from local administrations who in turn respond to powerful local interests.</p> <p>Inspectors earn to little (700-800 UHA per month) and are thus susceptible to corruption.</p> <p>There is no reliable and up to date information on which to base the inspections, for instance there is no registry for livestock and no chipping system.</p> <p>Most importantly needed is a comprehensive mapping of the environmental status quo of Ukraine, including resources and biodiversity, and a better training and payment of the inspectors.</p>
<p>Olena Maslyukivska (Senior Lecturer at National University of "Kyiv-Mohyla Academy")</p>	<p>The key problem for enforcement is the lack of reliable and up to date data.</p>

JC 6.3 – The Commission’s cooperation contributed to Ukraine fulfilling its international commitments in the field of environment protection and being actively involved in regional cooperation on environmental issues

Preliminary findings related to the JC based on the findings of the Indicators

There is progress in ratification by Ukraine of international conventions and protocols. The most recent ratifications include the Protocol on Conservation and Sustainable Use of Biological and Landscape Diversity, the Framework Convention on the Protection and Sustainable Development of the Carpathians, Protocol on Liability and Compensation for Damage Resulting from Transboundary Movements of Hazardous Wastes and their Disposal, Amendment to the Annex B to the Kyoto Protocol to the UN Framework Convention on Climate Change, etc.

However, the implementation of the ratified international instrument remains weak. Ukraine is subject to two non-compliance procedures (under Espoo and Aarhus Conventions). In 2009, proposed legislative initiatives in the context of Aarhus Convention implementation were subject to strong criticism by the experts. Some steps were taken to ensure compliance with Espoo Convention in the course of implementation of the Danube – Black Sea Phase II project (e.g. final decisions annulled, notifications sent). However, the practice and legislative framework remains inadequate to ensure implementation of those conventions. There’s a general lack of control over compliance with environmental multilateral agreements.

Source: WWF report “Implementation of the ENP in Ukraine” (2009) based on Information provided by the Resource and Analysis Center “Society and Environment”, Ukraine.

Ukraine ratified the following international conventions and protocols: Black Sea Biodiversity and Landscape Conservation Protocol to the Convention on the Protection of the Black Sea Against Pollution, the European Landscape Convention, Stockholm Convention on Persistent Organic Polluters.

The key problem is compliance with existing obligations under environmental treaties. Relevant bodies of the Bern, Aarhus and Espoo Conventions have found Ukraine in non-compliance with its obligations under these treaties.

The Annual Measures provided for several tasks to implement this objective, including creating and improving management of cross-border protected areas, development of bilateral agreement with Moldova on the use of protection of Dnister river water resources. Some of these are still being implemented.

Some of the problems identified include lack of information about bilateral cooperation, the need to intensify the dialogue on transboundary issues and lack of joint cross-border projects with the countries where EU financial support is not available.

Ukraine is interested to develop cooperation with the European Environmental Agency on the following issues: creation of the legal basis for effective implementation in Ukraine of the mechanisms of Kyoto Protocol and UN Framework Convention to Combat Climate Change; protection and management of water resources; improvement of management mechanisms; air protection, especially in the industrial regions; protection and conservation of biodiversity; environmental education; public participation in decision-making and access to justice on environmental matters (p.30).

Ukraine developed a complex national system for reporting on the implementation of international conventions. However, the last report stems from 2006 raising questions about the usefulness of such a system.

Ukraine had a pattern of signing international agreements as a form of “ministerial tourism”, so that Ministers could travel abroad and get publicity, but once back in the country it was never implemented what they had ratified. The problem with many conventions is that they do not have a complaints mechanisms for the public or an non-compliance mechanism with some real leverage. The worst what can happen is that Ukraine is expelled which is not in the interest of environmental protection.

The focus of EC cooperation has been too narrowly concentrated on Aarhus and Espoo conventions: they deal primarily with the process of environmental protection not with the content. It is therefore necessary to take other conventions that Ukraine has signed into account: for instance the Basel convention is potentially violated by Ukraine’s import of waste.

The Association Agreement lists in an annex international agreements that Ukraine has to fully implement, however, no practical/concrete steps are described, nor are deadlines or mechanisms for noncompliance fixed.

I 6.3.1 – Actions undertaken by the GoU to implement the provisions of the Kyoto Protocol and of the UN Framework Convention on Climate Change	
Assessment of the EU-Ukraine Action Plan , 2009.	Current and forecasted levels of economy growth in Ukraine suggest that Ukraine is unlikely to be in non-compliance with its obligations under Kyoto Protocol in any foreseeable future. Steps taken by Ukraine to implement UNFCCC and Kyoto Protocol were not comprehensive and focused primarily on two issues: use of joint implementation and emission trading. In the case of joint implementation, the “rules of the game” were changed several times by the Government resulting in barriers in the use of this financial mechanism under Kyoto Protocol. The Government yet made full preparations to start emission trading. It is unclear how the funds raised from emission trading will be used. ¹
Andriy and Nataliya Andrusevych	Steps taken by Ukraine to implement UNFCCC and Kyoto Protocol were not comprehensive and focused primarily on two issues: use of joint implementation and emission trading. In the case of joint implementation, the “rules of the game” were changed several times by the Government resulting in barriers in the use of this financial mechanism under Kyoto Protocol. The Government yet made full preparations to start emission trading. It is unclear how the funds raised from emission trading will be used. It is necessary to improve quality of national inventory report, to set transparent and clear rules for joint implementation projects, to ensure transparent emission trading mechanisms with clear conditions on the use of funds gained, to develop in consultation with local authorities regional strategies on mitigation of climate change impacts, to develop plans for adaptation to climate change, to effectively implement sectoral programs which support Kyoto goals (such as those on energy efficiency).
Interview in Ministry of Environment	National Environmental Investment Agency was set up. National Greenhouse Gas Inventory created.

¹ Source: Assessment of the EU-Ukraine Action Plan implementation (environmental component), 2009. Resource and Analysis Center “Society and Environment”, report obtained from the WWF Ukraine desk.

<p>Assessment of the EU-Ukraine Action Plan , 2009.</p>	<p>Compliance with Kyoto Protocol by Ukraine is largely result of significant decrease in industrial production (as compared to the base year of 1990). Ukraine has no national strategy on emission reduction of greenhouse gasses. Instead, Ukraine adopted National Action Plan for Implementation of Kyoto Protocol (2005) and a number of other legal acts. The key objective of the legislative and administrative actions taken is to facilitate use of financial mechanisms under Kyoto Protocol. In particular, significant attention was given to clearing the way for trade in emissions and joint implementation projects. E.g, the National Action Plan for Implementation of Kyoto Protocol primarily focuses on the development of greenhouse emissions and bsorption inventory and preparation for use of financial mechanisms. A whole body of secondary legislation was adopted in the area of joint implementation projects and emissions trade. Several bilateral agreements were signed with the same purpose (e.g, with France and Japan). The National Environmental Investments Agency (set up in 2007) has its key objective (as far as Kyoto Protocol is concerned) to implement financial mechanisms of the Protocol.</p> <p>From this perspective Ukraine is demonstrating huge progress in implementation of Kyoto Protocol. At the same time, national implementation does not address adaptation to climate change and reduction of GHG emissions per GDP unit. For example, the ratio (index) of CO2 emissions per GDP unit is 7483 for Ukraine while world average is 846 (developed countries – 565, Europe – 640), <i>metric tones of CO2 per 1million USD of GDP, data as of 2004, source: World Resources Institute</i>. In particular, the National Environmental Investments Agency has little authority to develop and implement programs for reduction of GHG emissions in industry.</p>
<p>I 6.3.2 – Evidence of an active contribution of Ukraine to the Black Sea Commission</p>	
<p>Interview with Madeleine Majorenko, EC</p>	<p>Ukraine was recently the chair of this commission.</p>
<p>Andriy and Nataliya Andrusевич</p>	<p>Ukraine has ratified the Bucharest convention, but de facto is not implementing all that is required by the Black Sea Commission. There has been no political will to work actively in the Commission and there were too many changes in the Ministry</p>

I 6.3.3 – Evidence of an active participation of Ukraine in the Danube-Black Sea (DANBAS) Task Force	
National Ecological centre Ukraine (NECU)	Ukraine has participated in the Task Force meetings, but not fully implemented its recommendations.
I.6.3.4 – Evidence of implementation by Ukraine of the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention)	
Assessment of the EU-Ukraine Action Plan , 2009.	Meetings of the Parties (MOP) of the Espoo Convention (IV) and Aarhus Convention (II and III) found Ukraine in non-compliance with its obligations under these conventions in the course of construction of the Danube – Black Sea shipping canal. In addition, the decisions by Aarhus Convention MOPs found Ukraine in general non-compliance with certain Aarhus Convention provisions. The third MOP of the Aarhus Convention adopted a conditional caution to Ukraine; similar conditional caution by Espoo Convention MOP did not come into effect due to Ukraine’s withdrawal of its final decision on the canal.
Assessment of the EU-Ukraine Action Plan , 2009.	Ukraine is a party to the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention, 1991) which sets procedures for consultations with other countries in case of likely significant adverse impacts of the planned activity on the environment of other countries. In Ukraine, dully ratified international treaties are part of national legislation and can be enforced with accordance with law (art.19 of the Law of Ukraine on International Treaties of Ukraine, 2004). If an international treaty establishes rules other than those in national legislation, the rules of international treaty shall apply (art.19.2. of the Law of Ukraine on International Treaties of Ukraine). Paragraph 1.11 of the State Building Norms A.2.2-1-2003 has a direct reference to Espoo Convention. At the same time, in practice such procedures were never applied, including in violation of the obligations under Espoo Convention.
I 6.3.5 – Evidence of an active involvement of Ukraine in the EECCA component of the EU Water Initiative	
Assessment of the EU-Ukraine Action Plan , 2009.	No legislative acts were adopted, but some law drafting started. E.g., there was developed draft “Technical Regulations on the Quality of Water for Human consumption”. Some of the quality indicators their meet, to some extent, Directive 98/83/EEC.

EQ 7 on Energy

To what extent has the Commission supported the development of sustainable, secure and efficient supply and use of energy?	
Judgement criteria and indicators	
JC 7.1 – Progress is made towards integration of the Ukrainian electricity and gas markets into the EU's internal energy market	
Preliminary findings related to the JC based on the findings of the Indicators	
<p>▪ I 7.1.1 – Existence of independent energy regulatory institutions</p>	
Twinning project at NERC	<p>For the last twelve years the international community (the World Bank, the EBRD and the EC) provided assistance to Ukraine help to liberalize its energy industry system.</p> <p>A National Electricity Regulatory Commission has been created in 1994 and its mandate was extended to gas in 2006.</p>
Twinning project at NERC	<p>Electricity : the necessary technical skills and regulatory capabilities have been transferred to the NERC through a twinning project that was terminated in April 2009. Therefore NERC has the capacity to ensure the development of primary and secondary legislation in line with EU guidelines The impact on the Beneficiary Country administration has been significant in regard to the: (i) understanding of the implementation of the <i>acquis communautaire</i> in Ukraine's future relationship with the EU and in particular their membership to the Energy Community of South East Europe; (ii) preparing for the harmonisation of Ukrainian electricity regulation with the EU Directives; (iii) meeting pricing, tariffs and benchmarking challenges; (iv) meeting quality regulation challenges; (v) meeting challenges to the implementation of the WEM concept; (vi) understanding unbundling issues and the role the Regulator plays in them.</p> <p>Existing laws have to be amended, a proposal has been proposed to the Parliament but has not been adopted.</p> <p>The wholesale market is generally working but is still capped.</p> <p>Etc</p> <p>▪ Gas : a twinning project with similar objectives started in March 2010</p>
JMG, 2009	<p>Two indicators of the Energy SBS read: “2.1 Submit for consideration of the Verkhovna Rada of Ukraine draft Law on State regulation of energy” and “2.2 Implement the new Law on State regulation of energy”.</p> <p>In September 2009 the Delegation notes: “The draft Law on State regulation is in Vekhovna Rada since November 2007. No further steps have been done so far.”</p>
<p>▪ I 7.1.2 – Evidence of market-based revisions of the electricity and gas pricing system</p>	
CASE, 2007	<p>Generating companies produce electricity and transmit it to Energorynok, a wholesale market administrator, which buys total electricity produced and sells it to distributing companies i.e. ‘oblenergos’ and independent suppliers. Technical support of the wholesale electricity delivery is provided by Ukrenergo, while Energorynok is engaged in electricity accounting and administration of the payment system. Oblenergos and independent suppliers distribute electricity to retail customers and large industrial customers.</p>

JMG, 2009	<p>An indicator of the Energy SBS reads: “2.3 Adopt and implement the Strategy for providing social protection of the population under condition of increases of prices of energy resources”.</p> <p>In September 2009 the Delegation notes: “The strategy has not been developed. Some other documents have been adopted by the Cabinet of Ministers recently, which still foresee cross-subsidies.”</p>
JMG, 2009	<p>An indicator of the Energy SBS reads: “2.4 Prepare draft primary and secondary legislation necessary to harmonise Ukrainian legislation with the EU Directives on electricity and gas, based on the agreed recommendations of the twinning projects on electricity and gas markets. Implement the adopted legislation.”</p> <p>In September 2009 the Delegation notes: “Draft Law “about revision of the Law of Ukraine “About Electricity” was developed in March 2009 and is currently with the Ministry of fuel and energy for revision following comments from relevant committee in Verkhovna Rada; draft Law “On principles for the functioning of the natural gas market” is currently being revised in accordance with the EC comments.”</p>
Support Integration to electricity TENS	<p>In the sphere of power sector, a lot has been done for adaptation of Ukrainian legislation to the EU one:</p> <ul style="list-style-type: none"> • the main principles of functioning of the power sector are established, the body with special status (Regulator) was set up; • a number of important legal and regulatory acts are ongoing to improve the electricity market’s functioning in compliance with the requirements of the “acquis communautaire”. <p>Nevertheless, the Ukrainian legislation is not completely in compliance with the EC Electricity Directive 2003/54 and, consequently, it will require amendments. The issues to be addressed (actions are already foreseen by the Government for some of them) are:</p> <ul style="list-style-type: none"> • unbundling: unbundling requirements are only partially satisfied; • authorization for new Generation: specific authorization procedure for construction of new generating capacity is not in place; criteria for granting authorization for construction of generating capacity are not laid down. • Third Party Access (TPA): system of regulated access to the transmission system in line with the Electricity Directive is not in place in Ukraine; • Independent National Regulator: despite that the Regulatory body (NERC) was established, its legal status is not yet determined at the highest legislative level; • export-import regulation: activity on export and import of electricity is not duly regulated by the legislation; • right of consumer to choose electricity supplier: despite that the Law of Ukraine “On Power Industry” declares the consumer right to choose electricity supplier, a workable mechanism for households to exercise such a right does not exist and such right cannot be really realized; • consumer protection: <ul style="list-style-type: none"> - no provision is foreseen in the Ukrainian legislation on protection of vulnerable customers; - provisions on protection of rights of small and medium enterprises are not in place; - commitment for electricity suppliers to inform about sources of electricity and influence of its generation on environment is not foreseen.

<p>Support Integration to electricity TENS</p>	<p>Wholesale Electricity Market (WEM) concept is generally working and a new market design is in progress under WB project. Transparency is still a major problem in Ukraine, dealing mainly with:</p> <ul style="list-style-type: none"> • fuel markets; • communication with sector, specially on market rules, common goals visions and general direction; • transmission and distribution tariffs (presently like a black box) • ownership in the sector; • real costs; they are not revealed and difficulties are experienced with cost recovery; this implies poor investment climate to attract foreign capital. <p>There is still a lack of implementation of legal acts. Supplier choice is in the law, but it will not be implemented in at least 7 years (in the Consultant opinion); no definitive goal has been set since the law has been approved. Instead to really regulate the market, the Regulator (NERC) controls it by:</p> <ul style="list-style-type: none"> • capping prices on the WEM; • making complicated tariff systems. <p>The relationship between Distributors (DSOs) and Customers shows still major problems:</p> <ul style="list-style-type: none"> • cross-subsidization between consumer groups; • subsidization between DSOs; • lack of unbundling in DSOs.
<p>Support Integration to electricity TENS</p>	<p>In order to assure a possible synchronization of Ukrainian grid with UCTE in compliance with UCTE rules (reliability, as adequacy and security, to be assured in the whole synchronous area) various types of provisions are needed from Ukrainian side:</p> <ul style="list-style-type: none"> • <i>modernization of the system</i> to improve the technical standard of the various elements of the grid: not directly linked to UCTE requirements but as a prerequisite. • <i>increase of the reliability in long-term time frame</i> (investment horizon): provisions to assure the adequate balance between generation and load in the UCTE interconnected scenario. • <i>increase of the reliability in short term time frame</i> (operational horizon) by means of: <ul style="list-style-type: none"> - provisions to assure the adequate and sure performance of the system in the new topology of the grid (disconnection from Russia and connection with UCTE) - provisions to assure the respect of UCTE operational rules (frequency regulation, N-1 security criteria, etc.) <p>In order to participate in the European Electricity Market, additional measures are needed to be compliant with, at least, the most critical environmental rules (air pollution issue). The real critical issue lies in the synchronous disconnection of Ukrainian power system from the Russian (CIS) one: such a disconnection implies grid reinforcements mainly in the eastern part of the Country. In fact the Ukrainian power system was planned, designed, developed and operated to be totally integrated in the Russian one. On the contrary, the interconnection with other countries on western Ukrainian border was well developed in the past and thus it requires fewer investments than expected.</p>

<p>▪ I 7.1.3 - Share of unregulated losses and of network losses</p>	
CASE, 2007	Technological losses of electricity amounted to 25.035 TWh in 2005, which is 14.7% of total electricity volume in network. Noteworthy, the level of losses is growing constantly; specifically, the current volume of losses is 1.6 times higher than in 1990 and 2-2.5 times higher than in developed countries.
Statistical Committee	Electricity transmission losses have decreased from 19.7% of the output in 2001 to 11.9% in 2009.
<p>▪ I.7.1.4 – Payment recovery rate of electricity and gas deliveries</p>	
	In 1999, cash payments for electricity purchased in the wholesale market represented only 7-10 percent of the actual value of electricity. By 2005, most distribution companies were paying back 100 percent of their electricity purchases and were beginning to pay back debt.
CASE, 2007	Currently Energorynok is the largest debtor in the electricity market. In 2005 its payables to generation companies and Ukrenergo reached UAH 18,323 mln. But company's net debt accounted for only UAH 2,361 mln, whereas UAH 15,962 mln was owned to Energorynok by distribution companies. Consumer debt to distribution companies constituted UAH 10,529 mln as of 1 January, 2006. Despite continuing increase of the accrued amount of non-payments, growth rates have been decreasing since 2001.
CASE, 2007	Electricity tariffs for households are still below cost coverage level. In 2006 they were raised twice by 25%, and now, according to NERC estimates, they cover 60% of electricity cost. In order to household tariffs to electricity cost, the government is planning to increase the tariffs by about 30% in 2007.
Support Integration to electricity TENS	Over the last years the situation with collection of the cash payments for electricity consumed was significantly improved and reached about 96% in 2004.
JMG, 2009	An indicator of the Energy SBS reads: "2.5 Gas, electricity and heat tariffs continue to gradually move towards economically justified levels." In September 2009 the Delegation notes: "Tariffs for gas have been increased in December 2008. The recent decision by NERC regarding further increase of gas prices for population has been blocked by the court. Tariffs for electricity have not been increased due to economic crisis."
<p>▪ 1 7.1.5 – Existence of electricity and gas transmission system operators independent from other activities not related to transmission</p>	
Local Source	Neither the electricity nor the gas transmission systems have been unbundled yet.
<p>▪ I 7.1.6 – Evidence of progress towards creating the conditions for interconnection between the UCTE system and the Ukrainian electricity grid system</p>	
Support Integration to electricity TENS	The first concrete step towards Ukraine's integration into the European electricity networks was the creation of the so called "Burshtyn Island" in the western part of Ukraine and isolated from the rest of Ukrainian network, which consists of 2 thermal and 1 hydro power plants with a total installed capacity of 1.8 GW and 220-750kV lines to Hungary, Slovakia and Romania. The system of "Burshtyn Island" is upgraded according to UCTE requirements. The synchronisation took place in July 2002 and after successful one-year trial operation the permanent synchronous connection was approved by UCTE in September 2003.

Support Integration to electricity TENS, ROM	The key energy players are involved in the project from the Ukrainian side as beneficiaries. They are the National Energy Regulatory Commission of Ukraine, the company "Energoynok", the Company "Ukrenergo" and the National Joint Stock Company "Energy Company of Ukraine".
Support Integration to electricity TENS, ROM	<p>The project has three specific objectives, namely:</p> <ol style="list-style-type: none"> 1. <i>To assess Ukraine's current power infrastructure and interconnection compatibility, and address relative energy security issue</i> 2. <i>To assist Beneficiary/Project partner in strengthening Ukrainian Legislation and institutional capacity towards integration to EU electricity network</i> 3. <i>To support Beneficiary/Project Partner in developing the Ukrainian strategy and implementation plan for progressive participation to Electricity-TENSs.</i> <p>The project results delivered to date create a potential for achieving the first two specific objectives under conditions of the completion of the first seven Tasks in full and their acceptance by the beneficiaries.</p> <p>The third specific objective is admittedly non-achievable in the framework of the current project. Much more time and efforts are needed to make the project findings to work towards the aim declared by Ukraine in order to join the EU energy community. The project is able to create a basis, which should be supplemented by further efforts from the Ukrainian side.</p>
Support Integration to electricity TENS, ROM	<p>A political will to integrate into the EU energy market was confirmed by the President of Ukraine during the recent 8th International Economic Forum in Lviv.</p> <p>The related Ukrainian legislation is being adapted to the EU legislation however it is still not completely in line with the latter.</p> <p>The Strategy of Ukraine's Energy Sector Development till the year 2030, which was adopted, emphasises the necessity of harmonisation of Ukrainian rules and standards to those of the EU, gradual development of sector infrastructure to an adequate level, training of staff and other measures. These are in full compliance with the above wider objective.</p> <p>State funds exist, but are not sufficient; additional investments are required.</p> <p>Although drafted, the Ukrainian Electricity Grid has not been yet adopted.</p> <p>Wholesale Electricity Market concept is generally working in Ukraine. All the major stakeholders are in place such as unbundled Transmission System Operator, a regulator and a market operator. However there are some important issues and obstacles to be overcome, which were addressed by the project.</p>

<p>Support Integration to electricity TENs, ROM</p>	<p>Upgrading of the whole Ukrainian grid up to the UCTE requirements will need considerable resources. The critical issue is the disconnection of the Eastern part of Ukraine with Russian Federation, which requires major investments. The preliminary estimation of total investments needed to add line length and transformers ranges from 450 to 550 MEURO for the Base Case (medium scenario) in the time period from 2010 up to 2020.</p> <p>Huge additional investments estimated in the range from 630 to 800 MEURO will be required for the telecommunication system (e.g. installation of optical fiber in the electrical lines), for the modernisation of dispatching and control of the system, for operation of the system, etc.</p> <p>Some state money was allocated and will be allocated in future, however it is certainly not sufficient.</p> <p>Interest of IFIs in investing to the improvement of the electricity network interconnection infrastructure in the country is an important condition for realisation of the project goal. The ToR mention the investment promotion by means of dissemination actions (meetings, presentations, discussions, round tables, etc.), which should be addressed by the project during the time remaining.</p>
<p>Support Integration to electricity TENs, ROM</p>	<p>The declared interest to the project results from the beneficiaries' side is high, however the real involvement in the project activities is insufficient.</p> <p>The present communication scheme, where the beneficiary companies should communicate with the contractor's team through the main partner (Ministry) whatever the case, appears to be too complicated and bureaucratic. The significant initial delays supplemented with the inadequate cooperation have reduced the level of ownership of the project by beneficiaries.</p>
<p>Support Integration to electricity TEN</p>	<p>A feasibility study was completed in January 2009.</p> <p>It concluded that the interconnection was possible, but under certain conditions</p> <p>The ministry is now finalising a project aimed at studying the dynamic stability of an interconnected grid.</p>
<p>Support Ukrainian progress Integration to electricity</p>	<p>An Action Plan has been produced in 2007.</p> <p>It has been endorsed by the Ministry but concerned operators are not convinced of the interest of the interconnection</p>
<p>JMG, 2009</p>	<p>An indicator of the Energy SBS reads: “4.3 Elaborate a comprehensive Action Plan to integrate the united power system of Ukraine into the electricity TEN”.</p> <p>In September 2009 the Delegation notes: “The Ministry of fuel and energy is actively cooperating with the UCTE and is going to develop and Action Plan soon.”</p>
<p>JMG, 2009</p>	<p>An indicator of the Energy SBS reads: “6. Finalise with the IFIs the financing agreements for priority infrastructure projects, taking into account the list of projects defined in the Aide-memoire of 22/10/2006.”</p> <p>In September 2009 the Delegation notes: “Electricity: loan agreement for item 12 of Annex A (Rivne NPP-Kyivska) signed in 2008; loan agreements for items 13 (Novoodesa-Artsyz) and item 14 (Krymenergo) are under development.”</p>

JC 7.2 – Security of energy supplies and the transit of hydrocarbons are ensured	
Preliminary findings related to the JC based on the findings of the Indicators	
<ul style="list-style-type: none"> ▪ I 7.2.1 – Results of the audits of the existing hydrocarbon transit and supply network 	
INO GATE	Investments for about €2.5 million are requested to maintain Ukraine transit network capacity
<ul style="list-style-type: none"> ▪ I 7.2.2 – Existence of a safety and security monitoring of the Ukraine hydrocarbon transit and supply network 	
JMG, 2009	<p>An indicator of the Energy SBS reads: “5.1 Adopt and implement a development plan for the safety and security monitoring system for the hydrocarbon transit networks”.</p> <p>In September 2009 the Delegation notes: “Naftogaz developed last year a Programme on reconstruction and modernisation of gas transportation system up to 2016. Possibly, measures on safety and security of monitoring system are there. Requires further investigation. No information regarding monitoring system for the oil transit network is provided.”</p>
<ul style="list-style-type: none"> ▪ I 7.2.3 – Development of additional sources and supply routes for gas and oil to Ukraine and onwards to the EU 	
Open literature	<p>The recent evolution of world gas markets (fall of spot prices, decline of demand, development of “new gas”) are already impacting the attitudes of foreign investors.</p> <p>Other recent developments are worth mentioning:</p> <ul style="list-style-type: none"> - <i>North stream</i> ; the first pipe (30 bn m3 of gas) is expected to be completed by 2015. - <i>South stream</i>, still under negotiation - the recent opening of negotiations between Ukraine and Russia to allow participation of Gasprom in the Ukrainian Network.
19/03/2009 Protocole	Ukraine and the European Commission agreed a Master Plan for implementing a Strategy of UGTS Modernisation and Reconstruction. Total cost is estimated at USD5.55 billion
JMG, 2009	<p>An indicator of the Energy SBS reads: “5.5 Define additional sources and supply routes of oil and gas to Ukraine.”</p> <p>In September 2009 the Delegation notes: “The draft report provides information about Odessa-Brody oil pipeline and intention on UA side to develop it; White Stream gas pipeline; UA-Egypt initiatives on gas extraction; UA-Libya oil supply and construction of new oil refinery in UA; project on supply of liquefied gas from Egypt.”</p>
<ul style="list-style-type: none"> ▪ I 7.2.4 – Evidence of an harmonisation of technical norms and standards in the Ukrainian hydrocarbons sector with the EU industrial practices 	
JMG, 2009	<p>An indicator of the Energy SBS reads: “5.2 Provide for the conduct or the proper finalisation of the technical and financial audits of the oil and gas transit network infrastructure.”</p> <p>In September 2009 the Delegation notes: “The results of the technical audit for the gas transit infrastructure are now part of EU-Ukraine dialogue on the gas transit system rehabilitation. Financial audit of Naftogaz for 2008 has been finalized in August 2008. No information regarding oil transit infrastructure is provided.”</p>

JMG, 2009	<p>An indicator of the Energy SBS reads: “6. Finalise with the IFIs the financing agreements for priority infrastructure projects, taking into account the list of projects defined in the Aide-memoire of 22/10/2006.”</p> <p>In September 2009 the Delegation notes: “No loan agreement signed with Uktransnafta for oil transit system reconstruction due to problems with public procurement. No loan agreements in the gas field signed, however negotiations are on-going following 23/03/2009 EU-UA International Conference.”</p>
<p>▪ I 7.2.5 – Existence of a metrology system and of a certification system of oil products quality</p>	
JMG, 2009	<p>An indicator of the Energy SBS reads: “5.3 Present for commissioning by the State Commission the gas metrology line in the Regional Metrology Centre in Boyarka. Accreditation and international legislation of the laboratories and testing stands of the gas metrology line.”</p> <p>In September 2009 the Delegation notes: “The EU-funded project for certification of the gas metrology line is on-going. It revealed that gas metrology is not fully ready and requires supply of additional metrology equipment. EU allocated €1 million which, unfortunately, cannot cover all needs.”</p>
JMG, 2009	<p>An indicator of the Energy SBS reads: “5.4 Further the construction project of the oil and oil products metrology line in the Regional Metrology Centre in Boyarka; and the establishment of a Regional Hydrocarbons Metrology Training Centre.”</p> <p>In September 2009 the Delegation notes: “The EU-funded feasibility study on this matter has been launched recently. Its initial results shall be ready by middle 2010.”</p>
<p>▪ I 7.2.6 – Definition and implementation of management rules of strategic oil reserves</p>	
JMG, 2009	<p>An indicator of the Energy SBS reads: “7. Draft the primary and secondary legislation necessary to achieve harmonisation with the EU Oil Directives, including the establishment of the institutional arrangements for the management of strategic oil stocks.</p> <p>In September 2009 the Delegation notes: “Nothing done”.</p>
<p>JC 7.3 – Effectiveness, safety and environmental standards of the coal sector are enhanced</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 7.3.1 – Existence of a Master plan for the restructuring of the coal sector</p>	
Coal sector Policy Support Project	<p>Information concerning each coal mine has been collected but with difficulties resulting from the confidentiality of certain data</p> <p>A meeting will take place in May 2010 to start the preparation of the Master Plan</p>
<p>▪ I 7.3.2 – Design and implementation of a mitigation system of the social impacts of the coal sector restructuring</p>	
Source	Work is still on-going
<p>▪ I 7.3.3 – Statistics of occupational accidents in the coal sector</p>	
Source	No data retrieved
<p>▪ I.7.3.4 – Existence of an inventory of contaminated sites</p>	
Coal Project	Work is still on-going

JC 7.4 – Energy efficiency is enhanced and renewable energies sources developed	
Preliminary findings related to the JC based on the findings of the Indicators	
▪ I 7.4.1 – Policy measures implemented by the GoU to promote energy savings	
JMG, 2009	An indicator of the Energy SBS reads: “10. Improvement of energy efficiency of the gas compressor stations on the gas transit system.” In September 2009 the Delegation notes: “Naftogaz developed last year a Programme on reconstruction and modernisation of gas transportation system up to 2016. Measures on energy efficiency for compressor stations are included. In accordance with information provided by the Ministry, some energy efficiency improvements on gas compressor stations were done in 2004-2008.”
▪ I 7.4.2 – Trend of GDP energy intensity and of the energy intensity of main energy consuming sectors	
IEA	Energy intensity in 2007: Ukraine 0.41 toe/1000 USD (at PPP); Europe: 0.14 toe/1000 USD
Ministry of Fuel and Energy	Reduction of energy intensity by 5.1% yearly between 2001 and 2006
▪ I 7.4.3 – Policy measures implemented by the GoU to support the development of renewable energy sources	
Source	The State Economic Programme adopted in March 2010 foresees a reduction of energy intensity by 20% between 2010 and 2015
▪ I.7.4.4 – Share of renewable energy sources in total energy supply	
IEA	Renewable energy, including large hydro, accounts for some 0.9% of total primary energy supply (TPES) in Ukraine or 1.3 Mtoe.76 Large hydro comprises 80% of the total figure, and only 20% comes from other renewable sources.

JC 7.5 – Ukrainian NPPs meet internationally recognised safety standards	
Preliminary findings related to the JC based on the findings of the Indicators	
Tacis Nuclear Safety Review, 2010	<p>On “hard” On-Site Assistance.</p> <p>A review of the safety ranking of TACIS OSA projects shows that the majority of the issues linked to the NPP design were of rank III and II. Table 2.1.2 lists the projects corresponding to issues in category III (high safety concern and immediate corrective action) for the Russian Federation, Ukraine and Armenia. In Ukraine 10 project are concerned of which 5 during the period 2002-2009.</p> <p>All these projects, which were a response to the most urgent issues raised, have been implemented and completed successfully and correspond to a significant improvement of the nuclear safety.</p> <p>A significant number of OSA projects have been dedicated to the treatment and the storage of solid and liquid radioactive waste <i>within</i> the nuclear power plants of the Russian Federation and of Ukraine. There has been 10 such projects in Ukraine for a total of €25 million, all but one between 2002 and 2009.</p> <p>It is worth noting that among the 438 projects conducted in FSU countries a significant number has been dedicated to non-destructive testing and diagnostic systems (37 projects for approx 25 MEuro). This has resulted in a significant improvement of the diagnostics systems needed for collecting reliable information on the status of the reactor circuits. This is of utmost importance for the prevention of breaks and leakage in the primary cooling system, and also for the prevention of any internal equipment failures.</p> <p>The installation of Safety Parameter Display Systems (SPDS) has been completed in most NPPs of the Russian Federation and in Ukraine, which represents a key step in the process of safety upgrading, as this had been ranked in category II by the IAEA.</p>
Tacis Nuclear Safety Review, 2010	<p>"Soft-OSA" projects are not devoted to deliver equipment but are characterised by a transfer of EU Operator's best practices and the improvement of safety culture in the NPPs' management and staff. It is obvious that to achieve changes in human attitudes, including management and operational styles is much more challenging than to provide an NPP with a new piece of equipment. Nevertheless, the TACIS OSA programme has been successful in that sustainable achievements regarding the transfer of a nuclear safety culture have been obtained.</p> <p>A key factor for upgrading management and operational styles to international standards is the transfer of experience provided by the Western utility operator under the OSA contracts.</p> <p>This role of the OSA Contractor, including training periods at EU nuclear sites, has been highly appreciated by the management of Energoatom in Ukraine and Rosenergoatom in the Russian Federation, as well as by NPP staff who have experienced the opportunity of exposure to Western practices.</p>
Tacis Nuclear Safety Review, 2010	<p>Management of OSA projects.</p> <p>In order to improve the implementation of the projects the European Commission modified the management of the programme. The ‘2+2 approach’ was started in which from the very beginning of a Hard-OSA project the EU and Russian or Ukrainian Regulators and their Technical Support Organisations perform monitoring in parallel with the implementation of a project during all stages and formulate recommendations following EU best practice. By following this process of parallel work and joint discussions, the knowledge of the EU regulator and its interpretation of standards, regulations, and methods of problem solving are imparted to the Russian and Ukrainian Technical Support Organisations.</p> <p>The implementation of this TACIS 2+2 approach was started in January 1999 in the Russian Federation and in August 2001 in Ukraine.</p>

<p>Tacis Nuclear Safety Review, 2010</p>	<p>On OSA: The main achievements can be summarised as follows:</p> <ul style="list-style-type: none"> ▪ Modern EU technology has been made available to TACIS beneficiary power plants. ▪ Establishment of good partnership and experience exchange between the EU nuclear utilities and the beneficiary power plants. ▪ Improvement of the capability to resolve outstanding safety issues identified previously in international programmes or by direct operational experience of the power plants in beneficiary countries. ▪ Change in the management and operational style in the power plants. ▪ Contribution to a better cooperation between regulatory authorities and strengthening their role in the TACIS beneficiary countries ▪ A start of change of attitude towards Safety (introduction of a 'Safety Culture') and significant beneficiary buy-in resulting in much increased local budgets for safety upgrades. ▪ Safety improved in EU-neighbouring countries and therefore a more secure situation for the EU Member States.
<p>Tacis Nuclear Safety Review, 2010</p>	<p>On Design Safety The DS projects were mainly service or consultancy type projects that addressed design and engineering issues. They were usually implemented in such a way that an EU design or engineering organisation worked on a specific technical problem in close collaboration with its counterpart in the concerned FSU country. The contributions of both the EU organization and its counterpart in the FSU country were funded by the TACIS Nuclear Safety programme. In this way these DS projects were able to achieve a dual result: providing the necessary technical resources to solve the identified safety concern and simultaneously achieving the transfer of know-how and developing capabilities from EU support organisations to their counterparts in the FSU country. In Ukraine DS projects were implemented with a contract value of 28 MEuro and 11 MEuro has been spent on Multi-Country DS projects. The evaluation of a sample of DS projects, of which three in Ukraine, learned that the DS projects investigated have been implemented successfully, resulting in direct improvement of safety at related NPPs and in a significant transfer of specific state-of-the-art know how from Western experts to Russian and Ukrainian experts, thereby establishing sustainable the results of the project, both over time and in their potential spreading towards other NPPs with similar design characteristics.</p>

<p>Tacis Nuclear Safety Review, 2010</p>	<p>Off-Site Emergency Preparedness support was focused on five main areas:</p> <ul style="list-style-type: none"> • The provision of equipment and medication for use in an emergency; • The development and installation of early warning monitoring systems to identify an accidental release to the environment as early as possible; • The installation of effective and timely communication links at national level and between neighbouring countries; • The installation of a system or systems to support decision making in an emergency, and finally • Training. <p>Examples of projects:</p> <ul style="list-style-type: none"> • Early warning systems in national emergency centers in Belarus and Ukraine (GAMMA project) • Ring of detectors around several NPP in Ukraine and the Russian Federation to provide input to early warning systems • Decision support system in the national emergency centre in Ukraine and planned for the Russian Federation • Prototype data exchange system in national emergency centers in Belarus, the Russian Federation and Ukraine for more effective communication of data and information, both within and between countries. <p>The projects related to OSEP have been implemented satisfactorily and are on the whole well received by the beneficiaries in the FSU countries.</p>
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<p>Tacis Nuclear Safety Review, 2010</p>	<p>Support to Regulatory authorities. Almost 40 projects have been implemented in Ukraine of which six focused on further strengthening the capabilities of the regulatory body, the State Nuclear Regulatory Committee of Ukraine (SNRCU), through the transfer of Western European safety principles and practice. By far the majority of the remainder have supported the licensing of modernisation measures and safety improvements concerning operating NPPs or at other nuclear facilities (e.g., Chernobyl) while others have focused on enhancing the capabilities and further developing the infrastructure of the Ukrainian Technical Support Organisation, the State Scientific and Technical Committee (SSTC) and its regional subsidiaries. The programme has, in general, been effective and increasingly so over time as tangible impacts on the regulatory system have become more evident. The more notable include:</p> <ul style="list-style-type: none"> • the approval and subsequent issue of ‘General Provisions for Safety Assurance of Nuclear Power Plants’ and a revised version of ‘Operational Safety Rules for Reactor Installations’; • the development of new regulations; • the adoption by the SNRCU Board of a concept for developing the regulatory pyramid; • the development and implementation of a Quality Management System with plans for its certification in 2008; • the development of a more systematic and transparent approach and policy with regard to communication with the public; • the development of an ‘Action Plan (2007)’ to enhance the efficiency of the SNRCU; • a strategy for the ‘Development and Reform of SNRCU (2008-2010)’, etc. • About twenty projects have been used in the so called “2+2” approach to effectively support the licensing process for several tens of modernisation measures and safety improvements being implemented as part of the TACIS OSA programme or with support from the European Bank for Reconstruction and Development and/or EURATOM loans. <p>A major achievement of the RA assistance programme to Ukraine is its contribution to enhancing the capabilities of the regulatory body and the regulatory system in Ukraine. Also significant progress has been made towards the establishment of a regulatory pyramid and a large number of regulations, guides and internal procedures have been developed and implemented. Changes have been, and continue to be, made in the structure of SNRCU and in its working methods in order to increase its efficiency and to increase credibility and confidence (among the public, government, and licensees) in how it performs its regulatory functions. Most of the recommendations made in the EC exploratory mission in 1992 have been implemented or are at an advanced stage, nearing completion. Notwithstanding the considerable progress made, further cooperation in the regulatory area would be of mutual benefit. In particular, there is a need to consolidate what has already been achieved, to continue to support the licensing process of further modernization measures or safety improvements and to assist SNRCU further in a number of areas, not least in completing the regulatory pyramid and strengthening the regulatory system and its application to nuclear facilities other than NPPs.</p>
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<p>Tacis Nuclear Safety Review, 2010</p>	<p>Nuclear waste management. Besides the efforts linked to Chernobyl, the EC undertook efforts through dedicated service contracts to support Ukrainian parties in identifying radioactive waste management and decommissioning projects in Ukraine. These service projects provided an identification and prioritisation of possible projects for technical assistance to beneficiaries and end users in the light of an assessment of past assistance; support was also given to the preparation of Action Programmes. In general all WM projects evaluated in Ukraine were considered to be relevant to the needs of the beneficiaries, but the impact of the completed projects varied from project to project. High effectiveness in the implementation of most projects was acknowledged. Those projects that were in line with the Ukrainian national or corporate programmes will probably receive continuing financial support from the Ukrainian authorities and might have good sustainability prospects. As with the rest of the FSU countries, radioactive waste did not figure significantly in the topics addressed by early TACIS Nuclear Safety programmes in Ukraine, with the exception of work related to Chernobyl. Activities at Chernobyl attracted much international attention and support in addition to national resources, but much remains to be done in relation to radwaste originating from nuclear power production, uranium mining and milling, scientific and medical activities and further remediation around the Chernobyl site. A national strategy for the management of radwaste in Ukraine was developed with full support from the TACIS Nuclear Safety programme. Upgrading and implementing national and corporate strategies now is essential and will have global impact and sustainable benefits to the country. Support limited to solving technical issues alone is not sufficient. More attention should be given to improve sustainability and acceptability aspects such as systematic training, establishment of public information centers, proper planning of decommissioning and remediation, as well as the safe management of radwaste from applications other than the nuclear fuel cycle.</p>
<p>Tacis Nuclear Safety Review, 2010</p>	<p>On Safeguard Safeguard projects deal with Nuclear Material Accountancy and Control (NMAC). Prior to 2002 two projects have been implemented in Ukraine: (i) Assistance in Counteracting Non-Authorised Transfer of Nuclear Material in Ukraine (ii) Combating Illicit Trafficking in Nuclear and other Radioactive Material at Ukrainian borders.</p>

<p>▪ I 7.5.1 – Existence of an independent and competent nuclear safety authority</p>	
<p>The thematic evaluation report on energy (2008) and its annex on Nuclear safety)</p>	<p>West European methodology has been transferred concurrently with EC supplied piece of safety related equipment to be installed in a selected number of units (the 2+2 concept). There is no evidence that the WE methodology is being implemented in areas not financed by the EC.</p> <p>Numerous workshops, training sessions and study tours have been organised for the last 10 years.</p> <p>The budget of the Technical Support Organisation which provides technical advice to SNRCU is still highly dependent on external funding.</p>
<p>Id</p>	<p>The budget of SNCRU is not made public. Therefore it is not possible to state that it is sufficient to guarantee the efficient functioning of an independent NS Authority.</p> <p>EC has provided the means for a Safety Authority to be proficient and independent. But true independence rests on the non interference of the government in the decision of the Authority.</p> <p>A review of the compliance of the Ukrainian NS regulatory system with the IAEA standards was completed by an IAEA IRRS mission. Non full compliance was found in some areas. However, it was noted that progress is being made on the resolution of the non-full compliance.</p>
<p>▪ I 7.5.2 – Results of independent evaluations of Ukrainian NPPs safety</p>	
<p>Id</p>	<p>Such an evaluation, covering all four areas of the 15 operating plants, has recently been completed. It was done by an independent team of experts under the aegis of the IAEA.</p>
<p>Id</p>	<p>It should be noted that IAEA evaluations represent a consensus between international and local experts.</p>
<p>▪ I 7.5.3 – Evidence of implementation of safety upgrading measures</p>	
<p>Id</p>	<p>K2 and R4 safety upgrades were implemented and the results monitored in cooperation with EC experts.</p>
<p>Id</p>	<p>Energoatom has developed a Comprehensive Programme on Nuclear Safety Improvement at Ukrainian NPPs which estimates the cost of safety upgrades to be in the order of one billion €. Given the financial situation of Ukraine in general and of Energoatom in particular, Ukraine needs the support of IFIs and is at this moment negotiating loans with EBRD and Euratom.</p>
<p>▪ I 7.5.4 – Design and implementation of a radioactive waste decommissioning programme</p>	
<p>Id</p>	<p>A strategic plan has recently been prepared with assistance of WE experts. It has been approved by the government</p>
<p>Id</p>	<p>Total cost is evaluated to about bn €. The issue of financing is the same as above.</p>

<p>Tacis Nuclear Safety Review, 2010</p>	<p>Besides the efforts linked to Chernobyl, the EC undertook efforts through dedicated service contracts to support Ukrainian parties in identifying radioactive waste management and decommissioning projects in Ukraine. These service projects provided an identification and prioritisation of possible projects for technical assistance to beneficiaries and end users in the light of an assessment of past assistance; support was also given to the preparation of Action Programmes.</p> <p>The Ukrainian National Strategy which assessed the status and needs of each Ukrainian nuclear facility made recommendations for more safe and effective management and regulatory control including recommendations on legislation. A coherent and integrated approach to waste management at power plant level was recommended.</p> <p>A WM project associated with supporting the Ukrainian authorities developed documentation for regulation of decommissioning of nuclear power plants and research reactors and improved the regulatory regime in areas of wide public concern and provided appropriate communication to the public.</p> <p>WM projects at operating NPPs were included in the various OSA programmes and the OSA support to and cooperation with Energoatom at Rovno, Khmelnytsky, and Zaporozhye NPPs. All WM projects addressed existing problems with solid or liquid radwaste treatment and the results of some of these WM projects were also relevant to other NPPs.</p> <p>Currently the implementation of some WM projects at Rovno NPP and at Zaporozhye NPP is still ongoing. The projects comply fully with Ukrainian and EC policy.</p>
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EQ 8 on Border Management

To what extent have the Commission’s interventions in the area of border management contributed to facilitate the legal movement of goods and persons while making more effective the control of illegal cross-border activities?

Judgement criteria and indicators

Inventory	<p>During the evaluation period, the Commission implemented in the area of border management more than 40 projects for a total budget of €103.0 million. The largest projects, with a budget of €1 million and above, are the following ones:</p> <ul style="list-style-type: none"> • Border management improvement: implementation of the border crossing projects – October 2003 to October 2007 - €1.3 million • Border Management Improvement: Equipment Supply to the State Border Guard Service of Ukraine – December 2004 to December 2007 - €3.8 million • Extension and Rehabilitation of Border Crossing Facilities at Jagodyn, Ukraine – March 2005 to November 2007 - €2.7 million • Capacity Building of Migration Management – March 2005 to December 2008 - €3.6 million • Border Management Improvement: Rava Russka Border Crossing Reconstruction – December 2005 to September 2009 - €8.4 million • Enhancing Border Management in Ukraine - BOMUK 2 – December 2005 to December 2006 - €5.0 million • Reinforcing the State Border Guard Service of Ukraine's Human Resources Management System – December 2005 to August 2009 - €4.0 million • Construction of new border crossing facilities at Uzhgorod, Ukraine – July 2006 to October 2009 - €3.0 million • Capacity Building of Migration Management: Ukraine (Phase II) – August 2006 to October 2009 - €2.7 million • Implementation of the border crossing projects, National Project Supervision Unit (PSU) Phase II, Ukraine – January 2007 to January 2009 - €1.0 million • Border Management Improvement: Equipment Supply to the State Border Guard Service of Ukraine - BOMUK 3 – August 2007 to June 2009 - €18.6 million • GDISC Ukraine – Capacity Building and Technical Support to Ukrainian authorities to Effectively Respond to Irregular Transit-Migration (ERIT) – February 2008 to January 2010 - €1.7 million • Improving Integrated Border Management: Follow-up to the Reinforcing the State Border Guard Service of Ukraine Human Resources Management – March 2008 to February 2010 - €1.0 million • Supply of Mobile Inspection and Screening X-ray Scanning Systems for State Customs Services of Belarus and Ukraine – July 2008 to January 2010 - €27.8 million • BOMUK 4 - Border Management Improvement: Equipment Supply to the State Border Guard Service of Ukraine - Border Surveillance Equipment: Car-mounted thermo-imaging equipment – September 2008 to September 2009 - €12.1 million <p>A sector budget support programme aimed at supporting the implementation of the GoU policy in the area of border management is currently being considered.</p>
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<p>JC 8.1 – The Commission’s interventions facilitated the legal movement of goods and persons across borders</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 8.1.1 - Progress towards approximation of the customs procedures to EU standards</p>	
<p>ENP Progress Report, 2004</p>	<p>A State Customs Committee was established in 1991 as the central customs body and the first Customs Code of Ukraine entered into force. A Customs Tariff Council of Ukraine was set up in 1992, and a Law on the Uniform Customs Tariff enacted. Since then, approximation to the internationally applied nomenclature of the Harmonized System (HS) has continued. Ukraine currently applies HS96 and is preparing to switch to HS2002 by 1 January 2005. Ukraine does not yet apply the Combined Nomenclature (CN).</p> <p>The new Customs Code of Ukraine entered into force on 1.1.2004 and is to increase transparency and predictability of customs legislation and procedures. The Code is a significant step forward in Ukraine’s customs law approximation to EU legislation and in the country’s plan to enter the WTO. The Code introduced internationally consistent practices and rules on publication of legal acts, relations to operators; as well as on appeals and customs valuation, where some discrepancies still remain. Moreover, it provides uniform simplified customs procedures, and reinforces the powers of the State Customs Service to fight against fraud, counterfeiting and piracy. Secondary legislation is currently scattered across numerous decisions of various executive authorities. Ukraine is reinforcing its administrative and operational capacities in the area of customs.</p>
<p>Joint evaluation report EU-Ukraine Action Plan, 2008</p>	<p>On customs, progress has been made regarding the adoption of international customs standards, legislative approximation with the EU, upgrading the capacity of the customs service, and improving relations with economic operators. There have also been positive developments in facilitation and speeding up of customs procedures, including measures to implement the concept of a “single window” at the borders. Further measures, to modernise customs procedures and fight corruption, are being envisaged.</p>
<p>ENP Progress Report, 2008</p>	<p>Limited progress was made in the implementation of the customs part of the Action Plan.</p> <p>Efforts were continued to align customs legislation with the provisions of the Revised Kyoto Convention on Simplification and Harmonisation of Customs Procedures, although the said Convention has not been ratified yet. The draft of the new customs code was presented to the Parliament but was not approved during the reporting period. Legislation introducing the Single Administrative Document (SAD) entered into force in January 2008 and Ukraine has been using the ATA carnet for temporary imports since March 2008. Work for the introduction of the 2007 version of the Harmonised System (HS) was not finalised.</p> <p>Concerning administrative and operational capacities, the State Customs Service continued improving its relations with economic operators, reinforced security and enforcement and improved its system of risk-based customs control. Further efforts are necessary in areas such as customs valuation, integrity, IPR protection at the border, risk management, simplifications and trade facilitation.</p>

<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>Ukraine is losing its foreign trade advantage due to complex legal procedures to fulfil administrative requirements (time for export - 31 days, time for import - 39 days), which deteriorates the quality of customs servicing and commodities flow capacity. In 2007 the procedure was longer for both (33 days for export and 46 days for import). As a point of reference, Poland's time to export is equal to 19 days and to import is 26 days.</p> <p>Another complex issue is the inferiority of the legal and regulatory base which understates the actual value of commodities for import and export.</p> <p>The draft Law of Ukraine "On Amending of Certain Legal Acts of Ukraine to Conduct Preliminary Documentary Control at the Check Points at the Customs Border" was further developed to speed up the customs procedure processes by simplifying cargo transfers at border check points as well as standardize and simplify border crossing documentation related to compliance with the international law and practices of joint control.</p>
<p>Blue Ribbon Analytical and Advisory Centre, 2009</p>	<p>In October 2006 Ukraine joined the International Convention to simplify and harmonize custom procedures (Kyoto Convention) as well as foster foreign trade development and implement customs principles defined by the WTO Agreements. The government should focus on Kyoto Convention recommendations 8.4-8.5, which provide a general framework of further simplification of customs procedures and addresses a decrease in the rates of customs duties and logistical issues to reduce delays in customs clearance and issuance of documents. This will gradually develop the transit potential of Ukraine.</p>
<p>European Business Association, 2009</p>	<p>On 5 October 2006 Ukraine joined the Protocol on Amending International Convention on the Simplification and Harmonisation of Customs Procedures (hereinafter – the Kyoto Convention) by adopting the respective Law of Ukraine No. 227-V. However, because Ukraine joined only the Protocol on Amending the Kyoto Convention, the Ukrainian legislation was not adjusted to the provisions of the Kyoto Convention itself.</p> <p>Considering that the applicable Customs Code of Ukraine No. 92- IV dated 11 July 2002 does not regulate some problematic issues regarding the complicated customs procedures and provisions of international legislation (in particularly, the Kyoto Convention) could not be implemented to the fullest extent in Ukraine, in short term perspective, the situation could be improved by issuing respective acts of the State Customs Service of Ukraine (SCSU). There is a practice of listing the companies which are subject to the simplified customs clearance procedures in Ukraine. This practice was introduced by the SCSU orders, which are no more effective. In 2009, the SCSU has resumed drafting new regulatory acts to regulate simplified customs clearance procedure of goods in Ukraine. Though as of May 2009 no simplified customs clearance procedure is approved.</p>
<p>European Business Association, 2009</p>	<p>The Draft Law on Amending the Customs Code of Ukraine No. 2778, which was registered in the Verkhovna Rada of Ukraine on 16 July 2008, foresees a new wording of the Customs Code of Ukraine and has become an important step in the development of customs regulation in Ukraine. Compared to the current Customs Code, the new edition of the Customs Code proposed by the Draft Law No. 2778 is improved in terms of the terminology, system of customs regimes and the rules of their use, defining the rules on issuance of permit documents by customs authorities, establishing main principles of the simplified procedure of the customs control and customs declaration of goods that are transported through the Ukrainian customs border by the enterprises, etc. As of May 2009 the respective Draft Law was not adopted.</p>

Source	<p>There is now a new draft customs code, which represents an improvement to the current situation. However, it is not up to EU standards, lacking specificity and giving the local customs officers still leverage to classify products according to their own judgement. This most important problem of the valuation procedure has thus not been solved.</p> <p>On the positive side, the functioning of a Pre-arrival Information Exchange System (PIES) between Ukraine and Moldova should be stressed, which greatly facilitates border control.</p>
Source	<p>Ukraine has a strategy for making the State Border Guard Service (SBGS) Schengen compatible until 2015. Under support of the EC, the following results were achieved: a move towards making the SBGS a civilian organisation and no longer part of the military. As first step, military conscripts are no longer used in the SBG. Also the level of hierarchy has been reduced, border guards were trained and equipped. Hence, important steps were taken as part of an ambitious strategy, which is driven by Ukraine's desire to promote reforms so as to qualify for visa free travel. In addition, the stability of having the same, reform-minded head of the SGBS for the last 12 years was advantageous for the reforms. The SBGS has therefore proved to be a reliable partner for cooperation, according to EC staff.</p>
<p>▪ I 8.1.2 - Simplified and more efficient border control and custom procedures</p>	
ENP Progress Report, 2006	<p>Following a request from President Yushchenko and Moldovan President Voronin, the EU established an EU Border Assistance Mission (EUBAM) on the border between Ukraine and Moldova, including on the Transnistrian segment. The purpose of this mission is to enhance the capacities of the Ukrainian and Moldovan services on this border and thereby provide a valuable contribution to the settlement of the Transnistria conflict. Ukraine is working closely with the mission. During the second Advisory and Monitoring Board meeting of the EUBAM in May 2006, the EUBAM presented to Ukraine and Moldova a list of concrete recommendations for strengthening the Ukrainian and Moldovan customs and border guard services, for increasing cooperation among them and for improving customs control and border management between the two countries.</p> <p>As of July 2006, in full agreement with Moldova and Ukraine, the EU has further reinforced the EUBAM bringing the total number of EU experts to 101, reinforcing EUBAM's risk analysis capacity and opening two additional field offices in Odessa and Chisinau.</p> <p>The Ukrainian and Moldovan Prime Ministers issued a Joint Declaration on customs issues at the end of December 2005. For its part, Ukraine committed to allowing the transit of Moldovan goods through the Ukrainian border only if accompanied by official Moldovan customs stamps while Moldova, for its part, committed to facilitating registration and access to official Moldovan customs stamps for Transnistrian companies. Ukraine began implementing the agreement in March 2006. Moldova introduced changes to its legislation before March. The EUBAM has been active in monitoring the situation.</p>

<p>ENP Progress Report, 2006</p>	<p>On customs, steps have been taken to facilitate and speed up customs procedures, including implementation of the concept of a “single window” at the borders. A Customs disciplinary statute together with other anti-corruption measures was adopted. Customs valuation rules were harmonised with WTO standards and the computerisation of the customs service is proceeding, with the introduction of electronic customs declarations.</p> <p>Work on risk-based customs control started with the setting up of a Department on risk analysis and audit in the State customs committee. In order to foster dialogue with operators and to provide vetted operators with simplified procedures, the concept of a ‘white list of economic operators’ was introduced. The EUBAM has proven instrumental in providing training and support to Ukraine’s customs officials, which has led to considerable improvements in customs procedures along the sensitive border with Moldova. In terms of remaining challenges, Ukraine will need to adopt appropriate legislative and administrative measures (including implementing legislation and introducing and developing modern techniques and procedures in line with international standards) in a number of crucial areas, such as risk analysis, simplified procedures,</p>
<p>ENP Progress Report, 2006</p>	<p>In the area of border management, reform of the State Border Guard Service (SBGS) is still underway and a concept and programme for the development of the SBGS was approved by the Government in April 2006.</p>
<p>ENP Progress Report, 2007</p>	<p>On customs some progress was made regarding the legislative approximation, the adoption by Ukraine of international customs standards and the upgrading of the capacity of the customs service and improving relations with businesses. The regulation for the adoption of the Single Administrative Document entered into force on 1 January 2008. The law amending the customs code allowing for <i>ex-officio</i> action of the customs authority as regards pirated and counterfeit goods was adopted in November 2006 and an implementing regulation was adopted; however the excessive financial guarantees required from right holders is a matter of concern. Ukraine became a member of the revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures. The State Customs Service (SCS) prepared a first draft of the new customs code. The 2002 Harmonised System (HS) is in force since January 2008. Some work has been carried out to determine the criteria to benefit from a more, favourable customs treatment - the so-called “white list of economic operators” - but so far the results are not entirely satisfactory. The Cabinet of Ministers approved in July 2007 a resolution on a new statute for the SCS. It reinforces among other the investigation powers of the SCS in areas such as on smuggling.</p>
<p>European Court of Auditors, 2008</p>	<p>The European Union border assistance mission to Moldova and Ukraine¹² (EUBAM, total EU contribution of 19,1 million euro) contributed greatly to building capacity in the Moldovan and Ukrainian border guard and custom services. For example “EUBAM” aided the effective implementation and monitoring of a new customs regime between Moldova and Ukraine, thus helping to combat smuggling and illegal cross-border activity. As a result significant smuggling involving Transnistria was detected. The illegal evasion of taxes and customs duties concerned e.g. vehicles, fruit and vegetables and poultry meat. For poultry meat alone, EUBAM calculated losses of up to 43 million euro for the Ukrainian state budget or up to 18 million euro for the Moldovan state budget (period October 2005 to May 2006).</p>

ENP Progress Report, 2008	<p>Ukraine continues to be fully committed to, and participate constructively in, the work of the EU Border Assistance Mission to Moldova and Ukraine (EUBAM). With EUBAM support, the professional capacities of the customs and border guard services were enhanced as was inter-agency cooperation within Ukraine and between Ukraine and the Republic of Moldova, such as the joint operation of a new pre-arrival information exchange system. In December 2008, the 7th Trilateral Meeting on Border Issues took place in Brussels. All sides confirmed the progress made in border security at the Ukrainian-Moldovan border and emphasised that cross-border cooperation has improved significantly.</p> <p>Ukraine has indicated its desire to see the mandate of the EUBAM mission extended beyond November 2009.</p>
Blue Ribbon Analytical and Advisory Centre, 2009	<p>Ukraine is losing its foreign trade advantage due to complex legal procedures to fulfil administrative requirements (time for export - 31 days, time for import - 39 days), which deteriorates the quality of customs servicing and commodities flow capacity. In 2007 the procedure was longer for both (33 days for export and 46 days for import). As a point of reference, Poland's time to export is equal to 19 days and to import is 26 days.</p> <p>Another complex issue is the inferiority of the legal and regulatory base which understates the actual value of commodities for import and export.</p> <p>The draft Law of Ukraine "On Amending of Certain Legal Acts of Ukraine to Conduct Preliminary Documentary Control at the Check Points at the Customs Border" was further developed to speed up the customs procedure processes by simplifying cargo transfers at border check points as well as standardize and simplify border crossing documentation related to compliance with the international law and practices of joint control.</p>
Source	<p>Limitation to more efficient control is the absence of clearly demarcated borders and the existence of too many border crossing point.</p>
Source	<p>The EU customs blue print is currently and gradually being implemented in Ukraine</p>
<p>▪ I 8.1.3 - Progress towards integrated border management</p>	
ENP Progress Report, 2007	<p>In order to improve and facilitate border operations and to move towards the adoption of a single-window approach, an inter-institutional agreement authorizing customs to carry out preliminary documentary ecological controls at the border entered into force in the first semester of 2007. In terms of remaining challenges, Ukraine will need to enhance the level of enforcement in areas such as risk analysis, simplified customs clearance, customs valuation, and fight against corruption.</p>
Source	<p>There exists now a coordination system at ministerial level and working groups to support the process towards IBM. However, the division of responsibilities between police and SBGs is still an issue. In general, the institutional set is not yet supportive for IBM since coordination mechanisms are still lacking, and in particular because of the lack of information exchange and maintenance of databases. Data are often out of date, available only at local level and not available in electronic format.</p>

<p>▪ I 8.1.4 – Improved co-ordination with the relevant services/agencies of neighbouring countries and harmonisation of custom procedures</p>	
<p>Joint evaluation report EU-Ukraine Action Plan, 2008</p>	<p>Supported by the EU Border Assistance Mission to Moldova and Ukraine (EUBAM), Ukraine has developed co-operation with Moldova on border questions, covering the entire Ukraine-Moldova border, including effective information exchange on the flow of goods and people across their common border. The purpose of the EUBAM is to enhance the capacities of the Ukrainian and Moldovan services on this border and thereby provide a valuable contribution to the settlement of the Transnistria conflict. Recently, Ukraine has reached arrangements to finalise the demarcation of the Ukraine – Moldova border, including its Transnistrian segment, and encourages the EU to provide relevant technical assistance.</p>
<p>ENP Progress Report, 2007</p>	<p>In November 2006, Ukraine and the Republic of Moldova signed a Protocol on the Exchange of Information between the Customs Services on the cross-border movement of goods which includes the establishment of an automated system for exchanging pre-arrival information on cargos.</p>
<p>▪ I 8.1.5 - Improved infrastructure and equipment of border posts</p>	
<p>ENP Progress Report, 2007</p>	<p>In June 2007, the Cabinet of Ministers adopted a Resolution “On approval of the state special purpose law enforcement programme ‘organisation and reconstruction of the state border’ for the period until 2015”. According to this programme, the government will allocate – until 2015 – up to about € 133 million for improvement of border infrastructure, including equipment. However, it remains to be seen whether the government will allocate sufficient funds annually to implement the programme.</p>
<p>European Court of Auditors, 2008</p>	<p>The projects “Border management improvement Ukraine” (EU contribution of 4,0 million euro) and “Strengthening border management in the republic of Belarus” (EU contribution of 13,3 million euro) delivered among other things cameras, microscopes, document verification devices, vehicles, IT equipment including automated telephone exchanges for border units and hardware for checking online, e.g., blacklisted persons and stolen vehicles. All investment items checked were in place according to the inventory log-book, properly labelled, operational and used for the intended purpose.</p>

Source	<p>As regards the past EU assistance to the border crossings in Ukraine:</p> <ol style="list-style-type: none"> 1. Jagodyn border crossing point (BCP) reconstruction, Ukrainian/Polish border, Ukraine Action Programme (UAP) 2001, Phase I project of 2.75 MEUR - completed, end date - 24 June 2006, 2. Rava-Russka BCP reconstruction, Ukrainian/Polish border, UAP2002, 8.5 MEUR works - completed, equipment supplies 400'000 EUR – completed, end date 31 December 2007. 3. Uzhgorod BCP reconstruction, Ukrainian/Hungarian border, UAP 2003, 3 MEUR – completed, end date 31 December 2007 4. Engineering support for the construction supervision is provided through 1.2 MEUR project "Border Management Improvement: Implementation of the border crossings projects (National Projects Supervision Unit)" UAP2002, Contractor - Louis Berger, completed, end date – October 2006 5. Jagodyn bridge and access roads: Programme: Tacis CBC AP1998 (bridge), 1997-1998(roads) Starting date: 1 March 2001 Ending date: 4 August 2002 Oblast: Volynska Budget: EU contribution 1'650'000 EUR (bridge) and 3'600'000 EUR (access roads), Polish Government contribution 1'650'000 EUR (bridge). Summary: The new road bridge between Poland and Ukraine crosses the Western Bug River and links the towns of Dorohusk in Poland and Jagodyn in Ukraine, forming a direct link between Warsaw and Kyiv. The bridge construction was 50 % funded by the Government of Poland and 50 % by a grant from the European Union. In addition new approach roads on the Ukrainian side were constructed, 100 % funded by a grant from the EU. The total cost of the new 180 m long, 3 span, road bridge that was constructed by Polish Contractor Mosty Lodz/Mostostal amounts to €3.3 million. The new approach roads to the bridge on the Ukrainian side, totalling 4.35 km, were built at a total cost of €3.6 million by Ukrainian Contractor RITIE Stroom. The Employer for the contracts was the Ukraine State Highways Authority Ukravtodor together the Volyn Regional Road Administration. 6. Chop border crossing rehabilitation: Programme: CBC AP1999 Starting date: 17 Oct 2000 Ending date: 14 September 2002 Oblast: Transcarpathian Budget: 2'900'000 EUR Summary: The existing road border crossing between Hungary and Ukraine by the Tisa river near the towns of Zahony in Hungary and Chop in Ukraine was reconstructed. It is located on a branch of the European Corridor No. 5 forming a direct link between Budapest and Lviv/Kyiv. The Chop (Tisa) border crossing reconstruction 100 % funded by the European Union. The total cost of the reconstructed border crossing that was constructed by Ukrainian Contractor RITIE Stroom amounts to EUR2.9 million. The Employer for the contract was the State Customs Service of Ukraine. Equipment supplies: major contract: Mobile X-ray scanner for Belarus, Ukraine and Moldova.
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Delegation	<p>The EC concluded in 2008 a contract entitled "Supply of Mobile Inspection and Screening X-Ray Scanning Systems for the State Customs Services of Belarus, Ukraine and Moldova", our ref. No 2008/162-079</p> <p>The contract total amount (after Addendum No 5) is 27'822'000 EUR for all three countries.</p> <p>Belarusian component of this contract is 5 scanners for a total budget of 7'196'000 EUR, including training and spare parts.</p> <p>Total number of scanners is 19 units: 5 for Belarus, 3 for Moldova and 11 for Ukraine.</p> <p>The contract purpose is delivery (transportation to the places of acceptance in Ukraine, Moldova and Belarus), and the provision of comprehensive training in the equipment use and maintenance (including the delivery of training manuals in Ukrainian or Russian and in Belarusian or Russian), of Mobile Inspection and Screening X-ray scanning systems.</p>																									
<p>▪ I 8.1.6 - Waiting times for freight and passenger traffic at border crossings</p>																										
International Road Transport Union, 2009	<p>According to information received from the IRU Member in Ukraine, the difficulties and recommended improvements at Ukrainian borders are the following:</p> <ul style="list-style-type: none"> • Available border crossing throughput capacities are under-utilised at certain posts on the Ukrainian side – a fully functioning border post should be ensured • Lack of joint border controls with neighbouring countries – joint controls must be introduced • 9 (nine) different control services involved in checking vehicles and cargo on the Ukrainian side – the number of controlling services should be significantly reduced • Full or quasi full customs and other controls conducted by UA customs officers at borders despite an earlier UA Government Resolution (No. 269 dated 13 April 2005) requiring only preliminary document control at borders and full controls at customs points within the country • Separation of traffic by types of cargo by the RF customs authorities at the UA-RF, and by the UA customs authorities at the UA-PL borders, causing significant detours for vehicles – review and eliminate traffic separation by cargo types as much as possible; by contrast introduce separate traffic lanes for empty vehicles • Access roads to borders are in a poor state, terminal and throughput capacities of control points are insufficient – roads and control points should be repaired / extended / newly built (e.g. between Rava-Ruska and Yagodin on the UA-PL border) in accordance with an UA Government Resolution (No. 831 dated 13 January 2007). 																									
World Economic Forum, 2009	<p>Ranking of Ukraine at the 2009 Global Enabling Trade Report (out of 121 countries)</p> <table border="1" data-bbox="416 1576 1404 1742"> <thead> <tr> <th></th> <th>Ukraine</th> <th>Poland</th> <th>Moldova</th> <th>Russia</th> </tr> </thead> <tbody> <tr> <td>Border administration</td> <td>95</td> <td>45</td> <td>72</td> <td>106</td> </tr> <tr> <td><i>Efficiency of customs administration</i></td> <td>110</td> <td>55</td> <td>67</td> <td>74</td> </tr> <tr> <td><i>Efficiency of export-import procedures</i></td> <td>91</td> <td>36</td> <td>97</td> <td>107</td> </tr> <tr> <td><i>Transparency of border administration</i></td> <td>84</td> <td>43</td> <td>59</td> <td>109</td> </tr> </tbody> </table>		Ukraine	Poland	Moldova	Russia	Border administration	95	45	72	106	<i>Efficiency of customs administration</i>	110	55	67	74	<i>Efficiency of export-import procedures</i>	91	36	97	107	<i>Transparency of border administration</i>	84	43	59	109
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World Economic Forum, 2009	Indicators of border management effectiveness (Global Enabling Trade Report 2009)				
		Ukraine	Poland	Moldova	Russia
	Burden of custom procedures (Survey. Marks ranging from 1=extremely slow to 7=rapid and efficient)	2.9	3.8	3.4	2.7
	Extent of services provided by custom authorities (maximum=12.5)	3.0	6.5	n.a.	6.5
	Effectiveness and efficiency of clearance (Survey. Marks ranging from 1= very low to 5= very high)	2.2	2.9	2.1	1.9
	Time for import (number of days)	36	27	35	36
	Number of documents for imports	10	5	7	13
	Official costs associated with importing excluding tariff (fees on a 20-foot container in USD)	1250	884	1895	2150
	Time for export (number of days)	31	17	32	36
	Number of documents for export	6	5	6	8
	Official costs associated with exporting (fees on a 20-foot container in USD)	1230	884	1775	2150
	Irregular payments in exports and imports (Survey. Marks ranging from 1= common to 7=never occurs)	3.5	4.6	4.6	2.9
Corruption perception index (Survey. Marks ranging from 0=highly corrupt to 10=clean)	2.5	4.6	2.9	2.1	
JC 8.2 – The Commission’s interventions contributed to more effective management of migrations flows					
Preliminary findings related to the JC based on the findings of the Indicators					
<ul style="list-style-type: none"> I 8.2.1 - Improvements of the legal framework relative to migrations and asylum in accordance with European standards 					
ENP Progress Report, 2006	Concerning asylum and migration, an overall long-term strategy on asylum has yet to be drafted, and a Ukrainian migration service has yet to be set up as one single state authority dealing with immigration and asylum issues (five different state structures are still in charge of various aspects). In May 2005, the Law on refugees was amended to comply with the wording of the 1951 Geneva Refugee Convention with regard to certain aspects of asylum procedure. The conditions in certain centres for refugees and illegal migrants need urgent improvement.				
ENP Progress Report, 2007	The EC – Ukraine visa facilitation and readmission agreements entered into force on 1 January 2008 after the appropriate procedures had been completed on the EU side and in Ukraine in 2007. Both sides cooperated closely in view of improving infrastructure and making procedural standards for irregular migrants in custody compliant with EU standards.				

<p>ENP Progress Report, 2007</p>	<p>Ukraine remains a major transit country for irregular migrants from Asia, the Arabic countries and Africa and the number of migrants is increasing. In order to address this issue more adequately, the State Border Guard Service (SBGS) continued, with the help of the EC, implementing a reform strategy towards an EU-compliant law enforcement service. A concrete result in this regard was the out-phasing of the conscript system in 2007. As of 2008, personnel will be recruited by using objective and transparent entry examinations and receive contracts. This is a major step forward towards professionalism in the SBGS. The Warrant Officer's Education and Training System was reformed in 2007, which is now compliant with the EU Core Curriculum for Border Guard Services. Moreover, reform steps were initiated to make the service's career development system more transparent and based on merits. The creation of an employees' representation body is also under preparation. Amendments to a number of laws have been prepared in order to approximate to EU norms and standards. The SBGS also established, with the help of EUBAM, risk analysis units which will pave the way towards risk-based border controls (selectivity methodology).</p>
<p>ENP Progress Report, 2007</p>	<p>The asylum system deteriorated in 2007. In the period from mid-March to mid-November 2007, no asylum authority was appointed to take positive decisions on asylum applications. This led to a remarkable backlog in the processing of asylum claims. Also continuous reorganisations in the competent authority, exacerbated by frequent changes in management and limited financial resources allocated by the state budget have led to problems of access to asylum and substantive procedures, and have negatively impacted on the quality and speed of asylum decisions. The refugee law also has several shortcomings, in particular as regards the accelerated procedure that it establishes, which is frequently used to reject claims without considering the substance of the claim. In addition, the refugee law has no provisions on non-discrimination of refugees on grounds of their race, religion or country of origin. It does not provide access for legal specialists of non-governmental organisations (NGOs) or UNHCR to refugees' individual files, or for refugees to have legal representation during refugee status determination (RSD) interviews with the Migration Services. In addition, the refugee law does not establish a timeframe within which asylum applications of persons who have entered Ukraine irregularly should be referred from the State Border Service and the Ministry of Interior (MOI) to Migration Services' bodies.</p> <p>A lack of national funds for the creation of adequate refugee reception and integration programmes as well as the fact that asylum seekers were frequently victims of xenophobia have resulted in a highly inhospitable asylum environment in Ukraine. Asylum-seekers consistently face problems with access to territory, access to asylum and access to substantive RSD procedures. They are often subject to police harassment, arbitrary and protracted detention as well as a serious risk of <i>refoulement</i>, while refugees face serious obstacles to the enjoyment of their rights and to integrate in Ukraine.</p>
<p>European Court of Auditors, 2008</p>	<p>Ukraine is chronically short of accommodation, particularly for longer-term illegal migrants. Repatriation requires identification of the persons by the Ukrainian authorities and cooperation from the relevant embassies or consulates which are not always helpful. Another solution would be readmission, i.e. acceptance of the detained persons by the country from which they illegally entered Ukraine. However, a readmission agreement has not been signed between Ukraine and Russia, the prime source of Ukraine's illegal migrants.</p>

<p>Joint evaluation report EU-Ukraine Action Plan, 2008</p>	<p>The EU and Ukraine have continued their dialogue on migration and mobility issues. Ukraine has taken steps to continue the process of legal approximation to the EU standards in the field of asylum and interpersonal protection.</p>
<p>ENP Progress Report, 2008</p>	<p>Despite multiple reforms, Ukraine still lacks a clear migration policy and a unified, efficient migration service. Detention conditions for migrants remain poor in many facilities and fundamental rights such as respect of non-refoulement principle, access to legal and health protection are not always respected. Conditions for the detention of irregular migrants improved in some regions in 2008 with the opening of two modern custody centres (Zhuravychi and Rozsudiriv) and the closing of a special holding centre in Pavshino. In addition the State Border Guard Service opened five modern temporary holding facilities in Shatsk, Malniv, Mostyska, Chernivtsi and Izmail. However, further improvements are required, in particular through the creation of additional modern migrant custody centres as well as recruitment of skilled personnel and enhanced training. Ukraine continues to deny asylum seekers protection and migrants face deportation back to countries where they are at risk of torture or ill-treatment. In the case of <i>Soldatenko v Ukraine</i> and <i>Novik v Ukraine</i>) the European Court of Human Rights observed that Ukrainian legislation “does not provide for a procedure that is sufficiently accessible, precise and foreseeable in its application to avoid the risk of arbitrary detention pending extradition”.</p>
<p>International Organisation for Migration, 2008</p>	<p>Ukraine joined the Geneva Convention on the Status of Refugees in January 2002 and has committed to admit asylum seekers to the procedure granting them refugee status, to admit and shelter recognized refugees on its territory, and to help them integrate. However, there are at least three flaws in the current legislation as indicated by the United Nations High Commissioner for Refugees (UNHCR). Firstly, the Law allows recognized refugees to be stripped of their status without recourse to the courts (Art. 15). Secondly, this Law also fails to define the principle of <i>non-refoulement</i>—not subjecting to deportation individuals who qualify as “war refugees” or as unable to return because of a serious risk of torture or inhuman or degrading treatment and punishment. Thirdly, the Law establishes an overly complicated system for issuing documents to asylum seekers who are in the midst of applying for refugee status. This leads to refugees and asylum seekers being detained at the point when they exchange documents, a detention that can last up to 30 days. During this detention, the asylum seeker has essentially no documents. Furthermore, the admission rate is very low in Ukraine. In 2006, 25 out of 797 applicants were granted refugee status or a form of protection, which means an admission rate of only 3.1 per cent. To date, there are no displaced populations on the territory of Ukraine. According to the UNHCR, there are 1,706 stateless persons on the Ukrainian territory</p>
<p>European Commission</p>	<p>On 13 June 2002 the Council authorised the Commission to begin negotiations with the Government of Ukraine on a readmission agreement within the framework of the EU Common Strategy of 11 December 1999 on Ukraine. These negotiations resulted, on 29 November 2007, in the adoption by the Council of the decision 2007/839/EC on the conclusion of the agreement. A Joint Committee has been established to monitor the application of the Agreement.</p>

<p>Franck Düvell, 2007</p>	<p>In 2002, Ukraine agreed to the Geneva Convention and a refugee law was introduced in 1993 but only implemented in 1996. Initially, Chechen refugees were dealt with separately under a cabinet decree, but this expired in 1997. A new refugee law (Law of Ukraine ‘On Refugees’) came into force in 2001 and was amended in 2003 and again in 2005. So far, this law does not include any provisions for temporary or subsidiary protection, which is a most serious legal shortcoming (UNHCR, interview 9/2006). Meanwhile, a law ‘on refugees and persons eligible for subsidiary and temporary protection’ has been drafted. Four institutions are involved in the asylum procedures:</p> <ul style="list-style-type: none"> • the State Border Guard Service of Ukraine, • the regional Migration Services , • the State Committee for Nationalities and Religion (formerly State Committee for Nationalities and Migration; and • the Security Service of Ukraine <p>Refugees may file their application with the State Border Guard Service of Ukraine (SBGS) if they are arrested on the border, in situations like these the first interview is conducted by the SBGU. The SBGS then passes the file to a Migration Service (MS) office for further procedures. Refugees can also directly go to the MS. The MS offices are actually regional branches of the State Committee for Nationalities and Religion (SCNR). The MS offices receive applications, conduct the first and the second hearings, assess applications on formal grounds, accept or refuses applications, and pass the files onto the SCNR. After all, the SCNR’s Refugee Directorate is responsible for the refugee status determination processes and for making the final decision. This directorate also deals with refugee integration, other migration issues, international relations and some policy aspects. Finally, all files are sent to the Security Service of the Ukraine (known as SBU) for security checks.</p> <p>The SCNR and MS are grossly understaffed with 150 staff, 20 in Kiev and 130 in the counties. Additionally these agencies suffer from constant staff turn-over and staff neither speak nor read English (SCNR interview 11/2006, own observation). Other failings include a lack of institutional interpretation services and a country of origin information system. There also appears to be no consultation with other services such as UNHCR publications (UNHCR interview, 9/2006). Officially the SCNR normally issues a decision, usually a refusal, within eight months. But the Migration Service in Transcarpathia (Western Ukraine) where half of the applications are filed has a considerable backlog. And because of the constant reforms the SCNR occasionally stops functioning, as in 2001-2 and partially again in 2006-7 (UNHCR interview, 9/2006). People can file appeals at local courts, but these courts do not have specialised chambers for immigration or asylum matters and appeals may take several years (Hebrew Immigration Aid Society, HIAS, interview, 4/2007). Altogether, 2,300 asylum seekers were awaiting decision in 2007.</p>
<p>▪ I 8.2.2 - Participation of Ukraine in regional and international migration-related cooperation networks and fora</p>	
<p>Source</p>	<p>No information retrieved</p>

<p>▪ I 8.2.3 - Capacity of temporary accommodation facilities compliant with European standards for illegal migrants and victims of trafficking</p>	
European Court of Auditors, 2008	<p>The need for adequate accommodation for illegal migrants has recently become more pressing, with the entry into force on 1 January 2008 of a readmission agreement with the European Community. In 2010, after a transitional period of two years, Ukraine will face the requirement to house hundreds or even thousands of illegal migrants from third countries, currently being held in the neighbouring EU countries of Hungary, Slovakia and Poland, who reached the EU illicitly via Ukraine.</p>
European Court of Auditors, 2008	<p>The project results achieved in this area of migration and asylum were unsatisfactory mainly in respect of infrastructure. A key goal of the EU is to help provide accommodation centres meeting international humanitarian standards for illegal migrants as well as for asylum seekers.</p> <p>In Ukraine, despite the EU support, this objective is far from being achieved: (a) the detention and accommodation conditions for illegal migrants in existing centres were often very far from acceptable — in general illegal migrants in Ukraine suffer severely from over-crowded living conditions, insufficient sanitation and poor diet; (b) the construction/refurbishment of new facilities for illegal migrants did not advance as planned; (c) newly constructed temporary accommodation centres for asylum seekers were underutilised or not used at all.</p>
European Court of Auditors, 2008	<p>The sustainability of detention and accommodation centres is jeopardized in Ukraine by the lack of state funds for running and maintenance costs and because there is an unclear division of responsibilities between the State Border Guard Service and the Ministry of Interior.</p> <p>In its response to the Court's report, the Commission replied that the division of responsibilities between the SBGS and the Ministry of Internal Affairs is legally determined and clear: the SBGS responsibility ends after 10 days (short term detention), afterwards irregular migrants have to be handed over to the ministry of Internal Affairs. However, since the ministry did not operate any custody centre until recently, the law was not applied and the SBGS held migrants detained up to 6 months, the maximum duration allowed by Ukrainian legislation.</p>
European Court of Auditors, 2008	<p>The core of the project "Capacity building of migration management-CBMM I, Ukraine" (EU-contribution of 3,8 million euro) was to refurbish and equip two former military sites as migrant accommodation centres for 1 260 persons. The project steering committee decided in June 2006 to devote project money only to refurbishing one of the sites. By the time of the audit (November 2006) no works contracts were concluded and no money had been spent for refurbishment, some three months after the project's original finishing date (1.9.2006). Discussions were still ongoing about fundamental aspects of the refurbishment, e.g. how the site would be heated and what solution would be found for waste water. The steering committee also decided to limit the numbers to be housed to 250. This means that the EU funded capacity would be reduced by around 1 000 places in comparison to the original planning.</p>

European Court of Auditors, 2008	<p>In Ukraine, at the end of 2006, only some 65 additional persons could be housed in temporary accommodation centres (TACs) instead of the planned 350 (EU contribution of 1.6 million euro for “Strengthening the asylum systems of Ukraine and Moldova). The main reason was that the centre in Odessa was only half-used because of a lack of state-funded running costs, and that the 80-person centre in Mukachevo remained completely unoccupied for more than one year and a half, in fact since its opening in April 2005. This wasteful situation in Mukachevo resulted from the persistent failure to transfer ownership of the building from the border guards to the responsible project partner institution. Meanwhile, those asylum seekers lacking private means were living in tents and other short-term facilities run by the border guards.</p>
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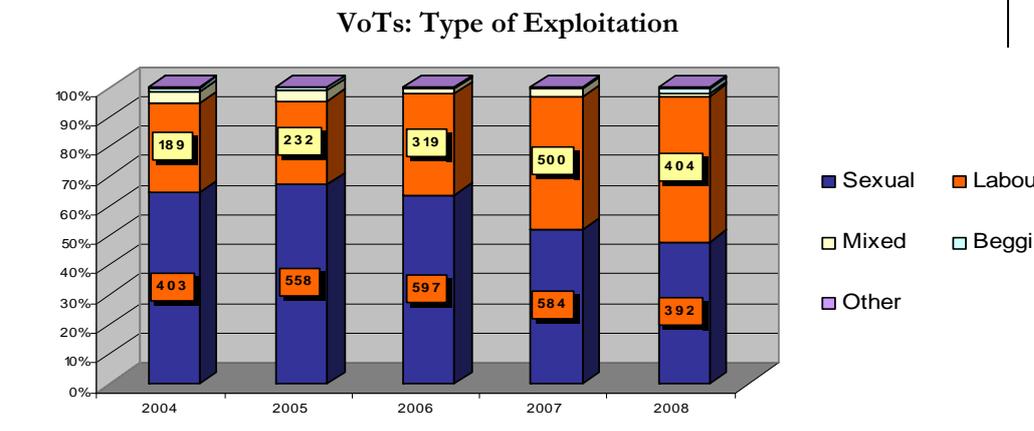
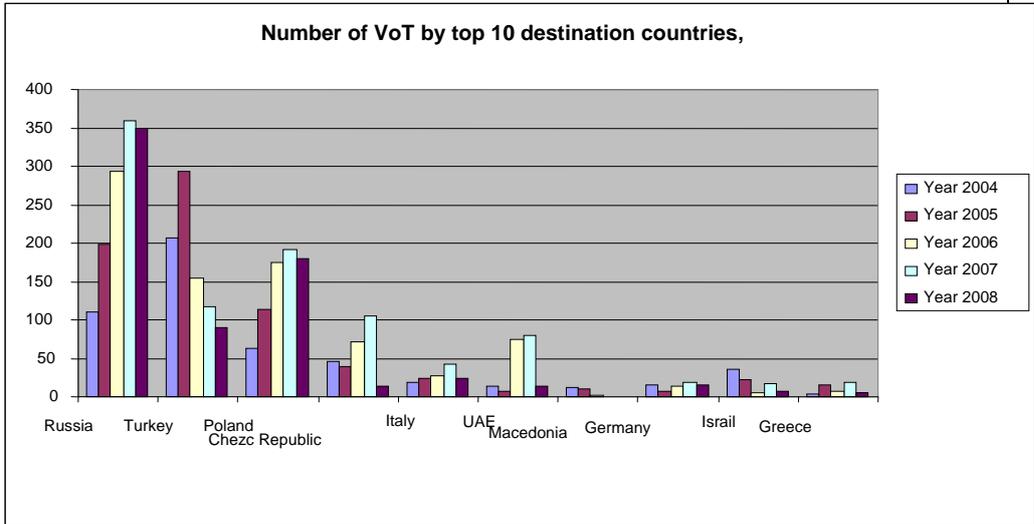
<p>Joint evaluation report EU-Ukraine Action Plan, 2008</p>	<p>Work has started on improving infrastructure and procedures within the area of readmission, aimed at meeting EU standards.</p>
<p>IOM</p>	<p>Here is the information on holding facility capacity from our GoU partners: Ministry of Internal Affairs Total capacity of MOI facilities is 389 persons. Zhuravychi (181 persons) Rozsudiriv (208 persons) State Border Guard Service Total capacity of all SBGS facilities is 573 persons 11 temporary holding facilities (THF) for 236 persons 72 special premises (SP) for 302 persons 1 dormitory for 35 persons Note: Some TCNs (third-country nationals) are also provisionally held in THFs and in the Dormitory for Women and Children in Mukachevo (the one dormitory listed above).</p>
<p>Franck Düvell, 2007</p>	<p>Ukraine has only two temporary reception centres for asylum seekers and both are mostly for women and families. One is in Odessa and has a capacity of 250 individuals, it is funded by the EU and UNHCR. The other is a much smaller facility in Mukachevo (South West Ukraine) and it accommodates only 15-20 women and children. Both of these centres seem unpopular amongst asylum seekers and residents often prefer to leave and find somewhere else to stay (various interviews and own observations, 2007). This is either because asylum seekers miss support from their communities which are residing in distant cities, (this was found to be the case with asylum applicants who had left Odessa) or because they are overcrowded at times, (this was the case in Mukachevo). Another (temporary) reception centre for 80 individuals is planned in Lavritza (Western Ukraine) but whether this will ever open is still questionable. Unaccompanied minors are held in an asylum for orphans and street kids in Kiev, but given the lack of any integration measures this seems an unsuitable solution (HIAS, interview 4/2007). Access to health care is free according to legislation; however, in practice patients have to pay a fee to General Practitioners (GPs), which normally asylum seekers cannot afford.</p>

<p>Border Monitoring Project Ukraine, 2010</p>	<p>Visits to Chop detention centre and interviews with ex-detainees reveal legal violation of maximum holding period, inhumane conditions, serious obstacles to access to RSD procedures, either due to inactivity or corruption of authorities and lack of legal advice.</p> <p>Interviews with refugees and other vulnerable migrants point to insufficient conditions in open refugee holding facility of Latorica/Mukachevo, notably with respect to material provisions.</p> <p>Interviews with refugees and other vulnerable migrants illustrate absence of counselling and social work (notably minors), as well as lack of schooling.</p> <p>Interviews reveal lack of any support for those not staying or not admitted to TAC, notably lack of housing, benefits, food, health care, legal advice and language classes.</p> <p>Interviews reveal frequent and ongoing refolement from Hungary and Slovakia, refusal of access to RSD procedures and generally to international protection in both countries, e.g. for refugees and minors from Somalia, Iraq, Afghanistan and elsewhere.</p> <p><i>Problems identified</i></p> <p>Living, sanitary and hygiene conditions in refugee detention and accommodation facilities below all standards, high risk of stress and outbreaks of infectious diseases.</p> <p>Lack of free legal advice.</p> <p>Lack of interpreters and intercultural workers in migration services.</p> <p>Lack of health service (consultation, drugs and surgery).</p> <p>Lack of training and information for migration services and medical staff on migration and refugee issues.</p> <p>Discrimination on all levels.</p>
<p>GDISC, 2009</p>	<p>The consensus on the awaited institutional changes in the field of migration has not been reached by the end of the year. Although attempts for such changes have been ongoing for several years now, none of them has brought any concrete results.</p>

▪ I 8.2.4 - Monitoring of migration movements

IOM	<p>Asylum</p> <p>Ukraine is a signatory to the 1951 Convention relating to the Status of Refugees (1951 Convention) and its 1967 Protocol[i]. The refugee protection legal framework includes a somewhat restrictive interpretation of the refugee definition and does not provide for complementary forms of protection. Administrative mechanisms for the protection of refugees are compromised by insufficient state budget allocations to asylum, as well as the constant restructuring and debate over the reassignment of responsibilities for asylum. In turn, the efficiency and quality of and access to asylum and substantive procedures continue to be affected[ii].</p> <p>The asylum authorities received some 1300 asylum claims in 2009, a decrease of 45% compared with 2008 and 126 persons were recognized as refugees in 2009. As of 31 December 2009, there were 2,334 recognized refugees living in Ukraine[iii] and since 2002, 1,157 refugees have been naturalized in Ukraine.</p> <p>Ukraine currently faces the phenomenon of secondary movement of asylum seekers from the country, which may in part be explained by the many shortcomings in refugee protection. The low recognition rate, absence of complementary forms of protection, poor reception conditions and difficulties faced by refugees in integrating[iv] all contribute towards influencing asylum seekers to risk leaving the country. The Government of Ukraine is however, in partnership with the UN System as well as civil society focused on reforming its asylum management system[v].</p> <p>[i] Ukraine ratified the Convention and its 1967 Protocol without reservations on 10 January 2002. 10. The 2001 Law of Ukraine on Refugees is the principal legislation governing refugee matters in Ukraine.</p> <p>[ii] By February 2010, a backlog of around 600 cases was pending decision with the State Committee for Nationalities and Religions (SCNR).</p> <p>[iii] 53% from Afghanistan, 27% from the Former Soviet Union, 11% from African countries and 9% from other Middle-Eastern, Asian or European countries). 19% were adult female and 54% adult male, 24% children, 3% elderly. In 2009, 2.2% of refugees acquired Ukrainian citizenship.</p> <p>[iv] While local integration is promoted as a solution for refugees in Ukraine, chances of local integration available to some remain poor for others, mainly due to lack of implementation of existing legislation and of 1951 Convention obligations, absence of the respective local integration systems, non-harmonized legislation as well as a chronic lack of state funds to address the issue.</p> <p>[v] Crucial additional guidance has come from the “Ten Point Plan of Action for Refugee Protection and Mixed Migration” (global) and as of June 2007 the “Ten Point Plan of Action for Refugee Protection and Mixed Migration For Countries Along the Eastern and South Eastern Borders of the European Union Member States” (10 PPA)[v]. These documents have been central reference points for strategy development and programme implementation.</p> <p>Statistics for 2009 (number of detained migrants during the year at certain centres):</p> <ul style="list-style-type: none"> ▪ Volyn MAC – 428 (Ministry of Internal Affairs) ▪ Chernihiv MAC – 495 (Ministry of Internal Affairs) ▪ Chop THF – 2221 (State Border Guard Service)
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Since 2000, IOM has identified and assisted over 5,300 victims of trafficking (VoTs) returned from 65 countries, including 24 EU MS. Seven per cent of this number are third country nationals trafficked/returning through/ to Ukraine.



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IOM's Counter-Trafficking Programme cooperates with a network of civil society organizations located in nearly every *Oblast* of the country and other international organizations (ILO, OSCE, British Council, American Bar Association, Peace Corps, La Strada and others).

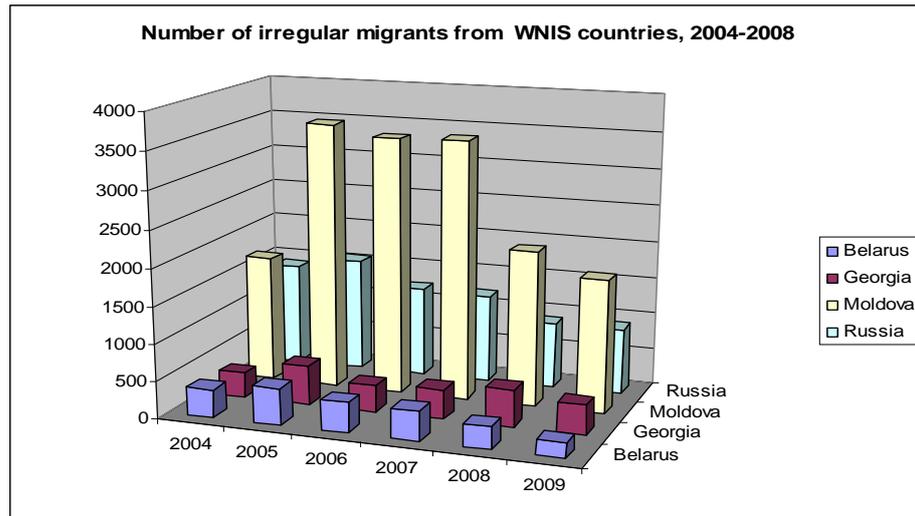
IOM assists government agencies, including the Ministry of Interior of Ukraine, particularly its Counter-Trafficking Department (CTD), and the Ministry of Ukraine for Family, Youth and Sports, in their counter-trafficking efforts with financial support from the European Commission, Governments of Denmark, Italy, Norway, Sweden, Switzerland, the United States, and the World Childhood Foundation.

The IOM Medical Rehabilitation Centre established in 2002 has provided confidential and comprehensive medical and psychological assistance to more than 1,200 VoTs. Additionally, IOM NGO partners in Zhytomyr, Chernivtsi, Kherson, Lutsk, and Lviv run regional reintegration centres (shelters) for VoTs requiring long-term assistance.

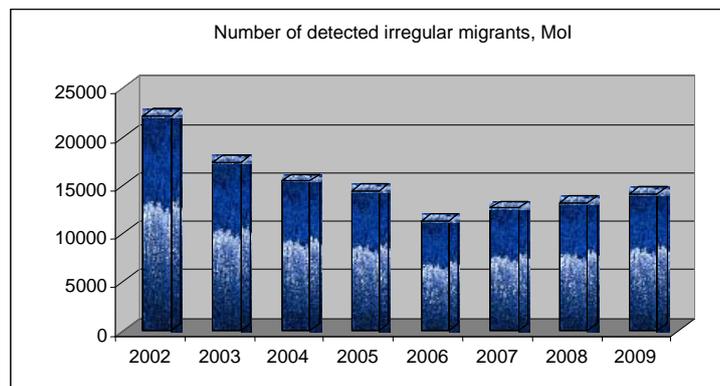
IOM collects trafficking data based on information obtained directly from assisted VoTs and service providers (NGOs), including qualitative and quantitative information. IOM VoT statistics provide the number of victims assisted, their gender, type of exploitation, the number of criminal cases filed against human traffickers by the Ministry of Interior, etc. IOM also conducts thematic researches to improve the available information on trafficking.

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Irregular Migration: Ukraine is considered an origin, a transit and a destination country. Ukraine receives irregular migrants who are detained on their way to Europe. The number of irregular migrants transiting Ukraine and detained by Ukrainian State Border Guards (SBGS), according to official statistics, steadily grew from a mere 148 in 1992, to a peak of approximately 8,100 in 2007 and 6,100 in 2008. Closer observation points to an increasing number of irregular migrants from Western Newly Independent States (WNIS) countries. The top 4 countries are shown in the below chart.

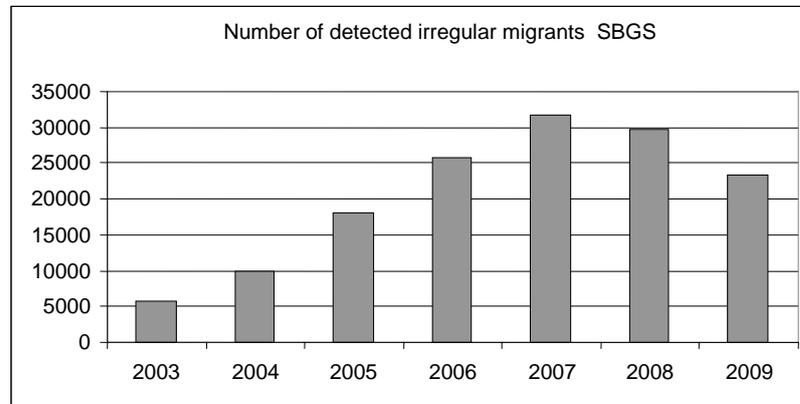


According to the Ministry of interior of Ukraine, 13,229 irregular migrants were detected in the country in 2008 (see graph below).



According to the SBGS there were 29,700 irregular migrants attempting to enter Ukraine in 2008, of which 24,800 persons were denied entry. The SBGS graph below on the left shows aggregate data of those apprehended at the border, attempting to enter Ukraine, as well as those denied entry (accumulative figures). By contrast, the graph on the right illustrates the SBGS statistics exclusively on the number of migrants actually apprehended at the border, separate from the number of those denied entry into Ukraine.

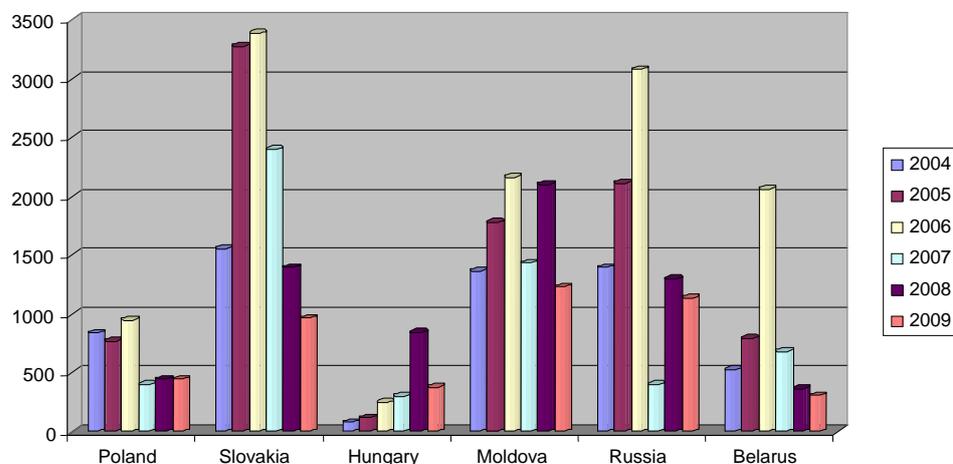
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According to the Ukrainian law, irregular migrants are subject to a formal legal process once their country of origin is identified, to determine whether they have a right to seek asylum in the country of detention. If not, they are subject of deportation. State Border Guard officials propose to apprehended irregular migrants to return to their country of origin voluntarily, but an authorized procedure of forced removal remains in place if necessary. According to the State Border Guard Statistics, between 2004 and 2008 the increasing tendency in both types of deportations from Ukraine was stable with insignificant fluctuations (2004, total of 5,002 (4,807-voluntary and 195-forced) at 2006, total of 5,406 and in 2008 total 3,700 (3,300-voluntary and 435-forced).

The majority of irregular migrants try to enter Ukraine through the Ukrainian-Moldovan border (around 22% of those were detained) and the Ukrainian-Russian border (21,3% of those were detained), and to leave the country across the Ukrainian-Slovakian (almost 60% of those were detained) and Ukrainian-Polish borders (20% of those were detained). In 2008 flows of irregular migrants also moves to the Hungarian border due to loyal visa policy in Hungary.

Number of foreigners apprehended for irregular border crossing by border segment, 2004-2008



	Number of irregular migrants apprehended by the Ministry of Interior								
	Country of origin	Total	Persons per year						
		persons	%	2003	2004	2005	2006	2007	2008
	Total	84064	100,0	17000	15438	14441	11296	12660	13229
	Including citizens of:								
	Russia	11,350	14%	3,144	3,176	2,808	2,222	2,406	2,156
	Azerbaijan	8,381	10%	2,340	2,371	2,139	1,531	1,712	1,783
	Moldova	7,021	8%	2,007	1,782	1,795	1,437	1,583	1,563
	Armenia	4,414	5%	1,314	1,192	1,046	862	930	821
	Georgia	4,235	5%	1,114	958	1,172	991	1,323	1,779
	Uzbekistan	4,229	5%	748	1,060	1,226	1,195	1,626	2,394
	China	3,839	5%	1,437	996	865	541	280	390
	India	2,217	3%	864	627	372	354	181	66
	Pakistan	1,357	2%	365	449	252	291	486	184
	Tajikistan	1,288	2%	373	366	352	197	267	211
	Vietnam	1,207	1%	260	303	404	240	183	209
	Bangladesh	860	1%	394	201	144	121	66	36
	Afghanistan	730	1%	372	218	108	32	46	98
	Other countries	7,047	8%	2,268	1,739	1,758	1,282	1,571	1,539

	Expelled persons by their countries of origin	Years						
		2002	2003	2004	2005	2006	2007	2008
	Total expelled persons	15,881	13,548	12,271	12,375	11,128	12,783	14,334
	Including from countries:							
	Russia	3,060	2,438	2,577	2,510	2,016	2,327	2,237
	Azerbaijan	2,498	2,246	2,165	2,009	1,667	1,847	1,922
	Moldova	1,955	1,823	1,697	1,722	1,523	1,844	2,042
	Armenia	1,378	1,162	951	902	845	959	771
	Georgia	1,014	917	781	980	1,015	1,414	1,779
	Uzbekistan	619	667	976	1,187	1,227	1,693	2,526
	China	688	1,177	636	788	587	314	485
	India	683	533	374	213	217	112	53
	Tajikistan	330	312	273	288	183	244	220
	Belarus	171	149	204	259	263	213	263
	Vietnam	378	132	134	204	176	134	194
	Pakistan	209	155	260	91	187	207	154
	Bangladesh	266	229	147	58	82	37	24
	Afghanistan	381	167	72	45	20	23	71
	Other countries	2,080	1,358	945	1,090	1,107	1,415	1,593
	Stateless	171	83	79	29	13	21	28
	Forced removal	2,318	1,607	2,211	1,808	1,953	2,008	2,495
	Entry ban to Ukraine	3,583	5,890	7,946	7,069	9,193	11,093	13,561
	Persons placed in reception facilities for illegal migrants	6,983	5,385	3,752	3,113	1,299	253	242

<p>▪ I 8.2.5 – Impact data on the volume of illegal migrations and asylum seekers</p>	
<p>IOM Migration Bulletin Ukraine 2009</p>	<p>Ukraine is seriously affected by trafficking in persons and is still recognized as a major country of origin and transit for trafficking in Europe, as well as increasingly a country of destination.² Internal trafficking is a growing issue for the country as well. It is estimated that over 117,000 Ukrainians have been trafficked since 1991 for the purposes of sexual, labour and other forms of exploitation.³ IOM Mission in Ukraine, in cooperation with its partners, has identified and assisted over 5,300 victims of trafficking (VoT) since 2000. These persons returned from 65 different countries, including countries as far away as South Korea, Nigeria and Yemen. However, more than 80 per cent of VoTs were trafficked to only six countries: Turkey, Russia, Poland, Italy, United Arab Emirates (UAE) and the Czech Republic.⁴ Women remain the larger risk group for all types of exploitation; and the male caseload was 24 per cent in 2007-2008. The IOM trafficking caseloads for labour exploitation and for sexual exploitation in 2008 are approximately equal.</p> <p>Upon returning home, VoTs encounter a number of problems, including medical, psychological/ psychiatric, social, financial, family-related and other. To be able to return to normal life, victims require comprehensive reintegration assistance that would address their different needs. Currently, the national legislation for social protection does not provide sufficient mechanisms of government assistance to VoTs. Although the State Programme to Combat Trafficking in Human Beings till 2010 states assistance to victims as one of its goals, yet it does not provide adequate funds for such assistance aside from limited in-kind support towards reintegration activities.</p> <p>The bulk of reintegration work is done by non-governmental service providers (NGOs) who form the core of the current referral system in Ukraine serving as the focal point for identification, referral and assistance of trafficking survivors. NGOs provide and/ or channel assistance to VoTs, including medical, psychological, legal, financial assistance, vocation training, educational support, family/ child support, housing etc. with international funding. All assistance is provided free of charge on the principles of confidentiality and informed consent. To date, according to the IOM statistics, over 77,6 per cent of those assisted by the specialized NGOs have been employed, 15 per cent reinstated into educational system, and less than one per cent is “unknowns”.⁵</p>

² See the US Department of State Trafficking in Persons Report 2007. pp. 251-253.

³ IOM 2006

⁴ IOM Statistics, September 2008.

⁵ VoTs who disappear from the system and their further destiny is unknown to any of the stakeholders

<p>Franck Düvell, 2007</p>	<p>In 2006, 26,000 individuals were apprehended by the State Border Guards Service (SBGS) for illegally crossing a Ukrainian border, of these, 1,100 were Russian citizens, and Chechens are part of this group (Söderköping process 2007). Another 11,000 irregular immigrants were registered by Ministry of Interior, of which about 2,000 were Russian citizens (ibid.). Altogether, between 2003-6 59,000 (2,570 Russian citizens) were apprehended on the border, respectively 56,000 (10,700 Russian citizens) on the territory (ibid.). About one third of the total were apprehended whilst crossing the borders of an EU country (Poland, Slovakia, Hungary, and Romania) (SBGS 2005). The number of those who are able to cross a border without being detected is supposedly higher, suggested multipliers range from 1:2 to 1:8, though a ratio of 1:3 to 1:4 seems more plausible. This trend is confirmed by refugee support NGOs who report that they are losing half of their case load supposedly due to irregular on-migration.</p>																																				
<p>IOM Migration Bulletin Ukraine 2009</p>	<p style="text-align: center;">Counter-trafficking statistics Dynamics of Criminal Cases and Convictions</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of criminal cases</th> <th>Number of verdicts (art.149)</th> </tr> </thead> <tbody> <tr><td>1998</td><td>2</td><td>0</td></tr> <tr><td>1999</td><td>11</td><td>1</td></tr> <tr><td>2000</td><td>42</td><td>1</td></tr> <tr><td>2001</td><td>91</td><td>2</td></tr> <tr><td>2002</td><td>169</td><td>10</td></tr> <tr><td>2003</td><td>289</td><td>29</td></tr> <tr><td>2004</td><td>269</td><td>62</td></tr> <tr><td>2005</td><td>415</td><td>86</td></tr> <tr><td>2006</td><td>376</td><td>75</td></tr> <tr><td>2007</td><td>359</td><td>83</td></tr> <tr><td>2008</td><td>322</td><td>69</td></tr> </tbody> </table>	Year	Number of criminal cases	Number of verdicts (art.149)	1998	2	0	1999	11	1	2000	42	1	2001	91	2	2002	169	10	2003	289	29	2004	269	62	2005	415	86	2006	376	75	2007	359	83	2008	322	69
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<p>JC 8.3 – The Commission’s interventions contributed to more effective fight against cross-border illegal activities, in particular trafficking in human beings and drugs</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 8.3.1 - New legislation, including the ratification of international instruments, and policy mechanisms in the field of human beings and drug trafficking</p>	
<p>ENP Progress Report, 2004</p>	<p>The Ukrainian Border Troops have been legally demilitarised and transferred into the State Border Service, which was established by law in June 2003. A number of measures to strengthen the fight against organised crime (e.g. on prevention of trafficking in women and children) and corruption were taken in February 2003. Ukraine has adopted legislation with a view to the ratification of the UN Convention against Transnational Crime and its additional Protocols on smuggling and trafficking on 4 February 2004. Ukraine has, however, not yet deposited the instrument of ratification with the United Nations.</p>
<p>ENP Progress Report, 2004</p>	<p>Ukraine is an important transit country for drug trafficking and since 2000 has intensified its efforts on enforcement capacity building (e.g. creation of a drugs intelligence data base). The Council of Europe Convention on Laundering, Search, Seizure and Confiscation of Proceeds from Crime has been ratified and a law on preventing and counteracting money laundering was adopted in November 2002, and subsequently amended on the basis of recommendations of the Financial Action Task Force (FATF). A state department of financial monitoring was created in January 2002. In February 2004 Ukraine was deleted from the FATF “noncooperation” list.</p>
<p>ENP Progress Report, 2006</p>	<p>In the fight against trafficking of human beings, Ukraine signed the Council of Europe Convention on Action against Trafficking in Human Beings in November 2005 but has not yet ratified it. In January 2006, the Criminal Code was amended as to include criminal liability for human trafficking and crimes related to prostitution. The 2006 Action Plan on the Prevention of and Counteracting Legalisation (Laundering) of Proceeds Obtained and Terrorism Financing was approved by the Government in April 2006.</p>
<p>ENP Progress Report, 2006</p>	<p>The UN Convention on Trans-national Organised Crime is being implemented in the context of regional cooperation, particularly trafficking in persons. In this regard, further attention needs to be given to prevention as well as the reintegration of victims and protection of witnesses in cooperation with civil society groups. Work in the fight against drugs continued apace in line with Ukraine’s international commitments with an additional focus on cooperation with other countries in the Black Sea region. Progress in the area of prevention would be assisted through enhanced cooperation with civil society groups</p>
<p>ENP Progress Report, 2006</p>	<p>Reform of the State Border Guard Service (SBGS) continued in line with the targets of the 2015 plan in the area of upgrading of legislation, infrastructure and personnel training. It is currently developing a risk analysis model based on the Common Integrated Risk Analysis Models.</p>
<p>European Court of Auditors, 2008</p>	<p>With the help of the projects, large-scale public awareness campaigns were carried out in Moldova and Ukraine (e.g. theatre performances, numerous publications, toll-free hotlines), and humanitarian assistance was delivered to hundreds of victims of trafficking (e.g. legal support, medical assistance, housing allowance, transport assistance, vocational training, ‘in-kind’ grants for small business start-up). Thus the aspects of prevention and reintegration were well covered by the projects.</p>

<p>Joint evaluation report EU-Ukraine Action Plan, 2008</p>	<p>The EU and Ukraine cooperated closely on the reform of the State Border Guard Service based on the Service’s development concept up to 2015, aimed at making the Service “Schengen-compatible”. As of January 2008, conscripts are no longer recruited for border guarding. A new recruitment system has been introduced, and a reform of the career development system has been initiated.</p>
<p>International Organisation for Migration, 2008</p>	<p>Ukraine has signed and ratified 13 readmission agreements, including agreements with the Russian Federation, Bulgaria, Georgia, Hungary, Latvia, Lithuania, Moldova, Poland, Slovakia, Switzerland, Turkey, Turkmenistan, and Uzbekistan. Currently, there are no centralized statistics on how these agreements are being applied. On 15 January 2008, the Ukrainian parliament, the Verkhovna Rada, ratified the readmission and visa facilitation agreement between Ukraine and the EU. The ratification (Draft Bill No. 0011) was supported by 226 MPs, with 226 votes required for endorsement. The agreement was signed in June 2007.</p>
<p>ENP Progress Report, 2006</p>	<p>As regards trafficking in human beings, Ukraine has bilateral cooperation agreements in this area with all EU Member States except Malta, Cyprus, Ireland and Slovenia, focusing on information, technical and personnel exchanges. The Council of Europe Convention on Action against Trafficking in Human Beings although signed, has still not been ratified. Further attention is needed to combat trafficking and to develop prevention, protection and rehabilitation measures in an integrated manner. Responsibility for the fight against drugs lies with the National Security Service and the Ministry of the Interior, which registered an increase in drugs seizures. Ukraine plays a major role in combating the opium trade to the EU and actively participates in the BUMAD programme at regional level. Ukraine continues to implement the 1988 United Nations Convention against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances and is a member of the United Nations Commission on Narcotic Drugs.</p>
<p>International Organisation for Migration, 2008</p>	<p>The Government of Ukraine addresses the phenomenon of trafficking within the framework of the State Programme against Human Trafficking 2006-2010. Within the government, the Ministry of Family, Youth and Sport assumes a coordinating role in the implementation of the state programme. In addition, the Counter-trafficking Department within the Ministry of Interior, currently the largest specialized unit worldwide with more than 600 active officers and active in all oblasts of Ukraine, carries the leading role in the effective criminalization of this transnational crime.</p>
<p>IOM interview</p>	<p>New law on border control is based on the Schengen acquis and thus orientates itself at EU standards. The 2015 strategy of the SBGS is aimed to make the SBG an EU type organisation</p>

<p>▪ I 8.3.2 - Establishment of information gathering systems and observatories in cross-border criminal activities</p>	
<p>European Court of Auditors, 2008</p>	<p>Ukraine and Moldova are major source countries for the trafficking of women and children for the purpose of forced prostitution in Europe. Recent years have seen also a growth in the trafficking of men, who are compelled, for instance, to work as labourers. The full scale of the practice remains relatively unknown, due to the very nature of organised crime, and because few people are willing or able to report what has happened to them to the authorities. This is aggravated by a lack of witness protection measures.</p> <p>Concerning drug trafficking, Belarus, Ukraine and Moldova are seen as transit routes towards EU Member States. The banking systems have been increasingly used to launder the proceeds of serious crime.</p>
<p>European Court of Auditors, 2008</p>	<p>As regards human beings trafficking, getting evidence is a major challenge, since the criminal act often occurs outside Moldova or Ukraine. National authorities blamed the slowness of other countries to respond to requests for mutual assistance. To help circumvent such procedural blockages, the projects paid for networking visits for law enforcement officers to countries of transit and destination of victims. In addition, police officers took part in workshops on investigative techniques and anti-trafficking legislation was reviewed. Weaknesses persist in mutual assistance arrangements.</p>
<p>International Organisation for Migration, 2008</p>	<p>Ukraine is a major country of origin for trafficking in persons. It is less often a country of transit and rarely a country of destination. The IOM Mission in Ukraine collects data on victims of trafficking that have entered the IOM Counter-trafficking Programme and received some type of rehabilitation and reintegration assistance. There is a referral system in place among law enforcement bodies of Ukraine, NGOs dealing with counter-trafficking, and the IOM office in Kiev where number are being collected and analysed.</p> <p>To date, 3,544 victims of trafficking were helped through IOM Kiev, which includes 350 third- country nationals. While identified victims were exploited in 53 different countries of the world, in 2006, 66 per cent of the caseload was trafficked to the following three countries: Turkey, Russia, and Poland.</p>
<p>EUBAM interviews</p>	<p>With the help of EUBAM, Ukraine is moving towards a risk analysis system, including systematic profiling.</p>
<p>▪ I 8.3.3 - Exchange of information between the relevant enforcement bodies (judiciary, border guards, custom officers)</p>	
<p>European Court of Auditors, 2008</p>	<p>In the area of fight against the traffick of human beings, results remained below expectations regarding the criminalisation and prosecution components, in particular as regards information sharing between law enforcement agencies. In Ukraine, the TACIS monitors noted that the State Border Guard Service was not cooperating in information exchanging initiatives. The measure to equip border checkpoints with the i24/7 system²¹ failed when the tendering process was cancelled due to the Ukrainian stakeholders insisting on a supplier whose prices were far higher than the market rate.</p>

European Court of Auditors, 2008	About BUMAD. Slow progress was noted in the components of legislation and of police intelligence. The necessary cooperation between customs, border guards, police and secret services for effective criminal investigations is not yet sufficiently developed in the three countries. Setting up national systems to support the criminal investigation of drug traffickers requires not only appropriate analytical tools, but also a high degree of cooperation among agencies which have not been accustomed to share operational data in a systematic way. Imbalances in investigative powers are a further complication. The Commission, when planning the project, underestimated the time needed to change ways of operational thinking and to overcome rivalry between enforcement bodies.
European Court of Auditors, 2008	Commission's response to the Court's report. In its attempt to assist better information sharing among the Ukrainian law-enforcement, the Commission in cooperation with Interpol has since explored the possibility of extending i24/7 to the SBGS of Ukraine. However, for reasons related to national sovereignty this extension proved not to be feasible.
EUBAM interviews	EUBAM has made recommendations for better cooperation within the framework of integrated border management, and these are now step by step being implemented at the central level. The customs service and SBGS do now –stimulated by EUBAM – a common quarterly security assessment.
<p>▪ I 8.3.4 - Evidence of cooperation, including exchange of statistical data and experience, with Interpol and interested Member States on trafficking of human beings and drugs</p>	
ENP Progress Report, 2006	Co-operation agreements between Ukraine and EUROPOL and EUROJUST are being negotiated. In August 2005, Ukraine signed the Council of Europe Convention on Protection of Personal Data.
ENP Progress Report, 2007	Draft legislation on the implementation of the CoE Convention on the Protection of Personal Data was prepared and a cooperation agreement was concluded with Eurojust. Concluding a cooperation agreement with Europol remains a priority. The implementation of personal data protection and ratification of the CoE Convention are prerequisites for the conclusion of the agreement and for cooperation with these organisations.
ENP Progress Report, 2008	Practical cooperation between SBGS and FRONTEX focused on joint operations covering the total length of the EU's external border with Ukraine, for instance through the 'Five Borders' joint-pilot project.
ENP Progress Report, 2008	In the area of police and judicial cooperation, draft legislation on personal data protection was presented to Parliament and the President in April 2008 to enable prompt ratification of the Council of Europe Convention for the Protection of Individuals with regard to the Automatic Processing of Personal Data. However, the President withheld his signature, which led to further postponement. In October 2008, a first meeting took place with Europol to negotiate a future Ukraine-Europol Agreement while the signature of the Cooperation Agreement between the Public Prosecutor's Office and Eurojust remains suspended due to the non-ratification of the above Convention. Failure to move to its ratification will also impede further development of cooperation with Europol and in the area of document security and border management.
European Court of Auditors, 2008	Commission's response to the Court's report. Ukraine has not yet ratified the Council of Europe convention on data protection which is a requirement if personal data is transmitted. The Commission is urging Ukraine to ratify the convention in order to enable law enforcement services to cooperate with each other. The non-ratification of the data protection convention is also a reason why no strategic agreement has yet been signed with Europol.

Joint evaluation report EU-Ukraine Action Plan, 2008	Frontex and Ukraine concluded a working arrangement as a step towards their operational cooperation on border management issues. Concluding a strategic cooperation agreement between Ukraine and Europol, aimed at enhancing the common fight against organised crime, remains a priority.
Delegation's website	A Memorandum of Understanding has been signed on 28/01/2010 between the EU Drugs agency (EMCDDA) and the Ukrainian Medical and Monitoring Centre on Drugs and Alcohol (UMMCDA) in the collection, processing and dissemination of drug information. The MoU, signed for an initial period of five years, will help the parties develop joint methods of monitoring illicit drug use. It also allows for a regular exchange of information on new drug types and psychotropic substances appearing on the illicit drug market, as well as the technologies used in their production. Under the agreement, the EMCDDA will facilitate training and the exchange of experts and scientific research results (e.g. related to illicit drug trafficking, monitoring the drug situation and other issues of mutual interest).
EUBAM interviews	Some info exchange with Interpol 2x per month, not frequent enough In 2010 Europol came for the first time with a mobile office to a country outside the EU, which can be counted as another success of EUBAM
EUBAM interviews	There is an increasing degree of cooperation with Moldova, in the framework of EUBAM, including joint border control operations, automatic pre-arrival data exchange, a common monthly security evaluation.
<p>▪ I 8.3.5 - Regional cooperation developed in the fields of human beings and drugs trafficking</p>	
BUMAD Website	The BUMAD (Belarus, Ukraine and Moldova against Drugs) Programme is initiated and financed by the European Commission (EC). The programme's main objective is the reduction the intensity of drug trafficking both inside the three countries and from their territory to the EU member states. Seven BUMAD projects are aimed to discuss the legal base, to reduce a demand for drugs and improve an inter-regional cooperation on this issue. The programme's main players group includes Ministry for Internal Affairs of Ukraine, the State Security Service of Ukraine, the State Committee for Protection of the State Border of Ukraine, and State Customs Service of Ukraine.
European Court of Auditors, 2008	A significant project in the fight against organised crime is called "Drug control multisectoral assistance and institution building in Ukraine, Moldova and Belarus" (BUMAD). BUMAD is a multi-annual activity in three phases which started in 2003 and is expected to finish at the end of 2008 (overall EU-contribution of 6,5 million euro). Most of the activities foreseen under the different sub-projects were carried out (e.g. legal assistance, seaport control (Ukraine), land border control, police and community prevention). The general picture at the end of the second phase (January 2007) is that good progress has been made in setting up national anti-drugs structures, for example the national drugs observatories, courses in drugs prevention in the respective police academies or training in drugs demand reduction to numerous NGOs in the three countries.
ENP Progress Report, 2004	Ukraine is party to a trilateral Agreement with Moldova and Romania on the fight against organised crime in the border regions.
ENP Progress Report, 2006	Co-operation agreements between the Ukrainian and Slovakian, Belarusian and Moldovan border guard services were signed in 2005.

<p>▪ I 8.3.6 - Impact data on changes in the number of traffickers apprehended, the number of potential victims counselled, the number of victims supported</p>																										
European Court of Auditors, 2008	EUBAM detected major difficulties in securing criminal prosecutions for smuggling (insufficient legislation; inefficient interaction/unclear roles of the state customs service, state border guard service, tax police and security service; poor demarcation of green border). Most cases were not prosecuted as criminal, but only as administrative infringements without obligatory confiscation of the goods involved. EUBAM reported also that due to the level of corruption in the prosecutor's offices and judiciary, smugglers have been released and the smuggled goods returned to the smugglers.																									
International Organisation for Migration, 2008	According to data from the State Border Guard Service of Ukraine for the last three years the number of irregular migrants who transit through the Ukrainian territory has been growing. The total number of irregular migrants detained by MOI and State Border Service units was 25,539 in 2004 and 32,726 in 2005. ⁶¹ There are reasons to believe that, every year, thousands of irregular migrants manage to transit through Ukraine and only 5-10 per cent of all irregular migrants transiting through Ukrainian territory are detained by the Ukrainian government.																									
<p>▪ I 8.3.7 - Data or experts opinion on change in the volume of illicit trade prevented or detected</p>																										
Source	No information retrieved																									
<p>▪ I 8.3.8 - Data on change in levels of drug seizure</p>																										
European Court of Auditors, 2008	Up to the completion date of BUMAD 2 (January 2007), heroin and cocaine seizures were modest. Only two international attempts to traffic heroine in Ukraine were uncovered, with the help of software delivered by the project. Seizures of drugs in all three countries concerned mainly locally-produced poppy seed and cannabis. However the Ukrainian Security Service reported in July 2007 that in cooperation with the U.S. Drug Enforcement Agency and Turkish law enforcement organisations 174 kg of heroin were confiscated in Illichevsk seaport.																									
European Court of Auditors, 2008	Commission's response to the Court's report. At the time of the Court's visit seizures were indeed modest. However, the results have improved significantly since then. Ukraine seized in 2007 a total of 415 kg heroin and 19 kg cocaine, and in the first five months of 2008 214 kg heroin and 41 kg cocaine. In Moldova, a seizure of 200 kg heroin was made in February 2008. The EC project has certainly contributed to the successful seizures through its capacity-building activities.																									
UNDP Belarus Website	<table border="1"> <thead> <tr> <th colspan="5">Drug seizures in Ukraine (Kg)</th> </tr> <tr> <th></th> <th>Heroin</th> <th>Cocaine</th> <th colspan="2">Synthetic drugs</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>47</td> <td>1.4</td> <td colspan="2">14.3</td> </tr> <tr> <td>2007</td> <td>412</td> <td>19.3</td> <td colspan="2">5.1</td> </tr> <tr> <td>2008</td> <td>216</td> <td>42.5</td> <td colspan="2">31.6</td> </tr> </tbody> </table>	Drug seizures in Ukraine (Kg)						Heroin	Cocaine	Synthetic drugs		2006	47	1.4	14.3		2007	412	19.3	5.1		2008	216	42.5	31.6	
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EQ 9 on Budget Support

To what extent does the Commission’s move towards the use of Budget Support facilitate the implementation of reforms, contribute to improved institutional and regulatory frameworks and to improved management and performance?	
Judgement criteria and indicators	
Inventory	<p>In September 2008, a Financing Agreement has been signed between the Commission and the GoU for the provision of budget support in the amount of €82 million (plus €5 million technical assistance) in support of the implementation of the GoU strategy in the energy sector. It is the first budget support programme ever implemented by the Commission in Ukraine.</p> <p>In December 2009, Financing Agreements have been concluded for two more sectoral budget support programmes:</p> <ul style="list-style-type: none"> • a programme in support of removal of technical barriers to trade (budget support: €39 million + technical assistance: 6 million); • a programme in support of enhanced energy efficiency (budget support: €63 million + technical assistance: 7 million)
JC 9.1 – The Commission’s SBS inputs are adapted to the specific sector needs and context	
Preliminary findings related to the JC based on the findings of the Indicators	
<p>▪ I 9.1.1 – Evidence that the EC BS respond to a need (demand from GoU, existing sector dialogue, joint donor initiative, harmonisation and alignment...)</p>	
Report of the Identification mission, 2006	<p>In December 2006 consultants were contracted by the Commission to contribute to the identification of a budget support programme to be implemented by the Commission in Ukraine. What was initially considered by the Commission was a budget support programme in support of PFM reforms. It however rapidly appeared that conditions were not met for implementing BS in this sector. In particular, there did not exist at that time a clear strategy of the GoU to reform PFM. The GoU was discussing with the World Bank a PFM modernization programme, which gave rise to a World Bank credit of USD50 million in January 2008. But the three basic conditions for implementing BS were met in the energy sector, that is (i) a clear Government strategy consistent with the principles and policies promoted by the European Union; (ii) a structured policy dialogue between the Government and the EU; (iii) a mechanism for jointly monitoring the outcomes of the strategy implementation.</p>
Report of the Identification mission, 2006	<p>In their first mission report, the consultants in charge of identifying the BS programme noted: “The Ukrainian partners of the European Commission neither have any experience nor any knowledge of budget support. Whenever the consultants mentioned that future cooperation between the European Union and Ukraine might resort to this financing instrument, their Ukrainian interlocutors expressed serious worries. To their understanding budget support would imply that Commission funds are transferred to a special bank account out of which specific expenditures could be financed provided they have been previously agreed with the European Commission and are executed in compliance with the EC procurement rules. Providing information to the Ukrainian partners of the Commission on what is budget support, how it is managed and what are the respective responsibilities of both parties is, in the consultants view, a prerequisite to the implementation of any budget support programme in this country.”</p>

Report of the Identification mission, 2006	The consultants also noted in their first mission report: “Most of the Delegation’s staff members do not have either any experience of budget support. They do not have a clear understanding of the reasons that led the Commission to adopt this financing instrument, nor have a clear vision of what formulating and managing a budget support programme implies for the Delegation. In the consultants view there is an urgent need to prepare the Delegation’s staff to their new tasks through the delivery of an ad hoc training programme.”
EU Ukraine Energy Cooperation, 2007	The second joint EU-Ukraine report on the implementation of the MoU on energy cooperation indicates, in its chapter on commission support, that “with respect to the 2007 ENPI National Action Programme for Ukraine, the energy component will be implemented in the form of a sector policy support programme (including sector budget support) as all the necessary preconditions are met” Mention is made of the importance of investments in oil and gas infrastructure, in particular the metering of oil and gas flows at Ukraine’s international borders.
EAMR, 2007	Although the bilateral talks and discussions on the approaching introduction of the budgetary support have been held for two years, the Ukrainian side used different occasions to mention that they were not fully knowledgeable about the implementation mechanisms of the budgetary support in Ukraine. The Delegation hosted a training course on budgetary support in the ENP region for Delegation staff and national authorities, namely Ministry of Economy, Energy, Finance and Justice: this contributed to clarifying the BS approach and it raised a number of practical questions on implementation, in terms of budgetary provisions, legislation, internal coordination, etc. Following insistent requests by the Delegation, the Ukrainian Ministry of Economy set up in December 2007 a task force to address the practicalities of the BS implementation from the Ukrainian side: this task force includes the Ministries of Finance, Economy and Energy, State Treasury and the EC. Three meetings were held on AP 2007 budgetary support in different compositions to decide on internal procedures necessary for BS implementation. One meeting was convened to discuss AP 2008 budgetary support projects in January 2008.
<p>▪ I 9.1.2 - Evidence of the Commission having an active policy dialogue with the government on the sector strategy and its implementation</p>	
MoU on energy	A Memorandum of Understanding on cooperation in the field of energy has been signed at the EU-Ukraine Summit of December 2005. This MoU sets forth objectives and plans activities in five areas: nuclear safety; integration of electricity and gas markets; security of energy supply and transit of hydrocarbons; structural reforms in the coal sector; and energy efficiency. The MoU on energy cooperation has been further detailed through Aide-Memoires signed between the Ukrainian Ministry of Energy and the European Commission in September and October 2006. Implementation of the MoU gives rise to half-yearly progress reports. Five working groups, one for each of the five areas addressed in the MoU, have been established.
AidCo	A condition for the disbursement of the 1 st fixed tranche of the Energy BS was the establishment of a “Joint Monitoring Group with a view to following up fulfilment of the programme’s conditions”. The setting up of the Ukrainian side of the JMG was notified to the Delegation in November 2008.

European Commission, EAMR 2009	The first meeting at technical level of the Joint monitoring group was held on le 4 September 2009. Such a meeting had been proposed by the Delegation as early as December 2008. A high level meeting of the JMG was planned in November 2009. The Commission recommends having JMG meetings at technical level every two months.
Delegation	A second meeting of the JMG at technical level has taken place early 2010 but the JMH at high level has not met up to now (May 2010)
<p>▪ I 9.1.3 – Evidence that disbursement conditions, notably the indicators attached to the variable tranche, are based on a shared (GoU/UE) identification of constraints to be overcome, and that they are owned by the GoU and harmonised with those of other donors</p>	
EU Ukraine Energy Cooperation, 2007	The third joint report on the implementation of the Energy MoU dated 29/08/08 indicates that disbursements are conditioned to the attainment of <u>jointly agreed benchmarks</u> ” (underlined by us). These benchmarks are presented in an annex to the joint report. The joint report is signed for the Commission by Ms Ferrero-Waldner (EC Commissioner for External Relations and European Neighbourhood Policy) and Mr Piebalgs (EC Commissioner for Energy) and for the GoU by Mr Yuri Prodan (Minister of Fuel and Energy).
Energy BS TAP	There are 22 indicators and sub-indicators attached to the variable tranche of the Energy BS. They refer to : <ul style="list-style-type: none"> • Public procurement (law submitted to the Parliament, then implemented) • Strengthening of the capacity and independence of the National Electricity Regulatory Commission • Stabilisation of the quasi-fiscal deficit in the energy sector • Preparing integration of Ukraine in the EU energy market • Adoption and implementation of a modernisation plan for the oil and gas transit network • Finalisation of financial agreement with IFIs for priority projects • Harmonisation of legislation with the EU oil directives • Design and begin construction of a pilot international gas metering station • Reduction of the energy intensity of the Ukrainian economy • Improvement of the energy efficiency of the gas compressors stations on the gas transit system <p>All these indicators are in line with the Energy MoU. However assessment of the indicators by the Commission in September 2009 showed that some of these indicators should be more clearly formulated.</p>

<p>▪ I 9.1.4 – Evidence that the financial resources made available through BS contribute to closing the gap of the sector medium-term financing plan and have a significant contribution to the sector annual financing needs</p>				
IMF, Statistical Appendix, 2007	Consolidated budgetary expenditures (UAH million)			
		2003	2004	2005
	Total	103,467	141,818	192,112
	Fuel and Energy	3,583	4,820	4,142
	Of which coal mines	2,655	3,680	3,040
	Excluding coal mines	928	1,140	1,102
	Exchange rate €/UAH	5.96	6.58	6.44
	Expenditures for energy excluding coal mines (€ million)	155.7	172.3	171.1
Energy BS, Action Fiche	The BS programme in support of the energy strategy of the Ukraine is complemented by planned EIB/EBRD loan packages (under EC co-ordination) and to be followed by further lending operations to modernise the energy sector in relation with the objectives of the Energy MoU.			
EIB Website	In October 2008 the EIB granted to the Ukrainian a €150 million loan for the construction of the Rivno-Kiev high voltage line; This line is one of the priority projects in the energy sector jointly established in October 2006 by the Commission and the Ministry of Fuel and Energy.			
<p>▪ I 9.1.5 – Evidence that BS disbursements are predictable, timely and coordinated with the GoU (and other donors, if relevant)</p>				
European Commission, EAMR 2009	Actions	Forecast at 31/12/08	Situation at 31/12/09	
	1) Approval of the payment request for the 1 st tranche	December 2008	Done	
	2) Disbursement of the first tranche	December 2008	€ 23 mln out of € 40 mln disbursed in the end of December 2008 The remainder - € 17 mln – disbursed in October 2009	
	3) First meeting of the Joint monitoring group and subsequent meetings	January 2009; tri-monthly	1 st meeting - September 2009; 2 nd meeting – January-February 2010	
	4) Launch of mid-term evaluation	May-June 2010	Planned for 2010	
<p>▪ I 9.1.6 – Evidence that accompanying non-financial support (institutional capacity building provided as a component of BS and/or under a separate project) address identified weaknesses and expressed needs</p>				
Energy BS, Action Fiche	Provision of a technical support will also be included in the programme and will be implemented via technical assistance. This € 5 million package will ensure proper follow-up of implementation, report on the evolution of the energy and PFM sectors, and provide for specific advice to facilitate achievement of critical Energy MoU objectives and programme benchmarks.			

European Commission, EAMR 2009	The technical assistance project complementing the BS energy programme has been launched in September 2009. Implementation start was expected in February 2010. The planned budget of this project amounts to €3.5 million. The remaining €1.5 million (the provision was €5.0 million) will be used for a mid-term evaluation of budget support operations.
European Commission, EAMR 2009	In 2010 the practical organisation of the monitoring of the NAP 2007 Budget support operation will be still agenda high priority. In addition, the dialogue with the Government on regulatory issues, in particular in the context of Ukraine's joining the Energy Community Treaty, is being supported through a twinning project since mid 2009.

<p>JC 9.2 - Commission's SBS contributes to improvements in the relationship between external assistance and the national budget and policy processes</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 9.2.1 – Evidence that a sector reform programme is on-going: existence of a sector policy, a sector strategy, a detailed costed and time bound action plan and a monitoring mechanism of implementation</p>	
<p>GoU, 2006</p>	<p>In March 2006, the GoU has released a long term strategy 2005-2030 for the energy sector. This document, prepared with the assistance of the Institute of Energy of the National Academy of Sciences of Ukraine, was completed following extensive discussions with the Parliament, ministries, scientific organisations and energy companies.</p> <p>Through its successive chapters the strategy document analyses the situation in the various sub-sectors of the energy system (electricity, nuclear energy, coal, oil-and-gas, renewable energies), assesses the potential for energy savings, investigate the environment and safety issues related to energy production, transport and consumption, and makes proposals for the management and regulation structure of the energy sector. It must be noted that a chapter of the energy strategy document is devoted to integration into the European Union: legislative and regulatory framework, development of energy markets, and liberalisation of the fuel-and-energy complex.</p> <p>Total cost of the strategy implementation over the period 2005-2030 is estimated at UAH 1,045 billion (approximately Euro 160 billion).</p>
<p>Website of the Energy Community</p>	<p>In December 2009, the Ministerial Council of the Energy Community agreed on the accession of Ukraine to the Energy Community Treaty under condition that that a law on the gas sector in compliance with Directive 20031551F-C is adopted and enacted.</p> <p>Signatories of the Treaty commit themselves to fully implement the <i>acquis communautaire</i> on electricity and gas sectors and renewable energy, including the respective frameworks in the field of competition and environment.</p>
<p>▪ I 9.2.2 – Evidence that BS contributes to establishing between the GoU and donors a framework of policy dialogue</p>	
<p>European Commission, EAMR, 2009</p>	<p>The lengthy and painstaking preparatory phases for budget support operations are proving to be a valuable tool for policy dialogue within government services, the Commission and other donors. The situation concerning budget support operations looks more promising with respect to the last reporting period. On the positive side, we can report that projects, programmes and budget support operations are acting as good catalysts bringing together different sides of the UA public administration, non-governmental partners where appropriate, international organisations. Beneficiaries report about an improved circulation of information and ideas, about capacities being raised as well as networking with EU institutions and organisations.</p>
<p>European Commission, EAMR, 2008</p>	<p>The donor coordination through the thematic working groups (DGWG) progresses slowly; the most active sub-groups are the sub-groups on agriculture, public administration and regional development. There are still discussions on how to improve the structure: there has been a request to create a group only on Public Finance Management. In addition, ToRs are currently drafted for the sub-groups on Energy and Nuclear Safety (where EC is lead donor). The reluctance of Ukrainian counterparts remains: they do not understand the benefits of donor coordination and their leading role in this process. Some Ukrainian Ministries are still trying to coordinate bilaterally with donors or even set up alternative donor coordination structures.</p>

European Commission, EAMR, 2008	Concrete steps have been taken by the Delegation to harmonise efforts in the field of energy, which is an area of great strategic importance for EC and EU MS. Ad hoc meetings on energy will be organised (beginning of February), in order for EU donors active in the field to discuss and plan future activities.
Energy BS Action Fiche	The Government has recently established a Government-led coordination mechanism, which includes thematic working groups, each co-led by a Government agency and a “lead donor”. An Energy sector working group (Thematic group E) convened on 23 November 2006 (under EBRD co-leadership) and again on 27 February 2007 (under EC co-leadership). In addition, frequent working contacts of the EC Delegation with the World Bank, the EBRD and smaller donors involved in the energy efficiency segment (Denmark, Sweden, NEFCO) provide guarantees of cohesion and coordination of efforts.
Energy BS Action Fiche	Several donors are involved in assistance to the PFM reform. The PFM reform strategy and Action Plan are being prepared by the Government with technical assistance of the World Bank. Besides the World Bank and the European Commission, contributions in the form of technical assistance are made by France, the Netherlands, Canada, the United Kingdom and Sweden. Donors’ activities in the field of PFM are rather well coordinated. This coordination is carried out both at the level of the donors’ coordination groups established under the Ministry of Economy and on a bilateral basis.
Delegation	The Ministry of Fuel and Energy refused that donors other than the Commission participate in the Joint Monitoring Group of the Energy BS programme.
ICPS, 2010	NSAs are by and large locked out of budget support monitoring in all ENPI countries. This represents a critical failure, for two reasons. First, the lack of external monitoring has had demonstrably grave repercussions. Due to red tape, for example, Ukraine has proven unable to properly use its energy-sector budget support. And second, NSA exclusion from both national development strategy elaboration and budget support monitoring has cut civil society out of the most policy-driven tool in the ENPI arsenal, and its most important.
<p>▪ I 9.2.3 - Evidence that BS contributes to greater harmonisation and alignment of external assistance, and reduces transaction costs</p>	
European Commission, EAMR 2009	The Memorandum of Understanding on co-operation in the field of energy between the EU and Ukraine (Energy MoU) recognises that the EIB and the EBRD should be closely involved in its implementation, including in the financing of the rehabilitation and modernisation of Ukraine’s main gas transit infrastructure. The Joint EU-Ukraine International Investment Conference on Ukraine's gas transit system modernisation was held on 23 March 2009 in Brussels with Joint Declaration on Ukraine's gas transit system modernisation signed by the European Commission, Ukrainian Government, the EIB, the EBRD, and the WB. In line with the provisions of the Declaration, the European Commission coordinated organisation of three meetings of the Technical Coordination Unit on 11 June, 22 October and 21 December 2009 in Kyiv. Further discussions between the IFIs and Ukraine will be also overseen by the EU. Furthermore, in June 2009 the European Commission coordinated negotiations between the Ukrainian Government and the IFIs: the EBRD, the EIB, and the WB, in close coordination with the IMF, regarding provision of loans for financing of gas in the underground storages. As a result of the negotiations, a joint statement was issued by the EC and the IFIs in July, but the conditions relating to the financing remained unfulfilled by Ukraine by the end of 2010.

<p>▪ I 9.2.4 – Evidence that BS funding allows fiscal space for implementing the reforms</p>	
Source	<p>The size of the SBS is quite small when compared to the State Budget or to the investment costs involved in the integration to electricity TENS of for the rehabilitation of the Gas Transit System.</p> <p>The Project Fiche indicates that additional finance is expected from EIB and EBRD.</p>
<p>▪ I 9.2.5 – Evidence that disbursement conditions, in particular the indicators attached to the variable tranche, are part of the monitoring system of the government’s strategy</p>	
Energy BS, Action Fiche	<p>Performance monitoring will be exerted by a Joint monitoring group whose basis has been laid down in August 2006 with the establishment of the Energy MoU monitoring group partnering the Ministry of Fuels and Energy and the European Commission. The larger Joint monitoring group will rely on official information provided by Ukraine and verified as appropriate by the ad-hoc Advisory group currently being established at the Ministry of Energy.</p> <p>The monitoring mechanism foresees the production of half-yearly joint EU-Ukraine progress reports, which are based on reports delivered by the five working groups established to monitor the implementation of the MoU.</p> <p>This mechanism will be used to monitor the implementation of the budget support programme. Since disbursement of budget support instalments is contingent on Ukraine meeting benchmarks, the monitoring reports will include an assessment of these benchmarks. Information requested for this assessment, including information relative to progress of the PFM reform, will be provided by the GoU.</p>
JMG First meeting	<p>At the first meeting at technical level of the JMG the Ministry indicated that they have had difficulties at collecting information on the indicators. The Commission envisages providing support from technical assistance.</p>
European Commission, EAMR 2009	<p>The Joint Ukraine – EU monitoring system already conceptualized for the Energy Sector Budget Support Programme is regrettably not taking off for lack of commitment by the government. A decision will have to be made on what course of action should be taken. Discussions have resumed with the Ministry of Economy, interested in monitoring capacities in the frame of the BS operation in the trade area (AAP 2008).</p>
<p>▪ I 9.2.6 - Evidence that accompanying non financial support contributes to relieve specific constraints, show clear results and thus facilitate the implementation of the reform process</p>	
European Commission, EAMR 2009	<p>In order to be able to implement the planned EC budget support, Ukraine must adjust its legislation, incl. mechanisms of budget planning and management, legislation on public procurement and public financial control and auditing systems to the EU requirements and standards. To this end, a fact-finding mission of SIGMA experts took place in November-December 2009 to start elaboration of directions for future technical assistance in the PFM-related areas. The work will be continued in 2010.</p>
	<p>The TA component of the Energy BS has not been started in May 2010. The Commission’s cooperation is very active in the energy sector.</p>

JC 9.3 - Commission's SBS contributes to improve the policy preparation and implementation, including the use of the budget as a policy instrument	
Preliminary findings related to the JC based on the findings of the Indicators	
<ul style="list-style-type: none"> ▪ I 9.3.1 - Evidence that SBS includes public finance management issues as triggers for disbursement and as elements of the policy dialogue 	
Energy BS TAP	<p>The first indicator attached to the variable tranche of the Energy BS programme reads:</p> <ul style="list-style-type: none"> • Submit and implement a Law on Public Procurement in line with EU norms
Energy Efficiency BS TAP	<p>In addition to a general condition on the implementation of the PF Management Modernisation programme and the revision of the public procurement law, there are two PFM-related indicators attached to the Energy Efficiency BS programme :</p> <p>3.1 Strengthening performance analysis of EE related budget programmes:</p> <ul style="list-style-type: none"> • Establishment of a database of all EE-related budget and tax expenditure programmes implemented by central, regional and local government authorities. • To carry out an analysis of the database with the objective of improving budget and tax expenditure programmes. Review their impact and make recommendations for improvements. <p>3.2 Introduce revised non-financial performance indicators for EE budget programmes:</p> <ul style="list-style-type: none"> • To carry out an analysis of existing non-financial performance indicators for budget programmes. Elaborate proposals on improving non-financial performance indicators for budget programmes within NAER and the six sectors development programmes.
Trade BS TAP	<p>The general conditions include the same condition as the two other programmes on implementation of the PF management modernisation programme and revision of the law on public procurement. No PFM-related indicators are attached to the variable tranche.</p>
<ul style="list-style-type: none"> ▪ I 9.3.2 - Evidence that the shift to BS has been accompanied by improved coordination between the Ministry of Finance and the sector ministry in budget preparation, activity planning, and budget implementation and monitoring 	
European Commission, EAMR, 2009	<p>Budget support in the energy sector (2007) has suffered from a bumpy start due to the failure by the government to put in place comprehensive internal procedures and apparently because of internal power struggles for the control of funds.</p>
JMG Fist meeting	<p>At the first meeting of the Joint Monitoring Group in September 2009 the Commission discovered that the conditions for applying clause 7.2 of the Special Conditions were not met. The first instalment of the Fixed tranche had however already been processed but the Commission had not been given evidence that the funds had been transferred to the State Treasury..</p>
<ul style="list-style-type: none"> ▪ I 9.3.3 - Evidence of clear policy priorities within the sector budget 	
Source	<p>Resources provided by the Energy SBS are earmarked by the MoF to the MoFE and within the budget of the Ministry to a Programme of structural reforms.</p>
<ul style="list-style-type: none"> ▪ I 9.3.4 - Evidence of improved budget management in the sector, in particular with regards to allocative efficiency (and in particular provisions for priority expenditure and for operation and maintenance), and to budget controls (including internal and external audits) 	
Source	<p>No evidence was found</p>

<p>▪ I 9.3.5 - Evidence of increasing attention given to the efficiency of public expenditure</p>	
World Bank website	<p>At the time of the BS formulation the GoU was preparing a PFM reform with technical assistance of the World Bank.</p> <p>In January 2008, the Board of the World Bank approved the Ukraine Public Finance Modernisation Project, to which it allocated a credit of USD50 million. The total cost of the project implementation is estimated at USD65 million of which USD15 million will be provided by the GoU. The implementation period of the project runs until June 2013.</p> <p>The objective of the project is “to strengthen public financial management in terms of operational efficiency and transparency”.</p> <p>As of August 2009, the World Bank reported that “during the first year of the project, implementation of an automated accounting and reporting software for project financial management needs was completed. The Ministry of Finance is currently focused on the establishment of a countrywide integrated telecommunication network through a protocol signed with a network service provider.”</p>
SIGMA, 2007	<p>The persistent and increasing doubts on the current public procurement legislation and related institutional arrangements, together with the weaknesses of the PIFC system, allows criticism regarding the future capacity to control spending in EU funded projects.</p>
<p>▪ I 9.3.6 - Evidence of sector budget planning respected at execution level</p>	
Source	No evidence was found
<p>JC 9.4 – The Commission’s interventions through Budget Support offer value added.</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 9.4.1 – Evidence that the Commission and EU MS have a common political agenda regarding the reforms supported by BS</p>	
European Commission, EAMR 2009	<p>The EU donors are increasingly working together. The information is exchanged through a well established coordination system mostly based on regular monthly meetings, complemented by periodic meetings of sector round tables in selected areas (energy, HIV-AIDS, Joint Cooperation Initiative for Crimea) and a permanent flow of information. The EU group has shown cohesiveness in dealing with the government on various issues.</p> <p>In the course of 2009 the Delegation hosted ten meetings with Member States. The regular items of the agenda included: EC cooperation, government/donor coordination, reporting by sector round tables, EU MS cooperation. On top of those issues, a number of presentations by external invitees and sector –focused discussions took place (NB new initiatives of the Bureau for European and Transatlantic Integration, presentations made by think tanks and EU MS).</p>
<p>▪ I 9.4.2 – Evidence of a clear advantage of the Commission’s participation in the preparation and implementation of BS</p>	
Source	<p>EU MS acknowledge that the EC because of the size of its cooperation budget and because of its policy dialogue with the GoU the EC can legitimately consider providing budget support.</p> <p>But they consider that the political situation was not favourable. Some of them also raise the issue of the procurement law which is not compliant with international standards.</p>

▪ I 9.4.3 – Evidence of a mandate given to the Commission by EU MS in the context of supporting sector reforms	
Source	See above 9.4.2
▪ I 9.4.4 - Views of the beneficiaries on the scope and quality of the dialogue between the GoU and the Commission in the context of supporting sector reforms	
Source	To date the dialogue has been restricted to the monitoring of indicators.

EQ10 on Efficiency

To what extent has the mix of financing modalities, instruments, implementation mechanisms as well as the regulatory framework positively contributed to the impact of EC interventions?			
Judgement criteria and indicators			
JC 10.1 – Financing instruments and their mix have been chosen so as to allow attainment of the cooperation objectives taking into account the Ukraine’s institutional context			
Preliminary findings related to the JC based on the findings of the Indicators			
Inventory	Contracts by size excluding budget support		
	Size in thousand Euros	Number of contracts	Total commitments in thousand Euros
	Less than €100	271	11,831.3
	€100 to <€200	140	22,615.6
	€200 to <€500	52	17,693.7
	€500 to <€1,000	50	39,378.5
	€1,000 to <€2,500	98	156,699.5
	€2,500 to <€5,000	48	159,767.0
	€5,000 to <€10,000	20	129,951.7
€10,000 and more	13	213,352.2	
Total	692	750,789.6	
<ul style="list-style-type: none"> ▪ I 10.1.1 – Justification in the programming documents (CSP, NIP, AAP) of the mix of financing instruments 			
Action Fiche Twinning and ENP Support Technical Assistance, AAP 2007	<p>The measure will be implemented via service contracts (for the technical assistance component) and twinning contracts. As appropriate, financing agreements with specialized international organisations, including the Council of Europe, are envisaged, following the procedures of centralised management, insofar as sector-wide preparation and monitoring projects are concerned. Regarding twinning projects, ex-ante decentralised management, provided it is allowed, should be preferred given the peer-to-peer nature of the twinning formula, and the recent establishment of a national Twinning Programme administration office.</p>		
Action Fiche Support to ENP Action Plan, AAP 2006	<p><i>Preparation for ex-ante decentralisation of EU External assistance:</i> The main objective is to prepare in a systematic and timely manner the relevant Ukrainian authorities to taking more direct responsibility for the contractual and financial management of EU external assistance programmes and projects. Decentralisation involves the transfer of responsibility from the Commission to the Contracting Authority of the Beneficiary country.</p> <p>There are two steps in the decentralisation process involved in the programming and implementation of EU funding instruments: the first and usual one, based on ex-ante approval, and then the second "extended" one, based on ex-post control. The proposed measure deals with preparation for the ex-ante decentralisation process, under which decisions concerning the procurement and award of contracts are referred for prior approval to the Commission.</p>		

<p>Action Fiche Improving Integrated Border Management, AAP 2006</p>	<p>If possible and appropriate, a first component may be implemented through Twinning with EU Member States. However, taking into account the limited capacities of EU Member States and their involvement in the Western Balkans and candidate countries, the conclusion of an EU Contribution Agreement with an International Organisation will remain another possibility. In such case, cooperation may also be sought with IOM, UNDP, Eurocustoms or the WCO which have sufficient expertise and experience in implementing EC funded border/customs management projects.</p>
<p>Action Fiche Support to sustainable regional development, AAP 2006</p>	<p>Implementation method: Centralised Management by EC Delegation, Kiev. The implementation method could be - for all or part - changed into decentralised management if Ukraine proves its ability to manage decentralised projects by the time of implementation. Implementing modalities available will be assessed and used in accordance with Commission procedures.</p>
<p>▪ I 10.1.2 – Evidence that financing instruments were appropriate to the nature of interventions (capacity building, support to sector policy and reform, infrastructure investments, cooperation with civil society, etc.) and to the Ukrainian context</p>	
<p>CSP 2007-2013</p>	<p>From 2007 on EC assistance will be provided through a set of new instruments. While the European Neighbourhood and Partnership Instrument (ENPI), including not only its national but also its transnational/regional, cross-border and thematic components, will be the principal new tool for providing assistance to Ukraine, certain measures, in particular in the area of conflict prevention and crisis management and resolution, may also be supported under the future Stability Instrument. In addition, the nuclear safety sector will be covered by a dedicated Nuclear Safety Instrument.</p> <p>The introduction of these new external assistance instruments will substantially increase flexibility. Technical assistance will no longer be the predominant channel for the Commission’s external assistance programmes to Ukraine.</p> <p>As indicated in the EU-Ukraine Action Plan, new cooperation tools like Twinning or TAIEX will play an essential role in achievement of the Action Plan priorities. These instruments, together with other types of assistance (infrastructure and equipment funding, pool funding and budgetary support including in the context of sector-wide approaches (SWAPs)) will be available and used whenever appropriate.</p> <p>Interest rate subsidies and other ways of blending grants and loans can leverage investments by international financing institutions in the fields of environment, energy and transport. Whenever interest rate subsidies are considered, their relevance shall be assessed on a case-by-case basis and care should be taken to avoid significant market distortion.</p> <p>Twinning and TAIEX are being phased in already under the current Tacis programmes for Ukraine, in particular to support the national authorities in preparing coherent sectoral strategies. As appropriate, Ukraine will receive support for participation in Community programmes, agencies and networks, insofar as these will be open to the country.</p>

CSP 2007-2013	The main goal of the Stability Instrument is to provide an effective, timely, flexible and integrated response to crises, emerging crises or continued political instability. In the case of Ukraine this is particularly relevant to the Transnistria conflict which continues to call into question Moldova's territorial integrity and challenges Ukraine's security. Ukraine is making fresh efforts to help Moldova settle this conflict. Future support for such efforts may be provided under the Stability Instrument.
NIP 2007-2010	If too many small, stand-alone measures were to be taken, this would result in administrative overload and delay implementation in general. Instead, programmes should contain a limited number of components with in-built flexibility. While detailed implementation mechanisms will be worked out action by action, support for Sector Programmes, including the use of pool funding and/or sector budget support, is encouraged wherever the necessary conditions are met.
<p>▪ I 10.1.3 – Evidence at sector level of complementation/synergies between various financing instruments</p>	
Action Fiche Readmission related assistance, AAP 2007	Implementation method: Centralised management. Part of the project may be implemented through the signature of an agreement with an international organisation. Some part of the readmission project could be implemented through grants to relevant NGOs managing such centres or some activities being part of the project.
Action Fiche Support to ENP Action Plan, AAP 2006	<i>General technical assistance facility:</i> The purpose of this component is to allow project preparation to proceed in a quick and effective manner. It will support: – the preparation and early implementation of activities under the Annual Programme, including the recruitment of short-term technical assistance for activities such as sector assessments, feasibility studies, inputs to terms of reference and specifications, and tender evaluations; audits and evaluations; and project preparatory and start-up actions, – activities intended to cover additional Programme-related priorities and expenditures that are currently unforeseeable, – the planning process for future Programmes.
<p>▪ I 10.1.4 – Views of stakeholders on the appropriateness of financing instruments</p>	
NCU	NCU considers that not enough resources have been allocated to investments

<p>JC 10.2 – Implementation mechanisms have been chosen so as to allow attainment of the cooperation objectives taking into account the institutional context and the beneficiary capacities</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 10.2.1 – Justification in the programming documents (CSP, NIP, AAP) of the mix of implementation mechanisms</p>	
<p>AAP, 2005</p>	<p>Taking into account the new political situation in Ukraine, it is proposed to reinforce ownership and coordination with donors by gradually moving to a sector wide approach. Obviously the switch from a small scale project structure towards large scale sector projects, based on sector assessment and strategies, cannot be achieved in a one-step operation. The National Authorities need, for instance, to be prepared and supported to implement this and capacity building is thus an important point to address. However beginning with this process will help to prepare the Ukrainian authorities for the new instrument (ENPI) which will replace Tacis after 2006.</p>
<p>Action Fiche Support to ENP Action Plan, AAP 2006</p>	<p>Support to implementation of the ENP Action Plan will be provided using, as appropriate, support programme (particularly with reference to the agriculture and rural development policy focus), grants (particularly grants to specialised international or supranational organisations), the twinning tool, classical technical assistance or the supply of equipment (on co-financing terms) linked with the implementation of policies and standards developed as a result of institutional / regulatory reform.</p>
<p>Action Fiche Support to ENP Action Plan, AAP 2006</p>	<p>By resorting widely to the twinning modality, the project intends to draw altogether on EU Member States’ practical knowledge of EU policies and efficient ways of enforcing them within adapted and adequately-trained structures. In a spirit of efficiency, other implementation modalities will be used where they will be found appropriate to achieve convincing and sustainable reform results. Finally, the project’s multi-sector nature will make it possible to tackle institutional and regulatory reform issues in a comprehensive manner.</p>
<p>▪ I 10.2.2 – Evidence that implementation mechanisms were appropriate to the nature of interventions, the Ukrainian context and the beneficiary capacities</p>	
<p>Consumer Society and Citizens’ network, ROM Report 2005</p>	<p>There is a good level of mutual understanding and working cooperation reached between the Project Partners. There are no problems in regular communication between project parties, including EC Delegation, UNDP, Ministry of Economy and DSSU. The Project Team is satisfied also with the existing level of cooperation with the Ministry of Education and Science.</p>
<p>Action Fiche Improving Integrated Border Management, AAP 2006</p>	<p>Regarding support to Border Guard and Customs services, a programme rather than project approach has been identified being more appropriate to achieving sustainability and a strong momentum of beneficiary commitment. The project fiche will continue implementing a comprehensive multi-annual integrated border management programme in Ukraine in which regional and national programmes are complementary and following a holistic approach towards a modern, EU-type integrated border management system.</p>

<p>Action Fiche Twinning and ENP Support Technical Assistance, AAP 2007</p>	<p>Experience has shown since last year, there is a clear correlation between the areas identified as priority ones in the unofficial Action Plan Implementation Tool and the sectors whose responsible Ministries and Agencies have been the most active in requesting Twinning interventions. Experience reached with twinning projects has also: (a) shown the value, both to Ukraine and to the implementing EU Mandated Bodies, of careful preparation of projects; and (b) allowed to set up a workable institutional framework between the Ukrainian government and the Commission to prepare jointly twinning projects.</p>
<p>Action Fiche Re- admission related assistance and EUBAM, AAP 2007</p>	<p>The sustainability of EUBAM's capacity building activities will to a certain extent depend on flanking measures which will help the border guard and customs service to approximate to EU standards. Apart from advice provided by EUBAM, sophisticated control equipment needs to be supplied in order to achieve long-lasting effects of which also the EU benefits. Ukraine is characterised by poor inter-agency cooperation between competent ministries and state agencies. Both aspects of the project will promote inter-agency cooperation since joint working groups will be created in order to ensure timely and successful project implementation.</p>
<p>Action Fiche Community-based approach to local development, AAP 2007</p>	<p>The project builds on past experience and on-going projects. Past Tacis projects have shown the inadequacy of the standard top-down approach in tackling quickly and therefore effectively immediate poor populations' social needs. By contrast, the UNDP's "area-based development" approach, from which the present project derives its concept of "community-based approach", has proven to be an effective and economical way of achieving social goals in a decentralised manner.</p>
<p>EAMR, 2007</p>	<p>The level of impact and sustainability of the projects according to the ROM monitoring scores has remained high, 80% of projects monitored in 2007 were rated good and very good impact prospects, and 73% of projects are of good and very good sustainability. 73% of projects were assessed as having good and very good quality, serious deficiencies were found in none of the projects. Good efficiency and effectiveness of implementation have been recorded for 68% and 79% of monitored projects respectively</p>
<p>EAMR, 2007</p>	<p>Twinning and TAIEX: Successful launch of these new assistance modalities, for the first time in an ex-Tacis country. In 2007, 43 TAIEX events were implemented with participation of Ukrainian beneficiaries (10 out of them were held in Ukraine). 30 twinning projects are either launched or under preparation.</p>
<p>EAMR, 2009</p>	<p>In 2009, the impact of the political and economic situation on EU technical and financial cooperation remained notable. Budgetary cuts have affected almost all Ukrainian partner institutions therefore upsetting to various degrees the implementation of projects and programmes. The slowing down of the pace of reforms, a trend already observed in Ukraine since some time, resulted in the failed translation of the valuable output of some of the key TACIS and ENPI projects into the legislative process.</p>

EAMR, 2009	No matter which leadership will emerge from presidential elections, instability will continue to be a feature of the Ukrainian political and economic landscape for some time. Therefore, the Commission must develop a modus operandi tailor made to the situation, by increasing flexibility in technical assistance, on one side, but, on the other, by developing a higher level dialogue on the selection of priorities to ensure an adequate degree of political commitments. Of paramount importance remains the link between political and policy dialogue with assistance in the frame of the Association process.
<ul style="list-style-type: none"> ▪ I 10.2.3 – Evidence at sector level of complementation/synergies between various implementation mechanisms 	
AAP, 2005	A systematic use of twinning as an implementing tool is foreseen in the AP. Twinning will be financed inside projects, meaning that it will be a part of a sector wide approach in each field of action, when relevant and appropriate.
<ul style="list-style-type: none"> ▪ I 10.2.4 – Views of stakeholders on the appropriateness of implementation mechanism 	
Main Civil Service Department	There is a strong demand for twinning projects. The unit in charge of twinning at the MoE regrets that many requests are rejected by the Delegation.
<p>JC 10.3 – Interventions have been carried out within their allocated budget and planned schedule</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<ul style="list-style-type: none"> ▪ I 10.3.1 – Disbursement rates of Commission’s support 	
Judicial selection, ROM Report	<p>The project efficiency during the reporting period was very good. Due to mobilisation of the staff and efforts, the Implementing Organisation has managed to catch up with the initial delay. The project has gained momentum, and has progressed at a good pace in each of the areas defined in the work plan.</p> <p>The activities were well organised, conducted timely and in a professional manner. The status of delivery of the project outputs/results is good in terms of both quantity and quality.</p> <p>In addition to the planned outputs, the project has produced a number of extra ones for the benefit of the project partners and target groups. Overall feed-back on the project performance on the side of the beneficiaries representing the Ukrainian judiciary was very positive.</p>
Consumer Society and Citizens’ network, ROM Report 2005	<p>By 31 March 2007, the level of Input utilisation was insufficient, mainly due to a significant delay in actual start of the Implementation phase. Overall, the project spent 14% of total budget, while 50% of its duration elapsed (MR-40550.02).</p> <p>The project inputs/resources remain unchanged. The utilisation of inputs has improved during the reporting period. The project spent already 86% of total budget against 89% of its duration expired (taking into an account project extension till 13/06/2009). The project extension (from 3m to 3.15m) was fully justified and was supported by the parties involved</p> <p>The contractor has provided updated planning of inputs utilisation on the remaining project time. However, the schedule for the delivery of results is still pending. It is necessary to consider also the respective procedures for transfer of ownership for all project outputs</p>

Strengthening civil society; ROM Report, 2007	All the Activities planned for the reporting period (May 2006 - March 2007) were realised on time and at planned cost. To date, 48 out of 62 Activities (77%) have been completed. The training programme, realised at 90%, included 88 events, conducted for 1700 participants. Additional Activities added value to project efficiency, contributing to civil society development to a much larger extent than was planned. The 6 Results have been delivered at some 75-95%. The level of achievements is high in terms of both quality and quantity of deliverables. Most OVIs have been achieved and even overfulfilled in some cases.
Good governance – Anti-corruption project, ROM Report	By the end of 2007 nearly one third of the allocated resources was used. Less resources than planned were used due to the political situation in Ukraine in 2007 that resulted in delays and postponement of some project activities.
Ukrainian Judiciary Functioning, ROM Report	The project has been progressing well towards achievement of each of the four objectives. At present the ability of the project to attain its objectives looks probable. The project is focusing on practical issues related to court management and is not highly dependent on political situation. Hence there was no need for serious adjustments of the developed approach. At the same time, the project has demonstrated a high degree of flexibility.
<p>▪ I 10.3.2 – Nature of delays affecting disbursement and implementation</p>	
Consumer Society and Citizens’ network ROM Report, 2005	The project is still out of schedule and implementation of activities is not efficient in terms of timeliness. To a certain extent the delay is provoked also by the change of the project concept and unpredictable political situation in Ukraine. However the situation is much better now than during previous monitoring period for all specific components of the project activities. The delivery of the results is also still behind the provisional planning. However the number and quality of most results is impressive. The results achieved so far are of high quality and are fully applicable. With the high probability the planned results will be achieved, considering the allocated resources and high qualification of the institutions involved (EU, UNDP and Ukrainian stakeholders).
Good governance – Anti-corruption project, ROM Report	Project incurred 6 months delay due to the unstable political situation in late 2007 which resulted in that no new draft laws were put forward prior and shortly after the elections.

<p>Development of Media skills; ROM Report, 2006</p>	<p>Over the period comprising about 54% of the project lifetime, overall input utilisation comprised 41% of the fees budget and 31% of the incidental costs. Resources have been underutilised, in particular under certain categories.</p> <p>Given the fact that some of the activities and hence production of outputs had to be postponed for the reasons beyond the project control, overall efficiency appears to be satisfactory. Judging by the timely delivery of the required expertise, resource management was adequate. However, formal financial reporting and submission of invoices to the Contracting authority needs improvement.</p> <p>Apart from delays in the activities that were dependent on the equipment delivery, the project implementation went well.</p> <p>The schedule of activities requiring the use of equipment has proved to be unfeasible due to the problems with the supply contract signature encountered by the project. By an Addendum to the Contract, the project duration was extended for three additional months. The extension was granted to enable the project team to complete the activities aimed at installation of equipment, supporting the testing of new modules and training the lecturers and technical personnel to use the new equipment (MR-40522.03)</p> <p>Overall utilisation of resources was satisfactory and consistent with the produced outputs. Quality of input of the project experts was assessed by the beneficiaries as good..</p>
<p>Capacity building of migration management in Ukraine; ROM Report, 2005</p>	<p>After the contract was signed, there were a number of changes within the governmental structure in the migration management field, which resulted in a delay of the implementation start. Moreover there are still discussions within the Government of Ukraine (GoU) on which ministry will be responsible for irregular migrants and there is still no Head of the SCNM. This uncertainty resulted in a further delay of activities related to the Migrant Accommodation Centres (MACs). The occurred delay of the MACs related activities will inevitably require the sizeable extension of the contract. The Contractor has warned the Commission Services about the situation.</p>
<p>JC 10.4 – Intervention implementation takes account s of monitoring and evaluation results</p>	
<p>Preliminary findings related to the JC based on the findings of the Indicators</p>	
<p>▪ I 10.4.1 – Availability of monitoring reports</p>	
<p>Monitoring team</p>	<p>All projects with a budget above €1 million are monitored at least once a year. Smaller projects may be monitored on request of the Delegation.</p> <p>Following the production of their monitoring report monitors have a meeting with the Task Manager responsible in the Delegation for the given project. Task Managers fill in a response sheets in which, in particular, they indicate for each recommendation made by the ROM report if the recommendation is going to be adopted or, if rejected, what are the reasons for rejection, and who will implement the recommendation.</p>
<p>Consumer Society and Citizens' network, ROM Report 2005</p>	<p>The major recommendations from the second and third monitoring reports were properly accounted and realised. It certainly resulted in improvements in the project and its better management.</p>

Ukrainian Judiciary Functioning, ROM Report 2005	<p>A mechanism for internal monitoring of the project effectiveness was developed and applied. An interim evaluation report has been produced for each of the delivered training modules.</p> <p>Recommendations were taken into account to a satisfactory extent</p>
<p>▪ I 10.4.2 – Availability of evaluation reports</p>	
Source	<p>▪ No project evaluation report has been retrieved</p>
<p>▪ I 10.4.3 – Evidence that recommendations issued by monitoring reports/evaluation reports have been taken into account in the implementation of interventions</p>	
CSP 2002-2006	<p>A country programme evaluation conducted in 1998 and a review of Tacis performance 1996-1999, recently completed by the Tacis Ukraine monitoring team, showed that policy advice projects had not resulted in a real improvement in Ukrainian economic policies, with the exception of a few sector policies (financial sector, energy savings), mainly because of the absence of a strong policy dialogue and acceptance of agreed reform directions. Regarding structural reforms, Tacis impact had also been limited for the same reasons. Impact had been greater in training, transfer of know-how and institution building with substantial benefits for individual project partners.</p> <p>Following the evaluation, Tacis has progressively focused on a limited number of areas, increasingly agreed in a dialogue-driven approach linked to the PCA implementation process.</p>
NIP 2004-2006	<p>With regard to the priority areas of the present NIP, the following recommendations of the 2002 Country Strategy Evaluation were taken into account:</p> <ul style="list-style-type: none"> • stronger and more flexible input in supporting PCA implementation, reform of the judiciary, etc. • improvement of the business environment and access to credit for SMEs • strengthening of local/municipal governance and development in particular with regard to SME promotion and the environment sector, • continuation of programmes in the energy sector to enhance energy efficiency • strengthening of NGO programmes in particular those giving social assistance for vulnerable groups.

<p>CSP 2007-2013</p>	<p>Evaluations of Tacis and of the Country Strategy for Ukraine suggest that overall the relevance of the Tacis assistance has been high and responding to the needs. However, in particular during the first few years, the programme was mainly governed by a “top-down” approach. This was partly a consequence of the need for institution building in the countries in transition and partly due to an insufficient sense of ownership on the part of the national authorities. Furthermore, National Indicative Programmes (NIPs) tended to be over-detailed which restricted adaptability at project identification level in order to respond flexibly to evolving needs.</p> <p>The EC will focus in this new programming exercise on defining strategic priorities and objectives rather than specific activities or delivery mechanisms. National authorities are being involved in the process from the very beginning and have shown a greater level of commitment and ownership as a result of the clearer political framework provided by the ENP and the EU-Ukraine Action Plan.</p> <p>The Tacis evaluation noted that the programme is characterised a large number of “stand-alone” technical assistance projects, in particular on institutional and administrative reform. These often achieve good results at project level but have limited impact at sector and national policy level due to a lack of continuity and coherent long-term sector planning. A similar conclusion had been reached in the 2003 country strategy evaluation.</p> <p>In terms of the key priority areas covered by previous Tacis assistance to Ukraine the evaluators single out JHA-related projects as well-coordinated and monitored by the JHA scoreboard system. By contrast, problems are being observed with the impact of projects and sustainability of results in the health sector, mainly due to delays in the implementation of pilot projects and questionable political commitment in this specific area. In the case of economic development the Commission has been most successful when addressing issues related to an enabling regulatory environment for business and investment.</p> <p>The above sector-specific findings are being fully taken into account in defining future priority areas for EC assistance to Ukraine. Issues related to JHA and regulatory reform are at the forefront of the EU-Ukraine Action Plan and will remain key areas for EC support in the future. In the areas of good governance and legal and administrative reform future assistance will build on the substantial work carried out to date but aim at increasing impact by designing future interventions in a more integrated and coherent manner.</p>
<p>Monitoring team</p>	<p>Following the production of their monitoring report monitors have a meeting with the Task Manager responsible in the Delegation for the given project. Task Managers fill in a response sheets in which, in particular, they indicate for each recommendation made by the ROM report if the recommendation is going to be adopted or, if rejected, what are the reasons for rejection, and who will implement the recommendation.</p>

<p>Development of integrated social services, ROM Report, 2007</p>	<p>The recommendations to introduce fixed deadlines for the delivery of Outputs / Objectively Verifiable Indicators (OVIs) in the Logical Framework Matrix (LF) and the Overall Output Performance Plan (OOPP), as well as to revise the Overall Plan of Operations (OPO) to relevantly reflect the changed project plans, were not followed. Though this has not jeopardised the final achievements, it could have facilitate the project management and supervision.</p>
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Annex to EQ10: Results of ROM assessments

Intervention	Relevance	Efficiency	Effectiveness	Impact	Sustain-ability
Audit Public Finance at Kiev	3.00	2.00	2.00	3.00	3.00
Legal and institutional basis for protection of competition (Antimonopoly Committee)	3.00	4.00	4.00	3.00	3.00
Effective state budget management	3.00	3.00	4.00	3.00	3.00
Capacity Building of Migration Management: Ukraine	4.00	3.80	4.00	3.10	3.10
Reinforcing the State Border Guard Service of Ukraine's Human Resources Management System - HUREMAS	3.00	4.00	4.00	3.00	4.00
Consumer society and citizen networks	2.60	2.75	3.00	3.00	2.40
U3.IA/03-1 Further development of SNRCU regulatory capabilities transferring western European regulatory methodology and practices (ref AP 7.2.3.1)	3.00	2.00	3.00	3.00	2.00
Development of integrated social services for exposed families and children in Ukraine	3.00	4.00	4.00	4.00	3.00
Ukraine - Judicial Selection and Appointment Procedure, Training, Disciplinary Liability, Case Management and Alternative Dispute Resolution	3.00	4.00	3.00	3.00	3.00
Support to Good Governance: Project Against Corruption in Ukraine	3.10	3.80	4.00	3.00	3.00
Support Ukraine Progressive Integration to Electricity TENS	2.30	2.80	2.80	3.00	2.60
Support to the Development of Business Capacity of Ukrainian SMEs – International Dimension	3.00	3.00	3.00	3.00	3.00
Transparency and efficiency of the judicial system of Ukraine	3.30	2.80	2.50	2.40	2.80
Implementation of Ukraine's commitments under WTO and ENP frameworks in the rural sector (Sector Wide Approach)	2.70	3.00	2.50	3.00	2.70
Harmonisation of Competition and Public Procurement systems in Ukraine with EU standards	3.00	3.00	3.00	2.40	2.80
Promotion of European Standards in the Ukrainian Media Environment	2.30	2.80	3.00	3.00	3.00
EBRD-01 Technical Assistance Support for Ukrainian Municipalities	3.00	3.00	3.00	3.00	3.00
Coal Sector Policy Support Programme	2.70	2.00	2.00	2.40	2.40
Support to Sustainable Regional Development	2.70	3.00	2.50	3.00	2.70
Average	2.93	3.15	3.18	2.96	2.86

Annex 9 - Annexes to EQ7 on Energy

These annexes to EQ7 provide additional information about the issues raised in the main report.

- 9.1: Main conclusions concerning the co-operation strategy in the field of energy
- 9.2: Horizontal issues : the new instruments (the Sectoral Budget Support and the Instrument for Nuclear Safety Cooperation) ; coordination and monitoring.
- 9.3: Strengthening the regulatory and legal capacity of the energy regulator (NERC)
- 9.4: The “Support of the Ukraine Progressive Integration to Electricity TENS” project
- 9.5: The World Bank project (electricity)
- 9.6: The August 2010 Stand-By Agreement with IMF and other gas issues.
- 9.7: The Energy Community Treaty and the *Acquis Communautaire*
- 9.8: Assistance to SNCRU (Nuclear Safety Agency)
- 9.9: The “Coal support” project
- 9.10: Energy efficiency and renewable energies

9.1: Main conclusions concerning the co-operation strategy in the field of energy

The main tool of the cooperation strategy between the European Union and Ukraine is the Memorandum of Understanding (MoU) on cooperation in the energy sector dated December 2005. It states in its preamble:

“In the field of energy, the EU and Ukraine share convergent interests and both could benefit from the integration of their respective energy markets, thereby enhancing the energy security of the European continent.”

“In this context, the gradual adoption by Ukraine of the EU energy “acquis” would constitute a significant step towards Ukraine’s objective of gradual economic integration and deepening of political co-operation with the EU.”

A particular emphasis is laid on the creation of a level playing field in terms of equivalent basic rules with respect to market access, infrastructure and opening, as well as compatible environmental and safety standards that will facilitate substantial electricity trade between EU and Ukraine.

The EC has been the main provider of Technical Assistance to Ukraine for the last fifteen years. To that effect the following objectives have been agreed: (i) the creation of an independent Energy Regulatory Agency (NERC) that meets the *acquis communautaire* and of an independent Nuclear Safety Authority (SNCRU) that meets the requirements of the Vienna Convention, (ii) the facilitation of a synchronised interconnection of the Ukrainian grid with the West (iii) the development of energy efficiency and renewables programmes (iv) the restructuring of the coal sector.

The tools for doing so have been transferred through several Technical Assistance projects. However, the implementation of the recommendations adopted at the end of those TA projects is still lagging. The reasons are well documented in reports submitted by contractors and cannot be solely attributed to the complexities of the tasks to be performed, i.e.:

- Insufficient ownership
- Cumbersome internal procedures
- Policy delays and reversal
- ... and a lack of institutional memory.

Liberalisation of energy markets.

Annex 9.3 provides an analysis of the electricity twinning project financed by the Commission. This project brought a defining contribution to the preparation of a law reinforcing the responsibility of the NERC. An electricity law has been submitted to the Parliament. This project ran in parallel - and with substantial overlaps - with a similar

project financed by the WB. Annex 9.4 presents the main features of the World Bank strategy to help Ukraine to further reform its electricity sector.

On 8 July 2010 a gas law was enacted. The door is now open for the accession of Ukraine to the ECT (European Community Treaty – see annex 9.7). A gas twinning project started in Autumn 2009; it will bring assistance to NERC to implement the gas law.

Moreover, the World Bank is ready to provide loans to finance the implementation of the new electricity law and a Gas Sector Reform has been agreed upon between the IMF (annex 9.6) and Ukraine.

However, *without a strong and independent competition authority (In Ukraine called : the “Anti Monopoly Authority” - AMA), the best conceived liberalisation laws are likely to remain dead letters*, as it can be observed in many countries. In Western Europe, the main driver of the energy market liberalisation policy was the existence of a strong and independent (from member states) Competition Authority (the DG Competition).

Another condition, for the success of a liberalization policy is the existence of a lobby of large consumer advocating market liberalisation.

Interconnection of the Ukrainian electricity network with Western Europe.

Ukraine has expressed its intention to export electricity to the South West of Europe. The decision announced in May 2010 to build two nuclear units in the Western part of Ukraine (expected to be completed in 2014) will significantly expand the export capacity of the country. The MoU selected the synchronised option for the interconnection with the West¹. The relevant TA project is analysed in annex 9.4.

The synchronized option is still the “official option” of the government but the DC option is being considered again.

Nuclear safety

As demonstrated by several studies financed by the Commission, nuclear safety has dramatically improved since 1996, the year the Commission started to cooperate with Ukraine. However, the independence of the Nuclear safety Authority (SNCRU) remains fragile and **more attention should be given to improving the efficiency of projects financed by the Commission** (annex 9.8). Such a conclusion results from an analysis of TA projects financed by the Commission.

¹ Electricity trading between two grids can take place either through a synchronised interconnection (alternative current) or through a back to back station (direct current) (annex 4).

Annex 9.2 deals with *horizontal issues* : the new instruments (the Sectoral Budget Support and the Instrument for Nuclear Safety Cooperation) ; coordination and monitoring..

Annex 9.9 is devoted to the *coal project* and concludes with recommendations concerning the structure of large projects. Annex 9.10 concerns the *energy efficiency and renewable energies* policy which is likely to get a new impetus after the signature late last year of an Energy Efficiency Budget Support project.

Main recommendations

- *Improve coordination with other donors*
- *Make sure that the Competition Authority gets a strong mandate in the field of energy*
- *Improve the efficiency of projects aimed at creating an independent and credible Nuclear Safety Authority*
- *Prioritise ex-post monitoring of projects of strategic importance for the EU*

9.2: Horizontal issues : the new instruments (the Sectoral Budget Support and the Instrument for Nuclear Safety Cooperation) ; coordination and monitoring.

The new instruments

Closing date of TACIS was December 31, 2006. The last Tacis funded projects are about to be completed. Two new instruments have been created: The *Sectoral Budget Support Instrument* and the *Instrument for Nuclear safety Cooperation*.

The “Sectoral Budget Support” instrument

The *Sectoral Budget Support* instrument allows the EC to finance the budget of beneficiaries. The decision to use this instrument with Ukraine is a political signal indicating that the EU wishes to trust Ukraine and support the reform process. It aims at strengthening the political dialogue and increase the role of the government in this process. The format of Budget support requires the fulfillment of criteria before the money is handed out.

a) The Energy SBS programme was introduced in the Financial Agreement approved on 19 September 2008. It is the first BS programme for Ukraine and will be a test of the European Commission as an effective donor and for the Ukrainian government as a reliable partner in terms of commitments taken on.

The money earmarked for that purpose (82 millions €) will be disbursed in two tranches : the first tranche - the *fixed* tranche (40m€ that includes 5m€ for a TA project briefly analysed below - was disbursed in December 2008 following the recommendation made by the Delegation ; the disbursement of the second tranche – the *variable* tranche - is conditional of progress made by Ukraine towards the fulfilment of a set of indicators – the *Performance Indicators for Disbursement* - which is annexed to the Financial Agreement. Not surprisingly, the indicators are coherent with the objectives stated in the MoU (bar coal and nuclear) on Energy cooperation.

A consultant has been contracted to assist the Ministry of Fuel and Energy (MOFE) and the Delegation in managing the SPS energy². The project started in March 2010 only, i.e. almost a year and a half after the signature of the SBS programme (which has a duration of 3 years)

The analysis of how the indicators were fulfilled is still under way. Therefore, as of November, the second tranche has not been disbursed; it is likely to be disbursed next year

² Web site : <http://www.esbs.kiev.ua>

only. Demonstrating that the indicators are fulfilled represents a huge amount of task for the MOFE³.

A Joint Monitoring Group has been created. Among its tasks : to develop effective mechanism for revision and cooperation between parties concerned; to perform systematic revisions of implementation of the ESBS in accordance with the agreed indicators and reference points; to submit a semiannual report on progress.

It is too soon for any judgment on the efficiency of the new instrument. Nevertheless the Inception phase of the ESBS project already brings relevant information:

- The way some indicators are formulated needs improvements
- Some fusion/ coordination between JMG and the expert group in charge of preparing the annual implementation reports of the MoU would avoid duplication of efforts.
- Involvement of other IFIs (EIB, WB and EBRD) would be of interest for all parties because their strategy is linked with the results achieved by Ukraine to achieve the indicators. Their participation in the JMG, at least as observers, will contribute to improve the coordination between donors (see below)

b) End of 2009 a second Financial Agreement was adopted for ***energy savings and renewable***. The mechanism is the same as for the SSB Energy. The amount earmarked for that purpose is 70 m€. It complements the previous sector budget support.

Instrument for Nuclear safety Cooperation.

The nuclear sector is now covered by a new specific instrument, the INSC. Adopted by the Council of Ministers in January 2007, it covers the years 2007-2013. It is a global instrument as it expands beyond the area covered by Tacis. The area covered will depend on the policy orientations and priorities decided by the Commission and the Council.

But this instrument doesn't introduce any major modification in the PMC (Programme Management Cycle) for the assistance to Ukraine, but funds available for Nuclear safety in Ukraine are likely to be reduced.

Cooperation with other donors

For reasons well documented in other chapters of this evaluation report, Ukraine is in a dire need of sources of financing for the budget deficit and for investment projects. Hence its policy to meet the conditions donors attach to most grants and loans.

³ As explained below (Annex 9.6), signature of the Stand-by Agreement in August 2010 immediately triggered a disbursement of US\$1,89 bn. Among the condition was a "promise" to reform the gas sector.

a) Orders of magnitude of the different sources of financial assistance.

In November 2008 the IMF approved a stand-by agreement for US\$16.4 bn supporting a program of domestic and external adjustment as well as financial rehabilitation. The program went off track in 2009 and needed adjustment.

Therefore, in July 2010 and after months of negotiation, the IMF approved another stand-by agreement for US\$15.1 bn That SBA replaced the November 2008 agreement. It triggered an immediate disbursement of US\$1.89 bn. Subsequent disbursements will be subject to quarterly reviews.

On 18 July 2010, in parallel with the SBA that was at the time still under negotiation, the EU Council agreed to disburse a loan to Ukraine of up to €500 million to help fight the economic crisis. The funds are intended to complement the Ukraine's reform program that, in June, was still being negotiated with the IMF.

Russia is also providing loans to Ukraine (US\$4 bn for two nuclear units).

In comparison, the two aforementioned SSBs (energy and energy savings) represent an overall contribution to the state budget of €150million over three years aimed at fostering the reform of the energy sector.

b) Conditionality

All multilateral donors - IMF, EBRD, World Bank, the EC - attach conditions to their assistance. Those conditions aim at fostering upon Ukraine reforms of the energy system. Therefore specific conditions pull in the same direction but formulation differs from one to the other.

- IMF puts the emphasis on domestic gas price increases to limit budget transfer to Naftogaz and on restructuring the sector; liberalisation as such is not on the agenda. (IMF review - September 2009)
- EBRD's objective is the liberalisation of energy markets but it accepts "*when state utilities are financially solvent, to provide financing to reward sound financial practices and achieve strong demonstration effect*" (Strategy paper – 2009)
- WB finances investment projects and, at the same time, launched an ambitious programme to liberalise the electricity market
- EC strategy is driven by the *acquis communautaire* and its adoption by Ukraine. Liberalisation of energy markets is high on the agenda.(integration to the European market). Adhesion to the Energy Community Treaty, which should be effective in the near future, implies a strong commitment to liberalise energy markets and a time table.

c) Coordination

The main donors meet periodically to exchange information and avoid duplication of efforts.

Coordination of assistance aimed at reforming the electricity sector.

It has not been working well. NERC has been the beneficiary of several assistance projects at the same time and with similar purposes. Donors have included: EC (two projects and some INOGATE projects), EBRD, World Bank, USAID, etc. Coordination has been weak. When expert teams are on site, each with its own agenda, it is too late to achieve a real coordination and avoid overlaps. Indeed, most depends on the coordination mechanisms put in place by the beneficiary itself. The beneficiary has all the information needed for an efficient coordination and avoid redundancies.

Coordination of assistance aimed at reforming the gas sector.

On 23 March 2009, IFIs agreed in Brussels to coordinate their activities. Therefore one can expect that the gas twinning project will not run into the same difficulties as the electricity twinning project.

Monitoring

None of the projects analysed in this evaluation (the twinning project, the interconnection project or Nuclear safety projects) have been the object of ex-post monitoring, Therefore this evaluation could not benefit from independent assessments of how recommendations had been implemented.

9.3 Strengthening the regulatory and legal capacity of the energy regulator (NERC).

This project to strengthen the capacity of NERC is a *twinning project*; it was the first of its kind. At this moment 20 twinning projects have been launched by the EC in Ukraine.

The Twinning concept

Launched in May 1998, Twinning is an initiative of the European Commission for targeted administrative cooperation in line with EU policies. Twinning aims to help beneficiary countries in the development of modern and efficient administrations, with the structures, human resources and management skills needed to implement the *acquis communautaire* to the same standards as Member States. Twinning provides the framework for administrations and semi-public organizations in the beneficiary countries to work with their counterparts in Member States.

The parties agree in advance on a detailed work program to meet an objective concerning priority areas of the *acquis*. The difference between Twinning expertise and classical technical assistance lies precisely in the hands-on, practical expertise provided by civil servants from peer administration.

The Ukrainian energy context.

Legislation in the energy sector is not consistent with the Community *acquis* in the field, thus not allowing fair competition, which in turn would, as stated in the ToR, “*guarantee consumer choice and fair prices, security of supplies and environmental sustainability*”. A strong Regulator is necessary for a properly functioning energy market in Ukraine and therefore the powers of the Public Electricity Regulator - NERC⁴ - should be strengthened, and its independence ensured. The Public Electricity Regulator is to improve capacity to guide the transition to new market arrangements in the energy sector, leading to increasing supply efficiency and quality in a context where privatization of energy regional distributors is on the agenda.

Project Purposes:

To contribute significantly to:

- NERC’s capacity to ensure the proper development and implementation of primary and secondary legislation, regulations and adaptive decision-making in the field of Energy regulation in line with (i) the development of the EU internal market and corresponding requirements for regulatory authorities and (ii) the best practices as applied in some regulatory authorities in the EU IEM.

⁴ The National Electricity Regulatory Commission (NERC) was founded on December 1994 to regulate the electricity sector, but since then its authority and functions have been extended to other energy sub-sectors.

- The accumulation of adaptive and technical knowledge and skills of NERC's personnel in line with the future implementation of the new model of the Wholesale Electricity Market (WEM).

The key problem met during the implementation of the twinning project was the limited “absorption capacity”, mobilisation and motivation of the Ukrainian partner staff. It is highlighted that participation in training activities by NERC staff remained low during the course of the project, due to several reasons: limited knowledge of the English language, individual workloads, limited understanding of the relevance and quality of the twinning inputs. Thus, though project ownership strengthened during the course of the project, effectiveness and efficiency were affected by limited interest in the twinning activities at the operational levels.

A second problem met derived directly from the interdependence of the specific objectives. In fact, pending the approval of new legislation, the procedures that should have been modelled on such new legislation could not be fully finalised, and consequently no enforcement mechanisms could be implemented, which led to the need of amending the twinning contract.

*Overall assessment*⁵

Relevance and quality of project design. The twinning project was highly relevant for both the Ukrainian administration and the EU. However, though formally stated, at least in the initial phase, twinning commitments were not fully assumed by the Ukrainian twinning partner and project ownership remained low during the course of project execution.

Efficiency. Project efficiency also scored very poorly, notwithstanding the top quality of the inputs, given the low level of participation of the counterparts in the various training activities.

Effectiveness. Project effectiveness was hampered by limited interest on the Ukrainian side. Lack of ownership by the Ukrainian side became even more apparent when the twinning contract was amended in order to re-define (by “downgrading” them) some of the mandatory results.

Likely Impact. Interestingly and perhaps paradoxically enough, however, the NERC Project Leader declared that the project have had “high impact” on the organisation. This statement can be interpreted as a matter of diplomacy.

Sustainability prospects. Local ownership had eventually developed by the end of the project, thus providing a good basis for project sustainability.

⁵ Extracts from the “Rapid Assessment of Twinning Projects implemented in Ukraine”; Working paper prepared by ITO (Implementation of Twinning operations in Ukraine). October 2009.

Conclusion

The EC brought an important contribution to give the beneficiary the necessary tools to liberalise electricity markets and is likely to do the same in the gas sector.

The two aforementioned electricity projects (plus the aforementioned WB project) had many overlaps and the coordination mechanisms between donors were not sufficient to effectively coordinate them; some studies were made several times.

But it shall be reminded here that the two main drivers of the energy market liberalisation in Western Europe were :

- a strong independent Competition authority. DG Competition played a defining role in the implementation of the EU policy in that regard.
- a strong lobby by industrial consumers, persuaded that liberalisation would lead to lower prices.

The Ukrainian Antimonopoly Agency has not been involved in the two aforementioned projects aimed at liberalising energy markets (the twinning project and the WB project). It has almost no experience of dealing with the energy sector.

9.4 Support of the Ukraine Progressive Integration to Electricity TENS⁶

The project started in June 2006. Duration was 30 months. It was completed in December 2008.

Total budget: €2.8 million.

The project is in line with the Ukraine policy of progressively integrating the European network and exporting electricity to the West, as set out in the Energy Strategy of Ukraine for the period until 2030.

To achieve such a goal, there are two options : (i) to synchronize the Ukrainian grid with the ENTSO-E grid and de-synchronise from the Russian grid (which implies building a Direct Current connexion – and expensive back to back station(s) (i) to build a back to back station with ENTSO-E (as it is the case between UK and France) and keeping the relations with Russia as they are.

The Ukrainian system was planned, designed, developed and operated to be totally integrated in the Russian and is not any more connected with its Western neighbours⁶ that are now part of the Western system.

The Commission and the government of Ukraine have selected the first option.

Such option raises:

- Legal issues: To make the Ukrainian legislation compliant with the relevant EC directives, which implies a new legislation, a new methodology to calculate tariffs, new market rules etc.
- Technical issues: Reinforcements of the Ukrainian electricity grid - mainly the East - and the installation of frequency control equipment in power plants in, accordance with ENTSO-E rules.

The final report addresses those two issues. It comprises:

- *Technical studies, including a least cost study*
- *Legal and institutional studies*
- *Environmental studies*
- *Electricity exchanges pricing studies*
- *Network integration plan*
- *An Action plan*

Nevertheless, it shall be noted that

⁶ With the exception of small part of the territory (the so-called Burstyn Island) that is connected with Poland and disconnected from the main Ukrainian grid.

- such an option implies a de-synchronisation from the Russian grid, which, as above mentioned, implies building back to back station(s) between the Ukrainian grid and the Russian one. ***The cost of such stations was not evaluated in the project.***
- the fifth activity of the project was *to establish an action plan for integration of the Ukrainian electricity network to EU electricity networks* ***approved by the Government of Ukraine and under implementation.*** To our knowledge, implementation has not started.

The two options

The integration into the European power grid implies the implementation of a number of mandatory measures. The Ministry of Fuel and Energy estimates those measures to cost about UAH9 bn during the period 2010-2015. About 5.4 bn for the modernisation of electricity grids and about 2.5 bn for the modernisation and reconstruction of power generating facilities. And additional 0.6 bn has to be spent for the modernisation of energy unit management.

The cost of a back to back station is much less than the cost of upgrading the entire power system. The construction of a back to back station will take much less time than the modernisation of the national system. The installation of a back to back station at the frontier between Ukraine and the EU will allow Russia to export its own electricity to Europe via transit through the Ukrainian energy system. No doubt that Ukraine is analysing the pros and cons of becoming a transit country for Russian electricity.

The current government is still comparing the two options but, as of September 2010, it has not made its decision and the official position still favours the synchronised option.

The Russian draft of the “*Agreement between the Government of Russia and the Cabinet of Minister of Ukraine on measures to ensure parallel work of UES Russia and UES Ukraine*”, it is specified that the parties will adopt an appropriate action plan where, among other things, “*the construction of a back to back station*” should be contemplated. No decision has been taken so far.

9.5 The World Bank Project.

For more than ten years, the World Bank has been deeply involved in the restructuring of the Ukrainian Electricity system.

Last development :

(Interview of the representative of the WB in Kiev)

1. A loan for the Hydropower Rehabilitation Project in the amount of US\$106 million was approved by the Board of Executive Directors on June 21, 2005 and became effective on February 3, 2006. The main objective of the Hydropower Rehabilitation Project is to improve operational stability and reliability of power supply by increasing regulating capacity, efficiency and safety of hydroelectric plants, and therefore, facilitate unimpeded operation and opening up of the electricity market in Ukraine.

An additional objective is to support the Ministry of Fuel and Energy (MFE) and the National Electricity Regulatory Commission (NERC) in preparing and implementing the Energy Sector Reform and Development Program, including the Wholesale Electricity Market (WEM) concept.

2. All project components are under implementation, including technical assistance to the (i) MFE for legal and regulatory harmonization of the energy sector in Ukraine with the EU energy market; (ii) NERC for implementation of the WEM concept; and (iii) UHE for rehabilitation of the hydropower plants. In 2006, MFE prepared the Comprehensive Strategy for Harmonization of the Ukraine Energy Sector with the EU Internal Energy Market and, based on this strategy, proposed an Action Plan for Energy Sector Reform and Development which was adopted by the Cabinet of Ministers on June 13, 2007.

During the same period, NERC prepared a detailed program for the implementation of the WEM concept and hired an international consultant under the Loan to assist the energy regulator in drafting, *inter alia*, the power grid code and market rules.

3. On February 3rd the Bank signed with Ukraine Additional Financing increasing the amount to be financed under the Hydropower Rehabilitation Project by US\$60 million for the rehabilitation of three hydroelectric units in the Dniprovsk 2 Hydropower Plant (HPP) and three hydroelectric units in the Kremenchug HPP through replacement of six turbine runners.

4. NERC component for implementation of the WEM concept was completed in 2009 where KEMA (Leader of the consortium which implemented this project) provided complete set of documentation to NERC. Second Stage of Implementation of WEM was agreed to be financed under TA by EBRD.

At the moment new Electricity Market Law is under review and finalization by NERC and will be submitted to the government for approval by end of 2010. Meanwhile NERC held the first experimental auction on July 20, 2010 on selling electric energy as part of transition

to the bilateral agreements market and to the balancing energy market. This is in line with The National Electricity Regulatory Commission decree from June 24, 2010 which approved experimental performance of the electricity market, starting from July 1, 2010, within the first stage of transition to a market of bilateral agreements and a balancing energy market.

Separately Ministry of Fuel and Energy is launching a Feasibility Study to support the second phase of the Power Transmission Project (PTP-2). The main objectives of this assignment is to prepare a Feasibility Study with the aim to improve reliability of power supply to central region including Kyiv through further rehabilitation of substations as well as strengthening bound transmission network. This includes (i) review of the previous transmission studies, first of all – reports of KEMA consortium, current investment program and development plans of Ukrenergo and Energorynok; (ii) specification of priority investments in transformer substations rehabilitation and IT systems for enabling new electricity market functioning; (iii) preparation of budgetary cost estimates for priority investments to be included in the proposed Power Transmission Project-2; (iv) evaluation of expected economic benefits; (v) development of the procurement plan and the overall implementation schedule for this Project.

9.6: The August 2010 Stand-By Agreement with IMF and other gas issues.

The cooperation strategy with Ukraine has several objectives that are developed in three sections:

1. Security of supply and transit of natural gas

Ukraine is a key transit country for hydrocarbon's supplies to the EU with 40% of the EU's imports of natural gas transiting through the Ukraine network and for oil, in addition to the transit through the Druzhba network, the ongoing extension of the Odessa-Brody pipeline to Poland would open a new major route for EU oil imports from the Caspian basin and the international market. In this context, ensuring a safe, transparent and reliable transit system is of paramount importance for both the EU and Ukraine. (MoU)

The cooperation strategy cannot be examined without a reference to the Russian strategy: *Undertaking large-scale projects to construct energy export infrastructure to increase the reliability of delivery and transit of Russian fuels to Europe : Blue Stream (16 bn m3 annually), Yamal-Europa gas pipeline (33 bn m3 annually), (A new foreign policy for Ukraine". ICPS. Kiev*

It is of course Russia's right to carry out whatever policy it chooses, but this policy contains a clear challenge to Ukraine's energy security.

The Master plan to renovate the UGS network.

An Audit of the Ukrainian gas transit system has been carried out under the Tacis programme. It was submitted to the Ukrainian government in 2007; the cost of the rehabilitation plan was estimated at US2.5 bn over the period 2009-2015. Based on this report, the Ukrainian government prepared a master plan detailing how the rehabilitation and modernisation should proceed.^

On 23 March 2009, an International conference took place in Brussels. A joint Declaration was signed by the Prime Minister of Ukraine, the EC Commissioner for Energy and the EC Commissioner for External Relations and Neighbourhood policy, the President of EIB, the vice –President of EBRD, and a representative of the World Bank.

The participants expressed their interest for supporting and assisting in the modernisation of Ukraine's Gas Transit System (UGTS). They agreed to cooperate in seeking to establish a technical cooperating unit within Naftogaz of Ukraine which could be in charge of the establishment of a full modernisation business plan that would set up the timetable and sequencing of work.

In October 2009 a meeting took place which conclude with an agreement to develop detailed feasibility studies for the priority projects, in particular for the “Soyuz” gas transit system

Lenders declared their intention to check the feasibility study submitted by Naftogaz and they confirmed that the separation of functions and a move towards cost reflecting tariffs were conditions for the approval of future loans.

Russia has proposed to participate. But so far it has refused to guarantee volumes of transit gas to the European Union.

Construction of an Eastern Europe Regional Natural Gas Metrological Center.

Since 2002, INOGATE has been supporting the development of this prototype project located in Boyarka near Kiev. The main aim is to improve the measuring techniques applicable in gas transit compatible to internationally recognised standards. Following its completion, the internationally certified Regional Metrological Center will provide state-of-the-art calibration services for the gas transfers within the region and offer calibration services to other countries. But it could play its regional role in the framework of a regional metering policy which does not exist.

It was inaugurated at the end of 2006 but has not yet been certified. Delays are on the Ukrainian side that has to supply several pieces of equipment.

The Odessa-Brody project⁷

The use of the Odessa-Brody pipeline from Brody to Odessa did not result in greater volumes of transit oil coming through Ukraine, although this was one of the arguments used in talks over 2003-2004. All that happened was that oil flows were simply redistributed – that is those volumes that once went through the Prydniprovsk pipeline were now going to the Odessa-Brody line. The EC has provided financing to this project ((Regional project 2002)

Conclusion

The EC played a defining role in facilitating discussions between the IFIs and the Ukrainian Authorities on financing the purchase of gas and further reforming of the Ukraine gas sector.

But if Ukraine wants to keep its role as a transit country, the decision making process should be seriously streamlined. The path from the Memorandum to the Declaration dragged on for more than three years.

⁷ Quoted from “A new foreign policy for Ukraine”. International Centre for Policy Studies (2010). Kiev.

2. The Stand-by-Agreement between IMF and Ukraine (August 2010).

The policy of the IMF is coherent with the cooperation strategy of the Commission with Ukraine, special attention should be given to IMF policy and practices, because of the magnitude of its assistance and its conditionality rules

The deficit of Naftogaz represents 2.7% of the GNP. Such a situation is unsustainable and explains the emphasis of the IMF on the reform of the gas sector.

According to the Stand-by-Agreement approved on August 2010, Ukraine agreed to reform the gas sector. As a consequence of the programme agreed upon by both parties reads as follows :

Starting in 2011, Naftogaz's deficit will be eliminated, including through gas tariff increases and price mechanisms that depoliticizes price setting of public utilities. In the coming months, broader reforms aiming to improve infrastructure and energy efficiency will follow, with support from other multilateral institutions.

The following page provides the main features of the reform programme. It is one of the aim of the twinning project financed by the EC to accompany the NERC during the process.

Gas prices in Ukraine

The prices of natural gas are established, under current legislation, by the National Electricity Regulatory Commission (NERC) and are heavily cross-subsidised. At the same time, Ukraine pays for Russian gas a little over 200 USD / 1000 m³ (after the price reduction of some 100 USD in April 2010).

Domestic gas producers get as little as 100 USD / 1000 m³.

Item	Customer Group	Price per 1000 m ³ in UAH Average	Price per 1000 m ³ in EUR (exchange rate 9,6)
1	Population (households)	596,32	62
2	Religious organizations	596,32	62
3	Municipal district heating and power stations (CHPs)	872,78	91
4	Enterprises processing of sugar-beet of the harvest of 2009, for production of sugar and preparation of sugar-beet seeds	1 584,40	265
5	Mining, metallurgical and chemical enterprises (as per Government list)	1 899,25	198
6	Maximum price for industries businesses and organisations	2 020,25	210

Source : the ESBS EU project June 2010, i.e. before the price increases of August 2010)

There are some 20 groups of privileged household customers, such as war veterans, Chernobyl victims, military and police personnel etc., who get their gas (and also electricity) either for free or at a greatly reduced price.

*

Following the aforementioned agreement with the IMF, NERC increased retail gas prices for households, based on differentiated annual consumption, provided the household has a gas meter.

Gas price for small households, without a gas meter, remain heavily subsidised. .

Box 4. Gas Sector Reforms

Gas sector reform is a high priority under the government's new economic plan.

- Ukraine is one of the least energy-efficient countries worldwide and highly dependent on imported gas.
- Below-market domestic prices and low payment compliance have weakened Naftogaz's finances, generating the need for budgetary financial support.
- Investment in exploration, extraction, and transportation is insufficient, domestic production is well below potential, and gas transit through Ukraine is at risk due to deteriorating gas networks.

The reforms during the program period aim to complete the agenda initiated under the previous program, including:

- *Gradually bringing domestic gas prices to import-parity.* 50 percent domestic gas price increases for households and utility companies were implemented on July 13, effective August 1, with the next billing period. A further 50 percent increase is planned on April 1, 2011, with semi-annual increases thereafter until import parity is reached for all categories of consumers (with automatic adjustment mechanism planned thereafter). Industrial prices are already at market levels, and preferential tariffs for various industries have been eliminated.
- *Strengthening social safety nets.* To limit the impact of the large gas price increases on the poorest segments of the population, the government is increasing transfers (affecting approximately 5 percent of households) using established support programs.
- *Strengthening payment discipline.* The authorities intend to address the low compliance rates of district heating companies by (i) creating a central independent regulator for setting heating tariffs, and (ii) creating distribution account into which all utility payments are made, and from which payments to Naftogaz are automatically drafted.
- *Liberalization of the gas sector and unbundling of Naftogaz.* In line with the 2009 Brussels declaration, in July 2010, the authorities enacted a new gas sector law that provides for a gradual liberalization. It will also contribute to harmonization with the relevant EU Directive and has opened the way for Ukraine's Energy Community Treaty membership. The law will also provide for a gradual restructuring of Naftogaz, including by adopting separate cost centers for gas imports, domestic gas production and gas transit.

Modernizing the gas transit infrastructure. The authorities are working toward securing a loan from the World Bank, the EBRD, and the EIB to revamp the gas transit infrastructure.

9.7 The Energy Community Treaty and the *Acquis Communautaire*

Ukraine's accession protocol was signed on 24 September 2010 ; accession will be effective as soon as the Parliament has approved the protocol.

The Treaty

The treaty was signed in October 2005 by the European Union and the former East European members of the COMECON. It entered into force on 1 July 2006. Its general objective is to create a single Regulatory space for trade in gas and electricity between adhering parties (a market without frontier). It extends the EU internal energy market to South East Europe and beyond on the ground of legally binding framework.

The aims of the Treaty read as follows

- *Attract investment in power generation and networks in order to ensure stable and continuous energy supply that is essential for economic development and social stability;*
- *Create an integrated energy market allowing for cross-border energy trade and integration with the EU market;*
- *Enhance the security of supply;*
- *Improve the environmental situation in relation with energy supply in the region;*
- *Enhance competition at regional level and exploit economies of scale.*

Each party shall implement the *acquis communautaire*.

The *acquis* includes the *approximation* of the relevant electricity and gas directives (Article 11). Article 18 on Competition prohibits the *abuse of dominant position, public policies that distort competition. It shall be assessed on the basis of criteria arising from the application of the rules of articles 81, 82 and 87 of the Treaty establishing the European Community*).

Enforcement: The Treaty creates a dispute settlement mechanism which bears certain resemblance to the European Union infringement procedures without, however providing a judicial decision in the last instance

Ukraine and the ECT.

For the last few years, Ukraine has been expressing its intention to trade electricity with the European Union. Indeed the construction of two new nuclear units is likely to give Ukraine a sizeable export capacity in the near future (2014 according to today planning). Therefore it has asked for admission to the ECT.

In December 2009, the European Council of Ministers approved the accession of Ukraine to the Energy Community. But effective accession was made conditional of the adoption by Ukraine of a Gas law in compliance with the EU gas Directive (55/2003). A gas law was approved on 8 July 2010 by the Ukrainian parliament. The European Commission

considered that the condition was met although the Gas law is not fully harmonised with the EC directive.

On 24 September 2010 the accession protocol was signed by Mr. Yuriy Boyko, minister of Fuel and Energy of Ukraine and Mr. Fatimi Besimi, Minister of Economy of the former Yugoslav Republic of Macedonia; acting for the Presidency of the Energy Community and Mr. Fabricio Barbaso, Deputy Director-General for Energy at the European Commission.

Günther Oettinger, European Commissioner for Energy said: “This is a major step both for the Energy Community and for Ukraine. Ukraine will have access to pan-European energy market, based on the principles of solidarity and transparency. For the Community, Ukraine is an important new member and security of supply further improved.”

As said before, only a true implementation of laws and regulations will guarantee the *level playing field* between the new entrants and operators of the European Union. To achieve such a result, the main tool of the ECT is persuasion.

9.8 Assistance to SNCRU (Nuclear Safety Agency)

During the last 16 years, EC financed projects in Nuclear safety covered six sectors : On-site assistance, Design, Waste, Safeguards, emergency preparedness and the nuclear safety regulatory agency.

The nuclear safety of the Ukrainian nuclear system has recently been assessed/evaluated in three documents:

- In September 2009 : an *“Integrated Regulatory Review”* of the Ukrainian Nuclear safety regulatory system, undertaken under the aegis of the IAEA by a team of International experts – including experts designed by the Ukrainian government - .concludes that : *SNCRU (the Ukrainian Nuclear Safety Authority) is effectively regulating nuclear safety and is a de facto independent regulatory body.* The review represents a consensus between foreign experts and Ukrainian ones.
- The second document is a *“Nuclear safety evaluation of the Ukrainian Nuclear Power Plant”* prepared under the aegis of the IAEA by a team of international experts. It has not been made public. It is a *self assessment.*
- Another important document is the *“Tacis Nuclear Safety Review Report”* issued in February 2010. That report covers all nuclear programmes financed by the EC during the Tacis years.

The three documents were financed by the European Commission.

This evaluation focuses on the assistance to SNCRU⁸.

Two technical assistance projects were selected for an in-depth analysis. Those projects are, on the European side, implemented by specialists directly involved in day to day activities of controlling nuclear safety in their own countries. They provide a somehow different view of the safety authority.

UK/RA/05. Task 9 UK/RA/05 Task 9 : Impact assessment (April 2005)

Task 9 objective

- *To review the results of the Tacis program as a whole achieved so far, taking into account the regulatory assistance to SNCRU from the time when the assistance started.*

The assessors analysed the results of the last five projects financed by the EC (UK/RA/01 /02/ 03, /04 and /05). They selected 16 themes of assistance and, for each theme, impact was assessed.

⁸ SNCRU calls on SSTC – the state scientific and technical center - for technical advice when needed. Therefore two sets of projects are financed by the EC : one with SNCRU as beneficiary ; the other with SSTC as beneficiary.

The main conclusion is that the Ukrainian Regulator is well acquainted with the regulatory practices in Western Europe.

For sure, it represents the first step of a true ownership of the EC practices by the beneficiary. SNCRU management and experts are now well aware of the Western methodology and practices. They now have the capability to put into practice Western style regulations.

The assessment is well summarized in this paragraph :

At the beginning of the 90s, the nuclear safety and radiation protection supervision in Ukraine was based on the practice used in the former Soviet Union. Since then, a very important progress has been achieved, in particular in the area of the independence of the safety authority and the licensing and supervision of nuclear installations, and, more generally, in safety culture.

The conclusion is summarized in the following paragraph :

Notwithstanding the significant results already reached, there is still a need of assistance and co-operation for further progress.

This report provides a very useful overview of activities undertaken in support of the creation of an independent Nuclear safety Regulatory System.

Nevertheless :

- The true impact on real practices is not analyzed.

Example : the licensing of modifications of NPPs resulting from the installation of pieces of equipment financed by the EC or by EBRD, is done according Western practice. But nothing is said of the implementation of those practices when modifications are not financed by Western institutions.

- The need for further assistance should be justified by a thorough analysis of progress made, obstacles encountered and new priorities.

Activities of the five aforementioned projects (UK/RA/01 to 05) are very similar and the progress made from one project to the next is not analysed. Example: for the last ten years, transferring Western licensing methodology is one of the main activities of Tacis projects. One simply wonders why this item is still on the agenda ; after ten years of efforts the methodology should have been transferred or, at least, the beneficiary should have taken the responsibility – for example through a “*Training the trainees*” project - to train the new staff in that matter.

Last remark : although the project is about practices, neither the Soviet practices nor the EU practices are defined and compared.

The UK/RA/06 project

It started in January 2006 and was completed in May 2008. It is the sixth of a series of projects aimed at assisting the SNCRU. The negotiation concerning the seventh - UK/RA/07 - is still ongoing and it is expected that the project will start in September 2010.

The project includes seven tasks:

1. Regulations and rules
2. Quality management system
3. Training of personnel :
4. Public relations activities : to develop the formation of constructive relations and positive attitude of public society in regard of development of nuclear safety end radiation protection technologies.
5. International project assistance
6. On-site consultant assistance
7. Participation in International Conferences

Bar one (task 6), all activities were follow up of activities included in former projects with SNCRU as beneficiary.

Globally the project proceeded normally. Most tasks resulted, as planned, in the development of documents useful for SNCRU, a better understanding of Western European nuclear safety regulatory methodology and practices and recommendations for enhancement of the SNCRU capacity in nuclear safety.

This evaluation focuses on task 6.

UK/RA/06 Task 6

Task 6 of UK/RA/06 provides a useful complement to the Impact Assessment provided by UK/RA/05.

Task 6 objective:

Support of a consulting team involving two EU experts having the relevant national experience of Soviet designed VVER type reactors with the aim of on-site (i) verification of regulatory methodology and practices against the EU practices and (ii) daily advice on relevant issues with taking into account experience of the new Member States.

It was implemented by a team of two experts during a period of one-and-a-half year. One expert had experience from Russian type reactors, of the passage from a Soviet-Union to an EU-ruled safety regime and no language barriers in Russian. During their on-site presence they followed the SNCRU daily working practices.

Although the final report of task 6 fails to render account of the results of the “*on-site verification of regulatory methodology and practices against the EU practices*”, the team provides a useful insight on the organization of SNCRU.

Below are extracts from their findings:

- SNCRU is highly dependent from decisions on government level.
- The budgetary lump sum doesn't guarantee the economical independency of SNCRU. The solution of this problem needs a change of the Ukrainian legislation.
- Ukrainian rules are not in compliance with internationally recognised ones
- The structure of the regulatory pyramid should be settled as soon as possible

- 90% of incoming mails go directly to the chairwoman. This approach can be considered very old fashioned, slow and time consuming (and not supporting motivation of lower levels in the hierarchy).
- Until now NAEK Energoatom has followed its own schedules very poorly. Generally self discipline in NAEK Energoatom has been poor.
- The process of project proposals submittal, establishment of terms of reference and implementation of project takes much time (in some cases up to three years).
- The minimum demand should be that Ukrainian rules are strictly followed and if it is impossible all deviations should be documented and accepted by authorized Ukrainian bodies. Examples : the safety valves of pressurizer for units 5-6 in Zaporozhe NPP were produced, assembled and taken into operation before acceptance of SNCRU due to unclear questions. This is not clearly against Ukrainian rules but likely against rules of any other West European country; anyhow it is against good practice.
- There are too few specialists responsible of Tacis projects and their subtasks at least at SNCRU. Their possibility to take the ownership of the task/projects is limited and there are examples that projects are completed but just filed. In such a case the job was done for nobody, which means just a loss of money and human resources.
- Western good practices are an unclear statement if not clarified.

The reports concludes that this task should continue and that, in the future, it shall move much more towards realizing the objective to establish an effective management as an *“overall process”* and to get *“concrete results and sustainable capability”* in SNCRU.

It shall be noted that the report has been approved by the chairwoman of the SNCRU.

Conclusions

There is an overall consensus on two statements:

- The presence of European safety experts - directly involved in safety surveillance activities in EU - is surely a help for the SNCRU staff and its technical advisors to improve their capacity.
- The realization of the main objective in terms of improvement of SNCRU management capabilities needs time. Rome has not been built in one day.

But **efficiency** is impaired by:

- An insufficient continuity of the proposed assistance : a two year gap between the completion of UK/RA/06 and the beginning of UK/RA/07 is a good example of that weakness.
- The lack of visibility of the strategy of SNCRU towards what should be done to achieve its ultimate goal: credibility and independence. This lack of visibility is well reflected in the aforementioned report of task 6 of the final report of UK/RA/06.
- Difficulties to assess the results. Several projects were implemented one after another but they look very similar to each other: workshops, training sessions, methodology transfers, contribution to the legislative/regulatory pyramid etc. Evaluation reports – when available - check what is quantifiable: the number of workshops, the number of documents produced etc.
- The involvement of too many agencies in regulating different aspects of nuclear safety.

Annex 9.9: The coal support programme

The project is financed under the provisions of Tacis 2005 Action Programme for Ukraine. It was designed as a Sector Policy Support Programme (SPSP). The beneficiary is the Ministry of the Coal Industry (MOCI). Starting date was 01/09/08; total budget : €10 million; total duration : 28 months; expected end date : December 2010

Total planned input is 9,023 work-days. The allocated means/inputs are available in the requested scope and they are sufficient to carry out the planned activities. The project resources are under the partners' mutual control.

The Overall Objectives of the project are :

- *To advance substantially the development and restructuring of the coal-mining industry in a socially-responsible and cost-effective manner. A socially responsible approach comprises, among other aspects, the careful handling of environmental issues and the gradual elimination of ecological damage caused by mining activities and the closure of unprofitable mines.*
- *To support the MoCI and other stakeholders to improve safety standards substantially by developing a pilot scheme functioning as a model for further development of occupational safety standards and providing a grand scheme to finance innovative proposals in the field of mine safety.*

The project includes five components for which only working documents were available at the time of the evaluation:

- ***Institutional strengthening of the Ukrainian Coal Mining Industry*** : a proposal has been made by the consultant but it will have to be reviewed at the end of the project, after the adoption of the Master plan
- ***Master plan for the restructuring of the Ukrainian Coal Industry*** : A lot of work has been done to gather data on each mine; the aim being to classify them between viable and non viable ones. First draft expected in July. Although it is one of the main outputs, it will not be delivered before November 2010, i.e. one month before the end of the project.
- ***Setting up a Social Development fund*** : similar funds already exist in the area and the contractor will propose to develop some of the existing ones. First proposals expected in July.
- ***Improving Occupational Safety in the Coal mine industry*** : Lethal accidents per ton of coal are 22 times higher than in Poland. That figure alone discourages foreign investors: The situation is much worse in state mines than privatised mines. A pilot project is about to start and, if successful, could easily be replicated in other mines.
- Fortunately, relations with the Coal Safety Authority (independent from the Coal Industry) were very good. Therefore, access to the relevant information was not a problem.
- ***Environmental Risk Assessment of Pollution from mining.***
- The main problem remains that important data are classified.

The project supports the Government strategy to increase the efficiency of the coal sector through privatisation, and in laying the foundations for the restructuring : balance-sheet value, coal deposit value, coal output growth, business outlook, existing financial and social commitments, as well as the investment needed.

Extract from the Result Oriented Monitoring report (March 2009)

No input-related risks threatening project implementation were mentioned in the draft Inception Report (IR).

Efficiency of project implementation during the inception phase was unsatisfactory. The project activities were significantly delayed..

The Contractor faced difficulties due to unavailability of the project office during the inception phase.

The first draft of the IR failed providing either a clear-cut and structured implementation plan or a suitable implementation mechanism. It provides many declarations without an analytical approach. A large number of technical issues are raised in a dispersed manner, without evident implementation logic. There is no analysis of the Beneficiaries' situation and their problems to be addressed by the project. The IR has also failed to correct design problems. The report is rather a list of technical ideas than a suitable project structure. Finally, it was refused by the Beneficiary and not approved by the EC Project Manager.

The second version of IR does not reflect an agreement with the Beneficiary regarding the content and timing of the planned activities. No proper analysis or adaptation of the ToR and the Technical Proposals is provided. A list of wishes and good intentions, without realistic planning of the resources, working mechanism and tools to implement the declared wishes and deliver results.

Overall, the efficiency of the project has been unacceptably low so far.

The ToR envisage that during the inception phase the Consultant should analyse previous evaluations of the coal mining sector, especially related to the categorisation of mining assets. It is recommended to review the role of coal in the energy strategy of Ukraine and the aspects of the "Coal sector Development Concept 2005". Unfortunately this was not realised in full scope.

Extract form the Monitoring report (September 2009)

The communication with the Beneficiary has improved since a new Team Leader has started working. However, taking into account all difficulties during the inception phase, the perspective for the project to achieve the stated objectives in the development and restructuring of the coal sector in Ukraine is rather unpredictable at the moment.

The level of ownership of the project by the beneficiaries is not adequate yet. This is supported by the opinions of the stakeholders.

However, there is still no consensus (and written agreement) on the mechanisms of project implementation: scope of the activities within specific components, involvement of other Ministries, planning and forecast of the allocation of the resources from both sides, common vision of the pilot actions implementation, schedule for delivery of the results and procedures for transfer of the ownership, project milestones, etc.

The third progress report (March 2010)

The third progress report provides an analysis of the work done since September 2009.

Some lessons

1. The TOR were too prescriptive. In a project of such a magnitude (more than 9.000 man/days of expertise) the first phase should deal with an analysis of the situation on the field and only then the second, more precise set of activities should be designed. Still, the second part should be flexible too as the findings could constantly affect some future action
2. Such clearly described first phase would also allow for the assessment of the level of cooperation with the beneficiary. No cooperation - no second stage
3. A too precise description of activities resulted in wasteful utilisation of resources. When for example the consultant found that there was a need for a very substantial assistance of local lawyers, it was too late to modify the ToR accordingly.
4. Too big time lag from the day of the project conception to the day of the start. The three year gap between the project approval and the project's start add to the need for flexibility.
5. Project of this scope and nature should never be attached to any specific line ministry. It's beneficiary should be the Council of Ministers.
6. A full access to information is an essential condition for project's success. It should have been very clearly stated in the TOR that unless the access to information is full and unrestricted up to the level of a normal due dilligence level, the project would be discontinued. The level of the access to info should be assessed in the very first stage of the project.

Annex 9.10: Energy efficiency and the use of renewable energies

The road map on energy efficiency renewable energies and measure to tackle climate change was signed in March 2008. Initial focus is on developing initiatives towards improving the energy efficiency of building and on ensuring a continued exchange of information on energy efficiency and renewable energy projects. (MoU)

The main driver of energy efficiency is the price of energy. The *Energy strategy to 2030*⁹ states that one of Ukraine's main tasks is assuring the coverage of production costs to create conditions for the sustainable development of energy companies. NERC began raising gas tariffs but a lot remains to be done. If the program adopted by the Ukrainian government (see annex 1 for more details) is effectively implemented the situation is likely to improve quite dramatically,

During its early days, Tacis successfully financed several demonstration projects that concerned district heating networks, the food industry, the fuel efficiency in road transport etc. But it has been less successful in assisting the Ukrainian government to develop an Energy Saving policy with efficient institutions.

In December 2005, the government created the NAER (The National Agency for the Effective Use of Energy Resources) whose mandate is to guide the government policy on energy efficiency. Energy prices are not part of its mandate.

The government started an ambitious policy to develop renewables. The NERC issued a special tariff for renewables. So far, beside a few small projects in the frame of INOGATE, the EC has not been active in this domain.

UKRESKO

At the end of the 90's, the European Commission contributed to the creation of UKRESKO, an Ukrainian Company which would, with the help of a loan of the EBRD, provide small and medium sized loans to energy saving investment projects submitted by Ukrainian enterprises.

The effective creation of UKRESKO was delayed by several years after an unsuccessful quest for private investors in the capital of UKRESKO. Therefore it was decided that UKRESKO would be a State owned company, with the aim to privatise the company after two years, in the hope that it will have then proved its efficiency.

⁹ Which, after the crisis, needs to be overhauled but still provides the main orientations of the energy policy. It was elaborated with V Yanukovitch as Prime minister.

UKRESKO is funded by the EBRD under Ukraine's sovereign guarantee. In 2009, it has received a loan from the EBRD in the amount of 20 m€ under the loan agreement between the two parties dated October 21, 2005.

EBRD

Besides UKRESKO, the EBRD has taken several initiatives, among them:

It manages a €90m special fund - the E5P - created at the initiative of the Swedish presidency, that will provide grants to projects that include a significant energy efficiency component. The fund is supported by grants from the government of Sweden, the European Union and other donors, including Ukraine. It is expected to be complement energy efficiency loans provided by IFIs. The grant can represent up to 30% of the total cost of a project. Priority will be given to district heating project.

The structure is not operating so far, given that the respective agreements have not been signed between Ukrainian government and other sponsors.

Numbers of individual projects with different municipalities have been designed for a total amount of 300m€. But the money cannot be disbursed for various regulatory reasons.

The World Bank

Promoting energy efficiency and renewable energies is one of the priorities of the World Bank. It presently contributes with a 160 \$m loan facility directly devoted to Energy Efficiency.

In January 2010, the WB issued a document aimed at creating an “*Investment Plan for the Clean Technology Fund*” (CTF). This document provides a detailed analysis of the situation – sector by sector – and develops a comprehensive program for further actions. The primary financial instruments that could be used to support the CTF preparatory work and help identify and resolve potential issues are grants and loans.

Grants funding would be used to advance projects and help identify and resolve potential implementation issues. The proposed loan program would support four projects: Ukraine Renewable Energy Financing Facility, Energy Efficiency, Smart Grids and Zero Emissions Power gas Network. Ukraine needs US\$350 million of CTF financing, representing about 13% of the US\$2,6 billion overall financing needs.

A new impetus for the cooperation between the EC and Ukraine.

The road map on efficiency and renewables was signed in March 2008 in the framework of the MoU on energy. It will give a new impulse to the cooperation between the EC and Ukraine. The last meeting of the working group agreed the following objectives :

- the improvement of normative and legal framework in the sphere of energy efficiency, alternative and renewable energy sources and approximation of relevant Ukrainian legislation with that of the EU acquis.
- promoting energy efficiency and the introduction of energy efficient technologies in priority fields such as in building and domestic metering systems and on promoting and facilitating the commercial production and use of renewable energy sources.

It was also agreed to continue exploring how to include broader support to capacity building and policy development in the framework of a twinning project in support of NAER (the Ukrainian Agency for Efficient Use of Energy Resources).

A State Targeted Economic Programme on Energy Efficiency for the period 2010-2015 was adopted by the government in March 2010. Its main objectives are:

- Decrease Ukraine's energy intensity by 20% in 2015 compared to 2008
- Decrease CO2 emission by 15% in 2015 compared to 2008
- Decrease heat losses in the housing sector by 50% compared to 2008

This document includes an investment programme over the period so Ukraine can meet the abovementioned objectives.

Much will now depend on financing and of the capacity of NAER to coordinate the stakeholders and to help garner the relevant financing. Moreover, branch energy efficiency programmes for the period 2010-2014 have been approved. A new law on energy savings is being discussed at the Parliament.

A sector budget support programme was signed in December 2009. A twinning project and a project to assist the government to manage the SBS are likely to bring a decisive contribution to that policy.

Conclusions

Lessons should be drawn from similar projects (the electricity twinning project and the SBS project).

Special attention should be given to the coordination with the WB programme briefly described above and other donors. The recent publication by the WB of the list of on-going energy efficiency projects financed by IFIs is good start.

A thorough analysis of the results achieved by a number of well selected sectoral projects financed by different donors during the last ten years would certainly be of great help (immediate results and dissemination of those results).

Annex 10 – To what extent have the recommendations of the previous evaluation been taken into consideration

Recommendations of the Country Strategy Evaluation released in 2003	Consultants' observations
<p>At the strategy/ policy level, the Commission should:</p> <ul style="list-style-type: none"> (a) consider possible PCA benchmarking and roadmaps (for example, for WTO membership, harmonisation, governance), in order to develop the PCA into a better-adapted and more practical tool; (b) consider setting up a new TACIS mandate and regulation, better adapted to the Ukraine; (c) support the decentralisation process at every appropriate level; (d) maintain dialogue and support to the NCU, and promote the use of the NCU as a national 'referee/ intermediary'; (e) strengthen the overall planning process by including beneficiaries as early as possible in project preparation 	<ul style="list-style-type: none"> (a) The EU-Ukraine Action Plan adopted in 2005 is a more practical tool than the PCA and defines clear benchmarks (b) From January 2007 TACIS was replaced by the European Neighbourhood Policy Instrument (ENPI) (c) The EC implemented projects in support of regional development at Oblast, city and village level (Main Report § 4.4.4) (d) NCU has remained the main interlocutor of the Commission for the programming of EC aid and the identification of interventions (e) Direct beneficiaries are closely involved in the formulation of projects (Main Report § 4.1.1)
<p>In the first Area of Co-operation (AoC) (institutional, legal and administrative reforms), the Commission should give the priority to:</p> <ul style="list-style-type: none"> (a) continuing UEPLAC, and better co-ordinating legal constraints with UEPLAC agenda; (b) integrating mechanisms that focus on follow-up of laws, linked with overall transparency framework and decentralisation measures (see 3rd AoC); (c) making optimum use of pragmatic lessons learned from previous projects, in particular, using a regulatory board to avoid conflicts on priority and agendas, focusing on operational matters and continuing to develop training components; (d) continuing CBC and JHA programmes, and apply the lessons to Ukraine's other borders; (e) convergence and coherence of IPs and APs from one cycle to another to achieve a sustainable policy within a long-term strategy. 	<ul style="list-style-type: none"> (a) UELAC has been continued up to now (b) UEPLAC has developed a database "Management Information System on Legal Approximation", nowadays managed by the Main Civil Service Department, which provides information on the legal approximation programme of the GoU and on its implementation (c) As noted above priorities are defined in close cooperation with the NCU; with the entry into force of the ENPI in 2007, the Commission may make use of Twinning, which is a powerful instrument in support of legal approximation. (d) CBC and JHA programme have been continued. Border management is an area where EC cooperation has been particularly effective (Main Report sub-section 4.8) (e) We did not notice any lack of coherence between IPs and APs.

<p>In the second AoC (economic development), the Commission should give priority to:</p> <p>(a) the creation of a favourable environment for business and investment, in co-ordination with other donors;</p> <p>(b) organising with donors an <i>integrated and coherent framework of key sectors</i> (for example transport, agriculture, energy and environment);</p> <p>(c) measures to open the economy;</p> <p>(d) measures to further stimulate entrepreneurship;</p> <p>(e) devising measures to stimulate demand for business support services;</p> <p>(f) continuing its financial sector restructuring efforts and technical assistance;</p> <p>(g) planning more assistance, through TACIS, to agricultural sector SMEs;</p> <p>(h) reviewing the opportunities (including Joint Implementation) within the Kyoto Protocol, which may provide a basis for significant investment in the Ukraine.</p>	<p>(a) Much attention has been given by the Commission to the establishment of a legal environment conducive to economic growth (Main Report § 4.4)</p> <p>(b) This recommendation is not very clear. Developing policy frameworks at sector level is a responsibility of the Government. In the energy sector the EC is closely cooperating with the IFIs, which have a key role to play in the modernisation of the sector.</p> <p>(c) The Ukrainian economy is wide open to trade. The Commission contributed to Ukraine accession to WTO and is currently negotiating a Free Trade Agreement (Main Report Sub-Section 4.5).</p> <p>(d) The EC implemented several projects in support of SMEs (Main Report § 4.4.2)</p> <p>(e) This recommendation has been addressed through regional development projects and the support given to SCURPE</p> <p>(f) Projects have been implemented in support of the financial and insurance sector (Main Report § 4.4.1)</p> <p>(g) A sector-wide approach in support of agricultural development is currently under implementation</p> <p>(h) In 2005 the GoU adopted a National Action Plan for Implementation of the Kyoto Protocol</p>
<p>In the third AoC (social transition), the Commission should support:</p> <p>(a) the setting-up of a comprehensive support structure for NGOs and other concerned non-State actors;</p> <p>(b) increased <i>transparency</i> at every appropriate level to create an overall framework conducive to good governance, and effective decentralised partnerships between NGOs and local authorities;</p> <p>(c) strengthening co-operation with the committed Ministry of Labour in the new pipeline projects of social and health insurance;</p> <p>(d) decentralisation as a core issue for NGOs and municipalities;</p> <p>(e) measures against trafficking in women and HIV/AIDS, improvements to safety in coal mines, and the conditions of destitute youth and elderly;</p> <p>(f) specific measures for new land-less farmers and destitute miners' communities, through decentralised CSOs.</p>	<p>(a) Over the period 2002-2009 the Commission implemented more than 40 projects in support of CSOs</p> <p>(b) This recommendation has been addressed by the project “Strengthening Civil Society in Ukraine” (Main Report § 4.2.2)</p> <p>(c) EC attempts to promote reforms of the social and health insurance systems met strong resistance (Main Report § 4.3.1)</p> <p>(d) Decentralisation and involvement of NGOs at municipal level have been addressed by local development projects (Main Report § 4.4.4) and by the project project “Strengthening Civil Society in Ukraine”</p> <p>(e) All these issues have been addressed: Trafficking in women through the support to the State Border Guard Service (Main Report § 4.8.2); HIV/AIDS by projects in support of the health sector (Main Report § 4.3.1); safety in coal mines by the Coal Sector Policy Support Programme (Main Report § 4.7.4) and destitute youth and elderly by the EC support to NGOs (Main Report, § 4.2.2)</p> <p>(f) Support to CSOs has been mainly provided through a call for proposals</p>

	<p>process and hence addressed issues which CSOs has themselves selected as deserving attention.</p>
<p>In regional and horizontal aspects, the Commission should place emphasis on enhancing <i>complementarity</i> of successful programmes with national activities by:</p> <p>(a) supporting INOGATE efforts to attract private investments, and applying lessons learned to TRACECA; (b) enhancing commitment and sense of ownership in regional programmes through national projects; (c) replicating the Mariupol wastewater management project; (d) ensuring follow-up support of UKRESCO, if appropriate; (e) continuing K2R4 loan negotiations and enhancing nuclear safety; (f) supporting the 5th Ministerial ‘Environment for Europe’ conference, and following-up initiatives conducive to enhanced commitment and ownership.</p>	<p>(a) INOGATE carried out the diagnostic study of the Ukrainian Gas Transit System, which served as a basis for the Government Modernisation Programme, which IFIs are invited to finance (Main Report § 4.7.3) (b) This remains an issue. (c) EC projects in support of regional and local development led to significant investments in the area of water supply and wastewater management (Main Report § 4.4.4). (d) UKRESCO continued its activity with the support of EBRD loans (Main Report § 4.7.5) (e) Nuclear safety has been a major area of the EC cooperation with Ukraine (See Main Report § 4.7.1) (f) As pointed out in the report (main Report Sub-Section 4.6) EC support to the environment policy and to its implementation has been unsatisfactory but as been given very recently a new impetus.</p>
<p>In respect of knowledge tools, the Commission should:</p> <p>(a) choose an effective <i>information and communication policy</i> directed both towards Ukraine and EU Member States; (b) consider reforming the TACIS Information and Communications Programme (TICP) to bring it closer to the Delegation information structures, <i>or</i> include a communication and information clause in every contract. <i>Alternatively</i>, create a real resource centre, replacing TICP.</p>	<p>(a) & (b) This recommendation is no more relevant. From the 1/01/2007 TACIS has been replaced by ENPI. Furthermore the EU and Ukraine have been entered into negotiation of an Association Agreement.</p>

Annex 11 - List of Persons Met

Name	Institution	Position
ANDRUSEVYCH Andriy	Resource & Analysis Center "Society and Environment"	Governing Board Member
ANDRUSEVYCH Natalia	Resource & Analysis Center "Society and Environment"	Governing Board Member
BALABUSHKO Olexiy	World Bank	Economist
BARDELAY Joël	Riskaudit	Managing Director
BOIKO Evgen	State Customs Service	Head of International Relations
BOLSHAKOVA Olga	Independent Association of Broadcasters	Head of the legal initiatives centre
BONDINI I.	Ministry of Labour and Social policy	Section Head, Organization of Professional Orientation
BORRIES Philippe	EU Delegation to Ukraine	Sector Manager Statistics, Customs
BOZHKO Sergiy	SNCRU	Deputy Chair person
BUDAGOVSKA Svitlana	World Bank	Economist
BURACHENKO Victoria	British Embassy	Senior Trade Development Advisor
BURLAY Tatiana	Ministry of Coal	Assistant to the Deputy Minister
BYSTRYTSKY Yevhen	International Renaissance Foundation (IRF)	Executive Director
CARPENTER Douglas	European Commission, DG External Relations	Economic Desk Officer for Ukraine
CHERNIY Olena	Main Department of the Civil Service, Centre for Adaptation to EU Standards	Project Manager
CHOUHA Michel	Riskaudit	Local Representative
DEREVIANKIN Valentin	Harmonisation of Competition and Public Procurement Systems	Deputy Team Leader
DEREVYENKO Anna	European Business Association	Executive Director
DJORDJEVIC Margareta	European Commission, DG Energy	International Coordination Officer
DROZDOWSKIJ Bohdan	Implementation of Ukraine's commitments under WTO and ENP Frameworks in the Rural Sector	Team Leader

DUNAYLO Sergiy	NERC	Commissioner
DUNCAN Allan	British Embassy	Head of Political Section
DURUFLE Anne	French Embassy	Conseillère de coopération
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GARAGNANI Laura	EU Delegation to Ukraine	Head of the Operations Section
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GLAZKOV Dmytro	World Bank	Energy and Infrastructure
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GROMOV Gregory	SSTC	Director
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JANUSZEWSKI Andrzej	European Commission, DG Environment	Desk Officer for Ukraine and Central Asia
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KOSTRYTSIA Vasyl	International Labour Organisation	Journalist
KOSTYUSHIN Vasiliy	Wetlands International	Programme Coordinator
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KRUGLYK Sergiy	National Bank of Ukraine	Director
KULCHITSKA	Ministry of Energy	Nuclear Sector

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LEHTIMAKI Heikki	Energy Budget Support Technical Assistance Project	Key expert
LEVAUDEL Laurence	French Embassy	Attachée de coopération
LUKIANOVA Natalia	State Social Services for Family and Youth	Director
LYTVYN Volodimir	EBRD	Senior Banker
LYZUN Stepan	Ministry of Environment	Deputy Minister
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MAKELA Y.	European Commission, DG Relex, ENP Sector Coordination	Sector Policy Coordinator
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MORFIS Kyriakos	INOGATE	Team Leader
MUDRAK Larysa	National Television and Radio Broadcasting Council of Ukraine	Deputy Director
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PERSSON Bodil	European Commission, EuropeAid Co-operation Office, Cross Border Cooperation	Coordinator
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POKANEVYCH Igor	World Health Organisation	Head of WHO Country Office in Ukraine
POPOVA N.	Ministry of Labour and Social Policy	Ministry Deputy Director; Head of Section for International Cooperation and European Integration
POSTIUK O.	Ministry of Labour and Social Policy	Deputy Director, Department of Social Partnership and Social Insurance
PSCHENYCHKA Oleksiy	Ministry of Coal	Deputy Minister
PYROZHKOVA Leonid	Ministry of Economy, Directorate for Cooperation with the EU	Director

RADAUTAN Ludmila	EU Results-Oriented Monitoring Programme for European Neighbourhood Countries	Monitor
RHEIN Hans	EU Delegation to Ukraine	Head of Section Infrastructure
RIEGER Ricarda	UNDP	Country Director
ROGERS Stephen	IOM	Project Manager
ROZHKOVA Oleksiy	Ministry of Economy, Directorate for Co-operation with the EU	Deputy Director
RYBALKO Ivan	Ministry of Interior	Head of Anti-Illegal Migration Task Force
SAID ISSA Lemlem	Twinning project Electricity	Team Leader
SAMUSEVYCH Maxim	State Border Guard Service	Senior Officer
SAURENBACH Christoph	EU Delegation to Ukraine	Sector Manager Customs and Security
SCHWANDT Frederic	European Commission, DG Trade	Policy Coordinator - Bilateral FTA negotiations - Ukraine
SEDOVA Olga	Promotion of European Standards in the Ukrainian media environment	Project Officer
SHAMATENKO Roman	Ministry of Environment	Head of European Integration Unit
SHERSTNIKOV Victor	Ministry of Interior	Head of International Relations
SHEVCHENKO Andriy	Parliament	Deputy
SHEVCHENKO Oleg	Ministry of Environment	Head of International Cooperation department
SHEVCHENKO Taras	Media law Institute	Director
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SOBOLEV Ehor	“Svidomo”	Coordinator

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ZERKAL Olena	Ministry of Justice	Director of Department for Legal Approximation
ZHOVTUKHA Volodymyr	Ministry of Economy, Department for Regulatory Policy	Head of Department
ZHYKOVSKA Galina	Ministry for Family, Youth and Sport	Director
ZRALEK Jan	European Commission, DG Taxation and Customs Union	International Coordination Officer

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In relation with EQ2 on Justice and the Rule of Law		
Razumkov Centre	Results of opinion polls on the judicial system	2005-2010
Council of Europe	Action Plan for Co-operation with Ukraine 2005-2008	2005
OECD	Anti-Corruption Network Ukraine Country Report	2006
CIVICUS	Civil Society on Ukraine: “Driving engine or spare-wheel for change?”	2006
Government of Ukraine	Concept for improvement of the judicial system and ensuring fair trial in Ukraine in line with European Standards	2006
International Centre for Migration Policy Development	EU Justice, Freedom and Security Assessment Missions to Ukraine. Final Report	2006
Kuts Svitlana	Civil Society in Ukraine: Driving engine or spare wheel for change; Civicus Civil Society Index Report for Ukraine	2007
Groupe d’Etats contre la Corruption (GRECO)	Evaluation Report on Ukraine	2007

Razumkov Centre	Non-Governmental Think Tanks in Ukraine: capabilities, Challenges, Prospects	2007
Venice Commission	Opinion on the draft law on the judiciary and the draft law on the status of judges; Opinion No. 401 / 2006	2007
Conseil de l'Europe	Rapport du Commissaire aux Droits de l'Homme M. Thomas Hammarberg sur sa visite en Ukraine 10-17 Décembre 2006	2007
Council of Europe	Action Plan for Co-operation with Ukraine 2008-2011	2008
Centre for Judicial Studies	Monitoring of Judicial Independence in Ukraine	2008
European Court of Auditors	The Effectiveness of EU Support in the Area of Freedom, Security and Justice for Belarus, Moldova and Ukraine	2008
US State Department	2008 - Human Rights Report: Ukraine	2009
IBF International Consulting	A Mapping Study of Civil Society in Ukraine	2009
Council of Europe	Action Plan for Co-operation with Ukraine 2008-2011, Progress Report July 2008-July 2009	2009
Groupe d'Etats contre la Corruption (GRECO)	Compliance Report on Ukraine	2009
Council of Europe	Council of Europe Action Plan for Ukraine 2008 -2011, Progress Report	2009
Freedom House	Freedom of the Press	2009
Association of European Journalists	Journalists in Ukraine face interference and pressure” - AEJ special report 2009	2009
EU Results-Oriented Monitoring Programme for ENP Countries Belarus, Moldova and Ukraine	Multi-project ROM, Ukraine, Rule of Law Projects	2009
Freedom House	Nations in Transit - Ukraine	2009
Stewart Susan	NGO development in Ukraine since the Orange Revolution, in: Juliane Besters-Dilger (ed), Ukraine on its way to Europe: Interim results of the Orange Revolution	2009
Venice Commission	Opinion on the Draft Law of Ukraine on the Office of the Public Prosecutor	2009
Razumkov Centre	Political Corruption in Ukraine: Actors, Manifestations, Problems of Countering	2009
Association of European Journalists	Report on the freedom of speech in Ukraine in 2009	2009

USAID	The 2008 NGO sustainability index	2009
Freedom House	Freedom in the World	2010
Venice Commission	Joint Opinion on the Draft Law on the Judicial System and the Status of Judges of Ukraine	2010
International Centre for Policy Studies	Mission Out: Civil Society and ENPI	2010
In relation with EQ3 on Social Protection and Social Assistance		
World Health Organisation	Healthcare systems in transition, Ukraine	2004
Government of Ukraine	Millenium Development Goals Report 2000+5	2005
International Labour Organisation	Social security and reforms in Ukraine	2005
World Bank	Social Assistance System Modernization Project, Project Appraisal Document	2005
World Bank	Socioeconomic Impact of HIV/AIDS in Ukraine. The World Bank and International HIV Alliance in Ukraine. Washington: World Bank; 2006.	2006
Betliy Oleksander, Kuziakiv Oksana, OnishenkoKateryna	The evaluation of health care system in Ukraine in the context of structural and quality-enhancing reforms.	2007
CASE	EU-Ukraine FTA Social Impact Analysis	2007
Rohozynski Oleksander	Developing a safety net for Ukraine	2007
World Health Organisation	The Ukrainian health financing system and options for reform	2007
Blue Ribbon Analytical and Advisory Centre	Pension reform: Challenge for Ukraine	2008
Council of Europe	1st National Report on the implementation of the European Social Charter (revised) submitted by the Government of Ukraine	2008
Gouvernement of Ukraine	First report on the implementation of the European Social Charter	2008
International Centre for Policy Studies	Hard times at the Pension Fund	2008
Ivanchenko Liudmyla	The problem of medical insurance in transitional countries: Lessons for Ukraine	2008
Ministry of Labour and Social Policy	Pension system in Ukraine, Essential facts and numbers	2008
WHO	Bulletin of the World Health Organization; Print version ISSN 0042-9686; Bull World Health Organ vol.86 no.2 Genebra Feb. 2008.	2008

Ministry of Labour and Social Policy	State Employment Service of Ukraine – Fund executive administration of the compulsory state social unemployment insurance of Ukraine	2009
Romaniuk Scott Nicholas	Welfare State Reform in Ukraine: A Case Study of Law of Ukraine on State Assistance to Families with Children	2009
World Health Organisation	Ukraine Health Profile	2009
CASE	Pension reform options for Russia and Ukraine	2010
Government of Ukraine	National Report on monitoring progress towards the UNGASS Declaration of Commitment on HIV/AIDS	2010
In relation with EQ4 on Economic development		
Council of Europe (Venice Commission)	Observations on the Draft National Strategy on the Reform of the Territorial Organisation System of the Authorities in Ukraine	2004
World Bank	Doing business in 2004	2004
Council of Europe	Report on Local and Regional Democracy in Ukraine	2005
International Monetary Fund	Ukraine: 2004 Article IV Consultation—Staff Report	2005
International Monetary Fund	Ukraine: 2005 Article IV Consultation and Ex Post Assessment of Longer-Term Programme Engagement - Staff Reports	2005
International Centre for Policy Studies	Fiscal Decentralization in Ukraine in the context of reforming local government	2006
Navruzov Yury	Local Government in Ukraine	2006
SIGMA	Ukraine Governance Assessment	2006
European-Ukrainian Policy and Legal Advice Centre	An opinion on the compatibility of the Public Procurement Law of Ukraine* with WTO and EU best practices and the practical issues for its implementation	2007
International Monetary Fund	Ukraine: 2006 Article IV Consultation—Staff Report	2007
International Monetary Fund	Ukraine: Statistical Appendix	2007
SIGMA	Ukraine Governance Assessment (Update)	2007
World Bank	Project Document Appraisal on a Loan to Ukraine for the Public Finance Modernization Project	2007
World Bank	Ukraine: Poverty Update	2007
World Bank	Ukraine Public Financial Management Performance Report 2006	2007
World Bank	Public Finance Modernization Project; Project Appraisal Document	2007

EU-Ukraine Policy and Legal Advice Centre	Legal approximation measures 2005-2007	2008
EU-Ukraine Policy and Legal Advice Centre	NPLA (National Programme for Legal Approximation) implementation measures 2005-2007	2008
International Monetary Fund	Ukraine: 2008 Article IV Consultation—Staff Report	2008
International Monetary Fund	Ukraine: Request for Stand-by Arrangement—Staff Report	2008
Local Government and Public Service Reform Initiative (LGI)	Positioning LGI/OSI policy dialogue to support decentralisation in Ukraine	2008
OECD	Ukraine – Peer Review of Competition Law and Policy	2008
Razumkov Centre	Competitiveness of the Regions of Ukraine: State and Problems	2008
World Bank	Ukraine. Improving Intergovernmental Fiscal Relations and Public Health and Education Expenditure Policy: Selected Issues	2008
Blue Ribbon Analytical and Advisory Centre	Policy Recommendations on Economic and Institutional Reforms 2009	2009
European Business Association	Overcoming Obstacles to Business Success	2009
European Commission	Support to Development of Business Capacity of Ukrainian SMEs - International Dimension, Current SME support structure in Ukraine, Baseline report	2009
European-Ukrainian Policy and Legal Advice Centre	Completion Report of UEPLAC IV	2009
European-Ukrainian Policy and Legal Advice Centre	Background issues and possible implications resulting from implementation of the future EU-Ukraine Association Agreement and Free Trade Area as its core component	2009
FISCO	The Impact of the Economic Downturn on Local Government: What can we do about it?	2009
International Monetary Fund	Ukraine: First Review Under the Stand-By Arrangement-Staff Report	2009
International Monetary Fund	Ukraine: Second Review Under the Stand-By Arrangement and Request for Modification of Performance Criteria - Staff Report	2009
International Monetary Fund	Ukraine—Stand-By Arrangement—Review Under the Emergency Financing Mechanism	2009
World Bank	Governance matters. Worldwide Governance Indicators 1996-2008	2009
World Economic Forum	Te Global Competitiveness Report 2009-2010	2009

World Economic Forum	Global Competitiveness Report 2009-2010	2009
American Chamber of Commerce	Partnership for successfully competing in the global economy - Ukraine	2010
Blue Ribbon Analytical and Advisory Centre	Support to Economic Reforms in Ukraine through the Blue Ribbon Advisory and Analytical Centre - Project Final Report	2010
Independent International Experts Commission	Proposals for Ukraine: 2010 – Time for Reforms	2010
World Bank	Doing Business 2010 Ukraine	2010
In relation with EQ5 on Trade and Foreign Direct Investment		
World Bank	Ukraine: Trade Policy Study	2004
Crane K. and Larrabee F.	Encouraging Trade and Foreign Direct Investment in Ukraine	2007
European Commission	Trade Sustainability Impact Assessment for the FTA between the EU and Ukraine within the Enhanced Agreement, Final Report	2007
European Business Association	EBA Position Paper to EU-Ukraine Free Trade Area Negotiations	2008
International Financial Corporation	Technical Regulations in Ukraine: Ensuring Economic Development and Consumer Protection	2008
World Economic Forum	The Global Enabling Trade Report 2008	2008
World Trade Organisation	Report of the Working Party on the accession of Ukraine to the World Trade Organisation	2008
Blue Ribbon Analytical and Advisory Centre	One year of Ukraine's Membership in WTO	2009
European Commission	Twinning Project: Strengthening of Standardisation, Market Surveillance, Metrology and Legal Metrology, Conformity Assessment and Consumer Policy in Ukraine. Final Report	2009
EU-Ukraine Policy and Legal Advice Centre	Aide-mémoire. Background issues and possible implications resulting from implementation of the future EU-Ukraine Association Agreement and Free Trade Area as its core component	2009

Government of Ukraine, Main Civil Service Department	A policy on overcoming technical trade barriers: standardization and conformity assessment	2009
International Finance Corporation	Investment Climate in Ukraine as seen by Private Businesses	2009
UNCTAD	World Investment Report	2009
World Economic Forum	The Global Enabling Trade Report 2009	2009
World Bank	Ukraine Trade and Transit Facilitation Study	2010
In relation with EQ6 on Environment		
European Commission	Environmental information, Education and Public Awareness, NIS, Final Report	2004
International Commission for the Protection of the Danube River	Evaluation of Policies, Regulation, and Investment Projects Implemented in the Danube River Basin Countries in Line with EU Directives and Regulations	2004
UNDP	Capacity Building Needs Assessment for the Implementation of the UN/ECE Strategic Environmental Assessment Protocol	2004
European Commission	Sustainable Integrated Land Use of the Eurasian Steppes, Terms of Reference	2006
OECD	Performance Review of the State Environmental Protection Fund of Ukraine	2006
European Commission	Communication of the Commission to the Council and the European Parliament: Black Sea Synergy – A new regional cooperation initiative COM(2007) 160 Final	2007
OECD	Policies for a better environment, Progress in Eastern Europe, Caucasus and Central Asia	2007
OECD	Translating environmental law into practice. Progress in modernising environmental regulation and compliance assurance in Eastern Europe, Caucasus, and Central Asia	2007
United Nations Economic Commission for Europe	Environmental Performance Reviews, Second Review, Ukraine	2007
Eco-Pravo (EPL)	Annual Report	2007-2008
Swedish International Development Agency	Ukrainian Environment Policy and Future SIDA Assistance in the Sector	2008
European Commission	Evaluation of Environment projects under TACIS Regional Action Programmes and Identification of Environment projects for ENPI East 2010-2013	2009

European Commission	Convergence with EU environmental in Eastern Europe, Caucasus and Central Asia; A Guide	2009
Government of Ukraine, Main Department of Civil Service	Development of Water Resource Management Policy under the “Environment” Section of the EU-Ukraine Action Plan	2009
Mott McDonald	Environmental collaboration for the Black Sea: Georgia, Moldova, Russia and Ukraine, Final Report	2009
Resource and Analysis Center “Society and Environment”	Assessment of the EU-Ukraine Action Plan Implementation: Environment and Sustainable Development	2009
European Commission	Sustainable Integrated Land Use of the Eurasian Steppe, Assessment of steppe protection and restoration policy of Ukraine, Moldova, Russia	2010
European Commission	Water governance in the Western EECCA countries, Project completion report	2010
UNECE / WHO	Summary report about progress in implementation of Protocol on Water and Health, Ukraine	2010
In relation with EQ7 on Energy		
BCEOM	Support the Energy Market Reform. Final Report	2005
Government of Ukraine – European Commission	Memorandum of Understanding on Cooperation in the Field of Energy between the European Union and Ukraine	2005
Government of Ukraine – European Commission	First Joint EU-Ukraine Report, Implementation of the EU-Ukraine Memorandum of Understanding on Energy Cooperation during 2006	2006
International Energy Agency	Ukraine Energy Policy Review	2006
CASE	Overview of the Electricity Market in Ukraine	2007
Government of Ukraine – European Commission	Second Joint EU-Ukraine Report, Implementation of the EU-Ukraine Memorandum of Understanding on Energy Cooperation during 2007	2007
Tsarenko Anna	Overview of the electricity market in Ukraine	2007
World Bank	Ukraine - Power Transmission Project in support of the Energy Sector Reform and Development Programme - Project Appraisal Document	2007
European Commission	Evaluation of EC support to partner countries in the area of energy	2008
Government of Ukraine – European Commission	Third Joint EU-Ukraine Report , Implementation of the EU-Ukraine Memorandum of Understanding on Energy Cooperation during 2008	2008

INOGATE	Report on the progress made by the EU and the INOGATE Partner Countries toward achieving the objectives of the Energy Road Map adopted at the 2nd Ministerial Conference in Astana on 30 November 2006	2008
Razumkov Centre	Gas marketsof the EU and Ukraine: Problems of integration and development. National Security and Defence, n°8	2008
Razumkov Centre	Nuclear energy in the world and in Ukraine: State and prospects of development. National Security and Defence, n°3	2008
Government of Ukraine – Government of the Netherlands	Biomass Action Plan for Ukraine	2009
Government of Ukraine – European Commission	Fourth Joint EU-Ukraine Report , Implementation of the EU-Ukraine Memorandum of Understanding on Energy Cooperation during 2008	2009
International Centre for Policy Studies	Ukraine and Energy Community: the law of attraction of energy	2009
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Italian Authority Energy Regulation	Twinning project with NERC. Terms of Reference. Gas.	2009
Razumkov Centre	Diversification projects in Ukraine’s energy sector: progress, problems, and ways of implementation. National Security and Defence, n°6	2009
Zhelyesna Tetyana & Gelethuka Georgiy	Ukraine, Recent Developments in Bio-energy, Communication to the International 4biomass Conference	2009
Italtrend	The Tacis Nuclear Safety Report	2010
World Nuclear Association	Nuclear Power in Ukraine	2010

In relation with EQ8 on Border Management		
Border Monitoring Project Ukraine	Fact finding missions, Chop Detention Centre	2009-2010
Uehling Greta	Unwanted migration: combating and unwittingly creating irregular migration in Ukraine. UNHCR Working paper 109	2004
UNHCR, Uehling Greta	Unwanted migration: combating and unwittingly creating irregular migration in Ukraine	2004
European Commission	Communication from the Commission to the Council on the monitoring and evaluation mechanism of the third countries in the field of the fight against illegal immigration COM(2005) 352 Final	2005
Human Rights Watch	Ukraine, Rights Violations against Migrants and Asylum Seekers at the New Eastern Border of the European Union	2005
Council of Europe	Report by the commissioner for human rights Mr Thomas Hammarberg on his visit to Ukraine 10 – 17 December 2006, for the attention of the committee of ministers and the parliamentary assembly	2006
Human Rights Watch	Ukraine: On the Margins Rights Violations against Migrants and Asylum Seekers at the New Eastern Border of the European Union	2006
Human Rights Watch	Managing migration means potential EU complicity in neighboring States' abuse of migrants and refugees	2006
Human Rights Watch	Ukraine: On the Margins Rights Violations against Migrants and Asylum Seekers at the New Eastern Border of the European Union	2006
International Centre for Migration Policy Development	EU Justice Freedom and Security. Assessment mission to Ukraine	2006
UNHCR	UNHCR in Ukraine	2006
UNHCR	Fortress Europe: The wall is getting higher	2006
Andrysek Oldrich & Rantala Tarja	The Local Integration of Refugees in the Republic of Belarus, the Republic of Moldova and Ukraine	2007
Andrysek, Oldrich; Rantala, Tarja	Local Integration of Refugees in Belarus, Moldova and Ukraine, Interim Report, Presented to the Cross Border Cooperation/ Söderköping Process, Senior Level Review Meeting, 6 – 7 of September 2007, Stockholm.	2007

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Council of the European Union	Agreement between the European Community and Ukraine on the readmission of persons	2007
Düvell Franck	Ukraine, immigration and transit country for Chechen refugees	2007
European Commission	Aeneas programme - Programme for financial and technical assistance to third countries in the area of migration and asylum - Overview of projects funded 2004 - 2006	2007
UNHCR	Ukraine: UNHCR concerned by rise in attacks on asylum seekers, refugees	2007
UNHCR	UNHCR Position on the Situation of Asylum in Ukraine in the Context of Return of Asylum-Seekers	2007
GDISK Ukraine	Capacity Building and Technical Support to Ukrainian Authorities to Effectively Respond to Irregular Transit-Migration (ERIT)- Inception Report	2008
International Organisation for Migration	Migration in Ukraine: a Country Profile 2008	2008
International Organization for Migration	Migration in Ukraine: A Country Profile	2008
Zimmer Kerstin	Migrants and Refugees in the Buffer Zone: Asylum Policy in Ukraine	2008
Border Monitoring Project Ukraine	Activity Report	2009
European Border Assistance Mission to Moldova and Ukraine	EUBAM Annual Report 2008	2009
European Commission	Evaluation of the AENEAS Programme 2004-2006 – Final Report	2009
GDISK Ukraine	Capacity Building and Technical Support to Ukrainian Authorities to Effectively Respond to Irregular Transit-Migration (ERIT)/ Mid-Term Review Report	2009
International Organization for Migration	Migration Bulletin	2009
International Road Transport Union	Reduce border waiting times. Seminar on overcoming border crossing obstacles	2009
Amnesty International	Put Deeds before Words: Deliver Human Rights for Ukraine	2010

European Border Assistance Mission to Moldova and Ukraine	EUBAM Annual Report 2009	2010
Ukrainian Refugee Council	The EU-Ukraine Readmission Agreement – Myths, Facts and Risks	2010
In relation with EQ9 on Budget Support		
European Court of Auditors	Special Report concerning EDF budget aid to ACP countries: the Commission's management of the public finance reform aspect, together with the Commission's replies	2005
European Commission	Ukraine, First report of the budget support identification mission	2006
Ministry of Finance of Ukraine	Instituting Medium-Term Budget Planning as a Mechanism for Harmonizing Socio-Economic and Budget Policies – White Paper	2006
Ministry of Finance of Ukraine	Instituting Medium-Term Budget Planning as a Mechanism for Harmonizing Socio-Economic and Budget Policies – Green Paper	2006
European Commission	Guidelines on the Programming, Design and Management of General Budget Support	2007
European Commission	Ukraine, Final Report of the budget support identification mission	2007
World Bank	Ukraine: Public Finance Management Report (PEFA Assessment)	2007
European Commission - Government of Ukraine	Support to the implementation of Ukraine's Energy Strategy. Financial Agreement	2008
European Commission	First technical meeting of the Joint Monitoring Group in the framework of implementation of the ENPI AAP 2007 Support to Implementation of Ukraine's Energy Strategy. Note for the file	2009
European Commission	Ukraine, Public Finance Management Report	2009
European Commission - Government of Ukraine	Support to the implementation of Ukraine's Energy Strategy in the area of energy efficiency and renewable sources of energy. Financial Agreement	2009
Ministry of Finance	Budget classification and program budgeting, Experience of implementation in Ukraine; Communication to the OECD 5th Senior Budget Officials Meeting	2009
Ministry of Fuel and Energy	Report on progress made during six months of 2009 in achieving the benchmarks in the framework of the Financing Agreement for the "Support to the Implementation of Ukraine's Energy Strategy" Programme	2009
European Commission	Ukraine, Public Finance Management Report	2010

In relation with EQ10 on Efficiency		
European Commission	ENP Progress Report Ukraine	2004
European Commission	ENP Progress Report Ukraine	2006
European Commission	ENP Progress Report Ukraine	2007
UNDP	Aid Effectiveness, Coordination and Management in Ukraine	2007
European Commission	ENP Progress Report Ukraine	2008
European Commission - Government of Ukraine	Joint Evaluation Report of the EU-Ukraine Action Plan	2008
European Commission	External Assistance Monitoring Report 2009	2009