



The North-South Institute • L'Institut Nord-Sud

**EVALUATION OF DFID SUPPORT TO TRADE RELATED
CAPACITY BUILDING**

Ukraine Case Study

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Acronyms

CBP	Cross Border Project
CCP	Chambers of Commerce Project
CIS	Commonwealth of Independent States
DFID	UK Department for International Development
EBRD	European Bank for Reconstruction and Development
ERSM	Economic Regeneration and Social Migration
ESDLO	Economic and Social Development of Lviv Oblast
EU	European Union
GDP	Gross Domestic Product
IDS	Institute of Development Studies
ITC	International Trade Centre
MDG	Millennium Development Goals
MEEI	Ministry of Economy and European Integration
NGO	Non-Governmental Organisation
NNP	New Neighbourhood Programme
OECD	Organisation for Economic Cooperation and Development
OPR	Output to Purpose Review
OVI	Objectively Verifiable Indicators
PCA	Partnership and Cooperation Agreement
PCR	Project Completion Report
PSD	Private Sector Development
QPR	Quarterly Progress Report
SIDA	Swedish International Development Agency
SME	Small and Medium Enterprise
SUTE	State University of Trade and Economics
TACIS	Technical Assistance for the Commonwealth of Independent States
TPCBP	Trade Policy Capacity Building Project
TRCB	Trade-Related Capacity Building
UNCTAD	UN Conference on Trade and Development
USAID	US Agency for International Development
WTO	World Trade Organisation

Executive Summary

- i. Ukraine has vast economic and social assets, when compared with developing countries. It has a relatively advanced physical infrastructure and important industrial and technological capacities. Having been a socialist economy, it is now in a phase of transition towards being a market-oriented economy. It still does not possess a business and entrepreneurial culture. Ukraine requires large-scale capacity building, not only for trade but also for the general management of a market economy. There have been major changes since the early 1990s and trade-related capacity building (TRCB) is taking place in various ways. Ukraine is pursuing its accession to WTO and is taking steps to comply with WTO demands. Being now on the borders of the European Union (EU), Ukraine has also engaged in developing policies to facilitate greater integration with the EU. Ukraine is an important partner in the EU's New Neighbourhood Policy. The trading structure of Ukraine is also undergoing rapid change, with trade diversion and diversification taking place and the share of trade with the EU increasing significantly. Ukraine's GDP is around US\$60 billion (US\$1,200 per capita) and exports of goods account for nearly 40% of GDP.
- ii. Since 1992, UK has provided assistance to Ukraine, both bilaterally and through multilateral channels. Official aid from UK for the four years 2001-2005 is estimated at UK£70-80 million, of which bilateral aid is about UK£30 million. Assistance to TRCB is probably in the order of 10% of total DFID assistance to the Ukraine and is not an area of high priority.
- iii. Eight projects have been analysed in this paper. Two of them involve building trade policy capacity, specifically relating to Ukraine's WTO accession; one is completed and the other only just beginning. These two projects can be considered as constituting the core of TRCB in Ukraine for DFID. Three other TRCB projects – Cross Border Co-operation, Chambers of Commerce and Tourism Development in Lviv – which are included in the WTO/OECD Database, have been included. Three projects outside the WTO/OECD Database, which are now being implemented – ESDLO, Ukraine Rural Livelihoods Programme and Private Sector Development (parallel support to World Bank) – have also been analysed, as they incorporate TRCB components.
- iv. The WTO Accession Project has made an important contribution in facilitating Ukraine's WTO negotiating process. It has improved the capacities of the Ministry of Economy and European Integration (MEEI) to undertake policy analysis, policy formulation and negotiations. The DFID project has been associated with other donor activities in this same area and the project was instrumental in enabling donor concertation of technical assistance interventions in building Ukraine's capacities on WTO issues. The project has also enabled improvements within the machinery of government, to undertake co-ordinated trade policy-making. The project has also contributed to better communication with parliament, the private sector and civil society on WTO issues. There was also an effort to build capacities in two universities on trade-related issues, with modest outcomes. While the project can be considered a success, it was hampered to some extent by a delayed start. This has been compounded by the significant delay that has occurred in starting the new project. The new project continues

several activities undertaken by the former, with the university component deleted. The new project has a new mechanism, in the form of a Project Steering Committee, to steer its activities.

- v. The Cross-Border Co-operation Project is regarded as a success by stakeholders. It has addressed urgent issues in cross-border trading, arising particularly from Poland's accession to the EU. It has stimulated a large number of cross-border activities, including small-scale pilot cross-border projects. The project has now ended and many of its activities are being followed-up by the EU and also, to a modest extent, by DFID's ESDLO Project. This project can be regarded as having an important poverty dimension, in that it has facilitated the cross-border trading activities of small traders.
- vi. The Chambers of Commerce project worked largely in the Donetsk region and to a lesser extent in Lugansk. It enabled the building of capacities in the regional Chambers of Commerce, so that they can undertake a wide range of services to SMEs and also in creating a local enabling environment between the Chamber of Commerce and the regional authorities. This type of assistance is vital to the development of a market-oriented economy. The Tourism Development Project in Lviv could only be reviewed briefly, as there was very little information about it, having been completed in the year 2000.
- vii. The ESDLO Project, which started in 2003, is not a TRCB project, but it is of interest as it has placed trade and investment issues within the wider framework of economic and social development of Lviv Oblast. The project has important activities to facilitate cross-border trading operations and this kind of trade has strong poverty orientations. The Ukraine Rural Livelihoods Programme, which is a large project that started recently, has several activities addressing WTO-related agricultural issues. The programme is interesting for the way it includes TRCB, and more specifically WTO 'windows,' into a much broader rural development programme. As WTO issues get domesticated, this type of project design offers a possible model. DFID is also associated with the World Bank in providing a line of technical assistance to private sector development. DFID's major intervention is to enable the development of a Benchmarking Index. This appears to be a risky project intervention, as the climate in Ukraine is not conducive to sophisticated benchmarking exercises.
- viii. On a general level, none of these TRCB projects or components within projects can be considered as having as having a strong poverty focus. There are elements in the Cross-border Project and in the Rural Livelihoods and ESDLO projects which have poverty dimensions. The linkage between trade and poverty can probably be strengthened by building trade 'windows' into broader social and economic projects. In design, monitoring and evaluation of these projects, several improvements need to be effected. When designing projects, flexibility and flexible mechanisms have to be built into them, so that projects can be amended and adjusted in mid-stream. Procedures for monitoring and evaluation need to be streamlined, so that any kind of conflict of interest is avoided and also to enable fresh expertise to be brought in, to review project operations. Reporting systems and managerial procedures could also be further improved, to provide for greater

substantive interactions between DFID managers and project implementing agencies.

1. INTRODUCTION

1. Trade-related capacity building (TRCB) is not easy to describe. No clear, unambiguous, and broadly accepted definition is in place. Some projects are more trade-related than others. Projects dealing with World Trade Organisation (WTO) issues are clearly the core of TRCB, especially as the whole concept evolved in relation to WTO. In the Ukraine context, European Union (EU) integration issues are heavily trade-related. This is probably true for most countries with a strong bias towards regional and cross border trade. In a transition economy like Ukraine, with a widely prevailing culture of command and control, the range of issues dealing with small and medium enterprises (SMEs), competitiveness and private sector development are trade-related and can be considered as trade development. Increasingly, it is evident that TRCB needs to be extended beyond Ministries of Trade to include other economic ministries, agriculture, industry, labour and others. With the increasing domestication of WTO issues, capacity building has to extend outwards to an ever widening constituency. This is one reason why current models of project design need to be re-examined. That is also why several new model projects with trade components have been included in this case study.
2. Eight projects have been selected for brief analysis here. Two of them are WTO accession projects – one completed and the other just beginning. The evaluation is therefore largely confined to the completed project. Three other projects which are included in the OECD database as trade-related projects have also been taken up for review. These three projects have all been completed. However, the project on tourism, which was completed in the year 2000, cannot be evaluated in any depth as hardly any information on it is available. Three other projects which do not appear in the OECD database, are considered here, as there are important trade components. They offer interesting insights into methodologies of incorporating trade components in projects encompassing broader agendas.
3. In preparing this report, many stakeholders in Ukraine (in Kyiv and Lviv), and in the UK were consulted (see Annexe I). Among these were officials of the Government, DFID officials, project personnel and donor representatives. Documents relating to trade issues of a general nature, and project documents (Project Memoranda, Project Reviews, Quarterly Progress Reports, Completion Reports) were also reviewed (Annexe IV). Four of the eight projects are in an early stage of their implementation and they were examined mainly to obtain insights into the processes of designing them. A National Consultation Seminar was held, at which the evaluation findings were presented, chaired by the First Deputy Minister for Trade (MEEI). The evaluators would like to thank the seminar participants as well as the many interviewees for their observations about DFID's TRCB in the Ukraine and TRCB more generally. Particular thanks are due to the DFID Ukraine office for their support during this evaluation.

2. THE UKRAINIAN CONTEXT

Selected Key Features

4. With the enlargement of the EU in 2004, Ukraine is now on the border of the EU. It is an important partner of the EU in its New Neighbourhood Policy. The EU now emerges as a critical factor in Ukraine's economic and political relations, in a way that was not visualized a few years back. The implications for border trade are already being recognised. While the EU officially does not accept the proposition that Ukraine might be a future member, many individual EU member countries, possibly including the UK, are looking to such a prospect. The USA and Canada, and the World Bank, are certainly looking forward to Ukraine's entry. The accession negotiations with the WTO and the Partnership and Cooperation Agreement (PCA) with EU, are seen as converging channels and instruments in this process. The two are highly interrelated. Ukraine is getting into a position similar to Turkey in relation to the EU.
5. Ukraine has vast economic and social assets, when compared with developing countries. It has a relatively advanced physical infrastructure, and human assets in the form of an educated population. It has significant industrial and technological capacities. What it has not, is a business and entrepreneurial culture. What it has, is a culture of production, particularly industrial production, and a significant trade and market orientation is yet missing. Trade was not highly regarded under the old socialist regimes. They were happier with barter. Changing this mindset alone requires a new kind of TRCB. Trade development in Ukraine, is significantly different from that of most developing countries. For Ukraine, trade development would require the facilitation of a trade oriented market economy, with sound macro economic policies, and instilling trading capacities at the national, regional and local levels.
6. Ukraine does not have the type of poverty of most developing countries. The definition of absolute poverty for transition economies has been fixed at US\$4 per capita per day, unlike the US\$1 for developing countries. The population below the national poverty line is 30% with about 3% living in extreme poverty. Those who are poor are defined as having a level of consumption of less than US\$4.30 per person per day, and those in extreme poverty with less than US\$2.14 per day. This is not poverty of the kind to be found in developing countries. Ukraine suffers not from human poverty (the stark deficiencies in health and education) but primarily from income poverty (US\$800 per capita). Therefore, to address poverty requires strategies which are more focused on economic growth than on social development. Ukraine has made significant advances in gender equality. About 60% of all professionals with higher education are women. DFID itself, although extending support to a project on the Millennium Development Goals (MDGs) in Ukraine is hesitant in trying to push MDGs through greater involvement of the state, in a country where a major prerequisite for economic growth and poverty reduction is the dismantling of the state apparatus and the stimulation of market economies at the national, regional and local levels. The poverty orientation of TRCB projects should be viewed in this context.

Trade Policy and Performance

7. Ukraine's GDP is around US\$60 billion. Per capita GDP is estimated at US\$1,200 and this could be even more, as there is an extensive informal economy. Statistically, Ukraine is a highly open economy, with exports of goods accounting for nearly 40% of GDP (in 2003, exports were US\$23 billion), and services exports, largely transportation services, accounting for another 10% of GDP. Overall, foreign trade turnover exceeds total GDP. Ukraine has experienced many vicissitudes since 1989, but in the last 15 years it has expanded its trade, and has also diversified its sources and destinations. The country has adjusted to new European and global circumstances. Recent commodity price booms (iron and steel, other metals, chemicals) have sharply increased revenues.
8. Ukraine's export structure is heavily dependent upon a few commodities (steels, metal and mineral products). Between 1999 and 2003, merchandise exports increased 125% in value terms. Steel and mineral products accounted for 45% of exports during that period. Agro-food exports, which were negative before 1999, increased their share to 11% of total exports in the period 1999-2003. There is increasing diversification of trade, but there is more to be done. Prior to 1989, Ukraine's trade was within the USSR and, to a small extent, with the other centrally-planned economies of Eastern Europe. Since then, Ukraine has moved on to develop a new international trade structure. In 1996, 51% of exports were to the CIS countries, of which 39% was to Russia. By 2003, these shares had declined to 26% and 19% respectively. In 1996, the EU share was 11% and by 2003, it had increased to 20% (this was pre-enlargement EU and the share in 2004 would be substantially more – probably nearing 50%). Imports from Russia declined between 1996 and 2003, from 50% down to 37%, and the EU share increased from 15% to 25%. These statistics explain the rationale and also the imperative for greater integration with the EU and also for accession to the WTO.
9. There are several problems with the current trading pattern of Ukraine. It is yet heavily dependent upon primary goods and metals exports (over 50%). Manufacturing accounts for only about 1/3 of exports, as compared with Ukraine's neighbour, Poland, which has an 80% share. A major constraint to trade expansion, diversification and value addition is the failure to attract foreign investment. Cumulative foreign investment in Ukraine amounts to a little over US\$7 billion, which amounts to about 10% of GDP, as compared with Poland's 22%. Trade is now closely linked to foreign investment and Ukraine has to be more energetic in this direction. It has to be noted that there has been extensive capital flight from the country, estimated at US\$20 billion over the last decade. Another constraint on trade has been the anti-dumping measures (US, EU, Russia have imposed anti-dumping duties on exports of metals and chemicals and even on food exports). Even the more significant handicap lies in the barriers to business within the country, in the form of various state regulations which hamper business and trade development. All these constraints will have to be addressed in the run-up to WTO accession.
10. In the last five years, Ukraine has seriously pursued obtaining membership of WTO. Although the end is not yet in sight, there has been significant progress in implementing domestic reforms to comply with WTO requirements. Legislation

to bring the country to comply with WTO rules has been adopted, although many legal reforms have yet to be undertaken. There have been many meetings of the WTO Working Party on Ukraine's accession to WTO. Ukraine has made commitments to the Working Party. Although there is the intention to accede to WTO, there have also been setbacks from time-to-time, when political decisions have been made to protect this or that industry. While many trade barriers have been eliminated, Ukraine has increased protection to selected agricultural products and also introduced export restrictions, which have become a source of tension in the negotiations. In the areas of intellectual property rights and services, there have been notable advances in complying with WTO regimes. In all these areas, there is more to be done. For rapid progress through the WTO process, an important factor would be for the government to develop a cohesive approach, bringing together the various ministries, parliament, and the private sector.

Development Assistance

11. Ukraine receives a large amount of assistance from many sources. Receipts of such assistance are around US\$300 million in official aid and about US\$300 million on non-concessional terms. The key donors are the US and the World Bank with about 30% and 40% respectively of all assistance. The EU share is 7%, EBRD 5% and Germany 8%. The DFID contribution is about 3%. (These are approximate figures from 2000). Besides its bilateral assistance, DFID channels an even larger amount through multilateral mechanisms (EU, World Bank, EBRD). About 20% of EU TACIS funds originate from the UK.
12. DFID has prepared a strategy paper on development assistance for the period 2001-2005. It aims at delivering four key outcomes:
 - closer Ukrainian integration into Europe and the world economy and a stronger international response to the needs of the poor in Ukraine;
 - enhanced capacity of state institutions to promote social and economic regeneration;
 - increased livelihood opportunities; and
 - a deeper and more transparent democracy, underpinned by an active civil society, independent media and the rule of law.
13. Since 1992, UK's assistance has been to the following sectors – rural livelihoods, social protection, governance, private sector development, public finance, environment, infrastructure, energy and micro-economic management. DFID's activities have also concentrated particularly in the regions of Kyiv, Donetsk and Lviv. According to the strategy paper, official aid from the UK for the four years 2001-2005 is estimated at UK£70-80 million, of which bilateral aid will be about UK£30 million. It is clear from the DFID strategy and also from its total portfolio of projects, that TRCB is not an area of high priority in Ukraine. Resources devoted to TRCB activities are probably in the order of 10% of total DFID assistance to Ukraine. It is part of DFID's strategy to work closely with the EU, World Bank and EBRD programmes. Nearly 60% of the UK's total assistance to Ukraine is channelled through these institutions. The current approach is to associate parts of the DFID portfolio to operate alongside the projects of these organisations.

14. Ukraine receives technical assistance for TRCB broadly defined from several sources (see Annexe I for details). There are at least 18 projects (other than DFID) channelling assistance – five from the EU, seven from the US, two from the World Bank, two from CIDA and two from SIDA. From the donor profiles, it is difficult to judge the particular interest of each donor in TRCB. EU projects are primarily concerned with the legal implications of WTO entry and EU legislation. The World Bank's primary interest is in the private sector. USAID is largely concerned with business enterprise development and economic and fiscal reform. The US Department of Commerce is implementing a project on legislative aspects of WTO accession. SIDA projects are focused on enterprise development and also aim at improving public procurement standards. CIDA has two projects to build trade policy capacities. Many of these projects have important complementarities with the DFID portfolio. At least eight projects have significant linkage to WTO accession processes. Even in others, there are components which are WTO-related. As Ukraine's accession to WTO is entering a critical stage, concertation among donors in the provision of technical assistance can be crucial. This was a valuable role undertaken in the first phase of the DFID-funded WTO accession project.

3. PROJECTS

A. TRADE POLICY CAPACITY BUILDING PROJECT (TPCBP)

15. Of the seven projects that are being analysed in this paper, the TPCBP, is probably the most crucial for TRCB in Ukraine, and also the most trade focused in the DFID portfolio in the country. It is constituted of four components. The first component deals with policy development; the second is more concerned with the machinery of government to address trade policy, and more particularly WTO agendas; the third is primarily on dissemination and outreach issues (little to do with policy itself); the fourth is primarily to do with building capacities for training and research in universities. The project is dealing with a disparate range of issues, involving different types of stakeholders, with varying interests. The project was designed by a consultant who has designed other trade policy projects in other countries and also for UNCTAD, and he has also designed a new project starting from 2004.
16. The project was conceived in the latter part of 2000, and it was started in 2001 to run until 2003. Although the project was started, there was nearly a year's delay in launching activities, largely due to a troubled relationship of the project management with the government. Once this was overcome, the project was implemented actually over a period of only about 18 months in the years 2002-2003. The new project was to have taken over from the previous one, and though the intention was to have continuity, there was a lapse of nearly 10 months (October 2003 to August 2004), before activities could commence once again. The question that needs to be asked is whether this kind of large time gap is conducive to effective forms of capacity building.

Policy Capacities for WTO Negotiations

17. This component is aimed at improving the capacities of the Ministry of Economy and European Integration (MEEI) to undertake policy analysis, policy formulation and negotiations for accession to WTO. This can be regarded as the key component of the project. This component specially has to be seen in the context of other donor support arrangements (from Canada, USAID and U.S. Department of Commerce, Netherlands) which are primarily WTO related. Since starting the implementation of this component, the Ministry itself has undergone major changes. The number of policy level staff dealing with WTO issues has increased significantly, and the Geneva mission has been strengthened. There have been many negotiating activities in Geneva with the WTO and these contribute to building capacity. The context in which this component is situated is important for any assessment of the impact of the project. That so many donor activities, and also the Government's inputs, have increased makes it extremely difficult to isolate the impact of this project on capacity building in this area.
18. With the above caveats, it is probably correct to state that this project has been an important influence on Ukraine's WTO policy making process. It was implemented at the right time, although more continuing and intensive implementation during the period 2001 to 2004 would have contributed more to the results achieved. The Minister, who is now in office, is strongly supportive of the project and of this component and is on record that the project has been

extremely useful. He particularly welcomed the call-down facility which has been a flexible instrument within this component, and has enabled the government to obtain access to high quality expertise. Other donors themselves appreciated DFID's involvement as complementing their own activities in supporting the government in WTO negotiations.

19. The key activities of this component were training and familiarization of MEEI staff on WTO issues; and facilitating the negotiating process, through the provision of high quality expertise both in the country and in Geneva. Another valuable activity was a study tour to Canada for high level officials which improved their perceptions of the need for transparent procedures and cross-governmental engagement for WTO negotiations. This kind of familiarization tour, when properly planned and organized, can be immensely productive. The training component has improved the skills of MEEI staff. The government is highly appreciative of the consultants provided by the project. It is anxious to obtain the services of these consultants for a longer period on a continuing basis. The Government has trust in these experts, and that type of a longer term relationship with experts is critical to the successful outcomes and the continuing influence of DFID in this area. It was largely a lack of trust, initially, given the highly political and sensitive nature of this component, that stalled the project in its first year of operation. The role of the "call-down facility" needs to be highlighted as it provided a flexible instrument for the Government to exercise choice in obtaining the services of experts in a flexible manner and as and when there was a need and demand for them. This type of facility enables the project to adjust to emerging, unanticipated needs and demands and can therefore be an appropriate mechanism for greater flexibility and enhanced relevance.
20. Several issues have arisen in the course of implementing this component. Training was not always welcome, when there were pressures on officials with their other duties. A point that has been stressed by several stakeholders is that training is more productive when directly linked to on-going negotiations which are practical and relevant to the Ministry and the country. Merely training officials on WTO matters at this policy level is not as effective. Moreover, training by any other name, like familiarization, is more appealing. At this policy level, what is essential is an exchange of practice and experience, between external experts and local policymakers on specific issues. Enabling capacity development through negotiating processes is an apposite strategy in the WTO context.
21. Progress reports, including the PCR have attributed to this component the success of Ukraine in working parties in the WTO. Such a conclusion needs to be qualified as noted above. The U.S. Department of Commerce has, through a project located at the Ministry, and staffed by a former senior and highly experienced UNCTAD official, who is in Kyiv on a long term basis, and another USAID official, have assisted the government in making submissions and preparing answers to WTO. The Centre of Trade Policy and Law (funded by Canada), has assisted the government through seminars and workshops. Along with DFID, all these interventions have upgraded capacities of MEEI. It is not practical to isolate the DFID contribution.

Joined-up Approaches to Trade Policy Making

22. When the scoping mission was fielded (July 2000) prior to the TPCB project, a major problem encountered was the lack of coordination within government on WTO accession issues. This led to the suggestion that a component to encourage a joined-up approach to trade policy making should be incorporated in TPCBP. To change the culture of public administration requires a long time period, and a project of this kind can only contribute to this long process. After initial delays, partly due to the politically sensitive nature of the work, several activities were undertaken. Two noteworthy activities were the study undertaken by Michael Johnson (formerly a Division Head of UK's DTI) on the trade policy making process in Ukraine and the study tour for senior officials to Canada. These two activities appear to have been highly beneficial to reforming the trade policy making process.
23. Governments such as Ukraine are not equipped with inter-governmental co-ordination mechanisms to address the ever-expanding agendas of WTO and EU integration, with their increasing impact on domestic constituencies. An important contribution of the project has been to stimulate government to develop more coordinated arrangements in trade policy making. More government agencies are now familiar with the policy making process and the issues involved. The Government Committee on WTO Accession is said to meet more regularly and more often. According to the PCR, there is also a greater effort by MEEI to involve parliament, private sector, the media and NGOs in policy making. The project has also assisted in establishing a website and in the publication of a monthly newsletter on WTO and trade issues. These are small scale interventions although they are extremely valuable for inter-ministerial dialogue.
24. While it is difficult to attribute improved outcomes in more coordinated trade policy making in the last three to four years to this project alone, there appears to be a recognition within government (MEEI in particular) and the donor community that the project made a valuable input. Improvements have also occurred due to other donor interventions, changes at the political level (the new minister in MEEI is a dynamic figure), and the changing circumstances of the WTO negotiating processes itself. The ministry and the Geneva mission have more capacities to engage in building partnerships within government. Stimulating and sustaining informed patterns of co-ordination within the governmental bureaucracy, and also engaging institutions such as parliament and civil society requires a continuing effort, and also continuing inputs of donor assistance at this stage in Ukraine.

Increasing Awareness in Private Sector, Parliament and Civil Society

25. MEEI (and its predecessors) until two or three years ago was still operating in a relatively non-transparent manner. The project has contributed to changing practices and encouraging greater communication with the private sector, parliament and civil society. The project has trained or familiarized nearly 250 persons in the private sector, parliament and NGOs on WTO issues. Many media activities were undertaken (articles in the press, radio and TV coverage). Members of the RADA (parliament) have been provided with manuals on the

WTO and other literature. There is a formal WTO reference centre established within MEEI. There have also been regular press conferences. Overall, project activities have resulted in opening up WTO issues to the attention of the wider community.

26. Parliament in particular has expressed much satisfaction with the work that has been undertaken. The Ministry itself has been keen on upgrading parliamentary awareness of WTO issues as several important committees within parliament will have to deal with legislation on WTO. Once again, it has to be emphasised that several other donor activities are being focused on parliament (EU's TACIS, Renaissance Fund of George Soros). According to parliamentary staff, about 180 members of parliament (out of 450) are highly interested in trade issues. Parliamentarians also are interested in seminars and workshops in the regions for their constituencies, and the seminar on Banking and Finance in Western Ukraine was much appreciated. Parliamentarians appear to be an important constituency to address trade and poverty issues, as they are particularly concerned with the impact of WTO on their constituents who are largely relatively poor. As a generalization, it appears that while parliamentarians are eager to promote Ukraine's accession to WTO, they are also equally anxious to ensure that WTO entry does not adversely affect their constituencies. They are concerned about establishing compensating mechanisms for those who are adversely affected. This kind of concern should be reflected in future project strategies.

Capacity Building in Universities

27. Building capacities in universities is one of the ways in which sustainable results can be achieved in the longer term. The State University of Trade and Economics (SUTE), and the Kyiv National Economic University were involved as active partners under this component. SUTE alone was producing around 500 specialists yearly in various trade-related subjects, who were subsequently employed in the public and private sectors. Most of those passing out from these institutions were employed as implementers of policy rather than in policy making capacities. They will be vital to the implementation of WTO and other trade agreements. Only a small part of the resources of the project – about 15% or about £75,000 – was allocated to this task. This is a relatively modest amount, which itself is not significant for any sustained capacity building effort.
28. There were broadly two activities under this component. First was the development of a trade policy curriculum module that was to be incorporated in undergraduate and post graduate courses. The original idea was that apart from providing training for academics, the University was to be twinned with a European academic institution. Second, up to 10 research grants were to be offered to academics and postgraduates to undertake relevant studies. Both components were implemented. Most of the work was sub-contracted to IDS, Sussex (specifically to Dr. Chris Stevens).
29. Modules have been prepared, and are being utilized for teaching purposes. There is no evidence that these modules are utilized to optimal effect. Local academics were familiarized with these courses. These are academics who have been brought up and trained in socialist economics and have little grounding in the

operation of market economics and international trade, and on GATT and WTO issues. Almost all of them have not been involved in WTO-related activities, and have certainly not visited Geneva. The project did not have funds to provide for that kind of activity. Upgrading the activities of academics requires a longer term effort and the project was not equipped for that purpose. Similarly with the research grants; £700 was earmarked to each of 10 grantees and they did undertake studies (at least most of them). The exercise might have been useful for the individuals concerned (i.e. capacity building) but they had little relevance in providing inputs into the policy process.

30. Other donors, notably Canada, have been engaged in capacity building in universities and they have much larger programmes. The CIDA project established linkages with Canadian universities. When the second TPCB project was designed, it was decided to terminate the academic component in the future project. The reason given was that other donors, and particularly Canada, are doing it. The ministry (especially the minister, who is himself an academic) is of the view that this component was vital and that there is the need for more than one donor to be involved. They would have particularly preferred a UK input into universities and specifically some kind of relationship or twinning arrangements with UK universities.

Key Issues in Implementation

31. The role of the implementing agency, i.e. the contractor, is vital to the successful outcome of the project. The primary contractor was HSTP (based in the UK), and the main sub-contractor who was responsible for implementing project activities, and providing progress reports to DFID was PEI (based in Geneva). There was a project office in Kyiv which was managed by a local recruit, and who appears to be the key administrator of the project. The contractor has experience of this kind of project in several countries. While not having in-house technical resources of its own, it has had recourse to a network of highly qualified consultants to deliver the requisite services. For the component on WTO accession issues, it has fielded high quality consultants, who have assisted government in the negotiating process with great acceptance. The fourth component relating to universities was also undertaken by a high quality expert from IDS. Other consultants, particularly for component three on machinery of government issues, have been also of superior quality. On the consultancy side, there is general satisfaction with the quality of services delivered. There is less satisfaction with regard to the contractor's relationship with government at least during the early stages of the project. It appears to have been a learning experience and relationships have improved subsequently.
32. The Quarterly Progress Reports (QPRs) that have been generated by the contractor and the Project Completion Report (PCR) cannot be considered as highly satisfactory documents for gauging the effectiveness and efficiency of project activities. The QPRs are bulky documents, and apparently significant amounts of time have been devoted to their preparation. They are not very user friendly, and the information provided, while containing many details, obfuscates more than clarifies. This has now been remedied. The PCR could also be better drafted. To cite one example, take the outcomes under component four – trade

policy capacity building in the universities. From what is written, the modest interventions of the project appear to have contributed to tremendous achievements in the numbers graduating at the Bachelors and Masters level in international trade. These students would have been enrolled with or without this project. The PCR should describe the outcomes in a more nuanced and focused manner, attributing its limited achievements (such as greater familiarisation in international trade for these students, as a result of the new module) without claiming credit for the entire introduction of Bachelors and Masters level degrees.

33. Another important issue, and this applies even to other projects, is that the consultant designing the project, is the same person who then undertakes the output to purpose review, and then goes on to recommend the design of the next project, and also actually designs the next project. While there is no question about the high quality of the inputs of this consultant, the issue is one of principle and appropriate methodology. When DFID projects are below one million pounds they are not expected to be independently evaluated. It is vital that the design, review and evaluation functions are not undertaken by the same person and that there is a degree of detachment in undertaking each of these activities. Otherwise, there tends to be a lack of critical input into the review of implementation processes.
34. A major contribution of the project, which is not captured fully in the PCR, and which other donors have confirmed, is that it facilitated donor coordination of TRCB activities in Ukraine. The project was the catalyst for regular formal and informal meetings among donors involved in TRCB, and these meetings stimulated more productive approaches in donor interventions. After initial hesitation, even the government appears to have welcomed this role of the project. The project enabled the donors to come together, and be transparent in the work they are doing in this field. It facilitated an avoidance of overlap, and even more, a relatively clear division of labour as between donors, especially on the support provided to government on WTO accession issues. This has resulted in appropriate husbandry of scarce technical resources at a critical time in the negotiating process. It has also enabled donors to adopt joined-up approaches to capacity building of the government. This is a role which needs to be commended and which should productively continue in the next phase.

The New Trade Policy Project

35. The new Ukraine Trade Policy Project, while continuing several activities undertaken by TPCBP has many new elements, responding to new demands and circumstances. Apart from support to ongoing negotiations, it has an important component in supporting government to implement WTO agreements. Consequently, it goes beyond strengthening MEEI and extends itself to areas such as customs, standards and others. The kind of consultancy input for these activities will be entirely different from the types of expertise at the policy level. The contractors should ensure that high quality expertise in these fields is made available. Its current network might not be the most appropriate for this purpose.
36. There is also a greater focus in strengthening parliamentary capacities in the new project. It is almost exclusively concerned with the RADA Committee on

European Integration to build its capacities to approve and monitor WTO legislation. To be effective in this area, it might be useful to obtain access to those with some parliamentary experience apart from expertise on WTO issues. Technical expertise has to be matched with parliamentary and political expertise, to avoid the pitfalls of the previous project in its first year. The new project is equipped with a Project Steering Committee (PSC), which held its first meeting in July 2004. The PSC should be given a high profile role in the project, and it should be obliged to meet regularly, and respond to progress reports from the contractor. This is an innovation which should be closely monitored.

37. There is one important component which is missing in the current project. A conscious decision has been made by the designers to exclude the university and academic component. The reason for this appears to be that CIDA is engaged in capacity building in universities and therefore it should be left to them. This is not necessarily a good enough reason to exclude such a component, especially when, according to the PCR, this has been a large success. Moreover, this is an area where the UK has significant expertise and has a comparative advantage. The MEEI Minister was of the view that the exclusion of the academic component was inappropriate. Universities in Ukraine require major technical inputs to strengthen their teaching and research capacities in the broad area of economics and trade. A DFID input would be worthwhile, if it is feasible at this stage. A point arising from this is also that the current project just getting underway, unlike the previous one, should have mechanisms to incorporate amendments from time to time, depending on changing circumstances and speed of activity implementation. That should introduce a degree of flexibility. The PSC should have the task of examining the project with a view to its adjustment and amendment once every six months.
38. Reference has already been made to the delays that have ensued in getting this project started. It was scheduled for December 2003 and was to end in March 2006, a period of 28 months. Already it has been reduced to 20 months, unless it is extended. It was noted earlier that the last project was in effect implemented over a period of 18 months. Truncating project periods cannot contribute to capacity building. It is vital that the project is implemented rapidly from now on, as it will coincide with a crucial phase in the WTO negotiating process.

B. TRADE-RELATED PROJECTS (WTO/OECD DATABASE)

39. Apart from the two WTO Accession Projects, three other projects – Tourism Development in the Lviv Region, Cross-Border Co-operation, and Strengthening Chambers of Commerce – are defined as trade-related and included in the OECD Database. The Tourism project was terminated nearly three years ago. The other two projects in this category have also been completed. There is no second phase for these projects. Elements from these three projects have been included to a greater or lesser degree in other DFID projects and also in EU (TACIS) projects. That was one method by which their sustainability could be assured to some degree. These three projects were all confined largely to the regional level, two of them particularly in the Lviv region and the Eastern borders of Ukraine and the other in the Donetsk and Lugansk regions, to the West of Ukraine. Capacity building was largely focused on regional administrations and on the regional private sector. An important concern of these projects was to enable the private sector to adjust towards a market economy. Even a greater concern in the two projects in Eastern Ukraine was to enable those regions to develop coping mechanisms to adjust to the altered economic and political situation arising from Poland's accession to the EU. Although these projects are trade-related, they have only a marginal engagement with WTO issues. There are more issues in trade for countries like Ukraine than being concerned primarily with WTO. Non-WTO trade issues also have important implications for poverty reduction.
40. The total amount of resources which have been allocated to these three projects amounts to around £1.5 million. These are relatively small-scale interventions, when compared with the large new DFID programmes for the regions. These three projects are fragmented interventions in three important areas of economic activity and which are crucial to the future market economy orientation of Ukraine. They have important poverty dimensions, especially as they are largely concerned with SMEs and small-scale private sector operations. A common problem to all three of these projects is ensuring the continuity of actions in these areas, so that a sustainable process, over a longer period of time, can be instituted.

Cross-Border Co-operation Project 2001-2004

41. The Cross-Border Co-operation Project's (CBP) main aim was to reduce the adverse impact of the accession of Poland to the EU on the livelihoods of the population of the West Ukrainian Oblasts of Lviv and Volyn. With that aim in view, a Ukrainian/Polish Agency for Cross-Border Regional Economic and Social Development was to be established. The main task of the project was to ensure the creation of the Cross-Border Agency and assist in the building of capacities and also produce an appropriate regional plan. The project was initially to run for 30 months, from 2001 to 2003, but was eventually extended until mid-2004. The cost of the project was UK£405,000. It was implemented by a UK-based consultancy company, supervised by the DFID offices in Kyiv and London and by the Private Sector Development Advisor of DFID.
42. There is considerable satisfaction among stakeholders (officials of Lviv Oblast, other regional personnel, DFID staff) that the project has been highly successful. It had only modest resources available to it, which were spent over a period

exceeding three years and the outcomes of the investment are tangible and productive. The CBP established a Cross-Border Agency and its future sustainability is probably assured through TACIS funding. The Agency's usefulness will depend upon its future relationship within the EU's New Neighbourhood Programme (NNP). An interesting feature of building-up capacities was the management of the DFID Small Projects Fund, which allowed for many small-scale pilot cross-border projects to be implemented. Although the funding available was relatively small, this kind of facility enables cross-border communities to develop their own ideas and projects. The project also facilitated the development of the NNP of the EU. Although the project achieved a high degree of success, it could not overcome the culture of regional authorities which attach a low priority to a holistic approach to cross-border co-operation.

43. The project has started a process of stimulating a large number of cross-border activities. There is also a tendency to view these cross-border relationships as part of international relations and therefore tasks to be managed by the centre. A high degree of administrative devolution is important for effective cross-border co-operation operating at a regional level. The Oblast authorities are not yet fully on-board to exploit cross-border opportunities.
44. The CBP has made an important contribution through enabling the issue of cross-border co-operation obtain a high profile, especially in regional policy-making, at the national level. There is a greater understanding now of the implications for Ukraine of Poland's accession to the EU and the measures required to reduce the negative repercussions and exploit new opportunities. Some of the activities of the CBP are expected to be followed-up by ESDLO, the new DFID project for the Lviv region. The project was instrumental in creating a new institutional environment for cross-border co-operation. It needs to be sustained. Another significant facet of CBP was its links with the EU and TACIS. The CBP can be seen as to some extent being part of the preparatory process for greater TACIS involvement through the NNP in cross-border issues. It contributed to the establishment of a strong working relationship with the EU on cross-border co-operation. This illustrates the prospects that are evidently there for an individual bilateral donor to decisively affect multilateral technical assistance agendas. To ensure sustainability, it is necessary that DFID (the office in Kyiv) continues to be actively engaged on cross-border co-operation issues, through its own project ESDLO and the EU's TACIS and NNP.
45. The management of the project has been highly satisfactory. There has been consistent monitoring by DFID's Kyiv office and there has been a satisfactory working relationship between the implementing consultancy and the DFID office in Kyiv. The PSD Advisor has made an important contribution to the progress of the project. The Objectively Verifiable Indicators (OVIs) are probably not as relevant and practical as they should be. For example, one OVI is that the project will lead to an increase of 30% in the number of jobs dependent upon cross-border economic activity in the relevant Oblasts; another is that the level of economic activity between the two Oblasts on the Ukrainian side and the two regions on the Polish side would increase by 45% six months after the project is completed. These are unrealistic, in the sense that this type of increase in economic activity cannot be attributed to the CBP alone. There have to be realistic OVIs established

at the start of a project. The impact of technical assistance, especially through TRCB, is largely intangible and cannot be definitive, as currently described in OVIs.

The Chambers of Commerce Project 2001-2004

46. Improving the Business Environment in Three Oblasts in Ukraine project (for short, the Chambers of Commerce Project or CCP) was initiated in 2001 and will be completed in 2004. Project resources amounted to UK£600,000. It is part of the private sector development strategy of DFID. The main purpose of the project was to strengthen and develop three chambers of commerce and specifically the one in Donetsk. Strengthening these chambers of commerce was expected to enable them to provide advice, information and consultancy services, especially to SMEs. It was also expected that the Chambers, especially in Donetsk, would be a model for others to follow. An important task of the project was to facilitate the development of a sound working relationship and therefore a satisfactory local enabling environment between the Chamber of Commerce and the Oblast administration. The regulatory practices of the Oblast were to be more efficient. The project was implemented by a UK-based consultancy company, Entrepian, and in some activities the UK's Mid-Yorkshire Chamber of Commerce was associated.
47. Most stakeholders appear to be satisfied with project outcomes. The project was mainly confined to the Donetsk Chamber of Commerce and the Donetsk Oblast and to a lesser extent, Lugansk. The regulatory framework for business in Donetsk has improved and there is a better working relationship between the Chamber of Commerce and the Oblast administration. The internal organisational procedures and practices of the Chamber of Commerce have undergone reform and improvement, membership has increased and so have revenues. There is evidence that the capacity of the Chamber to act as a lobby for SMEs and also to provide them with better services, has been enhanced. An SME Centre has been launched and courses for SME managers have been developed. The role of the President of the Chamber of Commerce has been better defined. Study tours undertaken have probably improved the capacities of those taking part. The Donetsk Chamber was represented at the World Conference of Chambers of Commerce in Toronto (November 2003) and a paper was submitted to it. The project also enabled contacts to be established with the EU's TACIS. An important outcome in Lugansk, although the project was not as successful there as in Donetsk, is that the Chamber of Commerce has become a key partner in programme delivery of the DFID-financed Social and Economic Regeneration Project in the Donbass region.
48. For the amount of resources invested, the project outcomes appear to be satisfactory. Assisting Chambers of Commerce can be seen as a key activity in facilitating the transition of Ukraine towards a market-oriented economy. Private sector Chambers of Commerce are a relatively new phenomenon in Ukraine and they need assistance at this stage. It is clear from the project experience that to build sustainable capacities in Chambers of Commerce requires a much longer time frame than the three years of the project. If this is not assured, the sustainability of what has been achieved will be doubtful. The success so far of

the Donetsk Chamber of Commerce is at least partly due to the quality of the personnel involved, who have been inclined to take advantage of the opportunities offered. The success of technical assistance in capacity building is heavily dependent upon such personal factors.

49. While the design of the project has been largely satisfactory, at least some OVIs appear to be unrealistic. While outputs can be quantified, the quantification of OVIs in the way that it has been done in the Project Document and in Progress Reports appears an irrelevance. Among the OVIs are the following: by 2005, a 5% increase in the incomes of the population of Donetsk and Lugansk; by 2010, a 20% increase in the number of registered businesses and the private sector contribution to GDP. These two OVIs appear to be meaningless for a technical assistance project. Other OVIs, such as a reduction of the time taken for business registration, levels of SME taxation and others, appear to be more in line with what is required, although attributing these outcomes to the project alone is questionable.

Tourism Development in Lviv

50. The objective of this Project was to prepare and implement a cohesive and sustainable tourism development strategy for Lviv. The private sector was to be involved more extensively in tourism development. The Project Memorandum refers to the links between tourism development and poverty reduction. The project cost was estimated at UK£400,000. The problem with evaluating this project is that there is hardly any documentary information available on its progress, outputs and accomplishments. The DFID office in Kyiv was not even aware of the project, as it had been handled by DFID London. The Private Sector Development Advisor was one important source of information. The other source was in Lviv itself, that being one or two officials in the Lviv Regional Administration. There is evidence that the project enabled Lviv to put tourism on the map and engage the private sector more in tourism development. A Tourist Information Centre was created through the project and that still exists in Lviv, although it requires upgrading. Projects of this kind cannot make a lasting contribution unless there is continuity and they last for a longer period. ESDLO would be the natural successor to take this further and there is some intention to do so.

C. OTHER TRADE-RELATED PROJECTS

51. Several projects currently being implemented in Ukraine and which are not defined as TRCB projects, according to the WTO/OECD database or by DFID, have key TRCB elements within them. While direct TRCB projects are being phased out (other than the WTO Accession Project), a new generation of large projects are incorporating TRCB elements within them. The issues they deal with in this context are not only WTO issues, but also trade issues which have even a more urgent concern, such as implications of EU enlargement. These projects have a special interest for TRCB, as this might be the way in which TRCB issues have to be managed in the future, not as much through dedicated projects, but more through incorporating TRCB elements into projects with broader mandates. This approach also fits in with the evolving nature of trade under WTO and EU regimes, where trade is increasingly pushing reform in sectors which were traditionally considered of only domestic interest. Trade is no longer an external issue, but is part of the domestic public policy agenda. The Ukrainian experience in this regard has many insights to offer for the future development of technical assistance to TRCB.

Economic and Social Development of Lviv Oblast (ESDLO)

52. The ESDLO project (2003-2007), with UK£1.5 million at its disposal, is a key project in TRCB, although it is not defined accordingly. There are two major reasons why it is important in a TRCB perspective. It is a project which has significant linkages between trade and poverty. Several of its components directly address issues of trade affecting the relatively poor, in the aftermath of Poland's accession to the EU. The other reason is that it offers crucial insights on the importance of cross-border trade (from one region to another, in two neighbouring countries). This is the kind of trade that is strongly poverty-oriented and probably has lessons for other similar regions.

53. ESDLO is a project with several components and the concern here is only in its cross-border relationships regarding trade and investment. Although it is not a direct successor to the Cross-Border Project funded by DFID, it was expected that it would continue some of the activities of the CBP. The CBP itself was instrumental in providing guidelines for the ESDLO Project. The ESDLO Project Memorandum has references to the role of tourism in the economic regeneration of the Lviv region. Surprisingly, there is no mention whatever of the tourism project which was implemented by DFID in the same region between 1999 and 2002. ESDLO is the natural successor to take up activities which were left incomplete in the Tourism Project. Ensuring continuity through successor projects could be one way of ensuring the sustainability of project results.

54. ESDLO has placed the issue of trade and investment within the wider framework of the economic and social development of Lviv Oblast. The trade concerns of the project are more to do with Poland's accession to the EU and the resulting disruptions for cross-border trade and less with WTO issues. More than the WTO, what appears to be more important to Ukraine are arrangements with the EU and especially with EU countries bordering it, than on WTO issues. This is certainly true for Lviv Oblast. With Poland's accession to the EU, various border

and visa controls have been instituted, thereby creating obstacles to earlier patterns of cross-border trade. At the same time, Poland's accession to the EU also offers new opportunities to the Lviv region. To exploit these opportunities would require more attention to quality and standards and to competitiveness, which to some extent are being addressed through ESDLO and other World Bank and EU (TACIS) projects. Visa controls imposed by Poland, as a result of it being party to the Schengen Treaty, are affecting the Lviv region much more than any WTO rules have done in other countries.

55. Some 350,000 'shuttle traders' are estimated to operate in cross-border trade. These are mainly women and are relatively poor traders. They are also largely conducting a kind of 'basic needs' trade. It is these who have been affected by Poland's accession to the EU. Both the CBP project and ESDLO are attempting to facilitate continuing trading arrangements and this is the important contribution this project can make.
56. The ESDLO Project is being implemented by the University of Birmingham, UK and it is drawing heavily on a network of Polish consultants and a British-Polish network. These networks themselves have emerged through previous work with the UK's Knowhow Fund. The general impression is that these consultancy arrangements are very satisfactory and effective.
57. The recently-started DFID project on Economic Regeneration and Social Mitigation (ERSM) in the Donbass Region is investing UK£6 million in the heartland of Ukraine. Unlike the ESDLO project, it has hardly any engagement in trade issues. DFID is just completing its project on Improving the Business Environment (Chambers of Commerce) in the same region and the project on ERSM would be its natural successor. Surprisingly, those elements have not been followed-up. Unlike the ESDLO project, which was developed and designed by the private sector advisor (for DFID Ukraine), the Donbass project was developed by consultants who were probably not focused as much on trade issues. The question that has to be asked in relation to these two projects of economic and social regeneration in two regions of Ukraine, is whether there can be more consistency in conceptual approaches to regional development. Can trade be incorporated as a key element in regional development strategies?

Ukraine Rural Livelihoods Programme

58. This is a large project (UK£6 million), managed by ADAS, a UK consultancy firm. It is aimed at transforming the agricultural sector, to make it more market-oriented and more productive, especially through the provision of better services. It has a TRCB dimension, through its relatively peripheral engagement in relevant WTO issues. (Although it is peripheral to the project, project personnel estimate that about UK£500,000 will be spent on trade issues, and this is as large as any trade project by itself.) It is concerned with WTO agricultural issues and the implications for rural development. The project offers important insights into feasible methodologies of integrating WTO agricultural trade issues within the broader framework of rural development. WTO issues are increasingly seen as domestic issues, of significance to ministries other than trade and finance and this is a project through which such concerns are being 'domesticated'.

59. The project created an Institute of Rural Development. An important concern of this Institute is to address relevant issues to WTO accession and to keep farmers informed of the implications of WTO. Improving the efficiency, productivity and competitiveness of Ukrainian farmers is critically important to enable Ukraine to enter the WTO without severe disruptions to the farming economy. The project aims at engaging farmers to be more WTO-friendly. The Institute has already built up expertise on WTO and has provided assistance to Government, Parliament and NGOs on WTO and EU accession issues. It has also facilitated inter-ministerial co-ordination on WTO agricultural issues, through bringing together the Ministries of Economy and European Integration; Finance; Labour and Social Policy; and the Ministry of Agrarian Policy. This illustrates the need to engage ministries other than trade to take the lead role on specific WTO issues particularly relevant to their mandates and concerns. Capacity building on WTO issues cannot be confined to ministries of trade. The Institute is also co-ordinating with the EU (TACIS) projects on Rural SME Support and on Standards and Certification in Line with WTO Requirements.
60. The project is operating for the benefit of both affluent and poor farmers. By locating a key set of WTO activities within a Rural Livelihoods programme, the project has clearly emphasised the explicit significance of trade for addressing poverty issues.

Private Sector Development (Parallel Support to World Bank)

61. The World Bank is extending a loan of US\$38 million to Ukraine for private sector development (PSD), to be implemented over a period of four years (2002-2006). DFID is supporting the World Bank loan with its own line of technical assistance of UK£1.2 million. Several outputs are expected from this contribution – successful launching of the Ukrainian Benchmarking Index; improving the investment and business climate; about 200 restructured privatised enterprises. The DFID Project and also the World Bank loan are crucial to private sector development in what was formerly a controlled economy. It is also a vital part of the effort to improve the prospects of economic growth, trade and investment.
62. The major component of DFID's intervention is in developing the Benchmarking Index. Although the project has been in operation for more than a year, the Benchmarking Index has not yet been successfully launched. (Business benchmarking is a technique which enables businesses to measure their international and national competitiveness.) Resistance from enterprises to share information, due to fears of rivals obtaining access to such information, has impeded the launch of the index. This is not surprising, due to the culture of business enterprises in controlled economies. This is not the first occasion that benchmarking, as a technique, has not been successful. The United Nations International Trade Centre (ITC) implemented a major project on benchmarking recently, across many countries in Asia, Africa and Latin America, with lacklustre results and confronting the same problems of obtaining and sharing information. A major problem was ensuring its sustainability when ITC ceased to support it. (The evaluation of the ITC Project documents this experience.) That experience is relevant to what DFID is doing in Ukraine and even at this stage, it

might benefit from a closer look at it. Although progress on the Benchmarking Index has slowed down, there is no evident action to reconsider the approach. DFID should seriously consider diverting the resources earmarked for the Benchmarking Index to other activities which could be more productive. Benchmarking, at this stage of Ukraine's development, might not necessarily be the answer to improving the competitiveness of enterprises.

63.

D. LESSONS LEARNED

- Identifying needs has to be followed-up by a more critical approach to the types of mechanisms established to address those needs. Some mechanisms are more suited to the circumstances of a country than others. For example, benchmarking might not be the most appropriate mechanism to improve competitiveness and productivity in a country like Ukraine. The problem has to be addressed through mechanisms which are practical, relevant and manageable in the context of the country.
- The relationship between trade and poverty reduction has not been clarified so far in Ukraine, apart from the conventional proposition that growth is good for trade. A national assessment of the linkages (negative and positive) between poverty reduction and trade is an appropriate basis for predicating project interventions by donors.
- Prior to designing projects, previous experience of related projects should be critically analysed, whether they be DFID projects or other relevant donor-funded activities. The previous experience of implementing agencies can be valuable, so that there is a better appreciation of previous shortcomings. When proper and substantive records of previous experience (QPRs, PCR) are available, this task is easy to achieve.
- Incorporating flexible modalities into project design enables the adjustment of projects to newly-emerging situations and thereby increasing their relevance. Making available a pool of funds (for example, a call-down facility) to be utilised as and when appropriate for a broad category of tasks, can be a valuable instrument to ensure such flexibility.
- The design of a project has important implications for the selection of implementing agencies. When a project has many components, one implementing agency might not be the most appropriate and cost-effective. Clear and autonomous subcontracting arrangements should be provided for in the projects themselves, so that the best possible expertise is obtained for each of the components, cost-effectively.
- With WTO and other trade agendas having increasing domestic policy ramifications, especially for poverty reduction, there are many opportunities to mainstream TRCB, through non-trade projects in the DFID portfolio. It is feasible to incorporate TRCB 'windows' in projects addressing issues in the private sector and in regional and rural development.

- Projects addressing WTO accession issues cannot be expected to incorporate significant poverty and gender components to the extent that these projects are primarily aimed at ensuring compliance at the country level with agreed multilateral arrangements. At this stage in Ukraine, projects dealing with WTO accession issues should focus on Ukraine-WTO agendas, leaving poverty and gender issues to be addressed through other projects.
- Trade development in Ukraine is best facilitated through the development of the private sector, especially at the regional level. Building capacities in institutions such as regional Chambers of Commerce and Industry offers opportunities for appropriate technical assistance interventions, such as through 'twinning' with counterpart agencies in donor countries.
- In a country like Ukraine, greater attention to cross-border trade issues should contribute to a greater poverty orientation. Cross-border trading is largely to do with small-scale traders dealing with basic commodities produced by SMEs.
- The project on WTO accession has significant opportunities to facilitate donor concertation on WTO accession issues. This aspect requires greater attention, so that collaborative activities can be stimulated to address key tasks in the accession agenda.
- The substantive monitoring of project implementation holds the key to optimal outcomes. QPRs should focus more on the problems and constraints with which a project is confronted, instead of merely recording activities and achievements.
- Mechanisms need to be in place to adjust and amend projects from time to time, taking note of the progress being made and also the imperative of adjusting to changing circumstances and new opportunities. It is not essential that a project is implemented as originally planned, when experience points to shortcomings in the original design.

4. AN OVERALL PERSPECTIVE

64. TRCB is taking place in Ukraine in many ways. Trade has expanded rapidly in recent years and the very interactions resulting from trading build capacities at enterprise level and also in Government. Institutions and policies have to adjust to new trading prospects, and this has happened in Ukraine. There are pressures from the business community to enter WTO, and to adjust to EU requirements. There is pressure for TRCB from many sources – from the business community and from trading partners, apart from the donor community. The contribution that technical assistance is making to TRCB, although crucial, is a modest part of TRCB in Ukraine. Through technical assistance, there are significant contributions to TRCB, especially on two fronts – accession to WTO and greater integration with EU.
65. The negotiating process in WTO, is a major factor in TRCB. The more involved and engaged Ukrainian officials are in this process, the more capacities are being built. This is particularly true now that there are larger numbers of staff in MEEI and in the Geneva mission. A wider constituency is increasingly involved in the negotiating process. There are a larger number of officials now who are more conversant with the negotiating process than there used to be. Increasingly, there is a local consultancy industry which has equipped itself with new capacities in these areas. The PCA with the EU, and EU's enlargement, has brought trade issues to the doorstep of the Ukrainian regions. The increasing interaction across the borders within an EU context is creating a demand for TRCB. TRCB has to be placed strategically within this unfolding scenario for it to make an optimal contribution. While DFID projects have been part of the process of TRCB, they need to be even more strategically targeted in the future.

TRCB and DFID

66. DFID's TRCB activities in Ukraine is a relatively minor part of its total portfolio. Between the years 2000-2004, the approximate amount allocated to TRCB projects was in the order of £2 million. The two projects on WTO accession amount to a little over £1 million, and the amount allocated to the second project has still not been spent. The two other TRCB projects which were implemented during this period – the Cross-Border Project and the Chamber of Commerce Project – amount to a further £1 million. The total expenditure for the four-year period on TRCB therefore amounts to not more than £2 million – an average of £500,000 per year. This would amount to less than 10% of DFID expenditures.
67. In this report, eight projects have been taken up (some of them only components of projects) as constituting TRCB activities. This cluster of so-called TRCB is largely a creation of this report – it is not a cluster recognised by the Ukraine government or by DFID Ukraine. There is therefore no coherent strategy or policy for TRCB as such, within the government or within DFID. TRCB itself is a relatively new concept, which has not trickled down to the country level. Ukraine is not an exception and this appears to be the practice in other countries. TRCB itself is an elastic concept, which can include many diverse activities.

68. Of the DFID-funded TRCB projects in Ukraine, only the WTO accession project conforms to capacity building in the trade policy area. Other projects could be described as 'trade development projects'. All TRCB projects in Ukraine are largely focused upon institutional change, and only to a lesser extent are they concerned with human capacity development. The WTO accession projects, while having important elements of human capacity building, are largely concerned with changing legislative and other practices, and operations within the machinery of government. Other projects are also primarily concerned with bringing about changes in business practices and procedures and regulatory systems affecting the government. DFID-funded TRCB activities in Ukraine are therefore somewhat different from TRCB projects in other countries, where training of manpower is attached a greater significance.
69. There is general satisfaction with the DFID portfolio of trade-related projects, among key stakeholders. These projects have contributed to strengthening capacities, through training and familiarization, the provision of analytical information, which is crucial to policy making and procedural improvements, and more generally creating widespread awareness of trade related issues. The projects have made their own inputs into an ongoing process of domesticating trade issues in Ukraine, not only at the centre but also in the regions and peripheries. New agendas, which are crucial to trade and trade development, have been developed at the centre and in the regions. The DFID portfolio of TRCB projects have facilitated the mainstreaming of trade into national policy making processes.

Trade and Poverty

70. DFID TRCB projects (WTO Accession, Chamber of Commerce, Cross-Border, Tourism) cannot be described as having any particular concern or focus on poverty issues. They have not been designed with the aim of poverty reduction. The two WTO accession projects have not addressed poverty issues, as their tasks are focused upon facilitating Ukraine's entry into WTO. The Cross-Border Project has an important poverty dimension, although not designed with such a purpose, as it deals with issues of significance to relatively poor people in the border regions. The TRCB components or elements that are there in the Rural Livelihoods and ESDLO projects can be described as having trade and poverty linkages. DFID is addressing poverty issues in Ukraine through its portfolio of projects, but there is no strong relationship between those projects and trade issues. Those projects have lessons to offer for the future in establishing greater linkages between trade and poverty.
71. The linkage between trade and poverty reduction can be strengthened through projects which focus on the regions and the peripheries. Building trade 'windows' into broader integrated social and economic projects, in the regions, bring trade issues directly into line with other economic and social regeneration activities. Trade is seen as an integral part of the development process. This is clearly established in the Lviv regional project funded by DFID. Other donors have probably lessons to learn from this experience. There might be an occasion to draw from the Ukrainian experience for a broader exchange of views within the OECD. Cross border trade is particularly pro-poor trade (as small traders, and

commodities of interest to poor producers and consumers are involved), and the regional dimension is therefore inclined to be pro-poor. Another aspect to trade and poverty in TRCB is whether DFID should look at every trade project to emphasise the poverty angle or whether it should look at its overall portfolio in the country, to ensure that poverty reduction issues are adequately addressed. There are instances, where insisting on a poverty dimension or component may not be very productive.

72. Should projects focus exclusively on trade or should there be 'windows' in wider and larger scale projects? There are arguments for both types. What needs to be emphasised is that within the new environment of domestication of international trade, large economic and social projects can incorporate and include dedicated windows to deal with trade issues. These projects, (the DFID projects in the regions) are not overseen by the Ministry responsible for trade but by other entities such as agriculture and regional governments. The trade interests of these bodies are better handled through these projects which they are managing and which then can link up appropriately with mainstream economic and trade agencies. This type of project design has major implications for DFID not only in Ukraine but elsewhere.
73. One recent development should be noted in this context. The World Bank's Poverty Reduction and Economic Management Unit (Europe and Central Asia Region) in October 2004 produced a Ukraine Trade Policy Study (available only in draft at the time of this report), financed partly by DFID. It is a comprehensive analysis of Ukraine's trade policies and trends. What is striking is that there is no mention of the relationship between trade and poverty, or for that matter the contribution that trade can make to poverty reduction in Ukraine. There is no discussion of the social implications of trade policy adjustment, as a result of accession to WTO or in facilitating greater integration with EU policies and practices. This is illustrative of a general assumption being made by institutions such as the World Bank, that trade is good for growth and therefore for poverty reduction. This is not satisfactory and the implications of trade policies on the livelihoods of the poor and for poverty reduction need to be explored more intensively.

Design, Monitoring and Evaluation

74. Appropriate design of projects is a key factor in successful outcomes. There are many lessons to be learned from the DFID experience. There is a need for inbuilt flexibility within projects, to change and adjust the portfolio of activities to suit emerging circumstances. Training and familiarization is productive when they can be tailored to current demands, which are rapidly changing. A project should be in a position to capture these opportunities. Instead of preset agendas at the initial planning stage, projects should allow for new activities to be taken up. Another useful instrument within a project is the kind of call-down facility that was incorporated in the WTO accession project. That was successful and requires replication. A project steering committee for a project (as now established within the new WTO project) can be the overseer for flexible adaptation. There should also be provision for the adjustment and amendment of projects mid-stream, so that activities which lagged behind can be dropped and more promising activities

either expanded or included afresh. Including a provision for amendment would require corresponding changes in contractual arrangements with implementing agencies.

75. Design, monitoring and evaluation arrangements in the DFID TRCB portfolio require critical scrutiny. The WTO accession projects (old and new), have been designed by a consultant adviser to DFID. Other projects have been designed by other consultant advisers. The design of these projects need to be commended, as they have identified issues which clearly were the priorities at the time, and the methodologies adopted are the optimal ones (with the possible exception of the benchmarking component in the World Bank associated private sector loan project and the deletion of the academic component in the new WTO project). There is no question regarding the quality of these advisers. Concerns arise when these same consultants and advisers undertake the monitoring of these projects. There is no significant drawback in such a practice, so long as these advisers are prepared to think afresh continually on adjusting and amending these projects as and when circumstances arise. The problem is that consultants who design the projects might be reluctant to question their own design. (The implementing agency of the TPCBP was not consulted when the new project was designed. It would be appropriate to benefit from the experience of such agencies.) That is an issue which needs to be discussed with the consultants. There are many advantages having the same consultant monitor the project, especially as they are developing an expertise on the country itself. When it comes to evaluation, or evaluation-type activities, such as Output to Purpose Reviews (which are in the nature of mid-term evaluations) it is desirable to opt out of the current practice of using the same consultant advisers and bring in a fresh mind to it from the outside. The WTO TPCBP OPR could have been more critical and open to new ideas if outsiders rather than insiders had handled it.

Management Issues

76. The management of the DFID TRCB portfolio has been satisfactory overall. The contractors of the projects (implementing agencies) have by and large undertaken their work with commitment and to the satisfaction of most stakeholders. The kind of quarterly progress reports (especially in the WTO accession project) have not been as satisfactory. There is also room for improvement in the PCRs. These reports should be succinctly and readably presented to bring out the key issues. Reports should focus not only on outcomes but also on shortcomings and obstacles. In Ukraine, DFID has employed profit making consultancy organizations as well as UK universities as contractors. There is no significant difference evident in the performance of these two types of contractors. This is an issue which requires further enquiry.
77. There has been a rapid turnover of DFID staff at headquarters overseeing these projects. At least three staff members of DFID managed the WTO accession project in three years. This has resulted in lack of continuity in working relationships. Continuity was ensured by the adviser consultants who remained the same. To illustrate, no person in DFID, either at headquarters or in the Ukraine office knew the project on tourism in Lviv which was completed in 2000, and only the private sector adviser could provide partial information of some

value. The two consultant advisers (Mark George and Peter Fortune) have made an important contribution to these projects.

78. In the last year, project management has been decentralized. The local DFID staff have managed their tasks in a very competent manner and with a strong sense of commitment. Relationships are yet evolving between local DFID managers and project managers. There is a fine line between micro management and responsible oversight and while there are no serious complaints, this has to be got right. The implementing contractors should not be in a position to deny accountability on the grounds that they were not responsible for some of the decisions taken. Apart from project administration, DFID local staff should contribute more substantively to trade issues, not only in relation to projects they manage, but also in the wider context of developing a dialogue with relevant bodies in government and donors. While the staff have high quality skills, they need to be honed through appropriate training, and relevant attachments, to places like Geneva where they can obtain a better understanding of the intricacies of trade negotiations and trade development.

Donor Relationships

79. Most DFID TRCB projects have been associated with other donor activities. As noted earlier, the WTO accession project played an important role in coordinating donor activities in TRCB on WTO issues. Such a role should be encouraged for the WTO project, as Ukraine is entering a critical stage in accession negotiations. Many DFID projects also contributed to the design and future shape of projects of other donors specially the EU. Several TACIS regional projects have taken over some of the work of previous DFID projects, thereby ensuring a degree of sustainability. DFID projects have enabled the country office to establish a closer working relationship with the EU country office. More of the UK's resources for TRCB in Ukraine are being channelled through the EU than bilaterally, and there is good reason to have a more intensive dialogue between DFID and the EU at the country level. It is vital that DFID closely collaborates with the EU in Ukraine on TRCB. DFID in Ukraine also collaborates with the World Bank at the project level. It is important that DFID should have its own agenda, when promoting collaborative arrangements with these organisations.
80. The WTO/OECD database on TRCB projects in Ukraine included only five projects (two of which were the old and new WTO accession projects). This report has taken into account three more projects which have important TRCB components, especially with a significant emphasis on poverty issues. The WTO/OECD might think in terms of including projects which have trade components within them, highlighting at least the trade component. The experience in preparing this report attests to the value of the WTO/OECD database at the country level. The Tourism Development Project in Lviv would not have been noticed if not for the WTO/OECD database. DFID had no institutional memory from which information on this project could be retrieved. The WTO/OECD database could provide that kind of institutional memory for the donor community at the country level. It would be even more useful if more information on individual projects can be incorporated in the database. Another approach is also feasible in developing the WTO/OECD database. It can confine

itself only to issues to trade policy and regulations (TPR), instead of the whole ill-defined and ever-expanding field of TRCB activities involved in trade development. That would make the WTO/OECD database focus upon projects (through training, research and analysis) addressing the multilateral trade regime as well as those involving bilateral and regional trade arrangements.

ANNEXES

I. Matrix of International Donors' TRCB Projects in Ukraine

<i>Donor organisation</i>	<i>Title and main areas of activities</i>	<i>Local counterpart</i>	<i>Implementing agency</i>
European Commission TACIS Programme	<i>Ukrainian – European Policy and Legal Advice Centre</i> One of the components is aimed at facilitation of the accession of Ukraine to the WTO and dealing with its attendant rights and obligations	Parliament of Ukraine, Presidential Administration, Cabinet of Ministers of Ukraine	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ), Deutsche Stiftung für Internationale Rechtliche Zusammenarbeit e.V. (IRZ-Stiftung), and PLANET Ernst & Young
	<i>Application of a Foreign Trade Regime – Establishing a framework for the protection of Intellectual Property Rights (IPR)</i> The purpose of the project is to achieve an adequate and timely upgrading and harmonisation of the Ukrainian intellectual property rights as well as strengthening of implementing authorities. In particular the project aims at reducing counterfeiting & piracy and at harmonising with EU Directives, Regulations and ECCJ jurisprudence	State Department of intellectual property, the Copyright office (UACCR), the Patent office (UIIP) and Customs	European Patent Office
	<i>Legal and institutional basis for Protection of Competition</i> The project purpose is to provide advice and training to the Antimonopoly Committee at the central and regional levels, to promote the effective enforcement of competition policy, and to further help develop the institutional and legal framework for a competition policy compatible with PCA and WTO requirements.	Antimonopoly Committee of Ukraine	

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	<p><i>Assistance to Regional Development in Ukraine</i> Project objectives are as follows: To increase economic competitive advantages of selected pilot regions; to improve the co-operation on regional development between national and local authorities, private sector and civil society; to improve capacity of the national, regional and local authorities to formulate and implement regional development policies.</p>	Ministry of Economy and European Integration of Ukraine	Bureau of Economic Management & Legal Studies of BCEOM, France; EastWest Institute (EWI), Ukraine; Freiburg University, Germany
	<p><i>Application of a Foreign Trade Regime – Standards, Technical regulations and Conformity Assessment in Ukraine.</i> Project period: August, 2003 – December, 2004 The project objective is to help Ukraine meet its obligations under the PCA and the WTO accession and to facilitate expansion of Ukrainian trade with the European Union by harmonizing its standardization. Specific objectives of the project are to enhance the present legal framework for standardization and conformity assessment procedures, to upgrade professional expertise of the staff of Derzhspozhivstandard and various bodies, accreditation of two Ukrainian testing laboratories, to promote international co-operation and active participation of Ukraine in standardization committees.</p>	State Committee of Ukraine on Technical Regulation and Consumer Policy	Consortium of AFNOR, SWEDAC, UNI, represented by AFNOR
	<p><i>Establishment of an Agricultural Standards Certification and Control Mechanism in line with WTO Requirements</i> Although Ukraine has great potential in agriculture, the conditions for revitalising this sector are not yet met. One element that can significantly contribute to the further development of this sector is the facilitation of trade in agricultural products with other countries. An important condition for this is that the agricultural standards in the Ukraine are compliant with WTO requirements and other international standards.</p>	The Ministry of Agrarian Policy of Ukraine	GFA Terra Systems Gmbh

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USAID	<p><i>Ukraine WTO Accession Project</i> Project Period: 08/01/2003 - 07/31/2004 The purpose of the project is to assist Ukraine in its effort to accede to the World Trade Organization (WTO). With USAID assistance, the GOU will draft and enact legislation and regulations to improve Ukraine's SPS measures, which lay the basis for its accession to the WTO. In addition, USAID seeks to assist the Government of Ukraine in other areas where short-term technical assistance is required to facilitate Ukraine's accession to the WTO.</p>		IBM Global Services
	<p><i>Support for Economic and Fiscal Reform (SEFR)</i> The goal is to build the local government capacity to: 1) improve the budget system so local governments can provide better services to their citizens; 2) implement modern methods of budgeting, including program performance budgeting; and 3) complete the decentralization of local budget authority while increasing transparency and citizen participation in the budget process.</p>	26 local governments in three competitively selected oblasts: Lviv, Khmelnytsky, and Poltava	Development Alternatives, Inc.
	<p><i>Business Management Education in Ukraine</i> Assistance in developing a Ukrainian Association for Management Development and Business Education. Using roundtables, study tours, workshops, summer and weekend institutes and internship opportunities to deliver innovative methodologies and new teaching approaches, the project will continue to work with Ukrainian educators to institutionalize new business education standards in Ukraine.</p>		Consortium of U.S. and Polish universities, led by University of Minnesota
	<p><i>BIZPRO</i> Project Period: 09/27/2000 - 09/27/2005 The BIZPRO project assists small and medium enterprise (SME) development in Ukraine by providing business training; working to improve the SME policy environment by promoting regulatory reform; supporting business associations; and operating telephone hotlines to answer questions and offer referrals.</p>		Development Alternatives Incorporated (DAI)

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	<p><i>Business Internet Centres</i> The project is designed to strengthen Ukrainian SMEs by establishing a network of locally owned and operated Business Internet Centres (BICs) in six underserved Ukrainian communities. These Business Internet Centres will provide Ukrainian SMEs and individual clients with business support services, including legal advice, business planning, e-commerce applications, and specialized training courses (e.g. accounting, management and marketing) and ICT-related services (Internet, E-mail, telephony, web page development, computer training, and fax and photocopying).</p>		National Telecommunications Cooperative Association (NTCA)
	<p><i>Commercial Law Centre</i> Project Period: 05/31/2000 - 07/30/2005 The Commercial Law Centre was established by USAID to increase the level of understanding of commercial law in Ukraine and improve the legal basis of its business environment. The Centre organizes training for lawmakers, lawyers, and business managers in both the public and private sectors and has established a forum for exchange of best practices in legislative drafting and legal reform.</p>		Deloitte Touche Tohmatsu
	<p><i>Agricultural Marketing Project</i> Project Period: 03/26/2003 - 03/25/2007 The Agricultural Marketing Project aims to integrate small and medium sized commercial farms, primarily engaged in the production of fruits and vegetables, into the formal market economy. The project has three components: 1) development of retail, wholesale and processor markets; 2) production and marketing assistance to commercial family farms; 3) strengthening of self-sustaining producer organizations</p>		Land O'Lakes
	<p><i>Agricultural Policy for Human Development Project</i> Project Period: 12/02/2001 - 11/02/2004 With its support to the Secretariat of the Agrarian Policy Coordination Council, the project is strengthening indigenous policymaking capabilities. In order to facilitate Ukraine's structural</p>		UNDP/USAID

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	<p>shift from a command economy to a market-economy based on choice and competition, USAID is working with other donors to strengthen coordination in providing the Council with well-researched economic analysis of the agricultural sector, and improved human resource capabilities</p>		
World Bank	<p><i>Private Sector Development</i> The development objective of the Private Sector Development Project is to increase the competitiveness of the Ukraine enterprise sector. There are four project components. The first component provides advisory services through a local non-profit agency aimed at improving the profitability, productivity, and general operational, financial, and managerial efficiency of private and privatized enterprises. Under the second component, the implementing agency will design, subcontract, and supervise in-house training courses for people who, in turn, will proactively disseminate their knowledge and experience to the business community. The third component finances monitoring and project administration. The fourth component improves the regulatory environment by providing performance-based incentives for deregulation</p>		Ukrainian Centre for Enterprise Restructuring
	<p><i>Dutch Grant (Preparation of the Second Programmatic Adjustment Loan) Grant No. TF 050270</i> This project, administered by the IBRD, complements the program of institutional and structural reforms under the second Programmatic Adjustment Loan. One component supports Ukraine's accession to the WTO, via analysis of the conformity of Ukrainian legislation with WTO standards and agreements and prepare proposals to bring Ukrainian legislation into conformity with WTO requirements; analyse economic impacts of Ukraine's accession to the WTO; ensure publicity of information on advantages of Ukraine's accession to the WTO.</p>	Ministry of Economy and European Integration of Ukraine Ministry of Finance of Ukraine	HTSPE CTA, UK

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Canadian International Development Agency (CIDA)	<i>Trade Policy and Capacity Building in Ukraine</i> Project Period: 2000/05 – 2004/09 The project goal is to facilitate Ukraine’s successful entry into the international trading system, principally the WTO. The main objectives are to establish the capacity of Ukraine to provide training, research and consulting services on a fee-for service basis to domestic and international clients; to increase the capacity of the academic partner to provide educational programs on trade policy and trade law issues; to build linkages between the trade policy and law communities in Canada, Ukraine and the rest of the world.		The Centre for Trade Policy and Law (CTPL), Carleton University
	<i>Foreign Policy and Trade Analysts Professional Development Project</i> Project Period: 2000/10 – 2005/06 The project aims to strengthen the capacity of the Ministry of Foreign Affairs of Ukraine and the National Institute for Strategic Studies, to apply modern approaches in analysing international affairs and trade policy.		Centre for International and Strategic Studies, York University
Swedish International Agency for Development Cooperation (SIDA)	<i>Co-operation Chambers of Commerce</i> Project Period: 3 years, start May 2003 The project includes the following components: training for staff elected officers and member companies; strengthening and development of services, including member recruitment; strengthening and widening of business relations.	Ukrainian Chamber of Commerce and Industry	Chamber of Commerce and Industry of Southern Sweden, Chamber of Commerce Malardalen, Stockholm Chamber of Commerce
	<i>Public Procurement Assistance, Phase</i> Project Period: 16 months, start March 2001 This project built on two earlier phases, which adapted Ukrainian public procurement legislation to EC and WTO standards. The third phase focussed on organisational development.	Ministry of Economy and European Integration of Ukraine	SIPU International AB

II. List of Persons Met

<u>ORGANISATION</u>	<u>COUNTERPARTS</u>
Ministry of Economy and European Integration of Ukraine	Valery Pyatnytsky, First Deputy Minister of Economy and European Integration of Ukraine Vyacheslav Tsymbal, Head of Department of cooperation with WTO Lidiya Melnyk, Deputy Head of Department of cooperation with WTO Natalya Vasylchenko, Head of Division of multilateral negotiation on WTO accession Alexandra Onischuk, Adviser to MEEI (Academy of International Trade) Aleksandr Karbachynsky, Head of Protocol, MEEI
Ministry of Agrarian Policy of Ukraine	Grygoriy Omelyanenko, Deputy Minister of Agrarian Policy of Ukraine Tatyana Varchenko, Deputy Head of Department, Head of Division on EU integration and trade policy
Parliament of Ukraine, Parliamentary Committee on European Integration	Svetlana Plachkova, Head of Secretariat Volodymyr Vaschenko, Advisor to Deputy Head of the Committee of Finance and Banking
Ukrainian Academy of Public Administration, Office of the President of Ukraine, Department of Economic Policy	Oleksandr Kilievych, Associate Professor,
Government Agrarian Policy Coordination Council, UNDP Agricultural Policy for Human Development Project	Iryna Kobuta, Senior Analyst
Regional Administration of Lviv city (Tourism Development Project)	Valeriy Pyatak, Head of Main Department of Economy
Donetsk Chamber of Commerce and Industry	Gennadiy Chizhikov, Director of Chamber of Commerce and Industry
National University of Trade and Economy	Tatyana Chayun, Associate Professor Natalya Gulyaeva, Dean of the Department of Management and Law Alexandr Hrebelyk, Associate Professor Tatyana Melnyk, Senior Lecturer
DFID Office, Ukraine	Olga Mrinska, Deputy Programme Manager

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	Katya Andruschenko, Deputy Programme Manager Katya Maynsuyk, Economic Adviser Paola Pavlenko, Deputy Programme Manager Mark George – Adviser to DFID (now DFID, China) Peter Fortune – Private Sector Adviser, DFID Ukraine
DFID, UK	Melinda Robson Vicky Plater
Delegation of the European Commission to Ukraine, Moldova and Belarus	Eleonora Nikolaychuk
EDSLO Project	Adrian Campbell, University of Birmingham, UK
US Dept of Commerce Project	Roger Lawrence, Senior Adviser to MEEI
Ukraine Rural Livelihood Programme (DFID) Institute of Rural Development	Svitlana Prokopenko, Director Institute Nadia Tymoshenko, Expert Brian Milton, Expert Tamara Ostashko, Expert
Ukraine Rural Livelihood Programme	Yuriy Kukharuk, Ukrainian Team Leader
Ukraine Trade Policy Capacity Building Project	Jeremy West, HSTP Chris Cosgrove, P-E International Sergey Nerpiy, Project Coordinator
Embassy of Canada in Ukraine, CIDA	Bruce Steen, First Secretary Volodymyr Seniuk, Senior Programme Officer
Lviv - Lviv Tourist Board	Diana Konaryeva, Chief Executive, Tourism Development Project (DFID)
On the telephone and by email	Judy Cotton – University of Durham, UK Bob Fitch – Chamber of Commerce Project Kevin Bradley – Bradley Dunbar Associates, Glasgow – CBP Prof Alan Roe – Former World Bank Senior Economist for Ukraine (now in UK)

III. List of Participants at the National Consultation Seminar
Kyiv, October 4, 2004

Valery Pyatnytsky	First Deputy Minister of Economy and European Integration
Lydia Melnyk	Deputy Head of Department on Cooperation with WTO, Ministry of Economy and European Integration
Natalya Vasylichenko	Head of Unit Multilateral Negotiations, Ministry of Economy and European Integration
Oleksandr Kilievych	Associate Professor, Ukrainian Academy of Public Administration, Office of the President of Ukraine, Department of Economic Policy
Aleksandr Karbachynsky	Head of Protocol Unit, Ministry of Economy and European Integration
Melinda Robson	DFID UK
Katya Mauinzuk	Economic Adviser, DFID Ukraine
Olga Mrinska	Deputy Programme Manager, DFID Ukraine
Katya Andruschenko	Deputy Project Manager, DFID Ukraine
Chris Cosgrove Sergey Nerpiy	Trade Policy Capacity Building Project
Svitlana Prokopenko	URLP project, Director of Institute of Rural Development
Nadiya Tymoshenko	URLP project, Expert
Olexandra Onischuk	Adviser to First Deputy Minister of Economy, Academy of International Trade (Expert on trade policy issues)
Iryna Kobuta	Senior Analyst, Government Agrarian Policy Coordination Council, UNDP Agricultural Policy for Human Development Project
Leelananda De Silva Svitlana Hryshenko	Evaluation Team

IV. List of Documents Reviewed

a. PROJECT DOCUMENTS:

TITLE OF DOCUMENT

PROJECT TITLE

The WTO-Ukraine negotiation process, results and prospects, Analytical Report (AHT Consulting)	<i>Ukraine Trade Policy Capacity Building Project</i>
Ukraine's accession to the WTO, Analytical Report	
Ukraine's trading future in the light of WTO accession	
Ukraine's WTO accession negotiations, Analytical Paper	
Paper on decision-making structures by M. Johnson	
A Cross-Governmental Approach to Trade Policy Formation and WTO Accession Strategy, published by MEEI	
Summary Paper on Doha negotiations	
Report on Parliamentary Hearings regarding WTO	
Project Memorandum – August 2000	
Terms of Reference/Scope of Work – August 2000	
Output to Purpose Review (2002)	
All Quarterly Progress Reports	
Project Completion Report (2004)	
Project Memorandum – July 2003 (new project)	
Project Memorandum (2000)	<i>Enabling Environment in three Oblasts (Chamber of Commerce Project (1 July 2001 – 31 December 2004))</i>
Project Concept Note (2000)	
Project Progress Reports	
Output to Purpose Review	
Project Memorandum (June 2002)	<i>Private Sector Development in Ukraine via Support for World Bank Loan</i>
Inception Report (May 2003 to March 2004)	
Selected Quarterly reports	
Terms of Reference	<i>Donetsk Enterprise Education (20/04/01 – 01/05/05)</i>
Output to Purpose Review	
Project Memorandum (October 2001)	<i>Economic Regeneration and Social Mitigation in the Donbas</i>
Revised Logical Framework	
Selected Quarterly Reports	<i>Developing Enterprise Education in Professional and Technical Schools and Secondary Schools in Donetsk Oblast</i>
Terms of Reference (January 2001)	

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Selected Progress Reports	<i>Ukraine: Improving the Business Environment</i>
Terms of Reference Project Memorandum Improving Rural Livelihoods in Ukraine - Project Brochure 2003 DRAFT Mid Term Progress Report (Dec 2001 to Nov 2003)	<i>Ukraine: Unified Rural Livelihood Programme (URLP)</i>
Project Memorandum Progress Reports	<i>Economic and Social Development of Lviv Oblast (Lviv Development Project, 2003-2007)</i>
Project Memorandum, March 2001 Proposal for Information/Contact Points for New Neighbourhood Programme – Poland/Ukraine/Belarus Selected Project Progress Reports Output to Purpose Review	<i>Supporting the creation of a Ukrainian – Polish Agency for Cross-Border Regional Economic and Social Development (Agency for Cross-Border Regional Development, 01/08/01 – 01/04/04)</i>
Project Concept Note (January 1999) Project Memorandum – Tourism Development in Lviv (April 1999)	<i>Tourism Development Project</i>

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