

USAID/UKRAINE

RESULTS REVIEW AND RESOURCE REQUEST (R4)

APRIL 2001

Please Note:

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So let us begin, brothers,
This tale –
From Volodymyr of yore
To nowadays Ihor,
Who girded his mind
With fortitude,
And sharpened his heart
With manliness;
Imbued with the spirit of arms
He led his brave troops
Against the land of the Polovstians
In the Name of the land of Rus.

The Lay of Ihor's Host (1187)

MEMORANDUM

From the thirteenth century when Kievan Rus, the dominant power in medieval Eastern Europe, lost its position and power to the years following 1991 when it declared its independence from the Soviet Union, Ukraine has struggled to come to terms with its separate and unique identity. Its independence from Russia and its concept of itself as a European nation and a market-oriented democracy remains a major foreign policy objective of the United States and the underlying philosophy of USAID's program. This year brought both hopeful signs – in the economic area – and signs of alarm – in the political arena - as to Ukraine's commitment to the same vision. For the first time since independence, Ukraine showed a positive growth in GDP (about 6%) and signs that it is serious about implementing certain macro reforms, such as the budget. Yet, the crisis caused by continued attempt of the President to strengthen the executive at the expense of the legislative branch of government and to resist the establishment of a separate judiciary, as well as the scandal caused by the Gongadze tapes has made optimism cautious. An IREX survey, which showed that the vast majority of the population is disappointed with the results of reform as well as with the basic democratic institutions, is also cause for concern that reforms are either not occurring as they ought to or that their consequences, at least in the short term, are taking their toll on the citizenry.

These developments occur at a time during which USAID/Ukraine is beginning to review and redesign its assistance strategy. Indeed, this R4 represents a report on the second year of a three year strategy and initiates an in-depth process of reflecting upon what we have accomplished and what we have not, where Ukraine is going and where the people want their country to go, and how we might better facilitate this process within the framework of US policy. USAID's current strategy was conceived when funding levels averaged \$147,087,000, and the dramatic decline in funding to \$81,776,5000 in FY 2000 and to \$78,650,000 in FY 2001 has forced the Mission to review what we can realistically accomplish during this strategy period and what we can guarantee during the next, assuming levels will stabilize or continue to fall. Next year's R4 will, of course, sum up the review process, summarize results over the entire strategy period, and discuss how the next strategy will build on the current. At that time, we will also request approval for certain key activities to extend beyond the current strategic plan provided the review determines that they comprise an essential component of the follow-on strategy which will be submitted to the Bureau for approval in early 2002.

As a lead-in to our next strategy, the Mission has been conducting selected assessments and undertaking reviews and revisions of certain strategic objectives toward the goal of making them more realistically reflect current realities in Ukraine and better represent what the program should accomplish. Several intermediate results and indicators have hence been changed. These are discussed in detail in the annex on Results Frameworks but are summarized here for AID/W's review. Proposed new results frameworks and performance monitoring plans are presented in an annex. Revised results frameworks are proposed for SOs 2.1, 2.2, and 2.3 and a number of changes of results and indicators are proposed for many other SOs. The Mission requests AID/W approval for SO and IR level changes.

The SO 2.1 framework now better captures how USAID will increase citizen participation in political and economic decision making, namely by enhancing the contribution of civil society organizations (CSOs) to democracy, helping democratically oriented political parties be more effective, assuring that electoral systems are more open and competitive, making sure that more unbiased information is available to the populace, and assuring that the citizen's anti-corruption campaign is more effective. Indicators have been proposed to measure these intermediate results. Such a major revamping of the SO framework is appropriate, even though the Mission will soon design a new strategy, because enhanced citizen participation will undoubtedly remain a major focus of the future.

The SO 2.2 framework likewise has been altered to better reflect results from the work USAID is doing in legislative reform and the fact that our centerpiece rule of law project was halted due to the failure of the GOU to adopt a new law of the judiciary. The SO 2.3 intermediate results (IRs) have also been re-worded to better express the results which the USAID program intends to achieve and the indicators have been changed to better reflect and measure these results.

Other changes include the following:

The current performance indicator for SO 1.3a, "A More Market Responsive Agricultural Sector" is "the private sector contribution to agricultural production." This indicator is no longer valid because all Ukrainian collective farms were legally dissolved in 2000 and replaced by private sector companies. Hence, the Mission requests approval to delete this indicator and develop a more appropriate replacement. Once this is developed, the Mission will inform AID/W what we are measuring.

New activities in SO 1.3c will emphasize developing the skill base of professionals who counsel SMEs as well as on improving the overall business climate for SMEs. Hence, USAID/Kiev will add new sub-IRs and indicators appropriate for these activities. The specific sub-IRs and indicators are still to be finalized, although probable sub-IRs for which indicators will be developed include: (1) 1.3c.1.1: "Improved outreach and capability of business service providers (BSPs)"; (2) 1.3c.1.2: "Increased capability of business consultants"; (3) 1.3c.1.3: "Improved outreach and service capabilities of business associations"; and (4) 1.3c.2.1: "Business associations' advocacy capacity strengthened."

Another new Sub-IR (1.3c.1.4), "Strengthened Ukrainian business and management education programs at business and secondary schools" is being proposed to reflect the efforts of the Mission's business management education activity and will require an indicator. Furthermore, since the UMREP Public Information activity cuts across a number of Mission SOs, the Mission proposed to move this activity to SO 4.2, Cross-Cutting Initiatives.

The SO 1.5 team recommends the elimination of the indicator for IR 1.5.2.1, "Effective privatization and financing of energy companies," which measures "private ownership of electricity distribution and generation companies." This indicator is not a good measure of a soundly privatized company since it could include owners in name only who do not bring the necessary managerial or financial resources necessary to make the company effective.

SO 3.2 has changed I.R. 3.2.2: "Reduction of public health risks" to more accurately report on new infectious disease initiatives. In addition, there is presently no funding available to address I.R. 3.2.2.4: "Reduction of environmental and occupational risks to health including reproductive health."

The SO 3.4 team is currently undertaking an in depth assessment of humanitarian assistance and pension reform and will be reviewing the SO 3.4 framework and indicators for possible revision.

The resource request presented in this R4 responds to AID/W's directive to increase the FY 2002 budget to \$79.7 million and to increase by 2% for FY 2003, a budget projection which is, of course, subject to the overall review of assistance which the new administration will undertake. This budget will continue to squeeze the Mission's current strategy and force us to make tough decisions about pursuing new activities. Likewise, continued Congressional earmarks make it difficult for the Mission to stay on course.

This year, these earmarks totaled \$19,250,000, leaving only \$59,400,000 available for Mission programming. The limitations imposed upon our program by financial constraints are discussed in the Resource Request.

In spite of funding limitations and political exigencies, USAID/Ukraine made significant progress this year in the area of local government, fiscal and monetary policy reform, banking, non-governmental and civil society activism, and SME development.

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OVERVIEW FACTORS AFFECTING PROGRAM PERFORMANCE

“That glory will revive
The glory of Ukraine,
And a clear light, not a twilight,
Will shine forth anew.”

Taras Shevchenko

Ukraine’s independence in 1991 opened a new era for this resource rich country in Europe to define its identity and establish itself as a nation with a significant place in the global economy. Maintaining a strategic position between Europe and Eurasia, Ukraine remains a priority for US and Western European foreign policy objectives. The years since independence have made it clear that Ukraine is thus far seeking, not a textbook model of a market democracy, but a Ukraine-specific, “third way” approach to nationhood, which includes an active industrial policy while maintaining a generous level of social protection, and which relies on considerable central control and a reluctance to undergo the type of shock-therapy which other countries in the region have pursued. As a consequence, Ukraine has pursued reforms more slowly than the US, Western Europe and international organizations have deemed essential, and has been a much more reluctant partner for USAID’s strategy than originally anticipated. Due to the difficulty convincing the central government to adopt the changes which USAID-funded activities promulgated, USAID re-drafted its 1996-1998 strategy to focus more on local level, grassroots, and people-oriented development in order to build a critical mass of people who support and have the skills to uphold a truly market oriented democracy along the line which the West holds dear. These values undergird the current 1999-2002 strategy which is being reported upon in this R4.

It is in the US national interest for Ukraine to be an independent European democracy with a thriving private sector which plays a significant role in the global economy. Overall US interests in Ukraine which the USAID program supports include national security and economic prosperity, democracy, and global issues, namely environment, population, and health. USAID’s program links to the lynchpin MPP goals of economic development, global growth and stability, open markets, environment, democracy and human rights, humanitarian assistance, population and health. USAID/Kyiv’s program supports all seven AID Agency goals.

USAID/Kyiv made a concerted effort during the current strategy to shift from working with the government at the national level to working more with the non-governmental sector, with local government, and directly with people. As a consequence, our current budget provides 73.66% of its resources to the non-governmental sector, 5.72% to local government, and 20.62% to the central government. Central government programs either

assist the GOU to implement significant national programs, such as HIV/AIDs and tuberculosis, where government involvement is key or work to change the way central government does business.

Factors Affecting Performance:

Ukraine experienced a mixed year in terms of progress on the economic and political front. Its reform ranking slightly improved in the economic area, from 20th to 19th out of 27 transition countries and it remained 15th in democratization, according to Freedom House. Living conditions continue to be very difficult for the majority of Ukrainians and Ukraine's poverty rate continues to be among the highest of all transition countries and life expectancy among the lowest.

Economic performance in 2000 was in many ways encouraging, as real GDP growth was positive (about 6 percent) for the first time since independence, and the current account improved from 2.7 (1999) to 3.97 (January-September 2000) percent of GDP. Efforts by the MOF to formulate and execute a more realistic budget together with improved tax collection, resulted in a budget surplus of about one percent of GDP. The GOU also made important structural changes to the budget, including a decrease in non-cash operations, a sharp reduction of payments arrears on government wages and social benefits, the virtual elimination of pension arrears and transparent intergovernmental transfers.

Since 1997, Ukraine has made significant, albeit slow, progress in implementing macroeconomic policies and fiscal systems appropriate to a market economy. This progress accelerated somewhat in 2000, following the appointment of a more reform-minded Government and the establishment of a Parliamentary majority more receptive to Government reform proposals and priorities. The GOU successfully met IMF fiscal targets in 2000.

Performance in the agricultural sector was significant with two exceptions that marred a successful performance record: (1) The imposition of marketing restrictions on wheat, commodity export licensing through exchanges; and (2) The continued failure to abolish the 23% export tax on sunflower seeds. Successes include the abolition of collective farms, a quickened pace of rural land privatization, withdrawal of the GOU from supplying production inputs, government interference in agricultural credit, and government restructuring of agricultural tax debt. Policy reforms stimulated growth of private farm and plot holder agricultural production and the disappearance of barter as a payment mechanism. This led to the first gross agricultural production increase in ten years. The reforms also stimulated the private and public sectors to establish mechanisms to resolve farm debts accumulated in the mid-nineties. Improved agricultural economic performance should continue because growth of private sector production will continue to outpace the production decline on former collective farms.

The overall democratic future of Ukraine is currently in doubt, however. High-level political scandals and the weakness of reform forces against entrenched monopolists have dealt heavy blows to the initial optimism of 2000. Instead of a new advance toward political and economic reforms under Prime Minister Yushchenko, vested interests have

joined centralists to reassert executive prerogatives and stifle critics. The President continues to fight with the Parliament in pursuit of constitutional changes that would enlarge his powers even more, and first fired, then arrested, a key Cabinet minister who reformed the energy and mining sector to improve payments. Inhibitions on free speech are headline themes, as the murder of journalist Georgy Gongadze has sparked a crisis that could bring down the Kuchma government. What seemed a reasonable hope that small steps toward reform could acquire momentum now seems much less reasonable, given the political crisis that has erupted following the release of secret tapes implicating the President and his henchmen in this murder. Deep divisions among the members of Parliament and the distractions of the crisis stall decisions and legislative actions. An opposition has been formed, but it is politically diverse, since both friends and opponents of reform are calling on Kuchma to leave office. Optimists see a chance that the growing numbers of demonstrators, and the breadth of the pro-reform and anti-presidential front, could mean an outcome that would be a victory for reform, or at least, for a wider and stronger pro-reform coalition.

Free and fair elections require good rules, but also political will at the top to make them free and fair. The signs are not good. The professional core of election officials seemed fully supportive of citizen involvement in election monitoring, and interested in showing conformity with international standards. Yet in the by-elections of 2000, election officials were relatively ineffectual as guardians of fair practice, given heavy state favoritism for certain candidates. The rules concerning fair access to media, again, proved to have no teeth. In 2000, the Central Elections Commission drafted a disappointing new election law that would have eliminated independent observers and dropped political party representatives from local commissions.

The future of local level reforms is still a concern because of ongoing central government interference. Unwarranted harassment of the elected mayors, including those in cities that are active in USAID-funded projects, by the state tax authorities and law enforcement agencies has not ended. Some elected mayors have been forced to resign. If USAID loses any of these major "champions" of our activities, particularly under such circumstances, it may be difficult to achieve the results we projected in those communities. This unfortunate situation remains essentially unchanged from last year. The new requirement for local officials to sign loyalty oaths represents a step backward.

Unfortunately, during 2000, the capstone Law on the Judiciary was again not passed, dimming hopes that this law will be passed prior to the summer 2001 deadline as established by the Constitution. This Law would completely reorganize the courts of general jurisdiction of Ukraine and could, by providing the legal basis for a truly independent judiciary, be a key component of further legal, political and economic reform in Ukraine.

In intergovernmental fiscal reform, considerable resistance of several influential oblast governors, supported by the President of Ukraine, ensured the failure of the GOU to present a country-wide system of formula-based transfers between central and local authorities in the FY 2001 budget. While that initial battle was lost, in March 2001 the

GOU passed a new Budget Code which incorporates all the reforms initially proposed for the 2001 budget. In tax reform, the Ministry of Finance was slow to accept full responsibility for tax policy, and in fact no single GOU agency was responsible for GOU proposals contained in the Tax Code submitted to the Parliament. The new Civil Code that was supposed to introduce key terms and definitions has not been passed. These factors have stymied macroeconomic and fiscal policy results.

Performance:

In spite of the somewhat negative implications in the political arena, there were a number of major accomplishments in 2000, both as the result of USAID's program and as the result of political will which will help to facilitate further progress in reaching our intended results. In 2000 the Parliament reorganized itself into a coalition of political parties and independent parliamentarians to support the new Yushenko government's reform agenda. Already this group has passed several significant measures that were requested by the Council of Europe -- including abolition of the death penalty. A number of laws and regulations were passed which will have a significant impact on the reform process. A new budget code was passed which will significantly expand fiscal decentralization. The code outlines formula based transfers from the central to local governments, which should increase budgetary transparency. The formula-based methodology provides an objective basis for cities to understand how oblasts allocate financial resources among lower tier budgets. The USAID-drafted Law on Banks was also enacted which will expand the authority of bank supervisors. The Law on Licensing, Decree on Regulatory Policy, the Law on Collective Investment Institutions and the Law on Non-state Pension Funds will all greatly strengthen the financial sector. The second reading of the Civil Code took place and a final reading is expected shortly; a Draft Land Code is being prepared for the second reading; and a Draft Tax Code and a Draft Criminal Code are being prepared for the third reading.

This progress raises hopes that more important reform legislation will be adopted soon. USAID has assisted in the development and passage of many of these laws. And as Parliament has begun to fight harder to defend its prerogatives against the President's plans to alter the constitution to reduce the power of the legislature, legislative strengthening activities (through the Parliamentary Development Project) have produced some real results, as shown, for example, in the increasing use of committee hearings that involve representatives of the public, and in greater involvement of parliamentary committees and their expert staff in drafting and adopting important legislation.

Significant progress has been made in the development of a more effective, responsive and accountable local government. Results are exceeding expectations as targeted municipalities demonstrate improved management capacity; citizens work together to solve priority community problems and identify opportunities for future development. These efforts have demonstrated tangible improvements in service delivery and infrastructure, as well as more transparent city budgets and accountable local governments.

USAID's small business initiative continues to progress as expected. According to a 2000 survey, SMEs (0-250 employees) account for 54% of total employment in Ukraine. In addition, the survey revealed that approximately 30% of Ukrainian SMEs are women-owned or managed. The prospects for effective SME development in Ukraine remain favorable. Based on a Presidential mandate, the State Committee on Regulatory Policy and Entrepreneurship (SCRPE) has the authority to challenge all legislation and regulations unfavorable to business development. By the end of 2000, SCRPE had challenged approximately 136 regulations and laws deemed harmful to business development and had 95 of them overturned or modified, exceeding original expectations. The ability of SCRPE to have such persuasive authority is a significant step and should pave the way for the removal of many constraints to SME growth. Moreover, the GOU passed a law requiring all private enterprises to adopt International Accounting Standards (IAS) which is a major breakthrough for USAID's program and it is expected that around 13,000 firms will convert in 2001.

Pro-reform civil society organizations (CSOs) are more visible and effective, due partly to USAID's strategy, which provided greater support to CSOs. Several have forged links with the Prime Minister's office, helping him analyze policy documents, and held an unprecedented public hearing to review - and criticize - his first year in office. USAID-funded groups have trained locally elected young deputies, and supported their efforts to lobby the national Parliament for greater local budgetary autonomy. With support from USAID-funded political trainers, some parties on the right and center-left have agreed to compete in the next parliamentary elections together. The Third Sector is stronger and better at fund raising, and more focused and effective in lobbying efforts for NGO-friendly laws, thanks to USAID support, training, and partnering.

There have been significant successes with USAID assistance in the health sector this year. The Health Information Systems and Management Reform (HIS) Program is an unqualified success with a nation-wide rollout completed. It is an effective management tool to monitor vaccine use and immunization data in children's vaccination campaigns. The number of facilities and medical staff capable of providing high quality reproductive health services has increased. A nation-wide survey funded by USAID was a key element in the GOU's formulation of a new five-year national plan in reproductive health.

The Inter-Ministerial Commission on Climate Change (IMCC) was re-established in 2000 and elevated in status under the chairmanship of a Vice Prime Minister. With USAID assistance, the IMCC convened twice, reviewed and analyzed policy positions,

and sent Ukraine's largest, most diverse delegation ever to the UN Framework Convention on Climate Change. The National Commission on Sustainable Development (NCSD) was also re-established and has received USAID assistance with analyzing key policy positions and developing Ukraine's National Concept on Sustainable Development that will form the basis for a national strategy. The Regional Environmental Center (REC) was finally established in 2000 and will become an important partner for USAID actions. USAID increased the involvement of NGOs in policy development and decision-making on climate change and sustainable development. As NGO work groups formed, NGO policy recommendations were drafted and submitted to national authorities. Much of the success of the CCI/Ukraine can be attributed to its extensive training program for government officials, NGOs, enterprise managers and climate change experts.

USAID funds are supporting seven women's crisis centers (compared with three in 1999) in Donetsk, Dnipropetrovsk, Lviv, Rivne, Kherson, Chernivtsi, and Zhytomir. The centers provide job skills training programs, legal consulting services and a public education campaign, as well as crisis prevention programs. These activities directly address the two key factors that have greatly increased women's susceptibility to trafficking: restricted economic opportunities and violence against women. A television docudrama series was produced to educate at-risk victims, especially girls who are 12-15 years old, as well as the general public, about the dangers of trafficking. This series will be televised throughout Ukraine in April-May 2001. The Anti-Trafficking Initiative brought together the government and third sector through Trafficking Prevention Coordination meetings. As a result, the GOU formed a Trafficking Coordination Council within the Ombuds-woman's Office.

Since mid-March 1999, PAUCI has made significant progress. There was a grant administration transition from Eurasia Foundation to Freedom House in August 2000. Grant-making and outreach operations of the Secretariat have noticeably improved since then and confidence in the grant-making portion of the initiative has been re-established. With grant-making well under way (32 activities have been funded to date), the tri-national Council is resuming non-grant specific discussions on how to improve the initiative and shift involvement of high-level representatives from approving small grants to policy-oriented dialogue.

USAID/Kyiv will continue over the next twelve months to fulfill the current strategy, to develop a new strategy and to continue to carve out critical reforms which will support a market oriented democracy. In spite of some recent negative developments, the Mission is confident that our program is on the right track and will have a long term impact on the transition of Ukraine to a significant Western-looking nation.

SO Text for SO: 121-012 Increased soundness of fiscal policies and fiscal practices management

Country/Organization: USAID Ukraine

Objective ID: 121-012

Objective Name: Increased soundness of fiscal policies and fiscal practices management

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

20% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
20% 2.2 Credible and competitive political processes encouraged
10% 2.3 The development of politically active civil society promoted
50% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Global Growth and Stability

(Page limitations for narrative begin here):

Summary of the SO:

USAID's objectives for fiscal reform in Ukraine are to ensure that resources claimed by the government are limited and used efficiently for essential public purposes, without constraining or distorting private sector growth. In 2000 Ukraine made significant progress in implementing macroeconomic policies and fiscal systems appropriate to a market economy. The Ministry of Finance (MOF) succeeded in formulating and executing a balanced and more transparent budget based on GDP forecast and supported by extended databases, improved analysis and streamlined preparation and execution procedures. In addition, the MOF prepared a balanced and more transparent budget for FY 2001 that incorporated formula based transfers

from the central government to local authorities. The Budget Code was significantly improved and passed its second reading in March 2001. The MOF gradually began to take on formal responsibility for tax policy development. The Tax Code, reviewed by the Government of Ukraine (GOU) and re-submitted to the Parliament, was passed in its first reading. In 2000 the GOU introduced amendments to major tax legislation that reduced the tax burden for small and medium size enterprises and promoted voluntary compliance, and also improved administration of major taxes. Overall, macroeconomic and fiscal policy formulation and implementation in Ukraine is meeting USAID/Kiev expectations.

Key Results:

The GOU met the IMF fiscal target: Since 1997, Ukraine has made significant albeit slow progress in implementing macroeconomic policies and fiscal systems appropriate to a market economy. This progress accelerated somewhat in 2000, following the appointment of a more reform-minded Government and the establishment of a Parliamentary majority more receptive to Government reform proposals and priorities. Economic performance in 2000 was encouraging, as real GDP growth was positive (about 6 percent) for the first time since independence, and the current account improved from 2.7 (1999) to 3.97 (January-September 2000) percent of GDP. Efforts by the MOF to formulate and execute a more realistic budget in addition to increased tax collections resulted in a budget surplus of about one percent of GDP. The GOU also made important structural changes to the budget, including a decrease in non-cash operations, and a sharp reduction of payments arrears on government wages and social benefits, and the virtual elimination of pension arrears. In that connection, USAID advisors conducted workshops and seminars and provided policy advice to the GOU to formulate, present and gradually implement a coherent program of economic and social reforms "Reforms for Prosperity" and a progress monitoring plan approved by the Parliament in Q2 2000. USAID/Kiev also financed regular seminars and other activities to promote internal questioning on key economic issues (including external debt management, fiscal and monetary policies, barter and arrears, and shadow economy) for GOU officials and encouraged open and constructive discussion among the GOU, media, academic community and general public, thus building a consensus for economic reforms.

Revenues equal or exceed forecast: Although no final data is yet available, the GOU announced that both State and Consolidated budget revenues exceeded those forecast in 2000. In that connection, USAID's assistance encouraged the Ministry of Finance (MOF) (a) to improve budget procedures, performance indicators, forms and instructions; (b) to extend revenue and expenditure databases, enhance data exchange within the MOF, and also develop database tools for data collection and analysis; (c) to make revenue estimates based on short-term macroeconomic forecasts more realistic; (d) to move towards program budgeting and evaluation; and (e) to increase tax collections.

In 2000 the GOU moved towards a new system of intergovernmental transfers based on specific weighted criteria. In the FY2001 budget the GOU proposed an interim system of formula-based transfers from central to local authorities supplemented by an MOF directive to strictly comply with the formula-based methodology while making intra-oblast transfers. In that connection USAID's assistance helped (1) improve significantly the Budget Code and prepare it for its final reading (the Budget Code was passed in its final reading on March 22, 2001); (2) create an interim system for reporting on budget execution; (3) separate expenditure assignments for central and local governments and propose a system of formula-based transfers between central and local authorities.

Major tax laws are revised using international standards, harmonized for incorporation into a single tax code, and submitted to Parliament: In 2000 the MOF took on the formal responsibility for tax policy development and established the Department for Tax Policy and Macroeconomic Forecasting. The MOF and State Tax Service (STS) were involved in a review of a draft Tax Code and preparation of revenue estimates for the FY2001 budget. The GOU introduced amendments to major tax legislation that reduced the tax burden for small and medium size enterprises, improved tax treatment of banks, lessened tax evasion and promoted voluntary compliance. In that connection, USAID assistance helped the GOU (1) conduct thorough analysis of tax proposals (especially, in the value added tax and tax administration area) and also avoid significant revenue losses (up to 5-8 billions UAH) and economic distortions in the FY2001 budget; (2) integrate computerized taxpayer information and collection systems, including data repository development, promote training in and extensive use of modern audit techniques; (3) start Business Process

reengineering at the STS, put more emphasis on voluntary compliance, introduce reduced enforcement actions and other important improvements in taxpayer services, registration and audit; (3) continue modernization efforts, including establishment of a Department for Large Taxpayers and six Regional Large Taxpayer Offices across Ukraine.

Performance and Prospects:

While USAID assistance has contributed significantly to progress made by Ukraine in macroeconomic and fiscal policy areas in 2000, in two areas results were less than satisfactory. In the tax reform area, the MOF was slow to accept full responsibility for tax policy, and in fact no single GOU agency was responsible for GOU proposals contained in the Tax Code submitted to the Parliament. In addition, the new Civil Code that was supposed to introduce key terms and definitions has not been passed.

Despite delays in some areas, the GOU is willing to improve its operations and make its functions consistent with market economy principles, especially at the ministry level. In 2001 USAID/Kiev expects that the GOU will be able to further consolidate government finances, improve the tax structure and widen the tax base, target public expenditures in line with priorities for structural reform, and improve the transparency of government operations. On the legislative side, five major sections of the Tax Code (corporate income tax, personal income tax, value added tax, excise taxes, and administrative provisions) will be passed in a final reading.

USAID's assistance will be crucial to ensure progress in the macroeconomic policy and fiscal reform area. Today the GOU has to develop and implement sound economic policies, and effective decision-making and communication systems, which are consistent with government functions in a market economy. It will take at least 3-5 years for the GOU to acquire relevant expertise and put in place effective decision-making and communication systems.

Possible Adjustments to Plans:

Based on an evaluation conducted in 2000 of fiscal reform and macroeconomic policy activities in Ukraine, USAID/Kiev will initiate Fiscal II a follow-on activity to Fiscal I that will bring together the highest priority activities in the macroeconomic policy and fiscal reform areas in a targeted, tightly managed and cost-effective program under a single provider. The overall objectives of this new program are: (1) to establish a more comprehensive, systematic, and transparent reform process in Ukraine; (2) to improve economic policy decision-making and implementation; (3) to foster intergovernmental fiscal reform and decentralization; and (4) to assist in developing the institutions, processes, management expertise and technical staff capacity needed to accomplish this in ways appropriate to the Ukrainian context.

Specific objectives of this Activity include: (1) enhance the ability of GOU institutions, particularly the MOE, MOF and National Bank of Ukraine (NBU), to develop, implement, and monitor economic policies that promote growth and efficiency in the private economy; (2) develop within the MOF critical tax policy functions that effectively link tax policy and tax administration, provide for a more equitable and stable tax regime, and encourage economic growth and efficiency; (3) establish policies, procedures, and programs that ensure development and execution of balanced budgets that reflect the government strategies, priorities and objectives, have a longer horizon and a more effective structure of revenues and expenditures consistent with the new functions of government in the market economy; (5) establish the financial and administrative arrangements that improve the financial position of local governments, strengthen local government autonomy and accountability, promote fiscal decentralization and equitable allocation of resources; and increase expertise of local officials in budgeting and financial management; and (6) strength NGOs and think tanks engaged in macroeconomic policy issues.

Other Donor Programs:

The U.S. Department of the Treasury supports five resident advisors working in the following Ukrainian institutions - the MOE (macroeconomic forecasting and analysis), MOF (tax policy, budget policy, debt management), and STS (tax collection). Another resident advisor of the U.S. Department of the Treasury is expected to work at the Treasury Department of the MOF in 2001. In addition, there are four resident IMF advisors working at the MOF (fiscal policy, treasury operations), State Tax Service (enforced collection), and National Bank of Ukraine. The World Bank has an ongoing loan to the MOF (Treasury) for

development and computerization of an interim reporting system on budget execution, plus pending loans for Public Administration Reform and STS modernization. Important contributions have been made by the Canadian International Development Agency (public administration reform and macroeconomic modeling), the UK Department for International Development (public administration, local government finance and budget policy in the health care area; also in 2001 plans - fiscal forecasting, budget and tax policy areas) and other public and private international donor organizations including the European Union TACIS Program, GTZ-funded German Advisory Group on Economic Reform in Ukraine, the Sweden International Development Agency and the Soros/International Renaissance Foundations. Technical assistance has been also provided by the Government of the Netherlands (tax collection, STS) and Technical Assistance Board of the French Ministry of Economy, Finance and Industry (treasury operations, MOF).

Major Contractors and Grantees:

Barents Group, LLC and HIID closed out in FY 2001. CASE/Warsaw will continue to provide assistance to the MOE with macroeconomic modeling and economic forecasting. Development Alternatives, Inc. (DAI) has been appointed the new contractor to implement the new "Strategic Management of Economic Reform" Activity, which encompasses both macroeconomic and fiscal policy reform under one contract.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased soundness of fiscal policies and fiscal practices management

Objective ID: 121-012

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: Increased soundness of fiscal policies and fiscal practices management

Indicator: GOU meets IMF deficit target

Disaggregated By:

Unit of Measure: Yes/No

Year	Planned	Actual
1995 (B)	NA	No
1997	Yes	No
1998	Yes	Yes
1999	Yes	No
2000	Yes	Yes
2001	Yes	NA
2002	Yes	NA
2003	Yes	NA

Source:

Ministry of Finance, IMF

Indicator/Description:

budget deficit as percentage of GDP does not exceed limit in IMF program

Comments:

Fiscal surplus in FY 2000 was about 1% of GDP

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased soundness of fiscal policies and fiscal practices management

Objective ID: 121-012

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 12.1.1 Budget preparation process is strengthened

Indicator: Revenues equal or exceed forecast.

Disaggregated By:

Unit of Measure: Yes/No

Year	Planned	Actual
1995 (B)	NA	No
1997	No	No
1998	Yes	No
1999	Yes	No
2000	Yes	NA
2001	Yes	NA
2002	Yes	NA
2003	Yes	NA

Source:

Ministry of Finance

Indicator/Description:

As per adopted budget; revenues within 5% of estimates in adopted budget would indicate stronger budget preparation and avoid large expenditure cuts.

Comments:

Although no final data is yet available, the GOU announced that both State and Consolidated budget revenues exceeded forecast in 2000

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased soundness of fiscal policies and fiscal practices management

Objective ID: 121-012

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 12.1.3 Intergovernmental finance system is restructured

Indicator: Central to local government funds transfers done on formula basis

Disaggregated By:

Unit of Measure: Yes/No

Year	Planned	Actual
1995 (B)	NA	No
1997	No	No
1998	No	No
1999	Yes	No
2000	Yes	Yes, partially
2001	Yes	NA
2002	Yes	NA
2003	Yes	NA

Source:

MOF Budget Department

Indicator/Description:

Budget for next fiscal year as proposed and adopted allocates funds to local governments based on specific weighted criteria rather than just on local deficit estimates.

Comments:

Transfers to/from local governments in FY 2001 will be based on specific weighted criteria although direct formula based transfers from the State (central) budget will be made to oblasts and major cities only.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased soundness of fiscal policies and fiscal practices management

Objective ID: 121-012

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 12.2.1 Tax system supports economic growth

Indicator: Major tax laws are revised using international standards, harmonized for incorporation into a single tax code, and submitted to Parliament

Disaggregated By:

Unit of Measure: Number submitted to/approved by Parliament

Year	Planned	Actual
1995 (B)	NA	0
1997	3	4
1998	4 approved	3 approved
1999	single code enacted	single code submitted to Rada
2000	Rada considers draft code; some sections are approved	Tax Code was passed in the first reading; Parliament considers proposed amendments
2001	Tax code fully enacted	NA
2002	Tax Code implemented but technical amendments are necessary	NA
2003	Tax Code implemented but technical amendments are necessary	NA

Source:

MOF, STA, Rada

Indicator/Description:

VAT, enterprise profits (corp. income) tax (EPT), personal income tax (PIT), excise taxes, administrative provisions.

Comments:

Due to slow transfer of tax policy function from the STA to MOF no government agency was clearly responsible for drafting of Tax Code.

SO Text for SO: 121-113 A more market responsive agricultural sector

Country/Organization: USAID Ukraine

Objective ID: 121-113

Objective Name: A more market responsive agricultural sector

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

0% 1.1 Critical private markets expanded and strengthened
65% 1.2 More rapid and enhanced agricultural development and food security encouraged
25% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
0% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
10% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Regional Stability

Secondary Link to MPP Goals (optional): Open Markets

(Page limitations for narrative begin here):

Summary of the SO:

This sub-objective contributes to the emergence of a competitive agricultural market economy in which the majority of economic resources are privately owned. A private agricultural sector consists of private entities who produce, market and process agricultural commodities with limited government interference. USAID's strategy focuses on structural and policy reform accompanied by targeted assistance for the development of private farmers, agribusinesses, and markets.

Transition from a state managed and controlled agricultural sector to a market oriented sector met or exceeded expectations. Significant land privatization continued and the government stopped managing the

distribution of production inputs. However, government interference in wheat distribution, continuation of a sunflower export tariff and continued over-regulation and subsidization still interfere in market allocation of resources and decision making.

Key Results:

Results under this objective will be fully met when: (1) the GOU completes the process of withdrawing from ownership and management of agricultural business activities; (2) the process of transferring land and other assets from collective to private ownership is completed; and (3) private individuals and companies replace government entities and agencies as the central actors in the agricultural marketplace. Our major customers include: private farmers, rural youth, rural women, private agro-industries, agricultural NGOs, reform minded political and government leaders/agencies.

A major breakthrough in the privatization of the agricultural sector occurred in 2000, when the GOU legally dissolved all collective farms and replaced them by private sector companies. As a consequence, the Mission will develop a new and more appropriate SO level indicator and requests AID/W's permission to replace the existing SO performance indicator, "the private sector contribution to agricultural production." Since all collective farms have legally been liquidated there is no way to distinguish what is genuinely privately owned, and this indicator is no longer a reasonable measure.

SO 1.3a accomplished a number of major results during 2000. Results for IR1.3a.1 "Improved policy, legal, and regulatory environment facing the private agricultural sector" were significant. USAID enabled an improved Ukrainian policy capacity through support for the Secretariat of the Presidential Commission on Agrarian Reform (PCAP) and an Agricultural Policy Analysis Group (APAG) within the Ministry of Agricultural Policy. An independent evaluation of USAID support for policy reform in February 2000 favored continuing the activity through a Public International Organization. In February of 2001, USAID, UNDP, WB, EU and IMF established a three year support program for Ukrainian agricultural policy reform. This USAID activity has already had a positive impact since Parliament adopted regulations that led to Government withdrawal from supplying production inputs. Cash and credit replaced barter as a means of payment. Of equal importance was passage through first reading of a new Land Code and support for other legislative and regulatory changes to enable the development of a land market. As detailed in the Performance Data Table, USAID played a central role in the preparation and adoption of fourteen Ukrainian legal acts and the development of an additional three reform-oriented pieces of legislation. In concert with our activity, private sector NGOs successfully lobbied to rescind three anti-market legislative initiatives, and drafted three market reports for GOU review. USAID has been a crucial actor in facilitating GOU, IMF and WB agricultural negotiations, and in helping the GOU move forward toward meeting IMF and WB conditionality for GOU withdrawal from supplying inputs and removing the moratorium on farm bankruptcy. The GOU has issued a Presidential Decree to issue 1.25 million titles. As of April 2, 2001, 1,300,000 titles have been issued.

Progress in increasing private marketing of agricultural commodities in selected regions was also significant during 2000. Land titles were issued to 400,000 people. USAID closed this activity in December 2000 and issued a new RFP for a massive land titling program which is scheduled to commence in mid 2001. USAID increased access to land for private farming by restructuring 922 collective agricultural enterprises (CAEs) into more than 18,000 small and large scale private farms and by establishing private sector land consulting companies in 18 oblasts and 29 private and parastatal land survey companies in 19 Oblasts. Further, 25,500 national, oblast, and raion officials, and CAE members were trained in land titling and farm restructuring during April - December 2000.

Progress in improving market information was also significant. USAID supported the establishment of a Private Farmer Training and Outreach Center in Vinnytsia Oblast in October 1998. In 2000, the activity put in place an extension agency office in each Raion of the Oblast. This activity also developed an input supply and marketing database to assist private farmers in accessing input and market information. Additionally, the project conducted farmer seminars, workshops and organized field days at demonstration plots. In total, our activity responded to 16,844 farmer and plot holders requests for market and technical information in 2000. There has been significant counterpart contribution. However, sustainability depends on the GOU adopting our model as the basis for a national extension service. An evaluation will be

undertaken in April to determine whether to roll out the activity or close the current activity, as scheduled in September, 2001.

USAID also made progress in improving the marketing infrastructure. During 2000 USAID's program developed 22 private joint venture partnerships including private agriculture input supply and marketing centers, processing facilities, and other agri-businesses. The partnerships include herbicide and fertilizer supply companies and developing village-owned cooperative milk collection stations. The Agrobusiness Partnership (APII) Project was extended to December 31, 2001, to complete activities related to agricultural cooperative development.

Performance and Prospects:

Performance towards fundamental sectoral reform that would lead to a more marketed oriented agricultural sector was significant with two exceptions: (1) the imposition of marketing restrictions on wheat, commodity export licensing through exchanges; and (2) the continued failure to abolish the 23% export tax on sunflower seeds. Both policy issues marred a successful performance record. The record included the abolition of collective farms, quickened pace of rural land privatization, withdrawal of the GOU from supplying production inputs, government stimulation of agricultural credit, and government restructuring of agricultural tax debt. The policy reforms stimulated growth of private farm and plot holder agricultural production. This led to the first gross agricultural production increase in ten years. Policy reform led to the disappearance of barter as a payment mechanism. Further, the reforms stimulated both the private and public sector to establish mechanisms to resolve farm debts accumulated in the mid-nineties.

Improved agricultural economic performance should continue because growth of private sector production will continue to outpace the production decline on former collective farms. To solidify gains, the GOU must consolidate land privatization to further enable private sector growth. USAID has two initiatives for providing assistance to private sector agricultural development. The first is to provide technical assistance to private farmers and plot holders to develop cooperatives, adopt better and environmentally sound farming practices, and improve marketing. The second is to encourage development of a rural financial system to support plot holder and private farmers, as well as, small and medium sized businesses in rural areas.

Possible Adjustments to Plans:

USAID responded to significant progress in agricultural reform in 2000 by developing a new national land titling initiative and by continuing policy reform efforts. However, budget constraints have led to a reduction in USAID's agricultural sector development program. In addition, USAID may have to reassess some of its agricultural assistance program if the GOU interferes in the agricultural market.

Other Donor Programs:

The WB, EU/TACIS, DFID, the German Transform Program, WB, IMF and USAID collaborate in policy reform activities by jointly funding PCAP and APAG through the UNDP. IFC and DFID closed their farm restructuring and land titling projects in 2000. The IMF made a disbursement to the GOU through the Extended Fund Facility as a result of successful agricultural reform.

The WB may reactivate an agriculture lending program. The WB plans to make a Land Title Registration Loan (to include significant funding for land titles), and a Rural Finance Loan to the GOU. The WB continues to rely heavily on USAID leadership in policy reform and technical assistance programs in the agricultural sector.

Major Contractors and Grantees:

During 2000 the following contractors and grantees completed their activities: RONCO International Corp, Citizens Network for Foreign Affairs, and Iowa State University. Louisiana State University and Citizens

Network for Foreign Affairs are continuing to provide private farmer information services and farmer to farmer programming respectively. The new Land Titling contractor is currently being selected.

Performance Data Table Fiscal Year: 2003

Objective Name: A more market responsive agricultural sector

Objective ID: 121-113

Approved: 2000-01-05

Country/Organization: USAID Ukraine

Result Name: 113.2.3 Improved Market Information

Indicator: Private farmers and householders in Vinnytsia Oblast receive market information through the Ukrainian Center for Private Farmer Training and Outreach

Disaggregated By:

Unit of Measure: number

Year	Planned	Actual
2000(B)		16,844
2001		18,000

Source:

Ukrainian Center for Private Farmer Training and Outreach

Indicator/Description:

Contacts (market information, consultations and training) with private farmers through the Center

Comments:

The project will be evaluated in April to determine whether to continue or to proceed with the planned close out in September 2001

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more market responsive agricultural sector
 Objective ID: 121-113
 Approved: 1995-09-15 Country/Organization: USAID Ukraine
 Result Name: IR 113.2.1 Increased access to land for private farming
 Indicator: Government issued land titles
 Disaggregated By:

Unit of Measure: Number (thousands)

Year	Planned	Actual
2003	6,000	NA
1995 (B)	0	0
1998	125	121
1999	325	220 (incl. 164 by RONCO)*
2000	625	400 (incl. 239 by RONCO)
2001	1,000	NA
2002	3,000	NA
2003	6,000	NA

Source:
 Ukr. Land Resource Committee and RONCO

Indicator/Description:
 Legally valid titles, issued in Ukraine, including those by RONCO

Comments:
 As a result of project activity during the period of 1997-2000, 922 collective agricultural enterprises (CAEs) were restructured into more than 18,000 small and large scale private farms; private sector consulting companies were formed in 18 oblasts; 29 consulting companies were developed in 19 oblasts. 25,500 national, oblast and raion officials, and CAE members were trained by project oblast staff during the April-December 2000 program. The RONCO project closed-out in December 2000. A new land titling program will start in spring 2001.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more market responsive agricultural sector

Objective ID: 121-113

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 113.1.1 Improved capacity for agricultural policy formulation and analysis

Indicator: More effective Secretariat of the Presidential Commission on Agrarian Policy

Disaggregated By:

Unit of Measure: Number

Year	Planned	Actual
2003	25	NA
1998 (B)	5	12 (2 have led to the CabMin Resolutions)
1999	5	6 (+notes on more than 30 draft legisl)
2000	15	14(+3 pass first reading in Verhovna rada)
2001	25	NA
2002	45	NA
2003	25	

Source:

Agriculture for Human Development Project's reports

Indicator/Description:

Legislation, regulations and decrees prepared by PCAP Secretariat and APAG and approved by Cabinet of Ministers, President and/or Verhovna Rada

Comments:

The activity was funded through a grant to Iowa State University, but has moved to the UNDP. USAID in concert with other donors will continue providing support for another three years.

Performance Data Table Fiscal Year: 2003

Objective Name: A more market responsive agricultural sector

Objective ID: 121-113

Approved: 2000-01-05

Country/Organization: USAID Ukraine

Result Name: 113.1.2 Private sector has a more effective voice in national agricultural policy deliberations

Indicator: Improved lobbying by National Grain Association, Commodity Exchanges, Private Farmers Associations, Co-op Union, League of Entrepreneurs and other associations.

Disaggregated By:

Unit of Measure: number of regulations rescinded

Year	Planned	Actual
1998(B)		3
1999	4	attempted rescinds-13
2000	6	3 (+ 3 reports were drafted)
2001	7	NA
2002	8	NA
2003	10	NA

Source:

Contractors/ Grantee and organizations reports

Indicator/Description:

non-market regulations rescinded as a result of lobbying conducted, including policy documents, reports drafted and prepared

Comments:

Private sector agricultural associations continue to conduct 50% of their lobby effort independently and 50% through USAID's supported policy activity.

SO Text for SO: 121-213 Privatized enterprises are more competitive and efficient

Country/Organization: USAID Ukraine

Objective ID: 121-213

Objective Name: Privatized enterprises are more competitive and efficient

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

90% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
10% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Open Markets

(Page limitations for narrative begin here):

Summary of the SO:

Following on the success of USAID's mass privatization program, support for the development of privatized enterprises concentrates on providing essential business skills; removing external constraints on business; creating an enabling legal and regulatory environment; privatization of land under enterprises; accounting and corporate governance reform; and, investment. These activities are integrated into the broader business development program. Training and certification efforts in accounting, corporate governance and enterprise-restructuring activities ensure access to business skills and information. USAID's program also promotes reforms to the regulatory environment to better support enterprise development.

Key Results:

USAID will consider this strategic objective achieved when a critical mass of privatized enterprises have been restructured into efficient and competitive entities and the policy environment for enterprise growth is positive. More specifically, USAID aims to contribute to the development of skilled managers using sound business tools to restructure and effectively manage their firms so as to attract investment on the one hand and reduce or eliminate of the numerous legal and regulatory constraints to business growth on the other. Results achieved during 2000 according to each intermediate result (IR) are reported below:

IR 1.3b - "Change in the level of output by industry": Official estimates of industrial production in 2000 were positive - - 19.5% over 1999 levels - higher than the 4.0% that had been planned.

IR 1.3b.1 - "Improved access to market-driven business skills": In 2000, there were 450 enterprises that converted to IAS, less than the planned levels of 700 conversions.

IR 1.3b.1 - "Improved access to market-driven business skills": Specifically, IR 1.3.b.1.4 - Privatized enterprises develop restructuring action plans - During 2000, the Enterprise Restructuring Project (ERP) provided seminars to 65 business and management consulting centers, 82 enterprises, and 57 investment intermediaries. Additionally, ERP compiled Ukrainian-specific restructuring lessons in a CD-Rom entitled "Roads to Success;" disseminated 30,000 copies of the CD-Rom to enterprises, consultants, associations, education and government institutions. ERP partner organizations conducted 50 seminars and delivered in-company restructuring programs using the new CD-Rom. A survey of investment intermediaries indicated marked improvement of the enterprises in their portfolios where project restructuring techniques were applied. Nearly 40 firms have been restructured as a result.

IR 1.3.b.2 - "Enterprises have the ability to own land and premises" and more specifically, 1.3.b.2.2 - "Unfinished construction sites privatized": In 2000, with USAID support, over 2,500 unfinished construction sites (UCS) have been privatized via 510 auctions, generating over \$17 million for local governments while creating more than 8,000 new jobs. Additionally, over 600 social assets have been privatized. The corresponding World Bank EDAL II conditionality was successfully met. Following this success, USAID support for the activity ends in spring 2001.

IR 1.3.b.2 - "Enterprises have the ability to own land and premises": Specifically, 1.3.b.2.3 Increased ownership of enterprise land - To date, the sale of enterprise land has expanded to every oblast and a network of 28 land sales field offices have been created, employing 640 trained real estate professionals. During 2000, with assistance from the Ukrainian Enterprise Land Sales project (UKRels), approximately 3,100 enterprises purchased their land, generating over \$31 million in revenues for local budgets. These numbers far exceed expectations for 2000. There have been approximately 130 secondary sales of enterprise land. Nevertheless, growth of a secondary market has been limited by an underdeveloped real estate industry and low demand for commercial property.

IR 1.3.b.3 - "Privatized enterprises face fewer financial constraints to growth," and more specifically, IR 1.3.B.3.2 - "WestNIS Enterprise Fund investments increase": The Western NIS Enterprise Fund (WNISEF) continued to provide equity capital and loans, ranging from \$750,000 to \$7.5 million. So far, WNISEF has invested approximately \$51 million in 15 Ukrainian firms that employ nearly 5,000 people.

Performance and Prospects:

Despite challenging macroeconomic conditions, the SO 1.3.b is on track. During 2000, the Ukrainian economy still suffered aftershocks from the Russian economic crisis of 1998. In addition, direct foreign investment continued to decline, the hryvnia weakened, inflation remained high, and unemployment is still rising. Despite these conditions, in 2000, Ukraine witnessed increased industrial output of over 19% and real GDP growth turned positive for the first time in ten years. Revenues generated from privatization of state owned enterprises increased to \$340 million USD, three times 1999's level.

Macroeconomic conditions are likely to remain difficult for several years. However, opportunities for positive change do exist especially at the enterprise level. Therefore, privatized enterprises will be

provided assistance in key areas such as accounting, corporate governance, and enterprise land privatization throughout the period.

The Enterprise Restructuring Project significantly improved operations, sales, revenues, while reducing wage and inter-enterprise arrears at 40 enterprises. Similarly, it trained nearly 800 professionals to continue these successful restructuring efforts in hundreds of additional enterprises. Its outreach activities generated a broad appreciation and demand for restructuring. The project will undergo an assessment before FY2002.

To date, the Accounting Reform Project has trained almost 1500 Ukrainian accountants in IAS, assisted in the adoption of 19 Ukrainian National Accounting Standards in compliance with IAS, and supported the formation of the Ukrainian Federation of Professional Accountants and Auditors (UFPAA). Despite concerns about the readiness of the industry to convert to IAS, the GOU has required such conversion of all enterprises in 2001. Following these successes, the project will complete university curriculum development, and improve the professional certification program to international standards.

An international business standards project will be launched in 2001 with an emphasis on instilling international standards of business practice in Ukraine. In 2002-03 it will assist Ukrainian business associations to adopt these standards; aid universities to incorporate these standards into their business management education programs; and, assist business associations to develop and disseminate professional certification programs incorporating international business standards.

Over the course of 2001-02, the Western NIS Enterprise Fund plans to continue investments in medium-sized enterprises and hopes to close investment deals totaling more than \$70 million and become an equity investor in a microlending bank in partnership with USAID and other donors.

Maintaining current levels of funding for accounting and international business standards reform as well as enterprise land privatization is essential to improving the environment for enterprise growth.

Possible Adjustments to Plans:

None

Other Donor Programs:

The European Union (EU) and the World Bank have provided technical assistance for enterprise restructuring. The EU has also conducted an accounting reform project in close cooperation with the USAID project. The World Bank and the IMF have maintained loan conditionalities that speed up privatization. In addition, USAID has coordinated closely with the World Bank regarding the pending Private Sector Development loan.

Major Contractors and Grantees:

International Finance Corporation, The Recovery Group, Barents Group, International Real Property Foundation, the Western NIS Enterprise Fund, and International Business and Technical Consultants, Inc.

Performance Data Table Fiscal Year: FY2003

Objective Name: Privatized enterprises are more competitive and efficient

Objective ID: 121-213

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 213.2 Enterprises have the ability to own land and premises

Indicator: Unfinished construction sites

Disaggregated By:

Unit of Measure: Cumulative number of sites

Year	Planned	Actual
1998 (B)	NA	5,000+
1999	10,000	7,120
2000	15,000	10,800

Source:

State Property Fund

Indicator/Description:

Unfinished construction sites sold to private companies or individuals in order to complete the facilities and create new jobs.

Comments:

This activity will end in early 2001. A new activity, Corporate Governance, will be introduced into the Sub-SO. Thus this table will be replaced with a new table for that activity.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Privatized enterprises are more competitive and efficient

Objective ID: 121-213

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 213.1 Increased access to market-driven business skills

Indicator: Enterprises using International Accounting Standards (IAS)

Disaggregated By:

Unit of Measure: Cumulative number of enterprises

Year	Planned	Actual
2002	1,200	13,000
1998 (B)	NA	0
1999	300	50
2000	600	400
2001	900	13,000*
2002	1,200	13,000*

Source:

IAS Project, SSMSC

Indicator/Description:

Number of firms complying with SSMSC standards for IAS

Comments:

* The GOU required compliance to IAS-based Ukrainian Accounting Standards by all corporations in 2001. In 2001 and beyond there will be nominally 100% compliance. Thus a new indicator will be proposed to replace this one.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Privatized enterprises are more competitive and efficient

Objective ID: 121-213

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 213.2 Enterprises have the ability to own land and premises

Indicator: Increased private ownership of enterprise land

Disaggregated By:

Unit of Measure: Cumulative number of enterprises

Year	Planned	Actual
1997 (B)	NA	30
1998	30	265
1999	1,500	1,535
2000	2,000	3,100
2001	5,000	NA
2002	11,000	NA

Source:

UKReIs Project, State Committee on Land Resources

Indicator/Description:

Enterprises purchasing land in Ukraine

Comments:

Performance Data Table

Fiscal Year: FY2003

Objective Name: Privatized enterprises are more competitive and efficient

Objective ID: 121-213

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: Privatized enterprises are more competitive and efficient

Indicator: Industrial Production

Disaggregated By:

Unit of Measure: % change over prior year

Year	Planned	Actual
1998 (B)	NA	0
1999	+1%	+4.3%
2000	+4%	+19.5%
2001	+5%	NA
2002	+5%	NA
2002	+5.0	NA

Source:

Intelligence Unit

Indicator/Description:

Ukraine annual industrial production economic indicator increase

Comments:

SO Text for SO: 121-313 Expanded role of small and medium enterprises in national economy

Country/Organization: USAID/Ukraine

Objective ID: 121-313

Objective Name: Expanded role of small and medium enterprises in national economy

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

50% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
10% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
10% 2.1 Rule of law and respect for human rights of women as well as men strengthened
10% 2.2 Credible and competitive political processes encouraged
10% 2.3 The development of politically active civil society promoted
10% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): No Secondary Linkage

(Page limitations for narrative begin here):

Summary of the SO:

USAID recognizes that small and medium enterprise (SME) development is an essential element of Ukraine's transition to a market economy. SMEs stimulate economic growth, absorb labor, especially unskilled, develop the private sector, and make the economy more attractive to potential investors. SMEs could become a principle source of employment for Ukrainians, absorbing large numbers of unemployed workers dislocated by the restructuring of privatized former state-owned enterprises. USAID's SME strategy hence fosters business skills development, policy/regulatory reform, access to finance, equity investment, association building, management education, and skills development. According to a FY2000

survey, SMEs (0-250 employees) account for 54% of total employment in Ukraine. In addition, the survey revealed that approximately 30% of Ukrainian SMEs are women-owned or -managed. Gender considerations are integrated into all SO1.3c activities and sex-disaggregated data is being collected on an ongoing basis to provide information necessary to more effectively monitor the results of these considerations. Moreover, effective government policies and programs benefiting SMEs will contribute to their proliferation as well as attract the informal sector to legitimize, thus encouraging private sector development, increasing government revenues and further driving economic growth in Ukraine.

Key Results:

USAID will consider this objective achieved when the enabling environment becomes more conducive to business development, and the financial system is strengthened to permit greater access for SMEs to credit and investment, and SMEs have enhanced business skills to manage their enterprises.

As mentioned above, recent studies indicate that over 50% of the Ukrainian workforce is employed by SMEs. Hence, the SO-level indicator is "SMEs employ a greater percentage of the workforce." The baseline of 54% was established in 2000 and updates to this survey will be completed on a bi-annual basis.

Significant progress was made in expanding service outreach to clients of business service providers (BSPs) in 2000. During 2000, the total number of clients served at the NewBizNet and International Finance Corporation (IFC) business centers, the Loyola and Counterpart business incubators, and through other projects providing training increased by more than 86%. In sum, these mechanisms reached over 32,400 clients, surpassing the planned target of 25,000 for 2000.

The number of loans provided to SMEs increased significantly from 1999 to the end of 2000. During 2000--through USAID support--the EBRD Microcredit Program, the Western NIS Enterprise Fund (WNISEF), and Eurasia Foundation, provided nearly 3,000 loans, worth \$28.7 million, to SMEs, quadrupling the target of 750 loans. With the creation of the EBRD's new Microfinance Bank, along with other USAID initiatives, the number of loans provided to SMEs should continue to increase significantly in coming years. In addition, discussions continue with local NGOs and government representatives to create a legal framework whereby Ukrainian NGOs could provide credit and charge interest to SMEs.

Performance and Prospects:

Overall, the prospects for effective SME reform in Ukraine remain favorable. The Government of Ukraine (GOU) generally looks on SME development as a "win-win" situation. Development of small enterprises is good politics, providing jobs and increases tax revenues. Although government officials may balk at some specific aspects of deregulation, under the banner of small enterprise development, progress is easier to achieve. Based on a Presidential mandate, the State Committee on Regulatory Policy and Entrepreneurship (SCRPE) has the authority to challenge all legislation and regulations unfavorable to business development. By the end of 2000, SCRPE had challenged approximately 136 regulations and laws deemed harmful to business development and had 95 of them overturned or modified. This has exceeded original expectations. The ability of SCRPE to have such persuasive authority is a significant step. It should pave the way through the removal of many constraints to SME growth.

The Consortium for Enhancement of Management Education in Ukraine (CEUME), led by the University of Minnesota, trains faculty and administrators of Ukrainian business schools to enhance their capacity to deliver business management education programs at the undergraduate level, as well as Post-Diploma studies programs for current managers. CEUME is collaborating with 50 business schools in Ukraine. During 2000, a cadre of 2,773 Ukrainian faculty and 234 business people were trained on various functional disciplines and methodologies through summer institutes and weekend workshops. Nearly 180,000 students have been taught by CEUME-trained professors.

Other activities in 2000 include the following: the Center for Economic Initiatives (CEI) provides short-term study tours in the U.S. for Ukrainian managers, particularly those in the food processing industry; Winrock International implements a project that addresses the needs of Ukrainian women entrepreneurs in acquiring business skills, gaining employment, and accessing finance; the Alliance project, consisting of Agricultural Cooperative Development Institute/Volunteers in Overseas Cooperative Assistance

(ACDI/VOCA), Citizens Democracy Corps (CDC), International Executive Services Corps (IESC), and MBA Enterprise Corps (MBAEC) provides U.S. volunteer executives for consulting with a variety of Ukrainian firms; and the Ukraine Market Reform Education Program (UMREP) continued providing a vast array of activities promoting public awareness of and support for market reform.

A number of SME development activities either came to a close in the year 2000 or will be ending in 2001. Moreover, the USAID budget has decreased significantly over the past three years. As a result, USAID started planning in late 1999 to develop a strategy and activities that would incorporate the lessons learned of past projects into a new generation of fewer, but more focused and cost-effective SME development activities. USAID/Kiev's new BIZPRO activity has consolidated a number of projects in the Mission's SME development portfolio. It is reducing contracting and management actions, and providing for greater synergies among a number of activities. BIZPRO consolidated activities into three broad categories—business skills development, policy/regulatory reform, and access to finance. Hence, at a minimum, maintaining current budget levels is necessary to ensure that progress continues in the SME sector, a sector accounting for over 50% of job sources in Ukraine.

An assessment of the NewBizNet and IFC business centers provided USAID/Kiev with recommendations on how to best utilize this business development tool and is reflected within the framework of BIZPRO. An assessment of the credit union movement in Ukraine provided an understanding of the current environment for the growth and sustainability of credit unions and made recommendations for a potential initiative. USAID is developing an appropriate focus for these recommendations. Evaluations are scheduled in 2001 to review the business management education and executive business volunteer activities. USAID is also developing a new National Telephone Cooperative Association (NTCA) initiative.

Possible Adjustments to Plans:

Beginning in 2001, USAID/Kiev will add new sub-IRs under SO1.3c. The Mission will be focusing less on institutional development of business service centers and more on developing the skill base of professionals counseling SMEs and improving the overall business climate for SMEs. The specific sub-IRs and indicators will be agreed upon by USAID/Kiev and the BIZPRO contractor. Some illustrative results that may be tracked are as follows: Sub-IR 1.3c.1.1: Improved outreach and capability of business service providers (BSPs); Sub-IR 1.3c.1.2: Increased capability of business consultants; Sub-IR 1.3c.1.3: Improved outreach and service capabilities of business associations; and Sub-IR 1.3c.2.1: Business associations' advocacy capacity strengthened. Since the UMREP Public Information activity cuts across a number of Mission SOs, the Mission moved this activity to SO 4.2, designated for Cross-Cutting Initiatives.

Other Donor Programs:

Other development partners are active in promoting the growth of SMEs, through loan funds to support microenterprise development, technical assistance, and loan conditionality. The European Union's TACIS program funds business centers and management training projects. It is currently developing a strategy for its next phase of SME development. The Soros Foundation finances a number of business incubators throughout Ukraine; CIDA funds a credit union program; the British Know-How Fund supports a business education program; and EBRD and the German-Ukrainian Fund are providing microcredit with USAID, European Union, and German technical assistance. Representatives of USAID meet with representatives of these agencies on a regular basis to coordinate their assistance programs for SME development.

Major Contractors and Grantees:

Agricultural Cooperative Development Institute/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA), Center for Economic Initiatives (CEI), Citizens Democracy Corps (CDC), Consortium for Enhancement of Business Management Education (CEUME), Counterpart International, Development Alternatives Inc. (DAI), Gavin Anderson and Company, International Executive Service Corps (IESC), International Finance Corporation (IFC), Junior Achievement International, Loyola College, MBA Enterprise Corps (MBAEC), University of Minnesota, Winrock International.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Expanded role of small and medium enterprises in national economy

Objective ID: 121-313

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 313.2 Legal, regulatory and political environment more conducive to business development

Indicator: Licensing and registration system is simplified -- (Registration processes)

Disaggregated By: days spent on registration

Unit of Measure: Number of days spent on completing the process

Year	Planned	Actual
1997 (B)	NA	30
1998	20	3.5
1999	10	3.5
2000	5	3.5
2001	5	NA
2002	5	NA
2003	5	NA

Source:

ICPS/IFC/ NewBizNet Survey

Indicator/Description:

Survey of owners who launched SMEs in prior year: how long it took to fully register

Comments:

A government resolution specifies that registration must not take more than 5 working days or 1 day if the fast track process is used

Performance Data Table

Fiscal Year: FY2003

Objective Name: Expanded role of small and medium enterprises in national economy

Objective ID: 121-313

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 313.3 Improved access to finance

Indicator: Increased number of loans to SMEs -- (\$ amount loaned)

Disaggregated By: \$ amount

Unit of Measure: \$ amount loaned -- millions

Year	Planned	Actual
1997 (B)	NA	0
1998	2.5	1.3
1999	12.5	8.7
2000	18.7	28.7
2001	27	NA
2002	45	NA
2003	72	NA

Source:

EBRD MfB, WNISEF, Eurasia Foundation, Counterpart Meta Center, BizPro

Indicator/Description:

Loans to SMEs from institutions participating in programs

Comments:

EBRD figures include loans made by the German-Ukrainian Fund. WNISEF's Small Business Lending Fund ended operations in 2000

Performance Data Table

Fiscal Year: FY2003

Objective Name: Expanded role of small and medium enterprises in national economy

Objective ID: 121-313

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 313.2 Legal, regulatory and political environment more conducive to business development

Indicator: Licensing and registration system is simplified -- (Licensing)

Disaggregated By: days spent on completing licensing

Unit of Measure: Number of days spent on completing the process

Year	Planned	Actual
1997 (B)	NA	35
1998	30	14
1999	20	19
2000	15	19
2001	10	NA
2002	10	NA
2003	10	NA

Source:

ICPS/IFC/ NewBizNet Survey

Indicator/Description:

Survey of owners who launched SMEs in prior year: how long it took to fully register

Comments:

A government resolution specifies that registration must not take more than 5 working days or 1 day if the fast track process is used

Performance Data Table

Fiscal Year: FY2003

Objective Name: Expanded role of small and medium enterprises in national economy

Objective ID: 121-313

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 313.3 Improved access to finance

Indicator: Increased number of loans to SMEs -- (number of loans)

Disaggregated By: number of loans

Unit of Measure: Number of loans

Year	Planned	Actual
1997 (B)	NA	0
1998	50	22
1999	500	335
2000	750	2,994
2001	TBD	NA
2002	TBD	NA
2003	8,000	NA

Source:

EBRD MfB, WNISEF, Eurasia Foundation, Counterpart Meta Center, BizPro

Indicator/Description:

Loans to SMEs from institutions participating in programs

Comments:

EBRD figures include loans made by the German-Ukrainian Fund. WNISEF's Small Business Lending Fund ended operations in 2000

Performance Data Table

Fiscal Year: FY2003

Objective Name: Expanded role of small and medium enterprises in national economy

Objective ID: 121-313

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 313.1 Improved access to market business skills and information

Indicator: Clients at business service providers (BSPs)

Disaggregated By:

Unit of Measure: Cumulative number of clients served

Year	Planned	Actual
1997 (B)	NA	6,500
1998	10,000	10,000
1999	12,000	17,000
2000	25,000	32,400
2000	25,000	32,400
2000	25,000	32,400

Source:

NewBizNet, IFC, Loyola, Counterpart, Alliance, WEE, CEUME, JA

Indicator/Description:

USAID-funded BSPs

Comments:

Through BIZPRO, support to BSPs will continue but the indicator is likely to be modified to "percentage of SMEs obtaining services from BSPs" and this sub-IR is likely to be modified to "improved outreach and capability of BSPs" beginning in 2001. The baseline and targets for 2001-2003 will be based upon data collected from updates to the SME survey

Performance Data Table

Fiscal Year: FY2003

Objective Name: Expanded role of small and medium enterprises in national economy
 Objective ID: 121-313
 Approved: 2000-01-05 Country/Organization: USAID Ukraine
 Result Name: SO Expanded role of small and medium enterprises in national economy
 Indicator: SMEs employ a greater percentage of the workforce
 Disaggregated By:

Unit of Measure: percentage

Year	Planned	Actual
2000(B)		54
2001	NA	NA
2002	TBD	NA
2003	NA	NA

Source:
 BizPro SME survey

Indicator/Description:
 percentage of Ukrainian workforce employed by SMEs (firms with 0-250 employees)

Comments:
 Survey will be completed on a bi-annual basis

SO Text for SO: 121-014 A more competitive and market-responsive private financial sector

Country/Organization: USAID Ukraine

Objective ID: 121-014

Objective Name: A more competitive and market-responsive private financial sector

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

70% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
30% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Open Markets

(Page limitations for narrative begin here):

Summary of the SO:

Ukraine's challenge in the financial sector is to replace a previous, centrally-planned system of saving and investment with a private, service-oriented sector based on market principles and capable of providing financial support to consumers and businesses. Major efforts are needed to correct the high costs, poor risk-management, vulnerability to fraud, lack of transparency, and abuse of shareholder rights that have plagued most financial intermediaries in Ukraine during the 1990s. USAID's goal is to assist the evolution of private financial intermediaries that will provide safer and more market-responsive services to savers and

investors. USAID will consider to have met its objective of a more competitive and market-responsive private financial system when: 1) a market-oriented legal and regulatory framework is in place, requiring sound practices by financial intermediaries and securities issuers in their dealings with depositors/shareholders; 2) institutions and practices effectively enforce the protection of investors' rights; and 3) the financial market infrastructure is developed and effectively allocates investment.

Key Results:

USAID's programs to create a market-oriented private banking sector showed strong indicators of success in 2000 (IR 1.4.1). Public deposits in banks grew vigorously and outstanding bank credit to enterprises grew by 30 percent in real terms, particularly for the expansion of working capital. Bank credit from banks to private enterprises continued to increase relative to bank credit for the state or state enterprises. Major privately-owned banks continued to expand their market share and their assets are now equal to that of current and former government-owned banks -- versus only 35 percent of the latter's assets in 1995 and 82 percent in 1999.

The Ukrainian securities sector remains at an early stage of development but has shown some qualitative improvements. The securities market showed modest growth in 2000; market capitalization of the leading stock exchange (PFTS) rose from \$2.0 to \$2.2 billion. During the year, the Securities Regulation and Corporate Governance Activity (SRCGA) successfully supported the Securities Commission to: 1) formulate its fund industry concept; 2) draft four laws (on corporations, pension funds, investment funds, and market regulation); 3) adopt eight essential disclosure and shareholder protection regulations; and, 4) lead the GOU and private sector in articulating a five-year securities market strategy. Similarly, the Securities Market Infrastructure Activity (SMIA) successfully completed the transformation of the Inter-regional Stock Fund into a complete clearance and settlement organization for corporate and municipal securities. With the successful completion of these two activities, many objectives of the capital market program that ran from 1995-2000 have been achieved: 1) a fully-functional securities commission is organized and actively regulating the market; 2) a broker/dealer association is self-regulating its members and conducting trading nationwide; 3) a private-sector clearance/settlement organization is capable of completing all corporate and municipal transactions; 4) a registrar industry is efficiently transferring ownership of all securities traded in the country; 5) the legislative and normative framework for capital markets has been fully initiated; and, 6) the majority of citizens are educated in their shareholder rights

Major progress was made during 2000 to create a market-supportive legal and regulatory system (IR 1.4.3). Banks were required to substantially improve their capital and to make adequate provisions against potential loan losses. The GoU also enacted a USAID-drafted Law on Banks and Banking, expanding the authority of bank supervisors at the central bank to intervene in problem banks. In recognition of these policy measures, the World Bank resumed its long-suspended Financial Sector Adjustment Loan for Ukraine and disbursed \$60 million. In the capital markets area, the GoU submitted to the Parliament a draft corporate governance law ("Joint Stock Company Law") which will provide comprehensive shareholder protection in Ukraine and hence will make shareholders more confident in the securities system and less risk-adverse to trading. The Parliament completed in 2000 the first readings of the Law on Collective Investment Institutions and the Law on Non-state Pension Funds, laws essential to develop increased securities investment in the country.

Since Ukraine's modern bankruptcy law became effective in January 2000, USAID has trained more than one hundred bankruptcy practitioners on methods for financial restructuring of troubled enterprises and has worked with stricken enterprises and creditors in three regions to demonstrate the effectiveness of the new law. USAID project lawyers have also worked with judges and others to strengthen the bankruptcy law through amendments developed in late 2000.

.Excessive regulation has also been decreased (IR1.4.3). Since 1998, USAID has been assisting a program for reducing red tape for businesses, spearheaded by the State Committee for Regulatory Policy and Entrepreneurial Activity (SCRPEA). Toward this end, the USAID Regulatory Reform Project has been helping to draft necessary laws and decrees, to train SCRPEA staff for carrying out regulatory analysis, and to train staff and promote more business-friendly regulatory practices in other ministries and in selected

regions. In 2000, the GoU enacted the Law on Licensing (to drastically reduce the scope and number of licenses) and issued a presidential decree requiring cost-benefit analysis of any new regulations. Surveys indicate that since 1997/98 there has been a reduction by half or more in: the cost and time required to register a business; the number of licenses required per enterprise; and the number of business inspections.

Performance and Prospects:

In the banking system, during 2000/01 USAID/Kiev is completing a multipronged program that was designed to remedy key weaknesses (bank supervision, accounting, and training) that the IMF, WB, the EU, and USAID had identified in 1998. Since that time, significant progress has been made, and in 2001, USAID will end its direct assistance in restructuring the seven largest banks (principally at Aval Bank) designated by the NBU and IMF. In 2000, USAID also completed its support for creation and operation of the National Center for Training of Bank Personnel, which is now self-sustaining. During 1994-2000, the Center presented 302 courses and trained 6,173 participants, representing practically all of the 150 commercial banks now operating in Ukraine.

In the area of bank supervision, the NBU took an important step in the fall of 2000 to establish a more independent and reorganized Banking Supervision Department, and USAID is assisting the development of effective procedures and enforcement capabilities for that department. The level of USAID assistance has been reduced from its level of 1995-2000 and, in view of the improved capabilities of NBU staff, is scheduled to end, in its current form, in 2001.

At the request of the GOU's Financial Sector Coordination Council, experts from USAID projects are assisting in drafting a concept and framework law for the financial industry as a whole, namely banking, capital markets, and non-bank financial institutions (NBFIs). To respond to this need, USAID is developing for 2002-2004 a new project to help ensure prudent management by financial intermediaries that deal with the general public, including, private pension funds, insurance, and credit unions. The project will address improvement of supervisory bodies; development of industry standards and practices (e.g. through trade or self-regulatory associations); and training of public- and private-sector professionals in monitoring and managing financial risks.

Prospects are now good for completion and adoption in 2001 of key laws essential to the full functioning of financial markets, beginning with a new Civil Code consistent with modern, market-economy principles that will radically change the system of private law in Ukraine. A large number of laws and regulations will need to be revised and amended to be in conformity with the new Civil Code. In 2001-03, USAID will continue to assist this process through its Commercial Law Center (CLC) project and to provide an institutional base in Ukraine for assisting the legislative reform work, providing training to public and private sector legal professionals, technical assistance in targeted areas of legal reform, and outreach activities to promote public knowledge and debate on the state and use of commercial law. For example, the CLC will provide continuation of some ongoing assistance to effective implementation of good bankruptcy practices after the Financial Restructuring Project ends in 2001.

The Securities Regulation and Corporate Governance Activity (SRCGA) successfully supported the Securities Commission: 1) formulate its fund industry concept; 2) draft four laws (on corporations, pension funds, investment funds, and market regulation); 3) adopt eight essential disclosure and shareholder protection regulations; and, 4) lead the GOU and private sector in articulating a five-year securities market strategy. Similarly, the Securities Market Infrastructure Activity (SMIA) successfully completed the transformation of the Inter-regional Stock Fund into a complete clearance and settlement organization for corporate and municipal securities. With the successful completion of these two activities, many objectives of the capital market program that ran from 1995-2000 have been achieved: 1) a fully-functional securities commission is organized and actively regulating the market; 2) a broker/dealer association is self-regulating its members and conducting trading nationwide; 3) a private-sector clearance/settlement organization is capable of completing all corporate and municipal transactions; 4) a registrar industry is efficiently transferring ownership of all securities traded in the country; 5) the legislative and normative framework for capital markets has been fully initiated; and, 6) the majority of citizens are educated in their shareholder rights

Possible Adjustments to Plans:

Although USAID's program of assistance to commercial banks is phasing out on schedule in 2001, the banking sector is still far from robust. Financial intermediation, long-term lending, and public confidence in the sector are all at low levels. USAID may need to provide future intermittent interventions in restructuring, problem bank resolution, or banker training. Similarly, most USAID assistance to securities market development and supervision is scheduled to end in 2001 but may warrant some resumption of intermittent assistance when opportunities arise to improve enforcement of transparent reporting and protection of shareholder rights.

Other Donor Programs:

In the banking sector, USAID has been the main supplier of assistance to banking supervision and legislation and to banker training; EU-TACIS and EBRD have provided heavier technical and financial assistance to the large private commercial banks; while the World Bank has played a leading role in defining sector reform strategy.

Major Contractors and Grantees:

Banking Sector - KPMG/Barents and Booz Allen & Hamilton; Securities Market - Financial Markets International; Legal and Financial Restructuring - Deloitte-Touche; Regulatory Reform - ARD/Checchi.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more competitive and market-responsive private financial sector
 Objective ID: 121-014
 Approved: 1998-12-01 Country/Organization: USAID Ukraine
 Result Name: IR 14.2 Transparent and open securities system established
 Indicator: Market capitalization of corporate securities
 Disaggregated By:

Unit of Measure: \$ billion

Year	Planned	Actual
1995 (B)	NA	0
1998	4	1.3
1999	10	2.0
2000	15	2.2
2001	3	NA
2002	4	NA
2003	5	NA

Source:
 Various USAID contractors

Indicator/Description:
 The value of the securities listed on the PFTS stock exchange.

Comments:
 Targets for 2001 through 2003 are revised, in light of disappointing results during 1999 - 2000.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more competitive and market-responsive private financial sector

Objective ID: 121-014

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: IR 14.3 Market supportive legal system created

Indicator: Excessive regulation is decreased allowing for more effective functioning of market systems

Disaggregated By:

Unit of Measure: Number, cumulative

Year	Planned	Actual
1998 (B)	NA	4
1999	50	53
2000	100	95
2001	150	NA
2002	150	NA

Source:

State Committee for Entrepreneurship Development

Indicator/Description:

The number of regulations eliminated

Comments:

The formal process of deregulation began in September 1998. The methodology being used has been improved and the process for analysis and ultimate deregulation is more solidly established. In addition, a recent resolution of the Cabinet of Ministers in 2000 establishes a rigorous methodology for the enactment of new regulations that will promote transparency and soundly test the justification for any new regulation.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more competitive and market-responsive private financial sector

Objective ID: 121-014

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: IR 14.3 Market supportive legal system created

Indicator: Supporting laws and regulations in place

Disaggregated By:

Unit of Measure: Number, cumulative

Year	Planned	Actual
1995	NA	0
1998	4	4
1999	6	7
2000	10	11
2001	14	NA
2002	18	NA
2003	20	

Source:

Various USAID contractors

Indicator/Description:

The number of principal laws, decrees, and regulations enacted

Comments:

Major laws/regulations enacted in 2000: Law on Banks and Banking, Law on Licensing, Decree on Regulatory Policy (cost-benefit analysis), STA Order on Amicable Settlement of Taxpayer Debts, Civil Code passed second reading in May 2000.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more competitive and market-responsive private financial sector

Objective ID: 121-014

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: IR 14.1 Market-oriented private banking sector developed

Indicator: Total assets of ten largest private sector banks as percentage of assets of 5 former and current state-owned banks

Disaggregated By:

Unit of Measure: Percentage

Year	Planned	Actual
1995 (B)	NA	35
1998	58	66
1999	68	94
2000	73	100
2001	78	NA
2002	83	NA
2003	100	NA

Source:

Various USAID contractors

Indicator/Description:

Denominator Oschadny, Exim (Ukraine), Prominvest, Ukraina, Ukrosots Numerator: Privat, AVAL, Brokbusbank, FUIB, Slavianski, Ukrainian Credit, Finance and Credit, Ukrosyb, Nadra, Ukribank

Comments:

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more competitive and market-responsive private financial sector

Objective ID: 121-014

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: A more competitive and market-responsive private financial sector

Indicator: Increased private sector investment intermediated through the banking sector

Disaggregated By:

Unit of Measure: percentage

Year	Planned	Actual
1995	NA	36
1999	45	45
2000	50	50
2001	60	NA
2002	70	NA
2003	75	NA

Source:

EU TACIS, Ukrainian Economic trends, European center of Macroeconomic Analysis of Ukraine

Indicator/Description:

share of total commercial bank credits to private enterprises and households as a percentage of total bank credits

Comments:

SO Text for SO: 121-015 A more economically sustainable and environmentally sound energy sector

Country/Organization: USAID Ukraine

Objective ID: 121-015

Objective Name: A more economically sustainable and environmentally sound energy sector

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

50% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
15% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
5% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
20% 5.4 Use of environmentally sound energy services increased
10% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Open Markets

(Page limitations for narrative begin here):

Summary of the SO:

USAID's objective is to achieve a commercially viable energy sector in Ukraine that is efficient, environmentally sustainable, and decreases Ukraine's dependence on gas imports from Russia. Ukraine has made major strides in reducing electric power subsidies and, in 2000, enforcing cash payments for electricity. The GoU and USAID cooperated in identifying key problem issues that need to be resolved prior to privatization to ensure its success. Despite a few months' delay with the tender for the batch of 6 electric distribution companies, the GoU managed to follow a transparent privatization process.

Key Results:

In 2000/01 the main goal of USAID's projects has been to help the GoU privatize electric distribution companies using international best practices to attract foreign strategic investors who can bring in capital, technology, and experience to restructure and modernize the sector. The GoU plans to sell up to six electric distribution companies (one-fourth of all distribution companies) in April 2001 to strategic private investors. It is expected that by the end of the year 2003 all electric distribution and thermal generating companies will become privately-owned. In conjunction with this, serious work has been done in the areas of energy legislation, regulation, tariff formation, energy efficiency and market development. Four results and their associated indicators targeted at electric sector privatization and related reforms are discussed below:

Overall, USAID assistance to help Ukraine build a sound legal foundation for the energy sector is on track. This foundation is built upon three major laws: 1) a wholesale electricity market law; 2) a regulatory law; and 3) a law on production sharing agreements (PSA law). These laws form the basis for the operation of the energy sector in the free market. The Ukrainian parliament passed the production sharing law in 2000. The Law "On the Basis of the Wholesale Electricity Market Functioning in Ukraine" and the Law "On Natural Monopolies" passed first reading in the Parliament in 2000. USAID expects these laws to pass in 2001. USAID has been promoting the development of enabling legislation to implement the PSA law. Such legislation would create a framework to attract investments to Ukraine's domestic oil and gas sector, thus increasing energy security and reducing balance of payments for imports.

The GoU, after mistakes with the privatization of 7 electric distribution companies in 1998 by domestic portfolio investors, began a serious preparation in 2000 for a new round of privatization of the remaining 20 distribution companies. With USAID assistance, the GoU conducted an open tender and selected Credit Suisse First Boston as the investment banker to privatize the next batch of 6 distribution companies. Originally scheduled for 2000, privatization of these 6 was delayed upon the recommendation of the Power Sector Task Force so that the GoU could resolve outstanding issues that might deter participation of potential strategic investors. USAID expects privatization to move forward in 2001. Three companies - AES, Electricite de France, and Union Fenosa - have expressed interest to participate in the privatization.

Private ownership of electricity distribution and generation companies (IR 1.5.2.1).

Efforts are focused on increasing the percentage of private ownership of electric distribution and thermal generation companies by international strategic investors. The investors will bring new management, investments and technologies to the sector. The former definition for the indicator (number of shares privately held) does not correctly reflect the definition of success. In 1998 several electric distribution companies were privatized to domestic portfolio investors. USAID does not view this as a success because the domestic investors do not bring the long-term investment, management know-how, and technology that is needed to put the companies on a sustainable footing. Therefore, the operating unit recommends to delete this indicator since the SO 1.5.2 indicator also will indicate the result of SO 1.5.2.1.

Widespread municipal institutional energy efficiency programs and capacity (IR1.5.3).

In 2000, the number of cities meaningfully involved in energy efficiency regional networks increased to seven. Cities and energy service companies (ESCOs) have increased capacity to implement energy efficiency projects. However, the current economic and fiscal situation in Ukraine makes it difficult to have short-term (quick) impact. For 2001 the national budget scheme creates incentives for the municipalities to invest in the energy efficiency: 25 million UAH of the state budget are approved for energy conservation at the regional level and municipalities. Despite this, there are still too few financial resources available to pay for projects. The lack of clear legal and administrative relationships among stakeholder institutions remains an obstacle that blocks energy efficiency project implementers access to the capital, especially micro-finance programs offered by commercial banks and international financial institutions.

Performance and Prospects:

Overall, performance in 2000 met expectations. The GoU remains committed to privatize electric distribution companies in 2001. It is expected that in 2003 all electric distribution companies will become

privately owned by strategic investors. The remaining laws needed to complete the legal foundation for the energy sector are expected to be adopted by the Parliament in 2001. USAID will continue to provide consultation and advice to the State Property Fund (SPF) and with energy distribution companies to prepare them for privatization to strategic investors, including due diligence support, negotiations, preparations of purchase-sale agreements, and closing on the first batch sales; and will advise SPF on the legal, procedural, and administrative aspects of privatization. USAID will also work with the National Energy Regulatory Commission (NERC) to develop and approve a tariff methodology that ensures profitability to the energy sector; and to resolve key issues that would encourage strategic investors' participation in privatization: tariff, company debt, transit account reform, and disconnection of non-payers, among others. USAID assistance to help reform and restructure the energy sector is crucial due to the importance of the sector to Ukraine's overall economy. Reductions or elimination of this assistance would have a negative impact on the transparency USAID brings to the privatization process; and would make it more difficult for the SPF, energy distribution companies and NERC to complete the steps needed to attract strategic private investors and successfully privatize the energy distribution companies.

Possible Adjustments to Plans:

USAID will extend the core activities for privatization (ending in 2003) and for legal, regulatory and market development (ending in 2004). However, there will be several program changes. Due to budget constraints, the number of utility-to-utility partnerships will be reduced from 7 to 3. Municipal energy efficiency activities will end. USAID will evaluate its energy efficiency efforts, with an eye to rolling energy efficiency into other activities, as appropriate. The SO team would like to propose a new activity in the future – Energy Strategy-/Supply and Demand -- to promote policies that will help rationalize energy consumption and sources of energy and, as a result, make Ukraine less dependent on imported Russian fuel. USAID's activity on municipal district heating tariffs will continue through FY 2001 and end in 2002. A new activity on preparation of municipal district heating companies for privatization will be introduced in FY 2002. USAID will limit its support to the Alternative Fuel Center (AFC), assisting the AFC Advisory Board to develop coal bed methane legislation.

Other Donor Programs:

The key donors are linked via the European Bank for Reconstruction and Development (EBRD) - chaired Power Sector Task Force. Its membership includes the EBRD, World Bank, USAID, European Union and G7. IMF conditionality is also coordinated with the privatization project and Power Sector Task Force.

Major Contractors and Grantees:

Deloitte and Touche (DTT) advise the SPF on privatization. Hunton and Williams, a law firm, serves as the legal, regulatory and energy market reform advisor. The Institute for International Education (IIE) implements the Energy MBA Program in conjunction with the International Management Institute (IMI) - Kiev. To date, 144 energy sector professionals received their MBA Degrees and became promoted in their energy companies. The U.S. Energy Association (USEA) coordinates seven energy utility-to-utility partnership programs. The Alliance to Save Energy (ASE) implements municipal energy efficiency activities; and PADCO provides assistance in municipal district heating.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more economically sustainable and environmentally sound energy sector

Objective ID: 121-015

Approved: 1999

Country/Organization: USAID Ukraine

Result Name: A more economically sustainable and environmentally sound energy sector

Indicator: Sound legal foundation for energy sector

Disaggregated By:

Unit of Measure: 0=no new laws; 1=one law passed; 2=2 laws passed; 3=3 laws passed; 4=all laws implemented and operating well

Year	Planned	Actual
1998 (B)	NA	0
1999	1	1
2000	2	1
2001	3	NA
2002	4	NA
2002	4	NA
2003	4	NA

Source:

Ukrainian law

Indicator/Description:

Passage of effective legislation: a) wholesale electricity market law; b) regulatory law for major regulatory agencies; c) production sharing agreement

Comments:

In the year 2000 the wholesale electricity market law and the law on the energy regulatory commission passed its first reading. The second and third reading are scheduled for the year 2001. Production sharing agreement was ratified by the Parliament in the year 1998 and signed by the President in 1999.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more economically sustainable and environmentally sound energy sector

Objective ID: 121-015

Approved: 1999

Country/Organization: USAID Ukraine

Result Name: A more economically sustainable and environmentally sound energy sector

Indicator: Ownership and management by strategic investors

Disaggregated By: The number of distribution companies majority owned or managed by strategic investors

Unit of Measure: Number

Year	Planned	Actual
1998(B)	NA	0
1999	0	0
2000	7	0
2001	27	NA
2002	27	NA
2002	27	NA

Source:

Deloitte & Touche

Indicator/Description:

The number of distribution companies majority owned or managed by strategic investors

Comments:

It is expected that by the year 2003 all electric distribution and then -- generating companies -- will become owned and managed by strategic investors. The success of privatization largely depends on the Government of Ukraine ability to resolve issues to create favorable climate prior to privatization and thus attract professional strategic investors to bid. USAID contractors assist the State Property Fund of Ukraine to ensure transparency of the process and use world best experience in privatizing state-owned assets of electric companies.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more economically sustainable and environmentally sound energy sector

Objective ID: 121-015

Approved: 1999

Country/Organization: USAID Ukraine

Result Name: IR 15.2.2 Effective privatization and financing of energy companies

Indicator: Private (i.e., non-Ukrainian government) ownership of electricity companies

Disaggregated By: thermal generation companies

Unit of Measure: Percent of all companies shares

Year	Planned	Actual
1998 (B)	NA	17
1999	17	20
2000	17	20
2001	24	NA
2002	34	NA
2003	majority	NA

Source:

SPF and Stock Exchange

Indicator/Description:

Number of shares privately held versus state held shares in thermal generation companies

Comments:

President Kuchma has promulgated a decree outlining goals for the achievement of privatization of state-owned companies. These goals range from 26 to 50 percent private ownership.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more economically sustainable and environmentally sound energy sector

Objective ID: 121-015

Approved: 1999

Country/Organization: USAID Ukraine

Result Name: IR 15.2.2 Effective privatization and financing of energy companies

Indicator: Private (i.e., non-Ukrainian government) ownership of electricity companies

Disaggregated By: distribution companies

Unit of Measure: Percent of all companies shares

Year	Planned	Actual
1998 (B)	NA	38
1999	40	42
2000	48	42
2001	66	NA
2002	76	NA
2003	majority	NA

Source:

SPF and Stock Exchange

Indicator/Description:

Number of shares privately held versus state held shares in distribution companies

Comments:

President Kuchma has promulgated a decree outlining goals for the achievement of privatization of state-owned companies. These goals range from 26 to 50 percent private ownership.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more economically sustainable and environmentally sound energy sector

Objective ID: 121-015

Approved: 1999

Country/Organization: USAID Ukraine

Result Name: A more economically sustainable and environmentally sound energy sector

Indicator: Ownership and management by strategic investors

Disaggregated By: The number of generation companies majority owned or managed by strategic investors

Unit of Measure: Number

Year	Planned	Actual
1998(B)	NA	0
1999	0	0
2000	0	0
2001	1	NA
2002	2	NA
2003	4	NA

Source:

Deloitte & Touche

Indicator/Description:

The number of generation companies majority owned or managed by strategic investors

Comments:

It is expected that by the year 2003 all electric distribution and then -- generating companies -- will become owned and managed by strategic investors. The success of privatization largely depends on the Government of Ukraine ability to resolve issues to create favorable climate prior to privatization and thus attract professional strategic investors to bid. USAID contractors assist the State Property Fund of Ukraine to ensure transparency of the process and use world best experience in privatizing state-owned assets of electric companies.

Performance Data Table

Fiscal Year: FY2003

Objective Name: A more economically sustainable and environmentally sound energy sector

Objective ID: 121-015

Approved: 1999

Country/Organization: USAID Ukraine

Result Name: IR 15.3 More efficient and effective utilization of energy

Indicator: Wide spread municipal institutional energy efficiency programs and capacity

Disaggregated By:

Unit of Measure: Number of cities

Year	Planned	Actual
1998 (B)	NA	0
1999	1	1
	4	7
<p>Source: Alliance to Save Energy</p> <p>Indicator/Description: The number of municipalities meaningfully (e.g., with dedicated city employees) involved in energy efficiency regional networks, NGO development and related support and institutional capacity building</p> <p>Comments: The project is implemented in accordance with Work Plan. The MOUs with Kharkiv, Ternopil, Ivano-Frankivsk, Lutsk, Khmel'nitsky, Slavutych and Lviv cities' administrations have been signed. MoUs targeted on the support of the energy efficiency municipal program development; training of the local specialists on the building audit fundamentals, design and installation of the heat control systems; co-financing of the pilot projects at schools and hospitals. Weatherization and installation of the equipment at schools is scheduled to be completed in May - June, 2000. Estimates of the energy savings at two schools at Lviv demonstration project shows the possible cost savings about one billion U.S. dollars</p>		

annually throughout Ukraine		
2000		
2001	9	NA
2002	20	NA
2003	25	NA

SO Text for SO: 121-016 Increased Environmental Management Capacity to Promote Sustainable Development

Country/Organization: Ukraine
Objective ID: 121-016
Objective Name: Increased environmental management capacity to promote sustainable development

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

- 0% 1.1 Critical private markets expanded and strengthened
- 0% 1.2 More rapid and enhanced agricultural development and food security encouraged
- 0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
- 0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
- 0% 2.2 Credible and competitive political processes encouraged
- 15% 2.3 The development of politically active civil society promoted
- 15% 2.4 More transparent and accountable government institutions encouraged
- 0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
- 0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
- 0% 4.1 Unintended and mistimed pregnancies reduced
- 0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
- 0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
- 0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
- 0% 4.5 The threat of infectious diseases of major public health importance reduced
- 30% 5.1 Threat of global climate change reduced
- 5% 5.2 Biological diversity conserved
- 15% 5.3 Sustainable urbanization including pollution management promoted
- 15% 5.4 Use of environmentally sound energy services increased
- 5% 5.5 Sustainable management of natural resources increased
- 0% 6.1 Urgent needs in times of crisis met
- 0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Global Issues: Environment, Population, Health

Primary Link to MPP Goals: Environment

Secondary Link to MPP Goals (optional): Economic Development

(Page limitations for narrative begin here):

Summary of the SO:

Increased environmental management capacity to promote sustainable development will be achieved when 1) policy-makers, industrial managers, and the public recognize that environmental protection is integral to economic development; 2) economic development policies account for environmental impact; 3) subsidies are removed from energy and industrial inputs; 4) capital investments require the use of environmentally sound technologies; 4) pollution prevention and resource conservation become standard operating procedure; and 5) citizens have ample access to information and participation in the environmental and development decision-making process.

USAID's environment strategy for Ukraine recognizes that significant improvements in environmental quality require large-scale capital investments in municipal infrastructure, industrial processes and pollution controls, and in hazardous waste management that are beyond USAID's manageable interest. Because Ukraine's ability to finance environmental investment is severely limited, most of these improvements will need to come in conjunction with Ukraine's economic transition, through industrial restructuring and privatization. Therefore, USAID has established an indicator at the SO level to measure results toward the integration of environment and economic development policies. SO 1.6 targets those sectors of the economy that are the focus of USAID's other strategic objectives, such as energy, agriculture, municipalities, and industry.

Achieving increased environmental management capacity to promote sustainable development requires changes in legislation, policies and regulations to adopt internationally recognized approaches, including environmental impact assessment, pollution release and transfer registries, and economic incentives for regulatory compliance. SO 1.6 has adopted a new indicator in 2001 to measure progress toward this intermediate result. Yet, even in the absence of investment and policy reform, steps toward sustainable development are possible provided that environmental management can be improved at public and private facilities through low-cost changes in management and production processes.

Increased participation of citizens and NGOs is needed to influence the pace and direction of policy reform and investment. Empowering citizens to affect environmental decision-making requires that the public have access to timely and accurate environmental information and that they have a legally defined role in the decision-making process. Ukraine has recognized these civil rights by ratifying the Aarhus Convention. It lacks, however, the legislation and administrative procedures necessary for implementation.

Key Results:

The formation of two inter-ministerial commissions on environmental matters was the most significant indicator that SO 1.6 was achieving results toward the integration of environment and economic development policies. The Inter-Ministerial Commission on Climate Change (IMCC) was re-established in 2000 and elevated in status under the chairmanship of a Vice Prime Minister. With USAID assistance, the IMCCC convened twice, reviewed and analyzed policy positions, and sent Ukraine's largest, most diverse delegation ever to the Conference of Parties to the UN Framework Convention on Climate Change. Similarly, the National Commission on Sustainable Development (NCSD) was re-established and has received USAID assistance in analyzing key policy positions and in developing Ukraine's National Concept on Sustainable Development that will form the basis for a national strategy. USAID also succeeded in increasing the involvement of NGOs in policy development and decision-making on climate change and sustainable development as NGO work groups were formed and NGO policy recommendations were drafted and submitted to national authorities.

Performance and Prospects:

USAID supports four main activities aimed at achieving its intermediate results under SO 1.6. The principle activity for promoting integration of environment and economic development policies and for increasing investment has been the Climate Change Initiative (CCI). USAID is helping Ukraine to analyze options and develop an administrative structure to manage its national climate change program so that it can participate fully under the UNFCCC and take advantage of investment opportunities in Green House Gas emissions. The CCI established a climate change information center and project management office in Kyiv and is helping Ukraine to identify viable investment projects and to develop business plans for GHG mitigation. Criteria for selecting investment projects were developed and twelve potential projects have been identified. USAID has assisted Ukraine in establishing an effective team to conduct its national GHG emissions inventory using "best practices" approved by the Intergovernmental Panel on Climate Change (IPCC). The CCI/Ukraine also is assisting Ukraine in conducting its annual inventory of GHG emissions from the energy power sector. The CCI/Ukraine supports an Industry Council and network of NGOs. The CCI distributes a monthly electronic newsletter in Ukrainian and English and maintains a website that is unique in the E&E region. Much of the success of the CCI/Ukraine can be attributed to its extensive training program for government officials, NGOs, enterprise managers and climate change experts.

The integration of environment and economic development policies also has been supported by the USAID Program to Promote Sustainable Development (PPSD). Through workshops, roundtables, work groups, and the translation and dissemination of documents, the PPSD has assisted Ukraine in the development of its national concept of sustainable development and in raising awareness among government officials and industrial leaders. The PPSD has served as an unofficial Secretariat to the National Commission on Sustainable Development. This activity will conclude in March 2001. The UNDP is expected to maintain some support for the NCSD while other PPSD activities will move to the new Regional Environmental Center.

The principle USAID activity for increasing the effectiveness of policies at the local level and for empowering citizens to affect environmental decision-making is the Local Environmental Action Program (LEAP). USAID laid the foundation for LEAP in 2000 by reaching out to over 5,000 local communities, NGOs, and local businesses through a series of nine newsletters -- Chysta Khata (Clean Hut). The newsletter spotlighted local environmental projects in Ukraine and disseminated success stories from other countries in the region. The preparation for the LEAP culminated in the award of \$20,000 in small grants to assist 11 communities in solving specific environmental problems. As a result of these awards, NGOs and local authorities formed partnerships and leveraged assistance from local businesses, citizens and authorities to undertake environmental cleanup and nature conservation activities across Ukraine. In September 2000, USAID launched the three-year LEAP that will support six community demonstration projects, develop guidelines and train community facilitators, establish centers of excellence, and provide continued support to the network of municipalities interested in local environmental action.

USAID has supported improved environmental management at public and private facilities primarily through EcoLinks. This E&E Bureau-funded activity promotes market-based approaches and US-Ukrainian partnerships in solving environmental problems at businesses, industrial facilities, and municipal facilities. EcoLinks has awarded over \$900,000 through partnership grants and quick response awards since it began operating in Ukraine in July 1999. SO 1.6 also has provided environmental management training through the Academy for Educational Development. The overwhelming response from almost four hundred industrial managers and engineers who competed to take part in this training has prompted USAID to consider additional activities in 2001 to promote environmental management at facilities.

As noted above, sound environmental decision-making requires accurate and timely information and analysis. Ukraine also needs to manage information using methods that are compatible with other European countries and North America. One such approach that is promoted by USAID through its support for the Ukrainian Land and Resource Management Center (ULRMC) is the use of geographic information systems (GIS) and remote sensing. This support will continue in 2001. Based on findings of an assessment that was conducted in 2000, USAID will redesign this activity with greater emphasis on using information to promote sustainable development, especially in the agriculture, energy, and industrial sectors.

Possible Adjustments to Plans:

None this time.

Other Donor Programs:

1. Canada: Municipal water supply and sewage, waste management, environmental audits, clean technologies, global climate change, Dnipro Basin environmental management;
2. Denmark: Energy efficiency and energy conservation, municipal water and sewage, industrial waste, clean production, policy for establishing a national environmental fund;
3. Netherlands: Energy conservation and energy efficiency, municipal water supply and sewage, waste management, biodiversity and landscape diversity, small grants to NGOs;
4. UK: Environmental awareness and monitoring in Donetsk, small environmental partnership grants, Environmental Impact Assessment Center in Kharkiv;
5. UNDP: Energy efficiency in district heating and for climate change mitigation; GEF Dnipro Basin (co-funded by Canada);
6. EU/TACIS: Black Sea program; Danube Basin management; Buh, Latorytsia and Uzh Rivers water quality assessment; Kharkiv industrial waste management ; Mariupol wastewater;

7. EBRD: Sevastopol vodokanal; municipal district heating; municipal water utilities in medium-sized cities; Kharkiv solid waste management;
8. World Bank: energy efficiency in the city of Kyiv public buildings; GEF phase-out of ozone depleting substances;
9. UNECE: Regional energy efficiency project for climate change mitigation; and
10. USEPA: GHG emissions inventory demonstration; emissions trading of regulated air pollutants; environmental financing; Regional Environmental Center/Kyiv; Mariupol LEAP.

Major Contractors and Grantees:

1. PA Government Services (formerly Hagler Bailly Services): climate change;
2. United Nations Fund for International Partnerships: climate change;
3. Institute for Sustainable Communities (ISC): LEAP;
4. Initiative for Social Action and Renewal (ISAR): LEAP;
5. United Nations Development Program: Program to Promote Sustainable Development;
6. Institute for International Education (EcoLinks): environmental management; and
7. Environmental Research Institute of Michigan (ERIM): GIS.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased environmental management capacity to promote sustainable development
 Objective ID: 121-016
 Approved: 1998-12-01 Country/Organization: USAID Ukraine
 Result Name: Increased environmental management capacity to promote sustainable development
 Indicator: Integration of environment and economic policies
 Disaggregated By:

Unit of Measure: Number above the baseline level

Year	Planned	Actual
1998 (B)	NA	15
1999	NA	18
2000	17	24
2001	18	NA
2002	19	NA

Source:
 MENR Annual State of the Environment Report

Indicator/Description:
 Policy reforms submitted or adopted, or administrative actions taken

Comments:
 The data for 2000 was obtained from the Secretariats of the Verkhovna Rada of Ukraine and the Cabinet of Ministers of Ukraine, and the Ministry of Ecology and Natural Resources Department of Environmental Policy (based on its internal reports.) Additional information was obtained from the web-sites of the Verkhovna Rada of Ukraine (www.rada.kiev.ua), the Cabinet of Ministers of Ukraine (www.kmu.gov.ua) and the Administration of the President of Ukraine (www.kuchma.gov.ua). By the end of May 2001 this information will be incorporated into the National Report on the State of the Environment in Ukraine. The baseline was taken from the MENR report for 1998 in which USAID identified 15 policy reforms or administrative actions. Since this was a new result in 1999, there was no target for that year. The 24 policy reforms and/or administrative actions in 2000 include five actions that are attributable to USAID-funded activities.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased environmental management capacity to promote sustainable development

Objective ID: 121-016

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: IR 16.3 Improved environmental management at private and public facilities

Indicator: Facilities developing and implementing environmental management plans

Disaggregated By:

Unit of Measure: Number of facilities

Year	Planned	Actual
2000(B)	NA	48%
2001	55%	NA
2002	60%	NA
2003	66%	NA

Source:

EcoLinks, CCI, LEAP

Indicator/Description:

Facilities adopting a change in operating procedures or production process for environmental benefit

Comments:

The indicator for this IR was revised for FY2000. Although the IR continues to focus on improved management at facilities, the new indicator no longer measures the demonstration of low-cost technologies and equipment. Because installation of equipment requires an investment, the SO Team has determined that as an indicator, it is captured under IR 1.6.2 "increased investment." Beginning with this report, increased management capacity will have as its indicator changes in operating procedures or the production process. These changes can be accomplished with or without investment in new technologies. Furthermore, this revision recognizes that the current economic situation in Ukraine is not conducive to investment. Nevertheless, local actions are needed to reduce pollution and increase energy efficiency. Because the CCI and LEAP both are new activities in FY 1999, FY 2000 will be used to establish the baseline. As noted in the narrative report, all other SO 1.6 activities that addressed this result terminated at the end of FY 1998.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased environmental management capacity to promote sustainable development
 Objective ID: 121-016
 Approved: 1998-12-01 Country/Organization: USAID Ukraine
 Result Name: IR 16.1 Implementation of internationally consistent, locally effective environmental policies
 Indicator: Compliance with international treaties and agreements
 Disaggregated By:

Unit of Measure: Number above baseline level

Year	Planned	Actual
1999 (B)	NA	14
2000	16	17
2001	19	NA
2002	19	NA

Source:
 MENR Annual State of the Environment Report, CCI, EIA, LEAP, REC reports

Indicator/Description:
 Actions taken by Ukraine to implement 15 international treaties and agreements

Comments:
 This indicator was established in 1999 to measure Ukraine's progress in adopting and implementing policies and legislation that are consistent with internationally recognized standards, norms and "best practices." The baseline measured actions taken by the GOU in 1999 to implement 15 international environment-related treaties and agreements. Subsequent years measure additional actions taken annually to implement these agreements as well as any new agreements to which Ukraine becomes a Party. In 2000, seven of the 17 actions may be attributed to USAID-funded activities.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased environmental management capacity to promote sustainable development

Objective ID: 121-016

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: IR 16.4 Increased empowerment of citizens to affect environmental decision-making

Indicator: Incidents of citizen environmental activism

Disaggregated By:

Unit of Measure: Number of incidents above the baseline level

Year	Planned	Actual
1999 (B)	NA	29
2000	41	42
2001	43	NA
2002	45	NA

Source:

ISAR, ABA/CEELI, REC, EPA

Indicator/Description:

Initiatives taken by private citizens or NGOs to influence environmental decisions

Comments:

This indicator was established to measure the impact of USAID activities toward the intermediate result of citizen empowerment. The principal source of data will be generated by the USAID LEAP activity that began in 2000. The baseline was established by the number of court cases and legal actions supported by the ABA/CEELI EPACs, plus the EPA EIA demonstration project. This number represented the total number of incidents of citizen environmental activism that could be attributed to US assistance in 1999. The number for 2000 is comprised of 29 new court cases and legal actions by ABA/CEELI EPACs, 12 initiatives by NGOs at the local level under the ISAR small grants program, and one initiative that was an unintended result from the EcoLinks activity.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased environmental management capacity to promote sustainable development

Objective ID: 121-016

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: 16.2 Increased environmental investment

Indicator: Projects prepared for investment

Disaggregated By:

Unit of Measure: Number above baseline level

Year	Planned	Actual
2000(B)	NA	15
2001	21	NA
2002	29	NA
2003	40	NA

Source:

MENR Annual State of the Environment Report, CCI, LEAP, EcoLinks, ARENA-Eco

Indicator/Description:

Feasibility studies and business plans developed or projects added to the investment pipeline as a result of USAID activities

Comments:

This performance data is being reported for the first time. 2000 serves as the baseline year for this indicator. The baseline is comprised of two pre-investment activities by ARENA-Eco: district heating system in Rivne (funded by GEF/UNDP) and energy efficiency measures at the JSC Sevastopol Marine Plant; and 12 pre-investment activities by the Climate Change Initiative: two business plans for methane recovery at coal mines, one pre-feasibility study for district heating systems in Vinnytsia, and nine other projects added to the climate change investment pipeline.

SO Text for SO: 121-021 Increased, better-informed citizen participation in political and economic decision-making

Country/Organization: USAID/Kyiv

Objective ID: 121-021

Objective Name: Increased, better-informed citizen participation in political and economic decision-making

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

0% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
33% 2.2 Credible and competitive political processes encouraged
34% 2.3 The development of politically active civil society promoted
33% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Democracy

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): Economic Development

(Page limitations for narrative begin here):

Summary of the SO:

Activities under SO 2.1 aim to support emergence of key aspects of a functioning civil society, in which well-informed citizens participate in political and economic decision-making, using all appropriate civil rights and democratic mechanisms. The ultimate customers are citizens and democratically oriented parties and groups. The new intermediate results listed in our revised SO 2.1 framework clarify that our activities build support for democracy from below through NGOs, CSOs and the Third Sector; train citizens to improve their democracy skills and ability to participate in political life individually and through democratically oriented political parties; promote free and fair elections; through support to independent

media, for free speech, and to journalistic professionalism, help ensure that citizens have access to a broad spectrum of information; and encourage community efforts to reduce corruption. The SO team is confident that "meeting expectations" is a fair and true statement of results achieved over the past year.

Key Results:

Previously approved indicators are again reported on in this R4, although they are not truly accurate measures of the impact of our activities. The new results framework and indicators will do a better job of measuring the results we seek and will be reported upon next year. The indicator on citizen participation in NGOs shows that this participation is proceeding more slowly than planned targets. However, targets were not projected according to any clear theory of NGO involvement and hence may be meaningless. Moreover, membership in NGOs, for example, says nothing about the character or impact of citizen activism and hence is not an accurate measure of citizen participation. The public's recent response to the political crisis is proving daily that unpopular government actions can be reversed through citizen pressure at the local level and we can anecdotally conclude that effective participation has increased. Pro-reform civil society organizations are more visible, and more important at the top as well. Several have forged links with the Prime Minister's office, started helping him analyze policy documents, and held an unprecedented public hearing to review - and criticize - his first year in office. IFES's annual random survey of public opinion showed that 38% instead of the planned 41% of the public possessed measured information about political developments, but this discrepancy is not considered significant.

USAID-funded groups have been training locally-elected young deputies, and have supported their efforts to lobby the national parliament for greater local budgetary autonomy. No current indicators measure the impact of political party training. With the support of USAID-funded political trainers, however, some parties on the right and center-left have agreed to contest the next parliamentary elections together. The Third Sector is stronger and better at fund raising and more focused and effective in lobbying efforts for NGO-friendly laws, thanks to USAID support, training, and partnering. (The International Renaissance Foundation and UNDP have also contributed to this legislative development work.)

Freedom of speech is precarious in Ukraine. Our media programs are constrained because the most powerful institutions seek to control the press. While our activities employ an array of tools that show results (bolster the sustainability of independent media as businesses, for example, or increase the number of news programs produced locally), the activities cannot address all the fundamental causes for an unfree press. Results are good for legal help provided through the Irex Pro-Media Legal Defense and Education Program (LDEP). LDEP received about 250 requests for assistance last year. 35 legal cases are being pressed, and 19 cases have closed. Defendants supported by IREX and represented by LDEP-trained lawyers have won (by not losing) 13 cases. The five cases remanded for new trials and a criminal libel case pending further investigation are neutral results. In the sole case where the defendant lost, the monetary award was so tiny (1,000 hrv instead of 20 million) that this counts as a "win."

The Committee of Voters of Ukraine, supported by NDI, has expanded beyond election monitoring and CVU oblast branches now sponsor citizen watchdog activities and public advice centers programs in 45 offices that help citizens pursue complaints against unresponsive officials. Some examples: In Cherkasy, CVU helped get damages paid to a grandfather and granddaughter who fell out of a train car with no doors. In Rivne, CVU helped organize a "honk-in" that reversed an unpopular proposal to award all marshrutny bus business to one company. In Sumy, the CVU branch spearheaded citizen complaints with the result that the head of the traffic inspectorate was fired. CVU branches also set up pilot resource centers to support advisory citizen Community Boards recently created in four major cities. The Freedom of Choice Coalition of NGOs, originally created to coordinate civic activism during the 1999 elections, continues its pro-democracy efforts, although as yet without significant donor support. They drew up plans for coordinated nationwide anti-corruption activities, and have sponsored roundtables to encourage government-opposition dialogue.

USAID, through Freedom House and UMREP, along with some help from other donors such as the International Renaissance Foundation, has helped boost the role and impact of pro-reform NGOs and think tanks in successful efforts to engage policy makers. Individually and collectively, this engagement has had results. The policy recommendations of one Freedom House-funded study on the shadow economy became

part of a new national policy document. An association of retail traders used their grant to prepare and successfully lobby for retailer-friendly modifications to the Law on Corporate Income Tax. An ad hoc group of five NGOs began reviewing policy papers for the Prime Minister's office on a pro bono basis. In December 2000, a coalition of USAID-supported NGOs and think tanks organized an unprecedented "public hearing" where representatives of pro-reform think tanks and NGOs presented evaluations of the record of the Yushenko pro-reform government's first year, and their suggestions for new policy steps. The Prime Minister, and many members of his Cabinet attended, along with several hundred NGO and diplomatic representatives. And think tanks are catching on in the regions. With USAID support, 16 regional TTs created their own coalition, and stimulated start-up of a web portal where all think tanks in the country can share information. All this is a good beginning, but it will take a serious strengthening of commitment by the Ukrainian authorities to put the potential of these think tanks to good use.

Recent events in Ukraine -- including the fact the pressures that ousted elected mayors met with next to no resistance, and the fact of continued disarray among reformers in parliament -- remind us that healthy democratic political mechanisms that can help guarantee citizen rights to participate include political parties, and citizens with democratic political organizing skills. No indicators in the current framework address the work or impact of political party building programs. But we see results that show the two political party building programs in Ukraine are having a positive impact, in areas within their manageable interest -- although there is still a long, long way to go. The proposed new results framework includes indicators that will track, and measure improvements in organization and behavior of partner groups. Our political training activities enhance political opportunities for women (for example, by supporting women's political groups and women deputy associations, and by insisting that training include significant numbers of women), enhance skills of democratically oriented individuals and parties, and chip away at the habits and attitudes that keep political parties here fragmented. Through seminars, consultations and encouragement, NDI and IRI are at least partly responsible for the new level of cooperation achieved this year by three parties: Reforms and Order, Rukh-Udoenko, and the Congress of Ukrainian Nationalists (KUN). These groups now meet regularly to discuss developments in their parties and in the coalition. NDI has also provided party-building and campaign training to the Socialists and SDPU, who have decided to contest the next election as a bloc. Meanwhile Rukh-Kostenko and a group of 30 other parties and some NGOs are also planning to act as a coalition into 2002. IRI has sponsored training for new local deputies that empowered them to develop a clear national agenda for democratic reforms in the regions. Both IRI and NDI have been working hard to help parties get ready for the 2002 parliamentary elections by preparing activists, clarifying platforms, and stepping up recruitment. Over a dozen graduates of NDI and IRI political skills seminars say they plan to become first-time candidates for office.

Performance and Prospects:

The prospects for free speech and free elections seem dim. The disappearance and murder of journalist Grigory Gongadze, and charges of official involvement in that murder, have brought a political crisis, demonstrations, protests -- and new pressures on the media. Whether the crisis will, in the end, boost or end reform, contract or expand free expression, remains to be seen. It could mean we cannot expect to see measurable improvement in independence of the media any time soon. Free and fair elections require good rules, but also political will at the top to make them free and fair. The signs are not good. The professional core of election officials had seemed fully supportive of citizen involvement in election monitoring, and interested in showing conformity with international standards. Yet in the by-elections of 2000, election officials were relatively ineffectual as guardians of fair practice, given heavy state favoritism for certain candidates. The rules concerning fair access to media, again, proved to have no teeth. In 2000, the Central Elections Commission drafted a disappointing new election law that would have eliminated independent observers and dropped political party representatives from local commissions. These signs of weakness in the official commitment to free and fair elections are disturbing. The continuing strength and activism of pro-democracy citizen groups is a counter trend that shows civil society activities will be even more critical in the years ahead. The Third Sector in Ukraine is active but still weak; without a robust assistance program, we could lose the chance to press forward at a time of great need and receptivity to citizen activism.

Possible Adjustments to Plans:

Data collected under the old system is only marginally related to activities under this SO, and the team will be setting baselines and targets soon for the next R4. The new results framework locates anti-corruption activities under this SO, since its activities will incorporate citizen action for integrity. Two major design efforts will occur in FY01 after sector assessments: An NGO/CSO assessment will assist the Mission set specific goals and strategies for an activity to improve the effectiveness of civil society organizations (new Intermediate Result 2.1.1). A media strategy assessment will guide any redesign of media support work. The reactivation in 2001 of Eurasia Foundation small grants could enhance USAID efforts to support the Third Sector and civil society.

Other Donor Programs:

International Renaissance Foundation, UNDP, and the Mott foundation support NGO development and civil society in Ukraine through grants, support to legislative development, and various forms of technical assistance. The British Council has a Civil Society Initiative (primarily training), and the British, Dutch and Canadian embassies have programs that include assistance to NGOs and advocacy groups.

Major Contractors and Grantees:

National Democratic Institute, International Republican Institute, Development Associates, Freedom House, Counterpart International (current activity ends Sep. 30, 2001), Eurasia Foundation, IREX, Internews, UMREP, Search for Common Ground.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased better-informed citizens' participation in political and economic decision-making

Objective ID: 121-021

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 21.2 More unbiased public information available to citizens

Indicator: Exposure to non-government and politically unaffiliated news sources REVISED VERSION

Disaggregated By:

Unit of Measure: Total hours per week

Year	Planned	Actual
1997 (B)	NA	179
1998	189*	190*
1999	199*	194*
2000	209*	262
2001	TBD	NA
2002	TBD	NA

Source:

Internews

Indicator/Description:

Hours of independent TV programming; selected cities (of the 30 largest cities)

Comments:

*This table incorporates revised figures and targets for 1998 and subsequent years. Internews is now calculating this differently, counting only news programs, excluding "informational programs" and suburban areas near big cities. Using this refined method, the increase in exposure to unbiased information is below targets. For the future, Internews has agreed to devise an additional measure: a qualitative index of news content, that could allow us to track whether or not the news is diverse and objective.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased better-informed citizens' participation in political and economic decision-making

Objective ID: 121-021

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 21.1.3 Elections are free and fair

Indicator: Rating of elections as free and fair by local and international monitors

Disaggregated By:

Unit of Measure: Yes/No

Year	Planned	Actual
1996 (B)	NA	Yes
1998	Yes	Yes
1999	Yes	Yes
2000	NA	NA
2001	NA	NA
2002	Yes	NA

Source:

Reports by international and domestic monitors

Indicator/Description:

Congruency check of poll count vs. official results, international monitor criteria

Comments:

While administration of voting in by-elections and mayoral elections in 2000 was adjudged generally fair by citizen observers, these contests were marred by heavy use of state resources to support favored candidates of local and national executive bodies, and by complaints by candidates regarding unequal access to meeting halls and unfair media coverage.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased better-informed citizens' participation in political and economic decision-making

Objective ID: 121-021

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: Increased better-informed citizens' participation in political and economic decision-making

Indicator: Citizens participate in NGOs

Disaggregated By:

Unit of Measure: Percent

Year	Planned	Actual
1996 (B)	NA	16
1998	22	14
1999	25	15
2000	28	15
2001	30	NA
2002	33	NA

Source:

USAID polling (Democratic Initiatives)

Indicator/Description:

Random sample question about participation in non-governmental organizations

Comments:

Participation in NGOs is increasing, but more slowly than the planned targets, and has not yet returned to the participation level reported in 1996. The targets may be unrealistic. DI data differs from IFES polling data, and shows an increase, but with overall lower levels. Using a representative national sample of 1500 persons, the IFES poll shows 21% of adults said they belonged to an NGO -- but subtracting those who said they belonged to trade unions, participation in non-state NGOs was only 9% in Dec. 2000, compared with 5% in Jul 97, 7% in Jun 98, 6% in June 99 and 5% in Jan 2000. When respondents were asked to identify the type of NGO from a list of options, excluding the 12% who said they belonged to a trade union, 3% said religious organizations, and no more than 1% identified any other kind of NGO. While society level data of this kind will continue to be collected, USAID/Kyiv has devised a Civil Society Effectiveness Index that will be used to more precisely track the impact of our work with active NGOs.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased better-informed citizens' participation in political and economic decision-making

Objective ID: 121-021

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: Increased better-informed citizens' participation in political and economic decision-making

Indicator: Citizens understand the political process

Disaggregated By:

Unit of Measure: Percent "great deal/a fair amount"

Year	Planned	Actual
1996 (B)	NA	17
1998	24	30
1999	28	41
2000	41	38
2001	50	NA
2002	50	NA

Source:

IFES annual survey of public opinion

Indicator/Description:

Random sample question about information respondent has about political developments in Ukraine

Comments:

Targets were modified for this year, raising them to 41% for for 2000 (which would represent maintenance of attained levels), and 50% in 2001 and 2002.

SO Text for SO: 121-022 Legal systems that better support democratic processes and market reforms

Country/Organization: USAID Ukraine

Objective ID: 121-022-01

Objective Name: Legal Systems that Better Support Democratic Processes and Market Reforms

Self Assessment: Not Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

0% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
50% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
50% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Democracy

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): Economic Development

(Page limitations for narrative begin here):

Summary of the SO:

USAID efforts are designed to develop a European-oriented legal system and transform the existing political-legal culture into one which respects the rule of law (ROL). However, progress is mixed. Ukraine's composite rule of law scale increased in 2000 to 4.5 and showed a significantly worse situation than the 3.25 score anticipated by USAID. Moreover, since ratification of the Constitution in 1996, Ukraine has not adopted any new major codes and laws to replace the old Soviet-era statutes that continue to regulate almost every aspect of Ukrainian life. Specifically, under the transitional provisions of the Constitution of Ukraine, the government is required to reorganize the court system before June 28, 2001. For several years the future structure of the judiciary has been a hotly disputed topic, and parliament has

been unable to move forward on a consensus draft. In 1999, USAID/Ukraine recognized that legislative reform was essential to further judicial reform and suspended further assistance to the judiciary until the Ukrainian Parliament passes the Law on the Judiciary.

In the interim, USAID continues to support assistance to the Rada with legislative reform and institutional capacity building. USAID also supports the development of active, independent judges', bar and/or lawyers' associations that play an active role in legal reform, serve as an effective voice for the legal profession and legal advocacy non-governmental organizations (NGOs) which seek out and engage in class-action, public-interest suits and test cases on behalf of disadvantaged groups who suffer from a common infringement of their rights.

In order to better reflect USAID's legal reform strategy and appropriately respond to the realities of Ukraine, USAID proposes a revised Strategic Objective (SO) 2.2 framework and associated indicators. Proposed new intermediate results include: More Open and Effective Legislative Process, Better Protections for Citizens' Rights, and Judicial Strengthening.

Key Results:

The Parliament has become a focus of attention as it reorganized itself in 2000 to support the new Yushchenko government's reform agenda and defend the constitutionally grounded prerogatives of the legislature. While the coalition of political parties and independent parliamentarians is still in its formative stages, this development is viewed as a positive step, based on the practices of parliamentary bodies in other countries. Already this group has passed several significant measures that were requested by the Council of Europe -- including abolition of the death penalty; a Budget Code; the second reading of the Civil Code (a final reading is expected shortly); a Draft Land Code, which is being prepared for the second reading; a Draft Tax Code, which is being prepared for the third reading; and a Draft Criminal Code, which is being prepared for the third reading. This progress raises hopes that more important reform legislation will be adopted soon. USAID has assisted in the development and passage of many of these laws. Legislative strengthening activities (through the Parliamentary Development Project) have produced some real results, as shown, for example, in the increasing use of committee hearings that involve representatives of the public, and in greater involvement of parliamentary committees and their expert staff in drafting and adopting important legislation.

In another important area, the expanding supply of competent legal representation (in part through USAID-supported pro-bono legal clinics), has increased the number of NGOs involved in legal advocacy in areas such as consumer rights, human rights, environment, media, and small business. Legal advocacy NGOs promote legal reform by employing lawyers who seek out and engage in class-action, public-interest suits and test cases on behalf of disadvantaged groups who suffer from a common infringement of their rights. Legal advocacy NGOs can be highly effective if they target specific issues and groups; seek, through legal means, to reform structures perpetuating poverty and oppression; and empower communities to take action in defense of their rights and to break bonds of passivity and dependency.

For example, ABA-CEELI's highly successful environmental advocacy program supports a coalition of environmental NGOs that attempts to hold government accountable to environmental and public participation laws. These environmental NGOs successfully resolved 29 cases in 2000. Similar projects that provide legal and advocacy support to journalists, members of independent trade unions, and special interest groups such as consumer and business associations, have had impressive, albeit limited success. In addition, a media legal defense project under SO 2.1 successfully resolved 18 of 19 cases in 2000.

Performance and Prospects:

USAID assistance is essential for the establishment of legal systems that better support Ukraine's transition to a democratic society and market economy. The legal infrastructure of a market economy is crucial to the success and sustainability of Ukraine's overall reform effort. There are signs that the logjam holding back legal reform is weakening and may soon give way. When it does, the need for outside assistance will escalate.

As noted above, a Law on the Judiciary has not yet been adopted, although the deadline is fast approaching. This Law will completely reorganize the courts of general jurisdiction of Ukraine and clear the way for further legal, political and economic reform in Ukraine. The resolution of this stalemate is a Ukrainian issue. Nevertheless, USAID and the U.S. Department of Justice have worked closely to organize and sponsor a series of high-level seminars and roundtables to promote a dialogue on the Law. This support has facilitated a neutral forum for representatives of the three branches of government to discuss the status of the draft law, and also to ascertain in greater detail whether U.S. assistance was desired and could be helpful in facilitating adoption of the Law on the Judiciary.

In the interim, the Mission has asked ABA/CEELI to give priority to legal advocacy, where case outcomes provide concrete measures of achievement. Through these activities, citizens and NGOs may use their rights under the law to hold government accountable. At the same time, the provision of pro-bono legal services continues to enlarge the availability of competent counsel to the public while it offers practical training to new young jurists.

Possible Adjustments to Plans:

It has become painfully clear that Ukraine, like many other countries, faces a tremendous struggle to make democracy work. But in many respects ROL complements the process of development. It guarantees that a nation's policymakers are held to laws that have been created for the betterment of that country, and that reason and justice are superior to the whims of those who steer the course of the government. USAID's ROL programs work to see that citizens are given fair access to the legal system and to justice. Further, these programs strive to create the conditions necessary to allow for a market that is open and free of graft. Therefore, USAID must continue to support developing the democratic and institutional capacities of legislative and judicial institutions, even when immediate results are not realized.

USAID will continue to provide assistance to the Rada in order to continue to promote legislative reform and to strengthen and improve the legislature's three basic functions: representation, legislation, and oversight. In light of political dynamics and upcoming Parliamentary elections, USAID plans an assessment of the parliamentary assistance in Ukraine to ensure continued relevance of the program. ROL support will also focus on legal advocacy in support of human and environmental rights, media freedom, and other important issues.

Until the Law on the Judiciary is passed, meaningful work with the courts cannot begin at the local level. However, when the Law is finally passed, USAID must be ready to assist the court systems more comprehensively.

Other Donor Programs:

USAID continues to meet with other donors and coordinates assistance to the courts and Parliament with other donors. The European Union, OSCE, and the Embassies of the Switzerland, the Netherlands, Canada, and Great Britain are active in coordinating Rule of Law activities, although their programs are generally small compared to USAID-sponsored activities. Complementary activities under NDI's parliamentary project and the seminars and study tours of the German political party Stiftungs have also supported strengthening of the second branch of government. In February 2000, the U.S. Congress announced negotiation of a formal relationship with the Verkhovna Rada that will mirror a similar program already underway with the Russian Duma.

Major Contractors and Grantees:

ABA/CEELI -- Better Protections for Citizens' Rights and Indiana University -- Legislative Reform Harmonization, More Open and Effective Legislative Process.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Legal systems that better support democratic processes and market reforms

Objective ID: 121-022

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 22.2 Civil and Criminal Codes and supporting legislation meeting International standards are enacted

Indicator: Number of target laws drafted, introduced and enacted -- (enacted)

Disaggregated By:

Unit of Measure: Number reported on for each category of 9 target pieces of legislation: enacted

Year	Planned	Actual
1998 (B)	NA	1
1999	5	1
2000	9	1
2001	9	NA
2002	9	NA
2003	9	NA

Source:

USAID project reports

Indicator/Description:

Target laws are the Constitution, Law on the Judiciary, a new Civil Code and Code of Civil Procedure, Administrative Code and Code of Administrative Procedure, a revised Criminal Code and Code of Criminal Procedure, and the Law on the Procuracy. Drafted means that the laws have been drafted including language suggested by USAID-supported technical assistance. Introduced means formally introduced into Parliament. Enacted means enacted by the Parliament.

Comments:

Numbers are cumulative in each category. Drafts exist and are being discussed and revised, but none of the major pieces of needed legal reform has actually been enacted since the Constitution was adopted in 1996.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Legal systems that better support democratic processes and market reforms

Objective ID: 121-022

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 22.2 Civil and Criminal Codes and supporting legislation meeting International standards are enacted

Indicator: Number of target laws drafted, introduced and enacted -- (introduced)

Disaggregated By:

Unit of Measure: Number reported on for each category of 9 target pieces of legislation: introduced

Year	Planned	Actual
1998 (B)	NA	3
1999	7	7
2000	9	9
2001	9	NA
2002	9	NA
2003	9	NA

Source:

USAID project reports

Indicator/Description:

Target laws are the Constitution, Law on the Judiciary, a new Civil Code and Code of Civil Procedure, Administrative Code and Code of Administrative Procedure, a revised Criminal Code and Code of Criminal Procedure, and the Law on the Procuracy. Drafted means that the laws have been drafted including language suggested by USAID-supported technical assistance. Introduced means formally introduced into Parliament. Enacted means enacted by the Parliament.

Comments:

Numbers are cumulative in each category. Drafts exist and are being discussed and revised, but none of the major pieces of needed legal reform has actually been enacted since the Constitution was adopted in 1996.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Legal systems that better support democratic processes and market reforms

Objective ID: 121-022

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 22.1.1 Increased capability of judges

Indicator: Access to current text of laws

Disaggregated By:

Unit of Measure: Number of courts

Year	Planned	Actual
1995 (B)	NA	0
1997	54	27
1998	54	0
1999	54	NA *
2000	54	NA*
2001	54	NA
2002	54	NA

Source:

USAID project reports

Indicator/Description:

Oblast courts of general jurisdiction and arbitration courts with access to current text of laws

Comments:

In 1998, the 27 Arbitration oblast courts had email connections with the Higher Arbitration Court. ARD/Checchi purchased computers with modems for each of the 27 oblast level courts of the General Court system in preparation for creating an email network for the General Court. But as of the end of the year the network had not been created. The email subscription of the Arbitration Court expired at the end of 1998, and was not renewed. No oblast courts had email connections in 1999. The ARD/Checchi project ended on 09/30/99. * Reliable data not available.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Legal systems that better support democratic processes and market reforms

Objective ID: 121-022

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: Legal systems that better support democratic processes and market reforms

Indicator: Improved Rule of Law Index

Disaggregated By:

Unit of Measure: Number on a seven point scale

Year	Planned	Actual
1997 (B)	NA	3.75
1998	3.50	4
1999	3.50	4
2000	3.25	4.5
2001	3.00	NA
2002	3.00	NA
2003	3.00	

Source:

"Nations in Transit"

Indicator/Description:

Composite Rule of Law Scale by Freedom House

Comments:

The lower the number, the better the situation.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Legal systems that better support democratic processes and market reforms

Objective ID: 121-022

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 22.1 Courts carry out their role as ascribed to them by law

Indicator: Constitutional Court functioning independently of other branches of government

Disaggregated By:

Unit of Measure: Yes/No

Year	Planned	Actual
1995 (B)	NA	No
1998	Yes	N/A
1999	Yes	Yes
2000	Yes	Yes
2001	Yes	NA
2002	Yes	NA
2003	Yes	NA

Source:

Project Reports

Indicator/Description:

Constitutional Court rules in favor of the Ombudsman and against the Executive in at least one case per year

Comments:

Indicator was revised in 1998 to account for the establishment of the Ombudsman. Prior to that the indicator was "ruling against the Executive". In 1998 the Ombudsman made no request of the Constitution court.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Legal systems that better support democratic processes and market reforms

Objective ID: 121-022

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 22.2 Civil and Criminal Codes and supporting legislation meeting International standards are enacted

Indicator: Number of target laws drafted, introduced and enacted -- (drafted)

Disaggregated By:

Unit of Measure: Number reported on for each category of 9 target pieces of legislation: drafted

Year	Planned	Actual
1998 (B)	NA	6
1999	8	7
2000	9	9
2001	9	NA
2002	9	NA
2003	9	NA

Source:

USAID project reports

Indicator/Description:

Target laws are the Constitution, Law on the Judiciary, a new Civil Code and Code of Civil Procedure, Administrative Code and Code of Administrative Procedure, a revised Criminal Code and Code of Criminal Procedure, and the Law on the Procuracy. Drafted means that the laws have been drafted including language suggested by USAID-supported technical assistance. Introduced means formally introduced into Parliament. Enacted means enacted by the Parliament.

Comments:

Numbers are cumulative in each category. Drafts exist and are being discussed and revised, but none of the major pieces of needed legal reform has actually been enacted since the Constitution was adopted in 1996.

SO Text for SO: 121-023 More effective, responsive and accountable local government

Country/Organization: USAID Ukraine

Objective ID: 121-023

Objective Name: More effective, responsive and accountable local government

Self Assessment: Exceeding Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

0% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
5% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
15% 2.3 The development of politically active civil society promoted
60% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
15% 5.3 Sustainable urbanization including pollution management promoted
5% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Democracy

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): Economic Development

(Page limitations for narrative begin here):

Summary of the SO:

At the heart of USAID's transition strategy for local governments in Ukraine is the premise that democracy built from the grass roots nurtures transparent, effective and accountable governance, as well as meaningful advocacy and action on community interests (2.1, 2.3 and 2.4 above). Improving the capacity of local governments, our customers, to manage resources, provide services and promote economic growth, in collaboration with the citizens, is crucial to the success and sustainability of Ukraine's overall reform effort (5.3 and 5.4 above). Assistance at the local level has not only visible impact on people's lives, but also improves public perceptions of and experience with democracy and economic reform. There is growing evidence that local governments with the capacity to exercise well-informed choices, in partnership with

citizens, can solve problems, identify and maximize opportunities, narrow the gap between resources and responsibilities, improve service delivery and engage and influence the central government on policy issues important to local governments. As detailed below, the results are exceeding expectations as targeted municipalities demonstrate improved management capacity (IR 2.3.1.), and their citizens work together to solve priority community problems and identify opportunities for future development (IR 2.3.3.). These efforts do ultimately serve the customers, the citizens, by bringing about tangible improvements in service delivery and infrastructure, as well as a more transparent city budget and accountable government (IR 2.3.4.).

Key Results:

The 45% target for the SO level indicator "number of cities using financial analysis models" was met (for a total of 49 cities, not including nine which did not meet the minimum population requirement of 50,000). The most popular financial analysis model is the computerized budget Financial Analysis Model (FAM) (developed through USAID's Effective Local Government program) which provides municipalities with a clear picture of the current and projected state of local finances (revenues and operating and capital expenditures). USAID-funded FAM training and software enable local authorities to manage their resources and assets more effectively, both in the short and long term. In addition, local decision-makers are able to present the local budget to citizens in an easily understandable format, thereby facilitating local government transparency, accountability, and responsiveness to the citizens. The FAM 2000 was only recently revised, followed by ongoing training of local officials, to reflect the implementation of a formula-based transfer methodology, the first major step by the Government since Independence to increase local government financial autonomy and establish a more transparent intergovernmental distribution of budget revenues. With SO 2.3 funds, USAID implementing partners have also been providing training of and materials for oblast and local financial officials, in collaboration with the Ministry of Finance, and have spearheaded a public education campaign on budget reform.

The target for IR 2.3.3. (Citizen Participation at the Local Level Institutionalized), was anticipated to be 28 cities that have citizen task forces and advisory boards that meet on a regular basis; however this target was exceeded by 39 cities, for a total of 67. The majority of the increase was a result of the training in citizen participation provided by RTI staff at the six Regional Offices of the Association of Ukrainian Cities. (The Regional Offices Activity began one year ago, and the smaller cities have particularly benefited from this training.) These groups in the 67 cities are focusing on economic development, communal services, strategic planning (often with various sub-groups), tourism, neighborhood issues, etc. Both local government officials and citizens have discovered how effective these groups can be, and how beneficial they are to them and the community at large.

One of the performance indicators for I.R. 2.3.4 (Transparency of Government Operations Increased) is "Use of competitive bidding by municipalities." The target of 15 cities was exceeded by 11, for a total of 26. This increase can be attributed to the training provided by the four Regional Training Centers established as part of the Community Partnerships Project. The small cities, in particular, are using competitive procurement for the first time in the areas of transportation, housing maintenance and communal services. Other cities continue to use the tender process as they see the benefits of cost savings and a better quality of service. For example, Komsomolsk started with a pilot project which was expanded this year and resulted in the closing of seven city-owned communal service enterprises, with some of the ex-city employees being hired and trained by private companies to provide these services.

Improved Management of Municipal Services and Assets (I.R. 2.3.1.1) is indicated by cities with improvement in specific services. The target of 16 cities was exceeded as a result of 19 cities benefiting from technical assistance and training of city and vodokanal (water utility) officials. As a result of the Municipal Water Roll-out Activity in particular, several cities achieved some improvements: Due to a shift in the water storage operation to off-peak hours, Khmelnytsky vodokanal reduced its operation costs by 10%; an energy savings of 0.7 million kWh/year, or 4%, was achieved in Kamianets-Podilsky due to replacement of the water pumps by more efficient ones and by the elimination of water system recirculation; similar improvements have brought energy savings of 0.6 million kWh/year in Ternopil; and a new plumbing repair program in all apartment buildings in Zhytomyr is expected to bring up to 25% in

energy savings. These energy and cost savings have lessened the need for tariff increases while enabling the vodokanals to begin to save funds for future high priority infrastructure improvements.

Performance and Prospects:

Over the past year, the results "exceeded expectations": For those indicators that directly relate to the work of our implementing partners, five out of 12 indicators "exceeded expectations"; four were "on target" (with three out of the four dependent on the Government of Ukraine); one "below target"; and one for which no data was available. The Regional Networking and Innovative Practices Activity also exceeded our expectations; the Association of Ukrainian Cities (AUC) was chosen as the country anchor for the regional Local Government Information Network, and the Best Practices Guide was very popular with both central (300 copies) and local government officials. And, most importantly, AUC has since decided to continue the Best Practices Activity on its own. In addition, the team was proud of its involvement with the debate and final passage of the formula-based transfer system to 167 cities, a goal of USAID's since 1995 (under IR 2.3.2.2.). Experts using USAID SO 2.3 Performance Funds provided technical assistance to the Ministry of Finance, the Parliament, and AUC to achieve these budget reforms, as well as training of over 1,000 financial officers at the local, raion and oblast levels who then developed their cities' 2001 budgets based on these reforms. In 2001, we will continue our efforts to achieve implementation of the transfer system to all cities. Overall, the excellent results this year indicate that local government reforms, and even some central government reforms, continue to progress as a result of USAID-funded training and technical assistance.

Unfortunately, the future of local level reforms is still a concern because of ongoing central government interference. For example, unwarranted harassment of the elected mayors, including those in cities that are active in USAID-funded projects, by the state tax authorities and law enforcement agencies has not ended. Some elected mayors have been forced to resign. If USAID loses any of these major "champions" of our activities, particularly under such circumstances, it may be difficult to achieve the results we projected for in those communities.

Our Resource Request anticipates continuing our current Activities which we believe successfully address the priority needs of local governments in Ukraine. In addition, the newly revised Results Framework better reflects our projected results from these Activities. However, if the requested funding is not forthcoming, the targets for these results will not be met, and these needs will not be fully addressed.

Possible Adjustments to Plans:

The SO 2.3 team has revised the Results Framework. Working with our implementing partners, the Framework, which has been approved by the Mission, now better reflects the current and projected Activities and their impact. As is stated in the Cover Memo, the majority of the IRs are the same, but these IRs and indicators have been reworded for clarification. The Annex also shows which new indicators will most likely be used for reporting purposes. Regarding new activities, the SO 2.3 team has received Mission Director concurrence to design and manage its Bright Idea: Support for Community Partnerships in Europe and Eurasia. (This Activity will be funded separately from the Mission's FY 2001 Budget.) In addition, based on the results of upcoming assessments on NGOs and the prospects of sustainability of Ukrainian training resources, we will assist in capacity building of NGOs and other entities that support local government reform and are resources for local governments (new IR 2.3.4).

Other Donor Programs:

To our knowledge, no other donors have contributed to the specific reported results under SO 2.3. In fact, in two of our major activities, the majority of the cities have had little or no previous western technical assistance. However, through our leadership of the Municipal Development Work Group (with representatives of all the major international donors and embassies), it is clear that several donors are working in the same technical areas, though rarely in the same cities. In addition, the SO 2.3 Team Leader has continued to participate in the Government of Ukraine Work Group meetings, at the invitation of the World Bank, on the establishment of a Municipal Development Loan Fund in Ukraine. Collaborative efforts with the European Bank for Reconstruction and Development has resulted in the implementation of its new Municipal Utilities Development Programme, with USAID conducting the pre-feasibility studies in

eight EBRD/USAID-selected cities. Two of these have been approved recently by the EBRD Board for the first phase of this loan programme. Also, through the Municipal Water Roll-out Activity, USAID has continued to assist the Lviv Vodokanal with World Bank loan preparations; the World Bank Executive Board is scheduled to review this \$22 million loan in April 2001.

Major Contractors and Grantees:

Community Partnerships for Local Government Training and Education Project: U.S.-Ukraine Foundation; Municipal Water Roll-out: CH2MHILL International Services Inc.; Dissemination of Regional Offices for the Association of Ukrainian Cities: Research Triangle Institute; Tariff Reform and Restructuring of Communal Service Enterprises: Planning and Development Collaborative International.

Performance Data Table

Fiscal Year: FY2003

Objective Name: More effective, responsive and accountable local government

Objective ID: 121-023

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: IR 23.4 Transparency of government operations increased.

Indicator: Use of competitive bidding by municipalities

Disaggregated By:

Unit of Measure: Cumulative # of municipalities

Year	Planned	Actual
1997(B)	NA	0
1998	5	9
1999	11	13
2000	15	26
2001	61	NA
2002	65	NA
2003	70	NA

Source:

Project reports from contractors/grantees

Indicator/Description:

Municipalities whose officials were trained at USUF's Regional Training Centers and then implemented tender processes in their cities.

Comments:

Fifteen cities introduced competitive procurement in their cities in the areas of transportation, housing maintenance and communal services. These cities have consequently seen a reduction in costs and an improvement in service.

Performance Data Table

Fiscal Year: FY2003

Objective Name: More effective, responsive and accountable local government
 Objective ID: 121-023
 Approved: 1998-12-01 Country/Organization: USAID Ukraine
 Result Name: IR 23.1.1 Management of municipal services and assets improved
 Indicator: Cities with improvements in specific services
 Disaggregated By:

Unit of Measure: Number of cities

Year	Planned	Actual
1997(B)	NA	10
1998	12	12
1999	14	15
2000	16	19
2001	22	NA
2002	30	NA
2003	34	NA

Source:
 Project reports from contractors/grantees

Indicator/Description:
 Municipalities that participate in SO 2.3-funded activities that resulted in quantitative and qualitative improvements in specific services (e.g. water, transportation, public housing).

Comments:
 As a result of direct technical assistance by CH2M HILL or training by USUF and U.S. partner cities, six cities improved communal services in various ways. Vodokanals in three cities achieved considerable energy and cost savings, while others made improvements in public transportation, housing and health care.

Performance Data Table

Fiscal Year: FY2003

Objective Name: More effective, responsive and accountable local government
 Objective ID: 121-023
 Approved: 1996-06-01 Country/Organization: USAID Ukraine
 Result Name: More effective, responsive and accountable local government
 Indicator: Cities using financial analysis models
 Disaggregated By:

Unit of Measure: Percentage of cities in population range (50k - 1,000,000)

Year	Planned	Actual
1995 (B)	NA	0
1998	35	30
1999	40	42
2000	45	45
2001	22*	NA
2002	27	NA
2003	32	NA

Source:
 Project reports from contractors/grantees

Indicator/Description:
 Cities using USAID - recognized financial analysis models

Comments:
 Progress in achieving this indicator was slowed by the necessity of revising the RTI budget FAM late in 2000 to comply with the newly-adopted formula-based methodology, thereby delaying the training. Training of city officials in financial analysis models is provided by USAID-funded contractors and grantees, RTI, CH2MHILL, USUF and PADCO, and verified by USAID to the degree possible. There are 108 cities in the population range between 50k and 1,000,000. *From 2001, USAID will begin tracking achievement of this indicator in all 448 cities of Ukraine, which explains the drop in the target percentage of cities in 2001 and subsequent years. Currently 58 cities (10 of them in the population range of below 50K) are using various FAMs.

Performance Data Table

Fiscal Year: FY2003

Objective Name: More effective, responsive and accountable local government

Objective ID: 121-023

Approved: 1996-06-01

Country/Organization: USAID Ukraine

Result Name: Citizen participation at the local level institutionalized

Indicator: Cities with institutionalized citizen participatory mechanisms (e.g., task forces, advisory boards)

Disaggregated By:

Unit of Measure: cumulative number of selected municipalities

Year	Planned	Actual
1995(B)	NA	1
1999	8	26
2000	28	67
2001	113	NA
2002	113	NA
2003	117	NA

Source:

Project reports from contractors/grantees

Indicator/Description:

Task forces and advisory boards are established by municipalities with citizen participation to meet regularly and assist local officials with setting priorities, expanding their information base, and developing strategic plans for municipal development in various areas (such as communal services, public transportation, housing, economic development, etc.) Their efforts are beginning to be reflected in city decisions and reforms.

Comments:

In 2000, thirty-two cities have established task forces and/or advisory boards as a result of training provided by RTI, USUF (and U.S. partner cities) and CH2M HILL.

SO Text for SO: 121-032 Increased Promotion of Good Health and Access to Quality Health Care

Country/Organization: USAID Ukraine

Objective ID: 121-032

Objective Name: Increased Promotion of Good Health and Access to Quality Health Care

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

0% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
0% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
15% 4.1 Unintended and mistimed pregnancies reduced
20% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
25% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
40% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Global Issues: Environment, Population, Health

Primary Link to MPP Goals: Health

Secondary Link to MPP Goals (optional): Population

(Page limitations for narrative begin here):

Summary of the SO:

Strategic Objective 3.2 seeks to reverse the decline of the health status of Ukrainian citizens, as measured by the decrease in life expectancy and other indicators, caused by a myriad of poor health decisions and an increasing morbidity and mortality from two emerging epidemics: tuberculosis (TB) and HIV/AIDS. This has caused a greater programmatic emphasis being placed on public health initiatives. A joint USAID-EU Transatlantic Program in STI/HIV/AIDS and a Pilot Demonstration Program using the Directly Observed Therapy Short Course (DOTS) Strategy for arresting the spread of tuberculosis are being implemented. Additionally, the Mission, through the 2nd Annual International Health Donor Conference, sought to focus

the health community's awareness on STI/HIV/AIDS, tuberculosis, health promotion, reproductive health, and health care financing.

This Strategic Objective seeks to address the significant health issues by making the Ukrainian health care system more accessible, efficient, and affordable. The Intermediate Results: *IR 3.2.1: Improved Health Care Service Delivery* and *IR 3.2.2: Reduction of Public Health Risks* are currently most representative of the Strategic Objective's major efforts.

The ultimate beneficiaries of our program in primary health care will be eventually all 50 million Ukrainians, who will seek primary health care. There are specific sub-populations of beneficiaries served: women of child-bearing age and children exposed to the Chernobyl accident; all children participating in children's vaccination programs, and all women of child-bearing age, who wish safe alternative methods of family planning and birth control.

Key Results

The AIHA Health Partnerships Program has opened 46 model clinics, each one beta-testing innovative approaches to health care delivery. For example, in Kyiv there is a focus on ambulatory mental health services and in Donetsk, with its heavy coal mining operations, on miner's health. Ukrainian partners are proactively starting to address the troubling issue of sustainability. The Indicator "Clinics focused on primary health/family medicine" takes into account the number of primary health/family medicine clinics (PH/FMC), which have or have had previous USAID assistance. Nation-wide, there are 200 PH/FMCs, which are providing approximately 12% of the primary health care services in Ukraine. This will increase substantially with the GOU's proactive policy of supporting family medical care.

The Health Information Systems and Management Reform (HIS) Program is an unqualified success with a nation-wide rollout completed. It is an effective management tool to monitor vaccine use and immunization data in children's vaccination campaigns. The Indicator "Oblast Health Information & Surveillance System Implemented at the National Level" was fully met. WHO-Europe will field HIS in Moldova and Belarus. HIS will be adopted by the Global Alliance for Vaccinations and Immunizations (GAVI) for use in West NIS and beyond.

The Chernobyl Children's Illness Program has four clinics screening for thyroid tumors and psychosocial problems in children exposed to the Chernobyl accident. Mobile teams go to 12 of the most radioactive contaminated districts. A fifth clinic is being set up to screen populations relocated from restricted zones. Screening and support activities were enhanced with advanced training for 1,000 specialists and community volunteers. Nearly 45,000 children have been screened. Breast cancer mammography screening programs, introduced under two earlier breast health activities, continue to provide modern services in four regions. The Indicator "Targeted screening programs operate on a regular basis" has been exceeded with six new screening programs. This permits the early detection of tumors and psychological abnormalities and increases the provision of clinical preventive services.

USAID-Kiev-funded reproductive health programs are aimed at reducing abortions as a means of birth control. This includes increasing medical staff capacity and the number of facilities capable of providing high quality reproductive health services. The Indicator "Health care providers increased knowledge and skills in reproductive health and family planning" was exceeded with 280 health professionals trained. A USAID-funded nation-wide survey was a key element in the GOU's formulation of a new five-year national plan in reproductive health.

The STI/HIV/AIDS Prevention and Awareness Program was developed to use the NGO sector to arrest the spread of HIV through prevention interventions in high risk groups. This is the USAID contribution to the joint USAID-EU HIV/AIDS Transatlantic Program in Ukraine. The program started in August 2000 with an evaluation of the existing NGOs. There was a highly visible "kickoff" of this joint program on World AIDS Day, December 1, 2000. Major accomplishments are expected to begin in the spring of 2001.

Tuberculosis (TB) has reached epidemic proportions in Ukraine. After an in-depth assessment by World Bank, WHO, CDC and USAID experts, the Tuberculosis Control and Prevention Program in Ukraine, designed to demonstrate the effectiveness of the WHO Directly Observed Treatment Short Course (DOTS)

Strategy, recently started. Indicators “Improved Tuberculosis Control and Epidemic Situation” and “Sustainable and Effective System to Control TB-DOTS is in Place in Selected Pilot Areas” will start demonstrating progress in the next report

Counterpart Alliance for Partnership (CAP) recently began a health NGO Capacity-Building Program. It will release grants to NGOs working in reproductive health, STI/HIV/AIDS prevention, TB prevention, and other public health areas. The Indicators “Health promotion strengthened through NGO’s interventions” and “Enhanced management capacity of local NGOs in the health sector” will be able to start measuring progress next year.

The Birth Defects (BD) Surveillance and Prevention Program examines probable increases in birth defects secondary to the Chernobyl accident. After training more than 100 Ukrainian health specialists, data collection and analysis have started. Accomplishments in two pilot regions laid a solid foundation for future expansion. The Ukrainian Birth Defects Surveillance System will enroll at least 100,000 births. Methodology has been accepted by the International Birth Defects Clearinghouse. The Indicator “Birth Defects surveillance system in selected regions follow international data processing standards for population-based programs” shows the program on track. Health promotion activities are provided by BD Information Centers and a program-funded NGO, the Ukrainian Alliance (UA) for Birth Defects Prevention.

Performance and Prospects:

The Mission remains focused on the results of the AIHA health partnerships to institute a new paradigm for basic health care. These partnerships will be complementing recent GOU Decrees. However, some unanticipated delays in opening up several primary health care clinics have adversely impacted on data collection to assess *IR 3.2.1 Improved health care services delivery* (Indicator: Health care providers offer broader and improved services”). Eventually, these activities could lead to private sector development in the health care field.

Health care financing, environmental health, and a Demographic Health Survey continue to be three unmet needs. Subject to the availability of funds, these could fill existing deficiencies.

Despite a number of formidable obstacles, Ukraine, with the proposed help of foreign donors, continues to move forward slowly to address an agenda of health reform and arresting both the spread of tuberculosis and of HIV/AIDS into the general population. USAID will continue to assist the GOU at the local level to develop new five-year plans built on the activities stipulated in the National Reproductive Health Program. Another range of activities will target issues of advocacy for the reproductive health implementation plan.

Cost-effective health promotion/preventive components of the SO will receive more attention with the initiation of iodine supplementation interventions and folic acid outreach campaigns under new and ongoing programs.

Possible Adjustments to Plans:

The Mission will be welcoming additional funding for tuberculosis control and HIV/AIDS prevention. This money will expand existing programs.

The Mission awaits the results of the AIHA Health Partnership Program mid-term evaluation by the Continuing Evaluation Panel. Depending on its findings, the Mission may need to revise the program to better achieve the Strategic Objective. There will be several extensions to existing agreements to continue current programs, in particular the Health Care Partnership and BD Surveillance and Prevention Programs.

USAID/Kyiv is developing a program on maternal and child health to address high maternal and children’s mortality, abortion and STI morbidity rates. The focus will be on improving maternal health care services and the results evaluated by reproductive health surveys.

Other Donor Programs:

The World Bank is engaged in health care reform and has proposed a \$40-80 million loan for tuberculosis and HIV/AIDS programs. With USAID, the EU has a complementary HIV/AIDS prevention program and

is developing a similar DOTS Pilot. Other organizations active in HIV/AIDS are UNAIDS, UNFPA, UNICEF, Renaissance Fund, and MSF. The Governments of Great Britain, France, Switzerland, and Canada are providing donor assistance in health care financing, neonatal care, and health promotion.

Major Contractors and Grantees:

AIHA (primary health care, reproductive health, trafficking), CDC (tuberculosis program design and laboratory expertise), CAP (health sector NGO strengthening), Futures Group (reproductive health), International HIV/AIDS Alliance (HIV/AIDS prevention), JHPIEGO (training in reproductive health), MSCI (detection of thyroid abnormalities and psychosocial problems in children secondary to Chernobyl), PATH (health information management system), University of South Alabama (birth defects), and WHO (Pilot Demonstration in tuberculosis control).

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased promotion of good health and access to quality health care

Objective ID: 121-032

Approved: 1998-12

Country/Organization: USAID Ukraine

Result Name: IR 32.1.5 Provision and utilization of primary health care services improved

Indicator: Targeted screening programs operate on a regular basis

Disaggregated By:

Unit of Measure: Cumulative number of districts (raions) where cancer screening programs operate on a regular basis

Year	Planned	Actual
1998(B)	NA	1
1999	6	10
2000	12	16
2001	20	NA
2002	NA	NA

Source:

MOH/PATH/CCHIP quarterly monitoring reports

Indicator/Description:

Thyroid and breast cancer screening programs are among essential primary health care services in radioactive contaminated areas.

Comments:

2000 is the end of the breast cancer program. Thyroid cancer screening will continue through 2001. Potentially the GOU will roll-out pilot programs.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased promotion of good health and access to quality health care

Objective ID: 121-032

Approved: 1998-12

Country/Organization: USAID Ukraine

Result Name: IR 32.1.4 Increased capacity of health care system to provide health /family medicine services

Indicator: Clinics focused on primary health/family medicine

Disaggregated By:

Unit of Measure: Cumulative number of primary care/family medicine clinics

Year	Planned	Actual
1998 (B)	NA	3
1999	6	25
2000	35	46
2001	50	NA
2002	60	NA
2003	75	NA

Source:

Oblast health Administration/MOH/AIHA quarterly monitoring reports

Indicator/Description:

Increase in number of clinics opened which provide family medicine services

Comments:

1998 is start up year for primary care partnership project

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased promotion of good health and access to quality health care

Objective ID: 121-032

Approved: 1998-12

Country/Organization: USAID Ukraine

Result Name: IR 32.1.6 Primary health care personnel better trained

Indicator: Health care providers increased knowledge and skills in reproductive health and family planning

Disaggregated By:

Unit of Measure: Cumulative number

Year	Planned	Actual
1998(B)	NA	100
1999	140	220
2000	200	280
2001	290	NA
2002	300	NA
2003	320	NA

Source:

MOH/City Health Administrations/JHPIEGO/PCS reports

Indicator/Description:

Cumulative number of health professionals who are trained to provide reproductive health/family planning services in pilot communities.

Comments:

Ukrainian health professionals have trained well over 200 health care workers after Training of Trainers courses. Evaluation team will determine future plan of action. The Partnership program will incorporate women's health activities into its primary care center activities.

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased promotion of good health and access to quality health care

Objective ID: 121-032

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: SO Increased promotion of good health and access to quality health care

Indicator: A sustainable system for primary health care services and community outreach in selected oblasts developed

Disaggregated By:

Unit of Measure: Percentage of population

Year	Planned	Actual
1998(B)	NA	2
1999	4	7
2000	10	12
2001	14	NA
2002	20	NA
2003	24	NA

Source:

Ministry of Health, Oblast Health Administrations

Indicator/Description:

Population use basic services provided at primary health care level under family medicine system.

Comments:

1998 is the start up year for the primary care partnership project

Performance Data Table

Fiscal Year: FY2003

Objective Name: Increased promotion of good health and access to quality health care

Objective ID: 121-032

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: Increased capacity of health care system to provide modern anti-tuberculosis services

Indicator: Sustainable and effective system to control TB-DOTS is in place in selected pilot areas

Disaggregated By:

Unit of Measure: Percentage

Year	Planned	Actual
2000(B)	NA	30/40
2001	50/70	NA
2002	70/85	NA
2003	75/85	NA

Source:

Reports of the Oblast Health Administrations in pilot regions

Indicator/Description:

Anti-tuberculosis system in effect, capable to detect 70% of new TB patients and cure at least 85% of those detected.

Comments:

2000 is start up year for anti-tuberculosis activities.

SO Text for SO: 121-034 Mitigation of adverse social impacts of the transition to market-based democracies

Country/Organization: USAID Ukraine

Objective ID: 121-034

Objective Name: Mitigation of Adverse Social Impacts of the Transition to Market-based Economies

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

0% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
10% 2.2 Credible and competitive political processes encouraged
20% 2.3 The development of politically active civil society promoted
20% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
25% 6.1 Urgent needs in times of crisis met
25% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Democracy

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): Humanitarian Assistance

(Page limitations for narrative begin here):

Summary of the SO:

This year we are reporting on the increase in the efficiency of the public sector's delivery of social services, the provision of needed services to vulnerable groups by NGOs and other private organizations and the effective delivery of humanitarian assistance under SO 3.4. The Operating Unit strategy for achieving these objectives focuses on: a) assisting the GOU to increase efficiency in public sector delivery of services; b) supporting social service NGOs and other private organizations that provide needed services to vulnerable groups; and c) providing effective delivery of humanitarian assistance. Progress has been made in meeting strategic objective and intermediate results. Pension arrears were fully repaid in September 2000, and in-kind benefit payments have ceased. Social allowance arrears have also been substantially

reduced. The actual amount of production cost for housing and utilities to be recovered by the population reached 100%. For the first time since 1995, the Pension Fund of Ukraine (PFU) had a surplus in 2000.

Key Results:

IR 3.4.1: Increased efficiency in public sector delivery of services.

During the past year, USAID/Kiev has worked intensively with the GOU on issues related to the continued reform of public sector delivery of services (governmental pension and social assistance systems). The target indicators on "Cost recovery for housing and communal services" and on "Arrears of benefits payments reduced" have been met. For the first time since 1995, the Pension Fund of Ukraine (PFU) had a surplus in 2000. In addition, pension arrears were fully repaid in September 2000, and in-kind benefit payments have ceased. Social allowance arrears have also been substantially reduced. The actual amount of production cost for housing and utilities to be recovered by the population reached 100%.

Pension system reform: The creation of the legal basis for a reformed pension system, and on the implementation of reforms in the administrative procedures of the current state pension system is a noteworthy achievement. This work has led to significant successes in several key areas: 1) USAID has begun to lay the groundwork for a viable pension system for Ukraine by the creation and training of an Office of the Actuary within the Pension Fund; 2) With USAID assistance the Pension Reform Task Force has drafted and submitted to Parliament fiscally viable, legally consistent, and administratively acceptable draft laws on Mandatory State Pension Insurance and on Non-State Pensions, that, if enacted, will create a three pillar pension system for Ukraine, as well as provide for fiscally sustainable increases in pension benefits in the future; 3) The financial results of the PFU have been substantially improved. 4) A nationwide program has been implemented to "personify" reporting of wages and payroll contributions by enterprises to the PFU. Personification of wages and tax contributions is critical for the funding of the pension system and for the determination of eventual benefits. All employers have reported personified wage, contribution and work history to the Pension Fund for 1998 and 1999. Reporting for 2000 is already underway. Preliminary reports indicate overall improvements in compliance; and 5) Long-term actuarial models have been created, and are used by the GOU, Parliament and the pension reform task force to analyze the implications of alternative eligibility conditions and benefit formulas.

Social assistance reform (safety-net): The administration of the housing subsidy program has dramatically improved, while administrative costs have decreased. Within the limits of present accounting systems, full cost recovery for housing and communal services has been achieved, largely due to technical support provided by USAID consultants. The responsibility for supporting the administration of the housing subsidy program has been fully transferred from USAID contractors to the Ministry of Labor and Social Policy (MLSP). This process was completed in May 2000. In addition, training, computers, and local area networks linked by modem were installed in the housing subsidy offices. All of the above has been carried out in concert with and support of a World Bank credit of \$2.6 million to fully automate the nationwide program.

IR 3.4.2: NGOs and other private organizations provide needed services to vulnerable people.

Counterpart Alliance for Partnership (CAP) is an NGO support activity that was originally designed (in 1997) to assist vulnerable groups during Ukraine's transition to a market economy. The former Democratic Social Service NGO Program has been modified to support democracy and civil society NGOs. In its final six months of operation (April 1 to September 30, 2001), at the Mission's request, CAP has increased its emphasis on youth leadership, legal assistance, and support to the Third Sector generally. The following results of the CAP program can be reported for the past year: Grants (detailed information below) have been awarded to NGOs working in the area of Youth Initiatives support civic education of young people in order to enhance their participation in public and political processes. A coalition of Youth NGOs was created with support from CAP that aims to unite the efforts of these NGOs in civil society building, addressing problems affecting youth and other vulnerable groups of population. Corporate challenge and government matching grants program assisted the development of a local resource base for NGOs and demonstrates the possibility of cross-sector cooperation at the local level. Results under the six-month

extension will, accordingly, be reported in next year's R4 under SO 2.1 (Increased better-informed citizen participation in political and economic decision making).

IR 3.4.3: Effective delivery of humanitarian assistance.

Through the Community Humanitarian Assistance Program (CHAP), USAID supports the acquisition, delivery and distribution of needed humanitarian aid to social service and rescue NGOs and government institutions serving vulnerable populations. Since the inception of the program, most of the assistance had been U.S. Department of Defense (DOD) excess property from military bases in the US and Europe. However, responding to USAID/Kyiv's request to diversify the types of assistance and improve its quality, CHAP has set a target of up to 50% of commodities to be provided by private donors. This is seen as a significant step forward with regard to ensuring that the program responds to real humanitarian and community needs in Ukraine. Besides combating poverty and providing direct assistance to the above institutions, CHAP helps build the infrastructure within the third sector by partnering with local NGOs in the distribution process, building their authority in the region and teaching them about working cooperatively with other NGOs. Three hundred sixty two NGOs have been supported in the year 2000. CHAP continues to provide emergency assistance, as instructed by U.S. Ambassador, directly to the victims of emergencies and their families, as well as supporting local emergency preparedness among both state and non-governmental rescue institutions. Forty-nine selected governmental and non-governmental emergency service providers received specialized support in 2000. Since 1994, CHAP has responded to all major disasters that occurred in the region. Importantly, CHAP has also been providing assistance to those US PVOs and their NGO partners that, due to the lack of local experience and infrastructure, encounter problems in bringing private humanitarian aid to Ukraine. Fifteen organizations have been assisted in the year 2000.

Performance and Prospects:

Safety-Net Sector: Progress has been made in meeting strategic objective and intermediate results. The actual amount of production cost for housing and utilities to be recovered by the population reached 100%. Social allowance arrears have been substantially reduced. In order to increase effectiveness of social protection programs, housing subsidy offices have been merged with social protection departments at all levels – Ministry of Labor and Social Policy, oblast and raion governments. All targeted social protection programs in every raion of Ukraine are governed by special offices within Raion Departments of Labor and Social Protection. USAID/Kyiv is preparing to conduct an assessment of social assistance sector in Ukraine.

Pension System Reform: Pension arrears were fully repaid in September 2000, and in-kind benefit payments have ceased. As it was planned, two draft pension reform laws have been submitted to Parliament that are fiscally viable, legally consistent, and administratively acceptable draft laws. USAID is continuing to promote and support pension reform in Ukraine through a newly competed procurement, continuing the reform of the state pay-as-you-go pension system; introducing and implementing a fully-funded, privately managed pension fund system; and establishing a mandatory second pillar pension system, with private asset management. Gender analysis of the new pension legislation is included in the annual work plans of the Pension Reform Implementation Activity.

Humanitarian and Community Assistance Sector: Continuing in March 2001, USAID/Kyiv will conduct an assessment of the Humanitarian Assistance Program in Ukraine. The assessment will help the Mission to improve/modify the programs in the Social Sector. It will analyze how well the USAID/Kyiv strategy responds to the needs of the most vulnerable people in Ukraine. The assessment will determine if the USAID-funded Humanitarian Assistance program in Ukraine adequately addresses the goods set forth in the USAID/ Kyiv strategy as they relate to supporting the most vulnerable people in Ukraine. Finally, the assessment will evaluate specific operations of the USAID/Kyiv-funded Community Humanitarian Assistance Program (CHAP) in order to inform decision-makers as to how the humanitarian assistance program can best support USAID's overall assistance strategy in Ukraine.

NGO program: More than \$580,000 in 69 seed grants awarded to 69 public policy and social service NGOs in Ukraine, including: 37 awards (\$389,939) have been awarded in open competition to NGOs working in

the area of Youth Initiatives in Civil Society Building. 7 awards (\$82 387) have been awarded in open competition to NGOs for children and youth 2 awards (\$28 020) have been made to NGOs working in the Sector of Substance Abuse Prevention and treatment and HIV Prevention. \$90,103 has been awarded in 23 corporate challenge and government matching grants to NGOs working in different sectors. Approximately 2000 NGO leaders representing approximately 1000 organizations in 19 subjects dealing with NGO Organizational Development, Advocacy, Legal Aspects of NGO business activities and taxation, and Social Enterprise were trained. 20 regional roundtables were conducted and specific topics of concern were discussed. The Mission intends to replace this activity in October 2001 with a civil society support activity that may share some elements of the current CAP program, but will be funded and managed under SO 2.1.

Possible Adjustments to Plans:

The SO 3.4 Team is in the process of assessing Ukraine's Social Protection Sector and Humanitarian Assistance Program. There is a need to review the results framework and performance data tables to better reflect S.O. programs, and to introduce new indicators for the pension reform and humanitarian assistance programs.

Other Donor Programs:

The expansion of USAID social sector programs in the area of pension reform has been achieved with a significant increase in collaboration with other international donors. USAID is working closely with the World Bank, the IMF, EU/TACIS and the Canadian International Development Agency (CIDA) on pension reform and social assistance issues. USAID has on various occasions informed other donor countries and agencies on its humanitarian assistance activities. To the best of our knowledge, although there are private organizations (mostly in Western Europe) providing humanitarian assistance to needy Ukrainians, there are no organized humanitarian assistance programs run by other donors. USAID and its implementing partner has often been asked by other donors to support humanitarian aid projects in response to disasters and other occasional situations.

Major Contractors and Grantees:

PADCO, Inc. (Social Sector Reform Activity), Counterpart International (Community Humanitarian Assistance Program). PADCO also works with the USAID/Ukraine Market Reform Program (UMREP) on pension reform public education issues .

Performance Data Table

Fiscal Year: FY2003

Objective Name: Mitigation of adverse social impacts of the transition to market-based democracies

Objective ID: 121-034

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: IR 34.3.3 Reduced human suffering and negative consequences of crises

Indicator: Humanitarian assistance is delivered to needy populations

Disaggregated By:

Unit of Measure: Number of oblasts

Year	Planned	Actual
1995 (B)	NA	6
1998	18	18
1999	22	22
2000	25	25

Source:

CHAP

Indicator/Description:

Oblasts in which indigenous NGOs receive major humanitarian assistance deliveries

Comments:

This indicator reflects MAJOR oblast-wide projects. It is important to note that this indicator no longer reflects the essence of the program

Performance Data Table

Fiscal Year: FY2003

Objective Name: Mitigation of adverse social impacts of the transition to market-based democracies

Objective ID: 121-034

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: IR 34.1 Increased efficiency in public sector delivery of services

Indicator: Cost recovery for housing and communal services

Disaggregated By:

Unit of Measure: % of total cost

Year	Planned	Actual
1994 (B)	NA	4
1998	100	80
1999	100	75
2000	100	100
2001	100	NA
2002	100	NA
2003	100	NA

Source:

Cabinet of Ministers of Ukraine

Indicator/Description:

Amount of cost for housing and utilities recovered by population

Comments:

In general no subsidies to cover the difference between the calculated tariffs and tariffs actually charged to residential customers are provided in the year 2000 budget, but the real cost recovered by population may vary in different cities due to imperfect and non-transparent procedure of tariffs setting

Performance Data Table

Fiscal Year: FY2003

Objective Name: Mitigation of adverse social impacts of the transition to market-based democracies

Objective ID: 121-034

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: IR 34.1.5 Increased efficiency in public sector delivery of services

Indicator: Arrears and benefits payments reduced

Disaggregated By:

Unit of Measure: Month

Year	Planned	Actual
1997 (B)	NA	3
1998	3	3
1999	3	2
2000	2.5	1
2001	0	NA
2002	0	NA
2003	0	

Source:

Consolidated State Budget; State Committee for Statistics

Indicator/Description:

Ratio of total pensions and social benefits arrears to total monthly payments

Comments:

All pension arrears were fully paid off in September 2000, and in-kind benefit payments have ceased. There are only small arrears in social allowances

Performance Data Table

Fiscal Year: FY2003

Objective Name: Mitigation of adverse social impacts of the transition to market-based democracies

Objective ID: 121-034

Approved: 1998-12-01

Country/Organization: USAID Ukraine

Result Name: IR 34.2.1 Improved infrastructure and management capacity

Indicator: NGOs have a strategic management plan

Disaggregated By:

Unit of Measure: Percent of selected NGOs

Year	Planned	Actual
1996 (B)	NA	15
1998	60	73
1999	80	62
2000	100	77

Source:

CAP

Indicator/Description:

Grantee NGOs monitored before and after grant

Comments:

Decrease in percentage due to large increase of new grantee NGOs included in monitoring. As a result, indicator does not necessarily adequately reflect overall steady improvement of infrastructure and management capacity of grantee NGOs which have been part of the program longer.

SO Text for SO: 121-042 Cross-Cutting Initiatives

Country/Organization: USAID Ukraine

Objective ID: 121-042

Objective Name: Cross-Cutting Initiatives

SPECIAL ASSISTANCE AREA 4 (SAA 4)

The Special Assistance Area includes those Mission-funded activities that support more than one strategic objective. The most significant activities in this area are an initiative to combat the illegal trafficking of women and children from Ukraine through economic and social empowerment of women; an initiative to encourage greater cooperation and development experience sharing between Poland, Ukraine, and the United States potentially across all of our SOs; a special multi-U.S. government-agency initiative to promote economic growth and civic participation in the Kharkiv Oblast; and a broad human capacity development program to provide short-term training within and across SOs. The Eurasia Foundation grant, which is also included in this SAA, has been on hold throughout the reporting period. This coming year will see the transfer of the Ukrainian Land Resources Management Center from SO 1.6 to SAA 4 as we try to spread the GIS services of this earmarked-program to other SOs. In FY 2002 the Mission will introduce the Ukraine Education Reform activity, which supports public education on Ukrainian reform initiatives.

Anti-Trafficking Initiative

Under SO 4.2, USAID has initiated a crosscutting initiative to combat the trafficking of thousands of women annually from Ukraine. The activities, which include the establishment of Women to Women crisis centers throughout Ukraine, support for 50 indigenous non-governmental organizations (NGOs), a docudrama, summer camps for girls, and programs to help women start businesses, are part of a coordinated U.S. Government world-wide anti-trafficking strategy launched in 1998.

For its part, the Ukrainian Government, which estimates that some 400,000 women have been trafficked out of Ukraine over the last decade, has adopted several measures to address the issue, including a Law Against Trafficking in Humans; a "Program to Combat Trafficking in Women," and a Trafficking Coordination Council within the Ombudswoman's Office.

Activities

- **Women to Women Centers:** A key component of USAID-funded activities is the seven Women to Women Centers in Donetsk, Dnipropetrovsk, Lviv, Rivne, Kherson, Chernivtsi, and Zhytomir established in conjunction with Winrock International and the NIS-U.S. Consortium. The Centers provide job-training, legal and psychological counseling, and public education geared toward young women and adolescents. These activities directly address key factors that increase women's susceptibility to trafficking: limited economic opportunities and domestic violence.

USAID's anti-trafficking program dovetails with the activities of the Women's Economic Empowerment (WEE) project, which provides job-placement services, helps women start businesses, and encourages them to hire women. The WEE project also supports five credit unions that give loans exclusively to women entrepreneurs.

- **NGO Support:** USAID's program also includes a Seed Grants component. Over 50 Ukrainian NGOs in 30 cities, towns and villages throughout Ukraine have received small grants totaling over \$160,000 as part of this project to conduct information campaigns, provide training for at-risk women, and improve prevention services.
- **Docudrama:** By April-May of 2001 the three part anti-trafficking docudrama will be televised throughout Ukraine, and a larger public awareness and education campaign will be implemented along with it. The underlying purpose of this docudrama is to educate those at-risk victims, especially 12-15 years old girls as well as the general public, about the dangers of trafficking.
- **Summer Camps:** In the Summer of 2001, some 50 girls and boys will attend special USAID-sponsored summer camps in two, one-month shifts to learn about women's children's rights, study domestic and international documents on gender violence, and receive information about the work of the Women to Women crisis centers.
- **Ukrainian Market Reform Education Project (UMREP):** UMREP has allocated in FY 01 \$100,000 for Anti-Trafficking initiative. Within this expansive project that includes components on the radio, television and print news, UMREP has placed a special emphasis on integrating and assisting women in business. These components include special reports on economic opportunities for women, business skills development for women, and profiles of successful Ukrainian women in business.

Results

Since 1998, USAID Anti-Trafficking Program:

- ♦ **17,572** women have received consultations or job skills training;
- ♦ **1442** women found work or received a promotion due to the job skills training program;
- ♦ **6,569** women completed trafficking prevention or domestic violence awareness training;

- ◆ **2412** women have received pro bono legal consultations;
- ◆ One of the most important aspects of the program is increasing the access to information on the risks of trafficking and alternatives to seeking jobs or economic opportunities abroad. More than **342** interactive discussions on issues related to trafficking were conducted in cooperation with government agencies (meetings, round tables, etc.)

Global Training for Development

The Global Training for Development (GTD) project is funded by USAID and has been administered by the Academy for Educational Development (AED) since 1993. The GTD project in Western NIS (Ukraine, Moldova, Belarus) continues to provide professionals and leaders with the practical knowledge and technical skills needed to create policies, programs and institutions which will support the transition to democratic governance and free market economies. Some of the courses take place and/or include stopovers in Poland, in support of the Poland-America-Ukraine Cooperation Initiative (PAUCI).

Some of USAID's accomplishments to date are indicated below.

- Since 1993, over 2,900 Ukrainian professionals have received training in the U.S. through tailor-made courses under the NET and GTD Projects. More than 800 participants took part in follow on activities. As a result, the participants obtained professional skills needed to accomplish USAID strategic objectives.
- In FY 00 the total number of Ukrainians which GTD has assisted through the FFS (Fee-for-Service) mechanism was approximately 520, the number of trainees from Belarus which GTD has assisted through this mechanism was 21, and from Moldova the number was – 30.
- The percentage of women participants trained in the USA, third country and in-country training courses has exceeded a fifty- percent level in 2000 (58 %).

Poland-America-Ukraine Cooperation Initiative

The U.S., Ukrainian, and Polish governments signed a joint statement in October 1998 to launch a trilateral effort to facilitate the transfer of Polish experience in economic and democratic reform to Ukraine, and to support Ukraine's integration into Europe. The three governments elected to focus initial efforts under the Poland-America-Ukraine Cooperation Initiative (PAUCI) on macroeconomic policy, small and medium enterprise development, and local government. On March 17, 1999, the governments signed a memorandum approving a USAID plan to enter into a cooperative agreement with a U.S. NGO to create a Secretariat to manage grant making, project development, coordination, and information activities under PAUCI.

Since the original Scope of Work for PAUCI was signed in mid-March 1999, PAUCI has made significant progress. After the August 2000 transition of the grant administration from Eurasia to Freedom House grant-making and outreach operations of the Secretariat noticeably improved, re-establishing confidence in the grant-making portion of the Initiative. Freedom House's program also lowered the administrative costs of running the Kyiv and Warsaw offices dedicating more resources toward the grant-making portion of the program. With grant-making well under way (32 activities have been funded to date), the tri-national Council is currently resuming non-grant specific discussions on how to improve the initiative and shift the involvement of high-level representatives from approving small grants to policy-oriented dialogue.

There have been four Council meetings to date (July and December 1999, and May and November 2000) in which all Senior staff have been elected and approved. Grant application guidelines have been finalized and ten grants reviewed by the Council were awarded in addition to smaller grants, which were approved by the Secretariat.

In November 2000, the U.S. government representatives of PAUCI met to discuss the objectives of the program and initiated a discussion paper on modifying the three priority areas, raising threshold level of grants for Council review, reviewing the composition and size of the Council, and discussing expectations and future sustainability. These issues were discussed at the March 2001 meeting held in Warsaw. The U.S. side and the Secretariat will suggest new priority areas and procedures for shifting council composition to NGOs for further review.

Representative grant activity funded under the PAUCI activity includes:

- Support for a local farmer exchange between municipalities in Crimea and the Mazowsze region in Poland. Through a series of site visits and seminars with Polish and Ukrainian local government official, agrarian business partnerships between the two regions began.
- Training for food processing representatives from both Poland and Ukraine on forming non-political professional associations, securing worker rights, developing cross-border business partnerships and working more closely with Western sources to incorporate new management tactics and marketing strategies to optimize their production.
- Seminars to present the divisions of responsibilities between local and central government in Poland and the formulation of regional policy-making for Ukraine to take into account economic and cultural differences based on Polish models of developing legislation for local self-government.
- Support for housing and communal small business development through the transfer of Polish experience in demonopolization of housing services. Representatives of the regional offices of the Housing and Communal Reform Center traveled to Poland's Pultusk School of Humanities and brought back know-how in training, deregulation reform, and ways to accelerate the privatization of communal services.
- An internship program for representatives of Ukrainian municipalities to work with in Polish teams generating new programs in energy management and public awareness of energy conservation.

USAID budgeted \$2,000,000 in FY 1999 funds for the PAUCI activity, and expects to make available between \$1,500,000 and \$2,000,000 annually for the next four years. USAID will be the primary source of support for PAUCI in its initial phase. In addition, the Secretariat will seek support from additional, primarily non-governmental sources.

Additional Polish-Ukrainian cooperation through USAID/Kiev activities in FY 2000 included:

- A study trip to Poland for leading NGOs and journalists under the Ukrainian Market Reform Education Project in conjunction with PADCO's Pension reform project
- Collaboration with micro-lending institutions such as Polish Fundusz Micro for establishing the BIZPRO management consortium to deliver training, association building, and micro-credit to Ukrainian SMEs, based in part, on the Polish model
- A partnership between the University of Minnesota, the St. Thomas Graduate School of Business, the Warsaw School of Economics and the Olsztyn University of Agriculture and Technology, to strengthen undergraduate-level business management education and continuing education for entrepreneurs in Ukraine.
- Linking the four USAID-funded regional training centers under the Community Partnerships Program with Polish experts specializing in areas identified as priorities by partnership communities.

Activities foreseen in later this year by the PAUCI Secretariat other than grant administration include:

- An implementation review of current grant activities, Secretariat operations, financial management, and creating new indicators to evaluate tangible results of Polish-Ukrainian exchange will be conducted.
- Internet outreach of www.pauci.iatp.org.ua, will be expanded to include a tri-lingual electronic library of PAUCI-funded publications, funding sources, and links to potential Ukrainian, Polish and U.S. partners in the three priority areas.

Kharkiv Partnership

In January 2001, the United States Government (USG) and the GoU agreed to change the name of the Kharkiv Initiative to the Kharkiv Partnership (KP) in order to better reflect the cooperative efforts that are being taken in Kharkiv to promote economic growth, create jobs, and empower the people of Kharkiv to take control of their own resources and to improve their lives.

The KP is an inter-governmental, inter-agency partnership between the USG and the GOU that was established in the wake of the GoU's decision to cancel contracts with Iran for the construction of a nuclear power plant. As the center of Ukraine's civilian nuclear industry, Kharkiv Oblast and the city of Kharkiv suffered losses from the cancellation of contracts that resulted from this decision. Therefore, the USG and the GoU jointly determined in 1998 to create a laboratory in Kharkiv where Americans and Ukrainians work together to create models for economic development and job creation that may be replicated throughout Ukraine and the E & E region.

Success within the framework of the KP is largely defined as increased investment and job creation in Kharkiv Oblast, and activities conducted under the KP aim largely on this objective. The four focus areas of the KP are: 1) improving the local investment climate; 2) furthering concrete investment opportunities; 3) fostering the development of micro and small business as an engine of economic growth and job creation; and 4) supporting human and social development.

In 2001, USAID and other USG agencies implemented a number of activities in each of the above mentioned areas. Specifically,

- As a result of a meeting among Kharkiv city officials to discuss the need to attract investors to Kharkiv and the methods to do so, USAID commissioned a survey to determine the attractiveness of the Kharkiv Oblast to international investors. The survey queried 135 real investors (from a sample of more than 300 persons) to determine what factors were important in influencing their decisions to invest or not to invest in Kharkiv. The resulting analysis identified 15 factors that are important to international investors, and that could be used by the Oblast and City Administrations as a checklist that could be used to create policies and procedures that are business and investor friendly. The Oblast and City have formed a working group of local government, private sector business, and community representatives to analyze the results of the survey and to attempt to resolve those issues within the competency of the Oblast and City administrations. Through BizPRO, USAID may provide technical assistance to help the Oblast and City in this effort.
- USAID contracted with Mendez England Associates to implement a strategic planning activity (SPA) entitled "Economic Development in Eastern Ukraine." The SPA was intended to provide the Kharkiv Oblast Administration with a strategic plan for regional economic development through a three-phase process. This process began with an economic overview of the Region, and was to continue with 15 sector strategic plans based on the Region's identified strengths and comparative advantage, followed by the development of implementable action plans aimed at attracting investment. However, a number of problems have hindered the implementation of the SPA as it was originally envisioned, including a change in administrations that has resulted in a concurrent change in expectations. USAID is presently working with the contractor to refocus the SPA on an assessment of a smaller number of industrial sectors. Working with a select group of public officials, on such assessments, USAID would help to build the capacity of the oblast administration and local governments to serve an economic development function.
- Kharkiv Governor Oleh Dyomin traveled to the U.S. September 30 – October 14, 2000, along with the mayors of Kharkiv and Izyum. The delegation traveled to Washington, D.C., Cincinnati, Cleveland, Pittsburgh, Chicago, Des Moines and New York City. High level working meetings were held with U.S. Federal, state and local government officials and with U.S. businesses. Several investment opportunities and leads were identified during the trip.
- USAID began a multifaceted program to train public administrators in "Public Management for Investment." Under Global Training for Development, 40 public administrators from towns and cities in Kharkiv Oblast attended a two week seminar in Kiev aimed at helping them to understand the role

of government in assisting the development of businesses and supporting economic growth. In 2001, follow-on seminars and study tours are planned to the U.S. and to countries in Eastern Europe. Additionally, in 2002 – 2003, USAID will work with a select group of trainees to provide mentoring on the development and realization of concrete investment proposals identified as a result of the Kharkiv Oblast Governor's trip to the U.S. in October 2000. This group will continue to receive monthly training as a team in addition to their short-term internships in Eastern Europe or the U.S.

- USAID helped Kommunar, a former manufacturer of military electronic control systems, develop a business plan to develop and market water meters for the Ukrainian market. Phase I focused on taking Kommunar through the product development cycle from concept through market, engineering and manufacturing analysis, thus providing Kommunar with the means and knowledge to effectively develop, market and distribute these products. In Phase II, the USG is assisting Kommunar to find a private investor who can help them to buy and import hot forging equipment so that they may begin production. The U.S.-Ukrainian investment firm Sigma-Bleyzer has expressed interest in providing at least \$300,000 to Kommunar.
- The U.S. Trade and Development Administration selected Kharkivteploenergo for a feasibility study to improve the city's district heating supply under a World Bank loan. The U.S. is providing \$535,000 to conduct the study.
- The USG and the Oblast Administration opened the Kharkiv Partnership Office to provide support to Kharkiv businesses seeking information and contact with US business and to provide information, guidance and support for the explorations of US businesspersons as they seek to develop strategic alliances with business in Kharkiv. The office has a staff of four (one U.S. PSC and three FSNs). Although expected under the terms of the 1998 Joint Statement on Cooperation within the Framework of the Kharkiv Initiative, the Ukrainian partners have not provided staff to the KP Office.

In October 2001, President Kuchma dismissed Governor Dyomin and replaced him with former Kharkiv mayor and Presidential Chief of Staff Yevhen Kushnaryov. The change in administrations has led to some delay in activity implementation. The new governor and his administration are carefully developing their relationship with the U.S. under the KP.

R4 Part III: Resource Request

The USAID/Kiev budget for FY 2002 and FY 2003 is \$79,700,000 each year, less than a one percent increase from the present \$78,650,000 FY 2001 budget. The FY 2000 budget, including performance funding was \$81,780,000. Based upon the target funding levels noted above, the USAID/Kiev Strategic Objective activities will remain approximately the same, with modifications and new activities added as other activities are brought to closure. As noted in the cover memo to this R4, lower funding levels are having a detrimental effect on the intended SO results that were discussed in the 1999-2002 Ukraine Strategic Plan. The budget proposed for FY 2002 and 2003 was developed with the long-term perspective that on-going activities for these years and beyond will be folded into a new strategy for the years 2003-2007. All activities may be modified to accommodate the new strategy.

The FY 2002 budget reflects several significant adjustments from last year's R4. A year ago, the total Mission budget request for FY 2002 was \$86,850,000, almost nine percent more than present FY 2002 and 2003 budget levels. A comparison of the May 2000 R4 budget requests for FY 2001 and FY 2002 with this R4 request indicates that Strategic Area (SA) 1, Economic Restructuring, has been decreased by 8%; SA 2 Democratic Transition increases by 10%; SA 3 Social Stabilization funding is 83% of last years' R4 request; and, SA 4, Cross Cutting Programs/Special Initiatives is 81% of last years' request. The significant reduction in SA 3 is attributed to a shift in the democratic social service NGO activity from SO 3.4 to SO 2.1. SO 4.2 is reduced because of a reduced funding level for the Eurasia Foundation.

This request identifies several new activities that were developed based upon lessons learned from previous activities and targets of opportunity for continued reform.

Assistance with fiscal reform will increase substantially this year based upon recent GOU successes attributed to Prime Minister Yushchenko's fiscal policies. The new activity, "Strategic Management of Economic Policy Reform" will bring together the highest priority activities in the macroeconomic policy and fiscal reform areas in a targeted, tightly managed and cost-effective program under a single provider.

A more responsive agricultural sector remains an important objective in Ukraine. During FY 2000 considerable time and effort was spent reviewing lessons learned in the agriculture sector so a more effective assistance program may be implemented. Based on this analysis, a new activity was designed which will focus on empowering private citizens. The new activity will assist with a massive land titling program and provide assistance through the UNDP to the Ministry of Agriculture to remove government involvement in agricultural input supply and output decisions. As a complement to this effort, this new activity will also assist with the privatization and ownership of land under businesses in urban areas. A separate but related activity will provide technical assistance for private farmers to improve their marketing techniques, and assist them to adopt better farming practices.

The use of international business standards, including implementation of international accounting standards (IAS) and corporate governance has made significant progress in recent years. However, previous efforts to instill IAS and other western business practices require additional support if long term, sustainable results are to be expected. Therefore, USAID will continue assistance for accounting and auditing and initiate a new activity for international business standards that will build upon previous results and lessons learned from completed projects in corporate governance.

A new activity, focused on non-bank financial intermediaries, is being developed that will help ensure prudent management by financial intermediaries that deal with the general public, such as private pension funds, insurance companies, and credit unions. The activity will improve supervisory bodies; develop industry standards and practices (e.g. through trade or self-regulatory associations); and train public- and private-sector professionals in monitoring and managing financial risks. As a result of an assessment of the growth and sustainability environment of the credit union movement in Ukraine, the Mission is also considering a credit union specific activity to begin in FY 2002.

The Power Sector Privatization activity is being extended through Sept. 2003 because the GOU schedule for the privatization of the oblenegos (regional distribution companies) and follow-on privatization of power generating companies has been extended. Based upon the recommendation of international donors, the GOU delayed the privatization process to provide time for resolving issues that the donors believed would reduce international strategic private investors' interest. USAID expects privatization of the first six oblenegos to be completed by December 2001 followed by the privatization of an additional 20 oblenegos and all power generating companies by December 2003.

Freedom of the press remains a high priority. The new "Freedom of Speech" activity being designed for FY 2002 and beyond will renew USAID emphasis on this important pillar of democracy. USAID is also developing a program to build demand for democratic reform by strengthening the civic advocacy skills and organizational capacity of NGOs/civil society organizations (CSOs).

A new municipal development activity, proposed for FY 2003, will be developed to follow on the current portfolio of programs working to strengthen the autonomy of municipalities and their capability to deliver services. The new activity will coordinate with other donor programs, including the World Bank's Municipal Development Loan Fund (MDLF), and incorporate the successes and lessons learned from the Pilot MDLF as appropriate.

The Comprehensive Maternal Health Program, proposed for FY 2001, will seek to improve maternal and infant health in Ukraine through increased promotion of good maternal health care and access to quality maternal health services."

As part of our continuing effort to mitigate the adverse social impact of the economic transition (SO 3.4) USAID will introduce a revised emergency humanitarian assistance program in FY 2002 to replace the current activity.

Cross-cutting programs (SO 4.2) will include a new activity, beginning in FY 2002, for support to an NGO for the provision of public education on Ukrainian reform initiatives. This activity will support all USAID strategic objectives with reform efforts.

The Ukraine Pipeline Summary Report, dated 2/15/2001, provided by EE/OM contains an analysis of pipeline information by SO, as of September 30, 2000. Attached, is an EXCEL spreadsheet converted from the USAID/Kiev data base report for life of activity funding. It indicates a total remaining pipeline of \$48,237,189.86 as of March 1, 2001. This represents the most realistic assessment of the Mission's current pipeline. This does not include pipeline information on activities for which we have no control, including Washington based activities such as the West NIS Enterprise Fund under SO 1.3, and everything in SO 4.1, Special Initiatives.

According to ADS 602, pipelines should be no more than 18 months beyond the end of the Fiscal Year (Sept. 30, 2000). Following is a table indicating the EE/OM and USAID/Kiev pipeline analysis of months remaining for those SOs where the 18 month rule may be an issue, using the Sept. 30, 2000 point in time; and the USAID/Kiev analysis depicting the present pipeline situation.

	Sept. 30, 2000		March 1, 2001
	OM Analysis	USAID/Kiev Analysis	USAID/Kiev Analysis
SO 1.3 -	19	9	4
SO 1.5 -	60	19	14
SO 1.6 -	26	15	10
SO 2.3 -	18	18	13
SO 3.3 -	27	NA	NA
SO 4.1 -	211	NA	NA

Although listed in the EE/OM report, SO 3.3 is not in the present Ukraine Strategy. The SO 4.1 Special Initiative pipeline is for transfers from USAID and not tracked by the Mission.

Based upon this analysis and the pipeline analysis conducted in preparation of this resource request, we believe the proposed FY 2002 and FY 2003 budgets are consistent with the ADS 602 guidance.

ENV Sub-Directive Amounts for FY 2001 Request

COUNTRY:	Ukraine					
S.O. # , Title	Total	Global climate change	Biodiversity	Environmentally sound energy	Urban and pollution prevention	Natural resource management
SO 1.5: Economically Sound/ Environmentally Sustainable Energy System	173,000			173,000		
SO 1.6: A More Economically Sustainable Environment	1,355,000	425,000		300,000	555,000	75,000
SO 2.3: More Effective, Responsible and Accountable Local Government	300,000			300,000		
SO 4.2: Crosscutting Programs	847,106	84,711	84,711		84,711	592,974
TOTAL PROGRAM	2,675,106	509,711	84,711	773,000	639,711	667,974

[List of Objective ID numbers](#)

ENV Sub-Directive Amounts for FY 2002 Request

COUNTRY:	Ukraine					
S.O. # , Title	Total	Global climate change	Biodiversity	Environmentally sound energy	Urban and pollution prevention	Natural resource management
SO 1.5: Economically Sound/ Environmentally Sustainable Energy System	1,500,000			1,500,000		
SO 1.6: A More Economically Sustainable Environment	2,045,000	850,000		600,000	445,000	150,000
SO 2.3: More Effective, Responsible and Accountable Local Government	350,000			350,000		
SO 4.2: Crosscutting Programs	326,447	32,645	32,645		32,645	228,513
TOTAL PROGRAM	4,221,447	882,645	32,645	2,450,000	477,645	378,513

[List of Objective ID numbers](#)

ENV Sub-Directive Amounts for FY 2003 Request

COUNTRY:	Ukraine					
S.O. # , Title	Total	Global climate change	Biodiversity	Environmentally sound energy	Urban and pollution prevention	Natural resource management
SO 1.5: Economically Sound/ Environmentally Sustainable Energy System	1,500,000			1,500,000		
SO 1.6: A More Economically Sustainable Environment	1,500,000	500,000		300,000	600,000	100,000
SO 2.3: More Effective, Responsible and Accountable Local Government	300,000			300,000		
SO 4.2: Crosscutting Programs	326,448	32,645	32,645		32,645	228,514
TOTAL PROGRAM	3,626,448	532,645	32,645	2,100,000	632,645	328,514

[List of Objective ID numbers](#)

CSD Sub-Directive Amounts for FY 2001 Request

COUNTRY:		Ukraine							
S.O. # , Title	Total	Child Survival/Maternal Health			Vulnerable Children		Other Infectious Diseases*		
		Primary causes	Polio	Micronutrients	DCOF	HIV/AIDS	TB	Malaria	"Other"
SO 3.2: Increased Promotion of Good Health and Access to Quality Health Care									
CSD	1,019,000						344,000		675,000
Other	3,730,343	1,700,000		100,000			1,350,000		580,343
	4,749,343	1,700,000	0	100,000	0	0	1,694,000	0	1,255,343
Total CSD	1,019,000	0	0	0	0	0	344,000	0	675,000
Total Other	3,730,343	1,700,000	0	100,000	0	0	1,350,000	0	580,343
TOTAL PROGRAM	4,749,343	1,700,000	0	100,000	0	0	1,694,000	0	1,255,343

Note: All funding for Malaria should now come from Infectious Diseases

CSD Sub-Directive Amounts for FY 2002 Request

COUNTRY:		Ukraine							
S.O. # , Title	Total	Child Survival/Maternal Health			Vulnerable Children		Other Infectious Diseases*		
		Primary causes	Polio	Micronutrients	DCOF	HIV/AIDS	TB	Malaria	"Other"
SO 3.2: Increased Promotion of Good Health and Access to Quality Health Care									
CSD	0								
Other	3,345,834	1,700,000					750,000		895,834
	3,345,834	1,700,000	0				750,000	0	895,834
Total CSD	0	0	0	0	0	0	0	0	0
Total Other	3,345,834	1,700,000	0	0	0	0	750,000	0	895,834
TOTAL PROGRAM	3,345,834	1,700,000	0	0	0	0	750,000	0	895,834

Note: All funding for Malaria should now come from Infectious Diseases

CSD Sub-Directive Amounts for FY 2003 Request

COUNTRY:		Ukraine							
S.O. # , Title	Total	Child Survival/Maternal Health			Vulnerable Children		Other Infectious Diseases*		
		Primary causes	Polio	Micronutrients	DCOF	HIV/AIDS	TB	Malaria	"Other"
SO 3.2: Increased Promotion of Good Health and Access to Quality Health Care									
CSD	0								
Other	2,400,000	1,700,000					700,000		
	2,400,000	1,700,000	0				700,000	0	0
Total CSD	0	0	0	0	0	0	0	0	0
Total Other	2,400,000	1,700,000	0	0	0	0	700,000	0	0
TOTAL PROGRAM	2,400,000	1,700,000	0	0	0	0	700,000	0	0

Note: All funding for Malaria should now come from Infectious Diseases

FY 2001 Budget Request by Program/Country

Fiscal Year: 2001 Program/Country: Ukraine
 Approp: FSA
 Scenario:

FY 2001 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2001
SO 1.2: Increased Soundness of Fiscal Policies/ Fiscal Management Practices															
Bilateral	2,256,000	5,051,000		5,051,000			0							3,064,160	4,242,840
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	2,256,000	5,051,000	0	5,051,000	0	0	0	0	0	0	0	0	0	3,064,160	4,242,840
SO 1.3A: A More Responsive Agriculture Sector															
Bilateral		7,652,775	7,652,775											4,591,665	3,061,110
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	7,652,775	7,652,775	0	0	0	0	0	0	0	0	0	0	4,591,665	3,061,110
SO 1.3B: More Competitive and Efficient Privatized Enterprises															
Bilateral		14,274,329		14,274,329										8,597,891	5,676,438
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	14,274,329	0	14,274,329	0	0	0	0	0	0	0	0	0	8,597,891	5,676,438
SO 1.3C: Expanded Role of Small and Medium Enterprises (SME's)															
Bilateral		11,579,094		11,579,094										6,074,162	5,504,932
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	11,579,094	0	11,579,094	0	0	0	0	0	0	0	0	0	6,074,162	5,504,932
SO 1.4: A More Competitive and Market-responsive Private Financial Sector															
Bilateral	7,556,000	5,543,512		5,543,512										9,385,359	3,714,153
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	7,556,000	5,543,512	0	5,543,512	0	0	0	0	0	0	0	0	0	9,385,359	3,714,153
SO 1.5: Economically Sound/ Environmentally Sustainable Energy System															
Bilateral	18,407,000	5,646,795		5,646,795										14,850,295	9,203,500
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	18,407,000	5,646,795	0	5,646,795	0	0	0	0	0	0	0	0	0	14,850,295	9,203,500
SO 1.6: A More Economically Sustainable Environment															
Bilateral	2,483,000	2,033,422		1,016,711								1,016,711		3,589,602	926,820
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	2,483,000	2,033,422	0	1,016,711	0	0	0	0	0	0	0	1,016,711	0	3,589,602	926,820
SO 2.1: Increased Citizens' Participation in Political / Economic Decision-making															
Bilateral	5,501,000	9,858,698											9,858,698	9,709,698	5,650,000
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	9,858,698	0	0
	5,501,000	9,858,698	0	0	0	0	0	0	0	0	0	0	9,858,698	9,709,698	5,650,000
SO 2.2: Systems that Support Democratic Processes and Market Reforms															
Bilateral	2,366,000	1,156,250											1,156,250	2,922,250	600,000
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	1,156,250	0	0
	2,366,000	1,156,250	0	0	0	0	0	0	0	0	0	0	1,156,250	2,922,250	600,000
SO 2.3: More Effective, Responsible and Accountable Local Government															
Bilateral	4,480,000	5,486,595											5,486,595	7,506,595	2,460,000
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	5,486,595	0	0
	4,480,000	5,486,595	0	0	0	0	0	0	0	0	0	0	5,486,595	7,506,595	2,460,000
SO 3.2: Increased Promotion of Good Health and Access to Quality Health Care															
Bilateral	8,532,000	6,474,250				1,700,000	1,300,000	1,350,000	795,000					8,506,250	6,500,000
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	8,532,000	6,474,250	0	0	0	1,700,000	1,300,000	1,350,000	795,000	0	0	0	0	8,506,250	6,500,000
SO 3.4: Mitigation of Adverse Social Impacts of the Transition to Market-Based Democracies															
Bilateral	5,357,000	2,752,500												5,385,000	2,724,500
Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5,357,000	2,752,500	0	0	0	0	0	0	0	0	0	0	0	5,385,000	2,724,500
SO 4.2: Crosscutting Programs															
Bilateral	8,462,000	15,382,569		1,596,814		6,494,969						847,106	6,443,681	14,615,028	9,229,541
Field Spt	0	0	0	0	0	0	0	0	0	0	0	847,106	6,443,681	0	0
	8,462,000	15,382,569	0	1,596,814	0	6,494,969	0	0	0	0	0	847,106	6,443,681	14,615,028	9,229,541
Total Bilateral	65,400,000	92,891,789	7,652,775	44,708,255	0	6,494,969	1,700,000	1,300,000	1,350,000	795,000	0	1,863,817	22,945,224	98,797,955	59,493,834
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM	65,400,000	92,891,789	7,652,775	44,708,255	0	6,494,969	1,700,000	1,300,000	1,350,000	795,000	0	1,863,817	22,945,224	98,797,955	59,493,834

FY 2001 Request Agency Goal Totals	
Econ Growth	52,361,030
Democracy	22,945,224
HCD	6,494,969
PHN	5,145,000
Environment	1,863,817
GCC (from all Goals)	0

FY 2001 Account Distribution (DA only)	
DA Program Total	89,446,789
CSD Program Total	3,445,000
TOTAL	92,891,789

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)
 Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account.

FY 2002 Budget Request by Program/Country

Fiscal Year: 2002 Program/Country: Ukraine
 Approp: FSA
 Scenario:

FY 2002 Request															
S.O. #, Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002
SO 1.2: Increased Soundness of Fiscal Policies/ Fiscal Management Practices															
Bilateral	4,242,840	4,370,000		4,370,000				0						4,679,840	3,933,000
Field Spt	0	0												0	0
	4,242,840	4,370,000	0	4,370,000	0	0	0	0	0	0	0	0	0	4,679,840	3,933,000
SO 1.3A: A More Responsive Agriculture Sector															
Bilateral	3,061,110	6,746,000	6,746,000											6,108,066	3,699,044
Field Spt	0	0												0	0
	3,061,110	6,746,000	6,746,000	0	0	0	0	0	0	0	0	0	0	6,108,066	3,699,044
SO 1.3B: More Competitive and Efficient Privatized Enterprises															
Bilateral	5,676,438	14,190,000		14,190,000										11,635,157	8,231,281
Field Spt	0	0												0	0
	5,676,438	14,190,000	0	14,190,000	0	0	0	0	0	0	0	0	0	11,635,157	8,231,281
SO 1.3C: Expanded Role of Small and Medium Enterprises (SME's)															
Bilateral	5,504,932	10,593,000		10,593,000										8,365,465	7,732,467
Field Spt	0	0												0	0
	5,504,932	10,593,000	0	10,593,000	0	0	0	0	0	0	0	0	0	8,365,465	7,732,467
SO 1.4: A More Competitive and Market-responsive Private Financial Sector															
Bilateral	3,714,153	3,500,000		3,500,000										4,414,153	2,800,000
Field Spt	0	0												0	0
	3,714,153	3,500,000	0	3,500,000	0	0	0	0	0	0	0	0	0	4,414,153	2,800,000
SO 1.5: Economically Sound/ Environmentally Sustainable Energy System															
Bilateral	9,203,500	3,675,000		2,175,000								1,500,000		9,203,500	3,675,000
Field Spt	0	0												0	0
	9,203,500	3,675,000	0	2,175,000	0	0	0	0	0	0	0	1,500,000	0	9,203,500	3,675,000
SO 1.6: A More Economically Sustainable Environment															
Bilateral	926,820	2,045,000		1,022,500								1,022,500		2,200,000	771,820
Field Spt	0	0												0	0
	926,820	2,045,000	0	1,022,500	0	0	0	0	0	0	0	1,022,500	0	2,200,000	771,820
SO 2.1: Increased Citizens' Participation in Political / Economic Decision-making															
Bilateral	5,650,000	7,367,968											7,367,968	9,175,968	3,842,000
Field Spt	0	0												0	0
	5,650,000	7,367,968	0	0	0	0	0	0	0	0	0	0	7,367,968	9,175,968	3,842,000
SO 2.2: Systems that Support Democratic Processes and Market Reforms															
Bilateral	600,000	1,470,232											1,470,232	1,840,000	230,232
Field Spt	0	0												0	0
	600,000	1,470,232	0	0	0	0	0	0	0	0	0	0	1,470,232	1,840,000	230,232
SO 2.3: More Effective, Responsible and Accountable Local Government															
Bilateral	2,460,000	5,203,518											5,203,518	4,903,520	2,759,998
Field Spt	0	0												0	0
	2,460,000	5,203,518	0	0	0	0	0	0	0	0	0	0	5,203,518	4,903,520	2,759,998
SO 3.2: Increased Promotion of Good Health and Access to Quality Health Care															
Bilateral	6,500,000	5,995,834				1,700,000	1,000,000	750,000	895,834					7,995,834	4,500,000
Field Spt	0	0												0	0
	6,500,000	5,995,834	0	0	0	1,700,000	1,000,000	750,000	895,834	0	0	0	7,995,834	4,500,000	
SO 3.4: Mitigation of Adverse Social Impacts of the Transition to Market-Based Democracies															
Bilateral	2,724,500	2,500,000												3,103,000	2,121,500
Field Spt	0	0												0	0
	2,724,500	2,500,000	0	0	0	0	0	0	0	0	0	0	0	3,103,000	2,121,500
SO 4.2: Crosscutting Programs															
Bilateral	9,229,541	12,043,448		901,447		5,315,554						326,447	5,500,000	14,046,921	7,226,069
Field Spt	0	0												0	0
	9,229,541	12,043,448	0	901,447	0	5,315,554	0	0	0	0	0	326,447	5,500,000	14,046,921	7,226,069
Total Bilateral	59,493,834	79,700,000	6,746,000	36,751,947	0	5,315,554	1,700,000	1,000,000	750,000	895,834	0	2,848,947	19,541,718	87,671,424	51,522,411
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM	59,493,834	79,700,000	6,746,000	36,751,947	0	5,315,554	1,700,000	1,000,000	750,000	895,834	0	2,848,947	19,541,718	87,671,424	51,522,411

FY 2002 Request Agency Goal Totals	
Econ Growth	43,497,947
Democracy	19,541,718
HCD	5,315,554
PHN	4,345,834
Environment	2,848,947
GCC (from all Goals)	0

FY 2002 Account Distribution (DA only)	
DA Program Total	77,054,166
CSD Program Total	2,645,834
TOTAL	79,700,000

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)
 Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account.

FY 2003 Budget Request by Program/Country

Fiscal Year: 2003 Program/Country: Ukraine
 Approp: FSA
 Scenario:

FY 2003 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2003
SO 1.2: Increased Soundness of Fiscal Policies/ Fiscal Management Practices															
Bilateral	3,933,000	3,390,000		3,390,000				0						6,306,000	1,017,000
Field Spt	0	0		0				0						0	0
	3,933,000	3,390,000	0	3,390,000	0	0	0	0	0	0	0	0	0	6,306,000	1,017,000
SO 1.3A: A More Responsive Agriculture Sector															
Bilateral	3,699,044	7,161,000	7,161,000					0						6,799,826	4,060,218
Field Spt	0	0						0						0	0
	3,699,044	7,161,000	7,161,000	0	0	0	0	0	0	0	0	0	0	6,799,826	4,060,218
SO 1.3B: More Competitive and Efficient Privatized Enterprises															
Bilateral	8,231,281	14,785,000						0						13,015,063	10,001,218
Field Spt	0	0						0						0	0
	8,231,281	14,785,000	0	14,785,000	0	0	0	0	0	0	0	0	0	13,015,063	10,001,218
SO 1.3C: Expanded Role of Small and Medium Enterprises (SME's)															
Bilateral	7,732,467	10,541,000		10,541,000				0						9,400,786	8,872,681
Field Spt	0	0						0						0	0
	7,732,467	10,541,000	0	10,541,000	0	0	0	0	0	0	0	0	0	9,400,786	8,872,681
SO 1.4: A More Competitive and Market-responsive Private Financial Sector															
Bilateral	2,800,000	3,500,000		3,500,000				0						4,200,000	2,100,000
Field Spt	0	0						0						0	0
	2,800,000	3,500,000	0	3,500,000	0	0	0	0	0	0	0	0	0	4,200,000	2,100,000
SO 1.5: Economically Sound/ Environmentally Sustainable Energy System															
Bilateral	3,675,000	3,275,000						0				1,500,000		4,002,500	2,947,500
Field Spt	0	0						0				0		0	0
	3,675,000	3,275,000	0	1,775,000	0	0	0	0	0	0	0	1,500,000	0	4,002,500	2,947,500
SO 1.6: A More Economically Sustainable Environment															
Bilateral	771,820	1,700,000		850,000				0				850,000		1,867,000	604,820
Field Spt	0	0						0				0		0	0
	771,820	1,700,000	0	850,000	0	0	0	0	0	0	0	850,000	0	1,867,000	604,820
SO 2.1: Increased Citizens' Participation in Political / Economic Decision-making															
Bilateral	3,842,000	8,675,000						0					8,675,000	8,938,000	3,579,000
Field Spt	0	0						0					8,675,000	0	0
	3,842,000	8,675,000	0	0	0	0	0	0	0	0	0	0	8,675,000	8,938,000	3,579,000
SO 2.2: Systems that Support Democratic Processes and Market Reforms															
Bilateral	230,232	1,094,000						0					1,094,000	1,125,000	199,232
Field Spt	0	0						0					0	0	0
	230,232	1,094,000	0	0	0	0	0	0	0	0	0	0	1,094,000	1,125,000	199,232
SO 2.3: More Effective, Responsible and Accountable Local Government															
Bilateral	2,759,998	3,832,000						0					3,832,000	5,615,000	976,998
Field Spt	0	0						0					3,832,000	0	0
	2,759,998	3,832,000	0	0	0	0	0	0	0	0	0	0	3,832,000	5,615,000	976,998
SO 3.2: Increased Promotion of Good Health and Access to Quality Health Care															
Bilateral	4,500,000	5,600,000				1,700,000	1,200,000	700,000						6,300,000	3,800,000
Field Spt	0	0				0	0	0					0	0	0
	4,500,000	5,600,000	0	0	0	1,700,000	1,200,000	700,000	0	0	0	0	0	6,300,000	3,800,000
SO 3.4: Mitigation of Adverse Social Impacts of the Transition to Market-Based Democracies															
Bilateral	2,121,500	2,650,000						0						2,715,000	2,056,500
Field Spt	0	0						0						0	0
	2,121,500	2,650,000	0	0	0	0	0	0	0	0	0	0	0	2,715,000	2,056,500
SO 4.2: Crosscutting Programs															
Bilateral	7,226,069	13,497,000		776,448		6,394,105		0				326,448	6,000,000	12,624,869	8,098,200
Field Spt	0	0				0		0				326,448	6,000,000	0	0
	7,226,069	13,497,000	0	776,448	0	6,394,105	0	0	0	0	0	326,448	6,000,000	12,624,869	8,098,200
Total Bilateral	51,522,411	79,700,000	7,161,000	35,617,448	0	6,394,105	1,700,000	1,200,000	700,000	0	0	2,676,448	19,601,000	82,909,044	48,313,367
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM	51,522,411	79,700,000	7,161,000	35,617,448	0	6,394,105	1,700,000	1,200,000	700,000	0	0	2,676,448	19,601,000	82,909,044	48,313,367

FY 2003 Request Agency Goal Totals	
Econ Growth	42,778,448
Democracy	19,601,000
HCD	6,394,105
PHN	3,600,000
Environment	2,676,448
GCC (from all Goals)	0

FY 2003 Account Distribution (DA only)	
DA Program Total	77,800,000
CSD Program Total	1,900,000
TOTAL	79,700,000

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)
 Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account.

Washington and Overseas Workforce Tables

Org _____ Ukraine									Total	Org.	Fin.	Admin.	Con-	All	Total	Total
End of year On-Board	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	SO/SpO	Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff
FY 2001 Estimate																
OE Funded: 1/																
U.S. Direct Hire								0	2	1	1	2	1	8	15	15
Other U.S. Citizens								0			2	2		1	5	5
FSN/TCN Direct Hire								0		15	36				51	51
Other FSN/TCN								0	2			4	2	9	17	17
Subtotal	0	0	0	0	0	0	0	0	4	16	39	8	3	18	88	88
Program Funded 1/																
U.S. Citizens	10	4	1	6				21							0	21
FSNs/TCNs	25	8	6	37				76							0	76
Subtotal	35	12	7	43	0	0	0	97	0	0	0	0	0	0	0	97
Total Direct Workforce	35	12	7	43	0	0	0	97	4	16	39	8	3	18	88	185
TAACS								0							0	0
Fellows								0							0	0
NEPs								0		1					1	1
Subtotal	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
TOTAL WORKFORCE	35	12	7	43	0	0	0	97	4	17	39	8	3	18	89	186

1/ Excludes TAACS, Fellows, and NEPs

Washington and Overseas Workforce Tables

Org _____ End of year On-Board								Total	Org.	Fin.	Admin.	Con-	All		Total	Total	
FY 2002 Target	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	SO/SpO	Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff	
OE Funded: 1/																	
U.S. Direct Hire								0	2	1	1	2	1	8	15	15	
Other U.S. Citizens								0			2	2		1	5	5	
FSN/TCN Direct Hire								0		15	36				51	51	
Other FSN/TCN								0	2			4	2	9	17	17	
Subtotal	0	0	0	0	0	0	0	0	4	16	39	8	3	18	88	88	
Program Funded 1/																	
U.S. Citizens	10	4	1	6				21								0	21
FSNs/TCNs	25	8	6	37				76								0	76
Subtotal	35	12	7	43	0	0	0	97	0	0	0	0	0	0	0	97	
Total Direct Workforce	35	12	7	43	0	0	0	97	4	16	39	8	3	18	88	185	
TAACS								0								0	0
Fellows								0								0	0
NEPs								0		1						1	1
Subtotal	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1	
TOTAL WORKFORCE	35	12	7	43	0	0	0	97	4	17	39	8	3	18	89	186	

1/ Excludes TAACS, Fellows, and NEPs

Washington and Overseas Workforce Tables

Org End of year On-Board								Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff	
FY 2003 Target	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2										
OE Funded: 1/																	
U.S. Direct Hire								0	2	1	1	2	1	8	15	15	
Other U.S. Citizens								0			2	2		1	5	5	
FSN/TCN Direct Hire								0		15	36				51	51	
Other FSN/TCN								0	2			4	2	9	17	17	
Subtotal	0	0	0	0	0	0	0	0	4	16	39	8	3	18	88	88	
Program Funded 1/																	
U.S. Citizens	10	4	1	6				21								0	21
FSNs/TCNs	25	8	6	37				76								0	76
Subtotal	35	12	7	43	0	0	0	97	0	0	0	0	0	0	0	97	
Total Direct Workforce	35	12	7	43	0	0	0	97	4	16	39	8	3	18	88	185	
TAACS								0								0	0
Fellows								0								0	0
NEPs								0		1						1	1
Subtotal	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1	
TOTAL WORKFORCE	35	12	7	43	0	0	0	97	4	17	39	8	3	18	89	186	

1/ Excludes TAACS, Fellows, and NEPs

Washington and Overseas Workforce Tables

Org _____ End of year On-Board FY 2003 Request	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
OE Funded: 1/																
U.S. Direct Hire								0	2	1	1	2	1	8	15	15
Other U.S. Citizens								0			2	2		1	5	5
FSN/TCN Direct Hire								0		15	36				51	51
Other FSN/TCN								0	2			4	2	9	17	17
Subtotal	0	0	0	0	0	0	0	0	4	16	39	8	3	18	88	88
Program Funded 1/																
U.S. Citizens	10	4	1	6				21							0	21
FSNs/TCNs	25	8	6	37				76							0	76
Subtotal	35	12	7	43	0	0	0	97	0	0	0	0	0	0	0	97
Total Direct Workforce	35	12	7	43	0	0	0	97	4	16	39	8	3	18	88	185
TAACS								0							0	0
Fellows								0							0	0
NEPs								0		1					1	1
Subtotal	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
TOTAL WORKFORCE	35	12	7	43	0	0	0	97	4	17	39	8	3	18	89	186

1/ Excludes TAACS, Fellows, and NEPs

USDH Staffing Requirements by Backstop, FY 2001 - FY 2004

Mission:

Ukraine

Occupational Backstop (BS)	Number of USDH Employees in Backstop in:			
	FY 2001	FY 2002	FY 2003	FY 2004
Senior Management				
SMG - 01	2	2	2	2
Program Management				
Program Mgt - 02	2	2	2	2
Project Dvpm Officer - 94	1	1	1	1
Support Management				
EXO - 03	1	1	1	1
Controller - 04	2	2	2	2
Legal - 85	1	1	1	1
Commodity Mgt. - 92				
Contract Mgt. - 93	2	2	2	2
Sector Management				
Agriculture - 10 & 14				
Economics - 11				
Democracy - 12	2	2	2	2
Food for Peace - 15				
Private Enterprise - 21	3	3	3	3
Engineering - 25				
Environment - 40 & 75				
Health/Pop. - 50				
Education - 60				
Total	16	16	16	16

GDOs: If you have a position that is currently designated a BS-12 GDO, list that position under the occupational backstop that most closely reflects the skills needed for the position.
RUDOs: do not forget to include those who were in UE-funded RUDO positions.
 remaining **IDIs:** list under the occupational Backstop for the work they do.

Please e-mail this worksheet in Excel to: Maribeth.Zankowski@HR.PPIM@aidw and to M. Cary.Kauffman@HR.PPIM@aidw as well as include it with your R4 submission.

OPERATING EXPENSES

Org. Title: Ukraine		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
Org. No: 121.0		Dollars	TF	Total									
OC													
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
	Subtotal OC 11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
	Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0.0			0.0			0.0			0.0
11.5	FNDH			0.0			0.0			0.0			0.0
	Subtotal OC 11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	499.0		499.0	585.9		585.9	621.3		621.3	621.3		621.3
11.8	FN PSC Salaries	1,084.6		1,084.6	1,193.0		1,193.0	1,312.4		1,312.4	1,312.4		1,312.4
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0.0			0.0			0.0			0.0
	Subtotal OC 11.8	1,583.6	0.0	1,583.6	1,778.9	0.0	1,778.9	1,933.7	0.0	1,933.7	1,933.7	0.0	1,933.7
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	145.1		145.1	195.1		195.1	207.6		207.6	207.6		207.6
12.1	Cost of Living Allowances	22.0		22.0	26.0		26.0	26.0		26.0	26.0		26.0
12.1	Home Service Transfer Allowances	2.4		2.4	7.0		7.0	1.4		1.4	1.4		1.4
12.1	Quarters Allowances	20.0		20.0	20.0		20.0	0.0		0.0	0.0		0.0
12.1	Other Misc. USDH Benefits	15.0		15.0	22.0		22.0	4.0		4.0	4.0		4.0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	* Payments to FSN Voluntary Separation Fund - FNDH			0.0			0.0			0.0			0.0
12.1	Other FNDH Benefits			0.0			0.0			0.0			0.0
12.1	US PSC Benefits	135.0		135.0	20.0		20.0	50.0		50.0	50.0		50.0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	* Payments to FSN Voluntary Separation Fund - FN PSC			0.0			0.0			0.0			0.0
12.1	Other FN PSC Benefits	250.3		250.3	285.3		285.3	323.9		323.9	323.9		323.9
12.1	IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0			0.0
	Subtotal OC 12.1	589.8	0.0	589.8	575.4	0.0	575.4	612.9	0.0	612.9	612.9	0.0	612.9
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0.0			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0			0.0

OPERATING EXPENSES

Org. Title: Ukraine		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
Org. No: 121.0		Dollars	TF	Total									
OC													
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0.0			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0			0.0
	Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	200.0		200.0	225.0		225.0	225.0		225.0	225.0		225.0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	25.0		25.0	84.0		84.0	62.5		62.5	62.5		62.5
21.0	Assignment to Washington Travel			0.0			0.0			0.0			0.0
21.0	Home Leave Travel	18.7		18.7	48.0		48.0	33.5		33.5	33.5		33.5
21.0	R & R Travel	65.8		65.8	32.0		32.0	50.0		50.0	50.0		50.0
21.0	Education Travel			0.0			0.0			0.0			0.0
21.0	Evacuation Travel	18.9		18.9	30.0		30.0	30.0		30.0	30.0		30.0
21.0	Retirement Travel			0.0			0.0			0.0			0.0
21.0	Pre-Employment Invitational Travel			0.0			0.0			0.0			0.0
21.0	Other Mandatory/Statutory Travel			0.0			0.0			0.0			0.0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	2.6		2.6	0.0		0.0	0.0		0.0			0.0
21.0	Site Visits - Mission Personnel	80.0		80.0	80.0		80.0	80.0		80.0	80.0		80.0
21.0	Conferences/Seminars/Meetings/Retreats	25.0		25.0	35.0		35.0	35.0		35.0	35.0		35.0
21.0	Assessment Travel			0.0			0.0			0.0			0.0
21.0	Impact Evaluation Travel			0.0			0.0			0.0			0.0
21.0	Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0			0.0
21.0	Recruitment Travel			0.0			0.0			0.0			0.0
21.0	Other Operational Travel	75.5		75.5	75.5		75.5	75.5		75.5	75.5		75.5
	Subtotal OC 21.0	511.5	0.0	511.5	609.5	0.0	609.5	591.5	0.0	591.5	591.5	0.0	591.5
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	212.5		212.5	350.0		350.0	250.0		250.0	250.0		250.0
22.0	Home Leave Freight	20.9		20.9	17.5		17.5	17.5		17.5	17.5		17.5
22.0	Retirement Freight			0.0			0.0			0.0			0.0
22.0	Transportation/Freight for Office Furniture/Equip.	7.6		7.6	3.5		3.5	3.5		3.5	3.5		3.5
22.0	Transportation/Freight for Res. Furniture/Equip.	30.1		30.1	16.2		16.2	16.2		16.2	16.2		16.2
	Subtotal OC 22.0	271.1	0.0	271.1	387.2	0.0	387.2	287.2	0.0	287.2	287.2	0.0	287.2
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	318.9		318.9	229.7		229.7	319.7		319.7	319.7		319.7
23.2	Rental Payments to Others - Warehouse Space	59.0		59.0	46.0		46.0	46.0		46.0	46.0		46.0
23.2	Rental Payments to Others - Residences	819.2		819.2	953.9		953.9	979.9		979.9	979.9		979.9

OPERATING EXPENSES

Org. Title: Ukraine Org. No: 121.0 OC												
	FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Subtotal OC 23.2	1,197.1	0.0	1,197.1	1,229.6	0.0	1,229.6	1,345.6	0.0	1,345.6	1,345.6	0.0	1,345.6
23.3 Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3 Office Utilities	18.5		18.5	18.5		18.5		18.5	18.5		18.5	18.5
23.3 Residential Utilities	28.8		28.8	28.8		28.8		28.8	28.8		28.8	28.8
23.3 Telephone Costs	110.7		110.7	110.7		110.7		110.7	110.7		110.7	110.7
23.3 IT Software Leases			0.0			0.0		0.0			0.0	0.0
23.3 IT Hardware Lease			0.0			0.0		0.0			0.0	0.0
23.3 Commercial Time Sharing			0.0			0.0		0.0			0.0	0.0
23.3 Postal Fees (Other than APO Mail)			0.0			0.0		0.0			0.0	0.0
23.3 Other Mail Service Costs	0.7		0.7	0.7		0.7	0.7	0.7	0.7	0.7	0.7	0.7
23.3 Courier Services	3.3		3.3	3.3		3.3	3.3	3.3	3.3	3.3	3.3	3.3
Subtotal OC 23.3	162.0	0.0	162.0	162.0	0.0	162.0	162.0	0.0	162.0	162.0	0.0	162.0
24.0 Printing and Reproduction	15.3		15.3	10.3		10.3	10.3		10.3	10.3		10.3
Subtotal OC 24.0	15.3	0.0	15.3	10.3	0.0	10.3	10.3	0.0	10.3	10.3	0.0	10.3
25.1 Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1 Studies, Analyses, & Evaluations			0.0			0.0		0.0			0.0	0.0
25.1 Management & Professional Support Services	13.0		13.0	16.7		16.7	16.7	16.7	16.7	16.7	16.7	16.7
25.1 Engineering & Technical Services			0.0			0.0		0.0			0.0	0.0
Subtotal OC 25.1	13.0	0.0	13.0	16.7	0.0	16.7	16.7	0.0	16.7	16.7	0.0	16.7
25.2 Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2 Office Security Guards	81.0		81.0	90.0		90.0	90.0	90.0	90.0	90.0	90.0	90.0
25.2 Residential Security Guard Services			0.0			0.0		0.0			0.0	0.0
25.2 Official Residential Expenses			0.0			0.0		0.0			0.0	0.0
25.2 Representation Allowances	1.5		1.5	1.5		1.5	1.5	1.5	1.5	1.5	1.5	1.5
25.2 Non-Federal Audits			0.0			0.0		0.0			0.0	0.0
25.2 Grievances/Investigations			0.0			0.0		0.0			0.0	0.0
25.2 Insurance and Vehicle Registration Fees	1.0		1.0	1.0		1.0	1.0	1.0	1.0	1.0	1.0	1.0
25.2 Vehicle Rental			0.0			0.0		0.0			0.0	0.0
25.2 Manpower Contracts	35.0		35.0	17.5		17.5	17.5	17.5	17.5	17.5	17.5	17.5
25.2 Records Declassification & Other Records Services			0.0			0.0		0.0			0.0	0.0
25.2 Recruiting activities			0.0			0.0		0.0			0.0	0.0
25.2 Penalty Interest Payments			0.0			0.0		0.0			0.0	0.0
25.2 Other Miscellaneous Services	92.3		92.3	142.8		142.8	115.8	115.8	115.8	115.8	115.8	115.8
25.2 Staff training contracts			0.0			0.0		0.0			0.0	0.0
25.2 IT related contracts			0.0			0.0		0.0			0.0	0.0
Subtotal OC 25.2	210.8	0.0	210.8	252.8	0.0	252.8	225.8	0.0	225.8	225.8	0.0	225.8

OPERATING EXPENSES

Org. Title: Ukraine													
Org. No: 121.0		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
OC		Dollars	TF	Total									
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	124.0		124.0	124.0		124.0	124.0		124.0	124.0		124.0
25.3	All Other Services from Other Gov't. accounts			0.0			0.0			0.0			0.0
	Subtotal OC 25.3	124.0	0.0	124.0	124.0	0.0	124.0	124.0	0.0	124.0	124.0	0.0	124.0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	46.5		46.5	50.7		50.7	47.9		47.9	47.9		47.9
25.4	Residential Building Maintenance	10.4		10.4	7.6		7.6	7.1		7.1	7.1		7.1
	Subtotal OC 25.4	56.9	0.0	56.9	58.3	0.0	58.3	55.0	0.0	55.0	55.0	0.0	55.0
25.6	Medical Care												
	Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	IT and telephone operation and maintenance costs			0.0			0.0			0.0			0.0
25.7	Storage Services			0.0			0.0			0.0			0.0
25.7	Office Furniture/Equip. Repair and Maintenance	24.2		24.2	23.0		23.0	23.0		23.0	23.0		23.0
25.7	Vehicle Repair and Maintenance	5.0		5.0	5.0		5.0	5.0		5.0	5.0		5.0
25.7	Residential Furniture/Equip. Repair and Maintenance	13.0		13.0	13.0		13.0	13.0		13.0	13.0		13.0
	Subtotal OC 25.7	42.2	0.0	42.2	41.0	0.0	41.0	41.0	0.0	41.0	41.0	0.0	41.0
25.8	Subsistance & spt. of persons (by contract or Gov't.)			0.0			0.0			0.0			0.0
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	Supplies and materials	110.0		110.0	121.0		121.0	121.1		121.1	121.1		121.1
	Subtotal OC 26.0	110.0	0.0	110.0	121.0	0.0	121.0	121.1	0.0	121.1	121.1	0.0	121.1
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	96.2		96.2	48.7		48.7	49.3		49.3	49.3		49.3
31.0	Purchase of Office Furniture/Equip.	28.2		28.2	16.3		16.3	16.3		16.3	16.3		16.3
31.0	Purchase of Vehicles	0.0		0.0	115.0		115.0	36.0		36.0	36.0		36.0
31.0	Armoring of Vehicles			0.0			0.0			0.0			0.0
31.0	Purchase of Printing/Graphics Equipment			0.0			0.0			0.0			0.0
31.0	IT Hardware purchases	33.0		33.0	94.0		94.0	96.5		96.5	96.5		96.5
31.0	IT Software purchases	19.4		19.4	30.5		30.5	49.5		49.5	49.5		49.5
	Subtotal OC 31.0	176.8	0.0	176.8	304.5	0.0	304.5	247.6	0.0	247.6	247.6	0.0	247.6
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

OPERATING EXPENSES

Org. Title: Ukraine		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
Org. No: 121.0		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
OC													
32.0	Purchase of Land & Buildings (& bldg. construction)			0.0			0.0			0.0			0.0
32.0	Purchase of fixed equipment for buildings	19.0		19.0			0.0			0.0			0.0
32.0	Purchase of fixed security equipment for buildings			0.0			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Office	519.0		519.0			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Residential			0.0			0.0			0.0			0.0
	Subtotal OC 32.0	538.0	0.0	538.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0	Claims and indemnities			0.0			0.0			0.0			0.0
	Subtotal OC 42.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BUDGET		5,602.1	0.0	5,602.1	5,671.2	0.0	5,671.2	5,774.4	0.0	5,774.4	5,774.4	0.0	5,774.4

Additional Mandatory Information

Dollars Used for Local Currency Purchases	<u>500.0</u>	<u>500.0</u>	<u>500.0</u>
Exchange Rate Used in Computations	<u>5.5</u> _____	<u>5.5</u> _____	<u>5.5</u> _____

* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.
 On that form, OE funded deposits must equal: 0.0 0.0 0.0

Organization: Ukraine

Foreign National Voluntary Separation Account									
Action	FY 2001			FY 2002			FY 2003		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits			0.0			0.0			0.0
Withdrawals			0.0			0.0			0.0

Local Currency Trust Funds - Regular				
	FY 2001 Estimate	FY 2002 Target	FY 2003 Target	FY 2003 Request
Balance Start of Year				
Obligations				
Deposits				
Balance End of Year	0.0	0.0	0.0	0.0

Exchange Rate _____

Local Currency Trust Funds - Real Property				
	FY 2001 Estimate	FY 2002 Target	FY 2003 Target	FY 2003 Request
Balance Start of Year				
Obligations				
Deposits				
Balance End of Year	0.0	0.0	0.0	0.0

Exchange Rate _____

Cost of Controller Operations

Org. Title: _____

Org. No: _____

OC	FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH					0.0			0.0			0.0
	Subtotal OC 11.1			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.3	Personnel comp. - other than full-time permanent			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH					0.0			0.0			0.0
	Subtotal OC 11.3			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	Other personnel compensation			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH					0.0			0.0			0.0
11.5	FNDH					0.0			0.0			0.0
	Subtotal OC 11.5			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8	Special personal services payments			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries					0.0			0.0			0.0
11.8	FN PSC Salaries					0.0			0.0			0.0
11.8	IPA/Details-In/PASAs/RSSAs Salaries					0.0			0.0			0.0
	Subtotal OC 11.8			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12.1	Personnel benefits			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances					0.0			0.0			0.0
12.1	Cost of Living Allowances					0.0			0.0			0.0
12.1	Home Service Transfer Allowances					0.0			0.0			0.0
12.1	Quarters Allowances					0.0			0.0			0.0
12.1	Other Misc. USDH Benefits					0.0			0.0			0.0
12.1	FNDH Benefits			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	* Payments to FSN Voluntary Separation Fund - FNDH					0.0			0.0			0.0
12.1	Other FNDH Benefits					0.0			0.0			0.0
12.1	US PSC Benefits					0.0			0.0			0.0
12.1	FN PSC Benefits			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	* Payments to FSN Voluntary Separation Fund - FN PSC					0.0			0.0			0.0
12.1	Other FN PSC Benefits					0.0			0.0			0.0
12.1	IPA/Detail-In/PASA/RSSA Benefits					0.0			0.0			0.0
	Subtotal OC 12.1			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13.0	Benefits for former personnel			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH					0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FNDH					0.0			0.0			0.0

Cost of Controller Operations

Org. Title: _____		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
Org. No: _____		Dollars	TF	Total									
OC													
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0.0			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0			0.0
	Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel			0.0			0.0			0.0			0.0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field			0.0			0.0			0.0			0.0
21.0	Assignment to Washington Travel			0.0			0.0			0.0			0.0
21.0	Home Leave Travel			0.0			0.0			0.0			0.0
21.0	R & R Travel			0.0			0.0			0.0			0.0
21.0	Education Travel			0.0			0.0			0.0			0.0
21.0	Evacuation Travel			0.0			0.0			0.0			0.0
21.0	Retirement Travel			0.0			0.0			0.0			0.0
21.0	Pre-Employment Invitational Travel			0.0			0.0			0.0			0.0
21.0	Other Mandatory/Statutory Travel			0.0			0.0			0.0			0.0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel			0.0			0.0			0.0			0.0
21.0	Site Visits - Mission Personnel			0.0			0.0			0.0			0.0
21.0	Conferences/Seminars/Meetings/Retreats			0.0			0.0			0.0			0.0
21.0	Assessment Travel			0.0			0.0			0.0			0.0
21.0	Impact Evaluation Travel			0.0			0.0			0.0			0.0
21.0	Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0			0.0
21.0	Recruitment Travel			0.0			0.0			0.0			0.0
21.0	Other Operational Travel			0.0			0.0			0.0			0.0
	Subtotal OC 21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight			0.0			0.0			0.0			0.0
22.0	Home Leave Freight			0.0			0.0			0.0			0.0
22.0	Retirement Freight			0.0			0.0			0.0			0.0
22.0	Transportation/Freight for Office Furniture/Equip.			0.0			0.0			0.0			0.0
22.0	Transportation/Freight for Res. Furniture/Equip.			0.0			0.0			0.0			0.0
	Subtotal OC 22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Warehouse Space			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Residences			0.0			0.0			0.0			0.0

Cost of Controller Operations

Org. Title: _____ Org. No: _____ OC												
	FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
	Dollars	TF	Total									
Subtotal OC 23.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.3 Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3 Office Utilities			0.0			0.0			0.0			0.0
23.3 Residential Utilities			0.0			0.0			0.0			0.0
23.3 Telephone Costs			0.0			0.0			0.0			0.0
23.3 IT Software Leases			0.0			0.0			0.0			0.0
23.3 IT Hardware Lease			0.0			0.0			0.0			0.0
23.3 Commercial Time Sharing			0.0			0.0			0.0			0.0
23.3 Postal Fees (Other than APO Mail)			0.0			0.0			0.0			0.0
23.3 Other Mail Service Costs			0.0			0.0			0.0			0.0
23.3 Courier Services			0.0			0.0			0.0			0.0
Subtotal OC 23.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24.0 Printing and Reproduction			0.0			0.0			0.0			0.0
Subtotal OC 24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.1 Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1 Studies, Analyses, & Evaluations			0.0			0.0			0.0			0.0
25.1 Management & Professional Support Services			0.0			0.0			0.0			0.0
25.1 Engineering & Technical Services			0.0			0.0			0.0			0.0
Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2 Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2 Office Security Guards			0.0			0.0			0.0			0.0
25.2 Residential Security Guard Services			0.0			0.0			0.0			0.0
25.2 Official Residential Expenses			0.0			0.0			0.0			0.0
25.2 Representation Allowances			0.0			0.0			0.0			0.0
25.2 Non-Federal Audits			0.0			0.0			0.0			0.0
25.2 Grievances/Investigations			0.0			0.0			0.0			0.0
25.2 Insurance and Vehicle Registration Fees			0.0			0.0			0.0			0.0
25.2 Vehicle Rental			0.0			0.0			0.0			0.0
25.2 Manpower Contracts			0.0			0.0			0.0			0.0
25.2 Records Declassification & Other Records Services			0.0			0.0			0.0			0.0
25.2 Recruiting activities			0.0			0.0			0.0			0.0
25.2 Penalty Interest Payments			0.0			0.0			0.0			0.0
25.2 Other Miscellaneous Services			0.0			0.0			0.0			0.0
25.2 Staff training contracts			0.0			0.0			0.0			0.0
25.2 IT related contracts			0.0			0.0			0.0			0.0
Subtotal OC 25.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Cost of Controller Operations

Org. Title: _____

Org. No: _____

OC	FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
	Dollars	TF	Total									
25.3 Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3 ICASS			0.0			0.0			0.0			0.0
25.3 All Other Services from Other Gov't. accounts			0.0			0.0			0.0			0.0
Subtotal OC 25.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.4 Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4 Office building Maintenance			0.0			0.0			0.0			0.0
25.4 Residential Building Maintenance			0.0			0.0			0.0			0.0
Subtotal OC 25.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.6 Medical Care												
Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7 Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7 IT and telephone operation and maintenance costs			0.0			0.0			0.0			0.0
25.7 Storage Services			0.0			0.0			0.0			0.0
25.7 Office Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0			0.0
25.7 Vehicle Repair and Maintenance			0.0			0.0			0.0			0.0
25.7 Residential Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0			0.0
Subtotal OC 25.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.8 Subsistence & spt. of persons (by contract or Gov't.)			0.0			0.0			0.0			0.0
Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0 Supplies and materials			0.0			0.0			0.0			0.0
Subtotal OC 26.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31.0 Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0 Purchase of Residential Furniture/Equip.			0.0			0.0			0.0			0.0
31.0 Purchase of Office Furniture/Equip.			0.0			0.0			0.0			0.0
31.0 Purchase of Vehicles			0.0			0.0			0.0			0.0
31.0 Armoring of Vehicles			0.0			0.0			0.0			0.0
31.0 Purchase of Printing/Graphics Equipment			0.0			0.0			0.0			0.0
31.0 IT Hardware purchases			0.0			0.0			0.0			0.0
31.0 IT Software purchases			0.0			0.0			0.0			0.0
Subtotal OC 31.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32.0 Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Accessing Global Bureau Services Through Field Support and Buy-Ins Ukraine

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2002		FY 2003	
				Obligated by:		Obligated by:	
Operating Unit	Global Bureau	Operating Unit	Global Bureau				
SO 1.2	Fiscal Reform II--Development Alternatives, Inc.(DAI)	High	3 years	3,900		2,900	
SO 1.3b	Accounting, Auditing SEGIR	High	3 years	1,260		1,600	
SO 1.3b	Corporate Governance/ Investment, SEGIR	High	2 years	1,900		2,100	
SO 1.4	Commercial Law Resource Center--DTT	Medium	2 years	2,000		2,000	
SO 1.4	Non-Bank Financial Intermediaries--TBD	High	2 years	1,300		1,300	
SO 1.5	Power Sector Privatization--DTT	High	2 years	1,075		625	
SO 1.5	Utility Partnerships--USEA	Medium-high	2 years	600		450	
SO 1.5	Regional Regulatory--NARUC	Medium-high	2 years	75		75	
SO 1.5	Energy Market Development--Hunton and Williams	Medium	2 years	1,400		1,500	
SO 3.2	HIV/ AIDS - Intern. HIV/ AIDS Alliance	High	3 years	896			
SO 3.2	TB Program - WHO	High	4 years	750		700	
SO 3.2	New Policy Results - The Futures Group	High	5 years	400		400	
SO 3.2	Maternal Health - TBD	High	5 years	1,000		1,200	
GRAND TOTAL.....				16,556		14,850	

* For Priorities use high, medium-high, medium, medium-low, low

USAID Costs as ICASS Service Provider

Org. Title: _____		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
Org. No: _____		Dollars	TF	Total									
OC													
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
	Subtotal OC 11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
	Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0.0			0.0			0.0			0.0
11.5	FNDH			0.0			0.0			0.0			0.0
	Subtotal OC 11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries			0.0			0.0			0.0			0.0
11.8	FN PSC Salaries			0.0			0.0			0.0			0.0
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0.0			0.0			0.0			0.0
	Subtotal OC 11.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances			0.0			0.0			0.0			0.0
12.1	Cost of Living Allowances			0.0			0.0			0.0			0.0
12.1	Home Service Transfer Allowances			0.0			0.0			0.0			0.0
12.1	Quarters Allowances			0.0			0.0			0.0			0.0
12.1	Other Misc. USDH Benefits			0.0			0.0			0.0			0.0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to FSN Voluntary Separation Fund - FNDH			0.0			0.0			0.0			0.0
12.1	Other FNDH Benefits			0.0			0.0			0.0			0.0
12.1	US PSC Benefits			0.0			0.0			0.0			0.0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to FSN Voluntary Separation Fund - FN PSC			0.0			0.0			0.0			0.0
12.1	Other FN PSC Benefits			0.0			0.0			0.0			0.0
12.1	IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0			0.0
	Subtotal OC 12.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0.0			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0			0.0

USAID Costs as ICASS Service Provider

Org. Title: _____		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
Org. No: _____		Dollars	TF	Total									
OC													
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0.0			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0			0.0
	Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel			0.0			0.0			0.0			0.0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field			0.0			0.0			0.0			0.0
21.0	Assignment to Washington Travel			0.0			0.0			0.0			0.0
21.0	Home Leave Travel			0.0			0.0			0.0			0.0
21.0	R & R Travel			0.0			0.0			0.0			0.0
21.0	Education Travel			0.0			0.0			0.0			0.0
21.0	Evacuation Travel			0.0			0.0			0.0			0.0
21.0	Retirement Travel			0.0			0.0			0.0			0.0
21.0	Pre-Employment Invitational Travel			0.0			0.0			0.0			0.0
21.0	Other Mandatory/Statutory Travel			0.0			0.0			0.0			0.0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel			0.0			0.0			0.0			0.0
21.0	Site Visits - Mission Personnel			0.0			0.0			0.0			0.0
21.0	Conferences/Seminars/Meetings/Retreats			0.0			0.0			0.0			0.0
21.0	Assessment Travel			0.0			0.0			0.0			0.0
21.0	Impact Evaluation Travel			0.0			0.0			0.0			0.0
21.0	Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0			0.0
21.0	Recruitment Travel			0.0			0.0			0.0			0.0
21.0	Other Operational Travel			0.0			0.0			0.0			0.0
	Subtotal OC 21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight			0.0			0.0			0.0			0.0
22.0	Home Leave Freight			0.0			0.0			0.0			0.0
22.0	Retirement Freight			0.0			0.0			0.0			0.0
22.0	Transportation/Freight for Office Furniture/Equip.			0.0			0.0			0.0			0.0
22.0	Transportation/Freight for Res. Furniture/Equip.			0.0			0.0			0.0			0.0
	Subtotal OC 22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Warehouse Space			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Residences			0.0			0.0			0.0			0.0

USAID Costs as ICASS Service Provider

Org. Title: _____ Org. No: _____												
OC	FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
	Dollars	TF	Total									
Subtotal OC 23.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.3 Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3 Office Utilities			0.0			0.0			0.0			0.0
23.3 Residential Utilities			0.0			0.0			0.0			0.0
23.3 Telephone Costs			0.0			0.0			0.0			0.0
23.3 IT Software Leases			0.0			0.0			0.0			0.0
23.3 IT Hardware Lease			0.0			0.0			0.0			0.0
23.3 Commercial Time Sharing			0.0			0.0			0.0			0.0
23.3 Postal Fees (Other than APO Mail)			0.0			0.0			0.0			0.0
23.3 Other Mail Service Costs			0.0			0.0			0.0			0.0
23.3 Courier Services			0.0			0.0			0.0			0.0
Subtotal OC 23.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24.0 Printing and Reproduction			0.0			0.0			0.0			0.0
Subtotal OC 24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.1 Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1 Studies, Analyses, & Evaluations			0.0			0.0			0.0			0.0
25.1 Management & Professional Support Services			0.0			0.0			0.0			0.0
25.1 Engineering & Technical Services			0.0			0.0			0.0			0.0
Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2 Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2 Office Security Guards			0.0			0.0			0.0			0.0
25.2 Residential Security Guard Services			0.0			0.0			0.0			0.0
25.2 Official Residential Expenses			0.0			0.0			0.0			0.0
25.2 Representation Allowances			0.0			0.0			0.0			0.0
25.2 Non-Federal Audits			0.0			0.0			0.0			0.0
25.2 Grievances/Investigations			0.0			0.0			0.0			0.0
25.2 Insurance and Vehicle Registration Fees			0.0			0.0			0.0			0.0
25.2 Vehicle Rental			0.0			0.0			0.0			0.0
25.2 Manpower Contracts			0.0			0.0			0.0			0.0
25.2 Records Declassification & Other Records Services			0.0			0.0			0.0			0.0
25.2 Recruiting activities			0.0			0.0			0.0			0.0
25.2 Penalty Interest Payments			0.0			0.0			0.0			0.0
25.2 Other Miscellaneous Services			0.0			0.0			0.0			0.0
25.2 Staff training contracts			0.0			0.0			0.0			0.0
25.2 IT related contracts			0.0			0.0			0.0			0.0
Subtotal OC 25.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

USAID Costs as ICASS Service Provider

Org. Title: _____		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
Org. No: _____		Dollars	TF	Total									
OC													
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS			0.0			0.0			0.0			0.0
25.3	All Other Services from Other Gov't. accounts			0.0			0.0			0.0			0.0
	Subtotal OC 25.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance			0.0			0.0			0.0			0.0
25.4	Residential Building Maintenance			0.0			0.0			0.0			0.0
	Subtotal OC 25.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.6	Medical Care			0.0			0.0			0.0			0.0
	Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	IT and telephone operation and maintenance costs			0.0			0.0			0.0			0.0
25.7	Storage Services			0.0			0.0			0.0			0.0
25.7	Office Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0			0.0
25.7	Vehicle Repair and Maintenance			0.0			0.0			0.0			0.0
25.7	Residential Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0			0.0
	Subtotal OC 25.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.8	Subsistance & spt. of persons (by contract or Gov't.)			0.0			0.0			0.0			0.0
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	Supplies and materials			0.0			0.0			0.0			0.0
	Subtotal OC 26.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.			0.0			0.0			0.0			0.0
31.0	Purchase of Office Furniture/Equip.			0.0			0.0			0.0			0.0
31.0	Purchase of Vehicles			0.0			0.0			0.0			0.0
31.0	Armoring of Vehicles			0.0			0.0			0.0			0.0
31.0	Purchase of Printing/Graphics Equipment			0.0			0.0			0.0			0.0
31.0	IT Hardware purchases			0.0			0.0			0.0			0.0
31.0	IT Software purchases			0.0			0.0			0.0			0.0
	Subtotal OC 31.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

USAID Costs as ICASS Service Provider

Org. Title: _____												
Org. No: _____												
OC	FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
32.0	Purchase of Land & Buildings (& bldg. construction)		0.0			0.0			0.0			0.0
32.0	Purchase of fixed equipment for buildings		0.0			0.0			0.0			0.0
32.0	Purchase of fixed security equipment for buildings		0.0			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Office		0.0			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Residential		0.0			0.0			0.0			0.0
	Subtotal OC 32.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0	Claims and indemnities					0.0			0.0			0.0
	Subtotal OC 42.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL MISSION FUNDED BUDGET			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Centrally funded costs

USDH Salaries/Benefits
Other Centrally Fund Costs (specify)
Total Centrally Funded Costs
Total ICASS Service Provider Budget

**Washington Offices/Bureaus
Operating Expenses**

Office/Bureau: <input type="text"/>		FY 2001	FY 2002	FY 2003	FY 2003
OC	Object Class Code Title	Estimate	Target	Target	Request
11.8	Special personal services payments				
	U.S. PSCs				
	IPA/Details-In/PASAs/RSSAs Salaries				
	Subtotal OC 11.8	0.0	0.0	0.0	0.0
12.1	Personnel Benefits				
	U.S. PSCs - Benefits				
	IPA/Details-In/PASAs/RSSAs Benefits				
	Subtotal OC 12.1	0.0	0.0	0.0	0.0
21.0	Travel and transportation of persons				
	Training Travel				
	Operational Travel				
	Site Visits - Headquarters Personnel				
	Site Visits - Mission Personnel				
	Conferences/Seminars/Meetings/Retreats				
	Assessment Travel				
	Impact Evaluation Travel				
	Disaster Travel (to respond to specific disasters)				
	Recruitment Travel				
	Other Operational Travel				
	Subtotal OC 21.0	0.0	0.0	0.0	0.0
23.3	Communications, Utilities, and Miscellaneous Charges				
	Commercial Time Sharing				
	Other Communications, Util, and Misc. Charges				
	Subtotal OC 23.3	0.0	0.0	0.0	0.0
24.0	Printing & Reproduction				
	Subscriptions & Publications				
	Other Printing and Reproduction				
	Subtotal OC 24.0	0.0	0.0	0.0	0.0
25.1	Advisory and assistance services				
	Studies, Analyses, & Evaluations				
	Management & Professional Support Services				
	Engineering & Technical Services				
	Subtotal OC 25.1	0.0	0.0	0.0	0.0
25.2	Other services				
	Non-Federal Audits				
	Grievances/Investigations				
	Manpower Contracts				
	Staff training contracts				
	Other Miscellaneous Services				
	Subtotal OC 25.2	0.0	0.0	0.0	0.0
25.3	Purchase of goods and services from Government accounts				
	DCAA Audits				
	HHS Audits				
	All Other Federal Audits				
	Reimbursements to Other USAID Accounts				
	All Other Services from other Gov't. Agencies				
	Subtotal OC 25.3	0.0	0.0	0.0	0.0
25.7	Operation & Maintenance of Equipment & Storage				
25.8	Subsistence and support of persons (contract or Gov't.)				
26.0	Supplies and Materials				
31.0	Equipment				
	IT Software Purchases				
	IT Hardware Purchases				
	Other Equipment Purchases				
	Subtotal OC 31.0	0.0	0.0	0.0	0.0
Subtotal		0.0	0.0	0.0	0.0
Additional Object Class Codes (If Required)					
Total Other Object Class Codes		0.0	0.0	0.0	0.0
Total Budget		0.0	0.0	0.0	0.0

Information Annex Topic: Institutional Development

Information Annex Topic: Institutional and organizational development

What the information annex will be used for: prepare the cross-cutting theme chapter of the FY 2000 Performance Overview. The 2000 revision of the Agency Strategic Plan includes five cross-cutting themes in addition to the six Agency goals and the management goal. It also includes a commitment to report on one of the themes in depth in the Performance Overview each year. Institutional and organizational development has been chosen as the theme to be reported on in the 2000 Performance Overview.

requested:

- * support for institutional and organizational development is systematically programmed in results frameworks for the majority of Agency OUs;
- * support for institutional and organizational development systematically cross-cuts Agency goal areas in OU programs;
- * institutional and organizational development support is provided to public sector, private for-profit and private non-profit organizations consistent with program objectives;
- * a variety of types of capacity-building (e.g., financial accountability and sustainability, management and

Guidelines for Identifying Institutional Capacity Development. An institutional development IR should contain two elements: (1) the name of the overarching institution concerned and (2) the change taking place. IRs Institutions are defined as the "rules of the game" and the measures for enforcing those rules. In other words, for our purposes, institutions refer to the broad political and economic context within which development processes take place. These include policies, laws, regulations, and judicial practices. They also refer to less tangible practices like corruption, presence or lack of transparency and accountability. The rules and norms we are concerned with are political and economic, not social. Not every IR about policy is to be called institutional development. If the IR is about adopting/implementing a specific policy, it is not institutional development-- it falls under the goal area for the sector it addresses. Include only IRs about changing the

Guideline for Identifying Organizational Capacity Development IRs. The IR should have these elements: (1) It must name or allude to a specific organization or type of organization (an organization is a group of individuals bound by some common purpose to achieve objectives) and (2) it has to how or what action is

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Verification	Objective ID	IR No.	IR name	Indicators	Public sector	Private for profit	Private non-profit
Y	121-113	IR 113.1	Improved policy, legal, and regulatory environment facing the private and agricultural sector		Y	Y	Y
Y	121-113	IR 113.1.1	analysis		Y	N	N
Y	121-113	IR 113.1.3	National, regional, and local governments are more cooperative regarding regional reform initiatives		Y	N	N
Y	121-012	IR 12.1	reformed		Y	N	N
Y	121-012	IR 12.1.1	Budget preparation process is strengthened		Y	N	N
Y	121-014	IR 14.2	Transparent and open securities system established		Y	N	N
Y	121-014	IR 14.2.1	Securities Regulatory Commission empowered and overseeing capital market activities		Y	N	N
Y	121-014	IR 14.2.2	Self-regulating organizations of market participants authorized and effective		N	N	Y
Y	121-014	IR 14.2.4	Companies raising capital through organized exchanges		N	Y	N
Y	121-014	IR 14.3	Market supportive legal system created		Y	N	N
N	121-014	IR 14.3.1	institutional capacity to enact and implement legislation well-developed				
N	121-014	IR 14.3.2	Human capacity to enact and implement legislation well-developed				
Y	121-015	IR 15.1	Improved regulatory environment for the energy sector		Y	N	N
Y	121-015	IR 15.1.1	Fully functional independent National Energy Regulatory Commission (NERC)		Y	N	N
Y	121-015	IR 15.1.5	Legal and regulatory framework to promote coalbed methane		Y	N	N
Y	121-021	IR 21.1.2	Citizenry and NGOs influence the political process		N	N	Y
Y	121-021	IR 21.2.1	Transparency of government operations increased		Y	N	N
Y	121-022	IR 22.1	Courts carry out their role as ascribed to them by law		Y	N	N
N	121-022	IR 22.1.1	Increased capability of judges				
Y	121-022	IR 22.1.2	The judiciary is independent		Y	N	N
N	121-022	IR 22.2	Civil and Criminal Codes and supporting legislation meeting International standards are enacted				
Y	121-022	IR 22.2.1	Improved legislative process		Y	N	N
Y	121-022	IR 22.3	Citizens exert their rights and hold government accountable to the laws		N	N	Y
Y	121-022	IR 22.4	Improved enforcement of judicial decisions and criminal laws (does not involve USAID)		Y	N	N
N	121-023	IR 23.1	Improved management				

or to delete IRs that do not or that are no longer part of your results framework.							
Verification							
Codes: Y - IR falls within the definition N - IR does not fall with the defintion X - This IR has been changed, modified, or dropped.							
Public sector, private for profit, and private non-profit							
Codes: Y - Yes N - No							

Information Annex Topic: Environmental Impact

The USAID Regional Mission for Ukraine, Belarus and Moldova made significant progress in 2000 in meeting requirements under 22 CFR 216 (Reg. 216). The E&E Bureau Environmental Advisor provided a series of workshops in Kyiv, Minsk and Chisinau that were attended by key Mission staff, including Program Development Officers, Contract Officers, Office Directors, and SO Team Leaders. As a result the level of awareness among Mission staff about USAID requirements under Reg. 216 is greatly increased.

The Mission is successfully making the transition from project-based environmental review managed by Washington, to an activity-based environmental review, managed by SO Teams. The Mission's Regional Contract Officer and Regional Legal Advisor have developed check lists for use in approving and funding new activities that make it clear to all staff that each activity must have an environmental review before it will be approved. The Mission Environment Officer also has drafted a Mission Order on Reg. 216 that will be adopted in 2001.

Most of the Mission's activities continue to fall among those classes of action that are categorically excluded from an Initial Environmental Examination (IEE) or Environmental Assessment (EA). The major exception to Categorical Exclusion (CE) is the agricultural program that in Ukraine and Moldova. With assistance from the Bureau Environment Officer and E&E/EEST/ENR, the Mission was able to reduce the backlog of sub-activities in need of environmental review. A small number of agriculture program sub-activities were implemented without receiving approval from the Bureau Environment Advisor (CEO). Nevertheless, these activities still were examined for their environmental impact by the activity manager and grantee and measures were required during the implementation of these sub-activities to ensure that they would not result in significant negative environmental impact.

In calendar year 2000, the Mission reviewed 13 activities: 4 for CE; 8 for IEE; and 1 for EA. Of these, the BEO approved 3 CEs and 4 IEEs.

In calendar year 2001, the Mission already has reviewed 15 activities (15 CEs, 2 IEEs,). Nine of these have been approved by the BEO. An additional 77 new activities or substantive amendments to existing activities are expected to require environmental review before the end of the year.

The Mission's team for managing Reg. 216 matters is led by the Mission Environment Officer with support from its half-time Environment Program Assistant and Administrative Assistant in the Office of Democratic and Social Transition.

Information Annex Topic: E&E R4 Detailed Budget Information

Resource Request

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Ukraine

Budget Breakdown by Strategic Objective - FY 2001-2003

STRATEGIC OBJECTIVE	Contractor/ Grantee	FY 2001 Plan		FY 2002	FY 2003
		FY 00 C/O Budget	FY 01 Budget	Request	Request

STRATEGIC ASSISTANCE AREA 1: ECONOMIC RESTRUCTURING

Foster the emergence of a competitive market oriented economy in which the majority of economic resources is privately owned and managed.

1.2 Increased Soundness of Fiscal Policies/Fiscal Management Practices					
Fiscal II	DAI	1,200,000	3,000,000	3,900,000	2,900,000
Macroeconomic Analysis	CASE Foundation	300,000			
9.4 Program Design & Mgt (SO 1.2)		457,000	94,000	470,000	490,000
TOTAL, SO 1.2		1,957,000	3,094,000	4,370,000	3,390,000

1.3 Accelerated Development and Growth of Private Enterprises					
1.3A A More Responsive Agriculture Sector					
Small Farmer Training - LSU	LSU		600,000	473,000	
(N) Marketing Program	TBD		1,000,000	827,000	1,200,000
Ag Policy Reform	UNDP	494,428	200,000	526,000	541,000
(N) Land Titling - Rural Land	TBD		4,800,000	4,530,000	5,000,000
6.5 Project Design and Management		178,347	380,000	390,000	420,000
SubTOTAL, SO 1.3A		672,775	6,980,000	6,746,000	7,161,000

1.3B More Competitive and Efficient Privatized Enterprises					
(N) Land Titling - Urban Land	TBD		507,075	570,000	580,000
IRPF	IRPF	150,000			
Management Accounting	IBTCI	66,681			
Management Accounting/ Auditing	IBTCI		1,380,435	1,260,000	1,600,000
(N) Corp. Gov./ Int'l Bus Stnds	TBD		1,000,000	1,900,000	2,100,000
5.9 Program Design and Management		219,138	451,000	460,000	505,000
11.1 W/NIS Enterprise Fund		500,000	10,000,000	10,000,000	10,000,000
SubTOTAL, SO 1.3B		935,819	13,338,510	14,190,000	14,785,000

1.3C Expanded Role of Small and Medium Enterprises (SME's)					
BIZPRO	DAI		4,150,000	4,550,000	6,400,000
CEI - Congressional Earmark	CEI		800,000	700,000	
Volunteer Activities	Alliance		1,500,000	1,300,000	700,000
Junior Achievement Ukraine	Junior Achievement Int'l		52,000		
Women's Economic Empowerment	Winrock		748,000		
Credit Union Support	TBD	204,914	255,490	1,000,000	1,000,000
Business Education	University of Minnesota		750,000		
(N) Business Education II	TBD			1,700,000	1,700,000
Public Education for Free Market	Gavin Andersen	55,490	1,500,000		
NTCA - Congressional Earmark	NTCA		750,000	750,000	250,000
5.9 Program Design and Management		164,200	649,000	593,000	491,000
SubTOTAL, SO 1.3C		424,604	11,154,490	10,593,000	10,541,000

TOTAL SO 1.3		2,033,198	31,473,000	31,529,000	32,487,000
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Resource Request

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Ukraine

Budget Breakdown by Strategic Objective - FY 2001-2003

STRATEGIC OBJECTIVE	Contractor/ Grantee	FY 2001 Plan		FY 2002	FY 2003
		FY 00 C/O Budget	FY 01 Budget	Request	Request
1.4 A More Competitive and Market-responsive Private Financial Sector					
Corporate Gov. & Enforcement	FMI	333,319			
Bank Supervision	Barents	453,074	600,000		
Bank Restructuring	Booz-Alen		200,000		
(N) Non-Bank Fin. Intermediaries	TBD			1,300,000	1,300,000
MBA Training	KPMG/ Barents		500,000		
Commercial Law Info Center/ Legal Analysis	DTT	237,119	1,500,000	2,000,000	2,000,000
Financial Restructuring/ Bankruptcy	DTT		800,000		
Regulatory Reform	ARD/ Checchi		400,000		
9.4 Program Design and Mngt (SO 1.4)		305,000	215,000	200,000	200,000
TOTAL SO 1.4		1,328,512	4,215,000	3,500,000	3,500,000
1.5 Economically Sound/Environmentally Sustainable Energy System					
Tariff Reform (see SO 2.3)	PADCO	377,000	173,000		
Power Sector Privatization	DTT		600,000	1,075,000	625,000
Utility Partnerships	USEA	400,000	500,000	600,000	450,000
AID/W Energy Buy-ins	NARUC & TBD	15,000		150,000	150,000
Energy Market Development	Hunton & Williams	1,112,000	1,290,000	1,400,000	1,500,000
MBA in Energy Training	IIE	28,795	500,000		
2.6 Program Design and Management		330,000	321,000	450,000	550,000
TOTAL SO 1.5		2,262,795	3,384,000	3,675,000	3,275,000
1.6 A More Economically Sustainable Environment					
Energy Effic. Investment Pr. For Climate Mitigation	UNF for IP	100,000			
Climate Change Initiative	PA Government Services		800,000	999,973	
(N) Climate Change Initiative II	TBD			400,027	900,000
Local Environment Action Program	Inst. For Sustain. Communities		555,000	445,000	400,000
3.6 Program Design and Management		173,422	405,000	200,000	400,000
TOTAL SO 1.6		273,422	1,760,000	2,045,000	1,700,000
STRATEGIC AREA 1 TOTAL		7,854,927	43,926,000	45,119,000	44,352,000

Resource Request

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Ukraine

Budget Breakdown by Strategic Objective - FY 2001-2003

STRATEGIC OBJECTIVE	Contractor/ Grantee	FY 2001 Plan		FY 2002	FY 2003
		FY 00 C/O Budget	FY 01 Budget	Request	Request

STRATEGIC ASSISTANCE AREA 2: DEMOCRATIC TRANSITION

Support the transition to transparent and accountable governance and the empowerment of citizens through democratic political processes.

2.1 Increased Citizens' Participation in Political/ Economic Decision-making					
Political Process - 1	NDI/IRI (CEPPS-1)		1,000,000		
Political Process - 2	NDI/IRI (CEPPS-2)		1,000,000	2,250,000	2,250,000
Electoral Process	Dev. Associates, Inc.		450,000	700,000	325,000
Democratic Social Service NGO Program	Counterpart		750,000		
(N) Democratic NGO & CSO Program	TBD		1,400,000	1,900,000	2,300,000
Partnership for Reform	Freedom House		350,000		
Fostering Anti-Corruption Public Actions	TBD	1,200,000	800,000		800,000
Independent Media Development	Internews	425,352	800,000		
ProMedia Program	IREX		800,000	317,968	
(N) Freedom of Speech (Media Support)	TBD		-	1,500,000	2,300,000
7.6 Program Design and Management		391,346	492,000	700,000	700,000
TOTAL SO 2.1		2,016,698	7,842,000	7,367,968	8,675,000

2.2. Legal Systems that Support Democratic Processes and Market Reforms					
Parliamentary Development PDP/Parl	Indiana University		800,000	840,232	
(N) PDP II	TBD			400,000	864,000
ROL Development Program	ABA-CEELI	126,250	{517,000}-reob		
7.6 Program Design and Management			230,000	230,000	230,000
TOTAL SO 2.2		126,250	1,030,000	1,470,232	1,094,000

2.3 More Effective, Responsible and Accountable Local Government					
Urban Water Rollout	CH2MHill		849,393	230,000	170,000
Community Partnership Program	US - Ukr.Foundation		2,300,000	1,700,000	
Tariff Reform/ Communal Services Restructuring	PADCO, Inc.		950,000	2,093,518	1,800,000
AUC Regional Branches Dissemination Program	RTI	500,000	200,000	780,000	
(N) Municipal Dev't Activity	TBD				1,362,000
7.6 Project Design and Management - SO 2.3		527,202	160,000	400,000	500,000
TOTAL SO 2.3		1,027,202	4,459,393	5,203,518	3,832,000
STRATEGIC AREA 2 TOTAL		3,170,150	13,331,393	14,041,718	13,601,000

Resource Request

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Ukraine

Budget Breakdown by Strategic Objective - FY 2001-2003

STRATEGIC OBJECTIVE	Contractor/ Grantee	FY 2001 Plan		FY 2002	FY 2003
		FY 00 C/O Budget	FY 01 Budget	Request	Request

STRATEGIC ASSISTANCE AREA 3: SOCIAL STABILIZATION

3.2 Increased Promotion of Good Health and Access to Quality Health Care					
Health Partnerships	AIHA		500,000	2,200,000	2,700,000
Children's Illness- Birth Defects	Univ. Of South Alabama		1,000,000		
Buy-in - Health Promotion/ Ed/ Iodine Deficiency	UNICEF		100,000		
HIV/AIDS	Intl. HIV/ AIDS Alliance	214,657	580,343	895,834	
TB Program	WHO		1,350,000	750,000	700,000
New Policy Results	The Futures Group		400,000	400,000	400,000
(N) Maternal Health	TBD	103,093	1,300,000	1,000,000	1,200,000
Reproductive Health Survey	TBD			300,000	100,000
4.6 Program Design and Management		61,500	864,657	450,000	500,000
SubTOTAL, SO 3.2		379,250	6,095,000	5,995,834	5,600,000

3.4 Mitigation of Adverse Social Impacts of the Transition to Market- Based Democracies					
1.1.0 Emergency Humanitarian Assistance	CHAP		750,000		
(N) Emergency Humanit. Assistance	TBD			800,000	850,000
Democratic Social Service NGO Program	Counterpart	100,000			
Pension Reform Implementation Program	PADCO, Inc.		1,600,000	1,500,000	1,600,000
9.4 Program Design & Mgt (SO 3.2)		18,000	284,500	200,000	200,000
SubTOTAL, SO 3.4		118,000	2,634,500	2,500,000	2,650,000

TOTAL AREA 3		497,250	8,729,500	8,495,834	8,250,000
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Resource Request

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Ukraine

Budget Breakdown by Strategic Objective - FY 2001-2003

STRATEGIC OBJECTIVE	Contractor/ Grantee	FY 2001 Plan		FY 2002	FY 2003
		FY 00 C/O Budget	FY 01 Budget	Request	Request

STRATEGIC ASSISTANCE AREA 4: CROSS-CUTTING PROGRAMS/SPECIAL INITIATIVES

4.2 Crosscutting Programs						
1.20	Activity Development Support/ Evaluation	TBD	883,348	1,279,709	1,034,748	1,206,213
1.23	Ukraine- Poland Collaboration	Freedom House	1,075,213	1,500,000	1,500,000	2,000,000
1.23.2	Ukraine Reform Education	NGO - TBD			1,000,000	1,000,000
1.24	Combatting Trafficking in Women	Winrock	619	982,000	1,000,000	1,000,000
1.25	Kharkiv Initiative	TBD	7,804	658,000	658,000	658,000
1.26	Lviv Initiative	TBD	18,904	65,000	30,000	30,000
1.27	Admin. Support	TBD	400,000	1,150,000	1,345,000	1,570,000
1.28	Unallocated PD&S Funds	TBD		1,881,293	822,806	1,379,892
1.29.1	Ukraine Land Resource Mgmt Ctr	ERIM	247,106			
1.29.2	Ukraine Land Resource Mgmt Ctr	TBD		1,447,105	652,894	652,895
10.0	Eurasia Foundation	Eurasia Foundation		2,700,000	3,000,000	3,000,000
12.1	Participant Training - START	TBD	86,468	1,000,000	1,000,000	1,000,000
TOTAL SO 4.2			2,719,462	12,663,107	12,043,448	13,497,000
STRATEGIC AREA 4 TOTAL			2,719,462	12,663,107	12,043,448	13,497,000
USAID Projects Subtotal			14,241,789	78,650,000	79,700,000	79,700,000
Transfers Subtotal						
Performance Fund			-			
Parking Fine Withholding						
Country Total			14,241,789	78,650,000	79,700,000	79,700,000

Information Annex Topic: Global Climate Change

Cooperation with Ukraine to reduce harmful greenhouse gas emission and meet global commitments under the United Nations Framework Convention on Climate Change (UNFCCC) is the Mission's most significant environmental activity.

The USAID Climate Change Initiative/Ukraine (CCI) aims to strengthen institutions and policies necessary for the GOU to meet its international commitments, increase the role of the non-governmental community, and to stimulate investment in climate change mitigation measures. The main components of the CCI are: 1) Administrative Structure for Managing Climate Change; 2) Project Identification and Preparation; 3) Methodologies for Managing a National Climate Change Program; and 4) Raising Awareness and Building Consensus for Action. Technical assistance in these areas is enhanced by an extensive training program. The CCI web site (www.climate.org.ua) maintains an up-to-date description of the USAID program, a data base of all climate activities in Ukraine, a pipeline of potential GHG mitigation projects, a catalogue and copy of USAID training modules, and other valuable information and links on global climate change.

The CCI is implemented through a contract with PA Government Services (formerly Haigler Bailly Services) and is complemented by two other USAID-supported climate change related activities: energy efficiency projects managed by the Alliance to Save Energy; and energy efficiency and project financing projects managed by the U.S. Department of Energy (DOE) and the Pacific Northwest National Laboratory (PNNL) in cooperation with the Ukrainian NGO Arena-Eco. Other US-funded climate change activities are implemented by the US Environmental Protection Agency and focus on the coal bed methane inventory and general policy. USAID climate change activities in Ukraine are implemented within the framework of the Memorandum of Intent for Cooperation on Global Climate Change that was signed in December 1999.

I. INCREASED PARTICIPATION IN THE UNFCCC (RESULT 1)

A. Policy Advances Supporting the UNFCCC

USAID established the CCI Center as an information and project management center in December 1999. It has served as a support unit and resource for the Government of Ukraine in its efforts to develop a sound national climate change program and to build capacity. The CCI established a strong working relationship with key individuals and institutions involved in climate change issues in Ukraine. These relationships have brought climate change issues to the highest levels in the Ukrainian Government. CCI's counterparts include the Ministry of Ecology and Natural Resources, the Ministry of Fuel and Energy, *Verhovna Rada* (Parliament), regional and city administrations, NGOs, industrialists and entrepreneurs.

The CCI supported the participation of GOU officials and experts in the UNFCCC. The CCI supported the participation of 2 key government officials in Conference of Parties (COP)5, 2 in meetings of the Umbrella Group and 3 in SBSTA meetings. The CCI supported Ukraine's largest and most diverse delegation ever to the Sixth Conference of Parties (8 of 13 government officials received CCI support.) The CCI also supported NGO participation in the COP6.

The CCI conducted an assessment of Ukraine's administrative structure for climate change.

Recommendations for strengthening existing administrative structures were developed and presented to the GOU and a broad range of other stakeholders. In September 2000, the Government reconvened the Inter-Ministerial Commission on Climate Change (IMCCC). In November 2000, CCI was invited to make a presentation in advance of COP6.

In 2001, the CCI Center will conduct training for the IMCCC working group staff on the current status of global climate change negotiations based on the results of COP 6. The CCI will also urge the Ministries represented on the IMCCC to appoint technical representatives to participate in single-day monthly technical working group sessions that would be supported by the CCI Center. The CCI will continue to provide financial assistance to the GOU officials to participate in the UNFCCC meetings and its subsidiary bodies, including COP 7 and COP 8, four SBSTA meetings, and Umbrella Group meetings as directed by

USAID. The schedule of specific events where Ukraine's participation may be supported by CCI will be developed once their dates are determined by the UNFCCC.

The CCI will respond to requests from IMCCC to prepare the National Communication, issue papers and background materials reflecting Ukraine's position in the international negotiation process and help ensure Ukraine's effective participation in the elaboration of international climate change norms, rules, and procedures.

B. Increased Capacity to Meet Requirements of the UNFCCC

The CCI developed a training strategy, adapted to Ukraine and delivered six existing training courses on climate change, designed and delivered two new courses, generating a total of eight training modules (in Ukrainian) for future delivery. The CCI conducted 14 training seminars & workshops with over 200 participants, held one international level training conference and provided US based training for a Ukrainian specialist in market mechanisms.

In 2001, the training program will be transferred to a Ukrainian institution and Ukrainian trainers will deliver each module at least two additional times. A new course will be developed on carbon sequestration. The CCI assisted Ukraine in conducting a GHG emission inventory following IPCC methodologies. The CCI prepared a "bottom-up" GHG emissions inventory of Ukraine's power sector for 1990 and 1999. Building on CCI's GHG emission inventory in the power sector, the Government of Canada has begun an inventory of the energy sector, providing CCI the opportunity to leverage donor funds in 2001 and 2002. In 2001, the CCI Center will propose specific procedures for compiling annual updates to the national inventory in compliance with UNFCCC requirements. These procedures will be based on the analysis of the current Ukrainian national inventory development process, and will be designed in coordination with the Canadian donor efforts in this area as well as U.S. EPA's pilot projects and other inventory activities in Ukraine. In particular, we will adapt the UNFCCC's Common Reporting Format to Ukrainian data collection system. USAID also will provide direct assistance to the GOU in compiling annual updates of the national GHG emissions inventory, the next of which is due to the UNFCCC on April 15, 2001.

In 2001, the CCI also will assist the Ministry of Ecology and Natural Resources and the State Committee of Statistics in analyzing the accuracy of existing data used for conducting national inventories in the industry sector. Similar activities are planned to initiate for the transport sector for the year 2002. The CCI plans to collaborate on this work with the Ministry of Transport and the State Committee of Statistics. All the above activities will contribute in enhancing Ukraine's credibility in reporting national GHG emissions, and strengthen its negotiation position.

II. REDUCED GREENHOUSE GAS EMISSIONS FROM LAND USE, FORESTRY ACTIVITIES, AND NATURAL RESOURCE MANAGEMENT (RESULT 2)

USAID/Ukraine did not conduct any activities in this area in 2000.

In 2001, a carbon sequestration course will be developed to focus on opportunities for carbon sequestration in Ukraine's forestry sector, including the creation of protective forest plantations, creation of forest shelterbelts, and protection of existing forest areas. It will also give an overview of sequestration options in the agricultural sector (land use and land use change). The module will address the sequestration potential of boreal forests, and include at least one case study and recommendations for its regional application. This work will help Ukraine to clarify its position regarding land use, land use change and forestry (LULUCF) to be presented at the next COP meeting.

The CCI also will develop a GHG mitigation project in 2001 for the forest sector.

III. REDUCED GREENHOUSE GAS EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY, AND URBAN AREAS

A. Energy Sector, Industrial, and Urban Activities

In 2000, the CCI identified more than a dozen high quality candidates for potential GHG mitigation investment projects, developed criteria for investment project selection, and selected and prepared business plans for two coal bed methane utilization projects in the Donbass region of Ukraine.

The CCI currently maintains a database of potential GHG mitigation projects in Ukraine. To date, the CCI has identified fourteen (14) GHG investment projects in five regions of Ukraine, including: coal mine methane capture and utilization, thermal power station efficiency upgrades, municipal district heating, industrial efficiency/cogeneration, renewable energy, and consumer appliance efficiency. These projects are mostly early-stage CO₂ and methane reduction projects in the energy sector with social and economic co-benefits. Projects are in both the private and public sector, with the majority in the private sector.

In 2001 and 2002, the CCI will continue building the climate change investment project database, while formalizing the screening process using a set of selection criteria that would be reviewed, refined, and ideally approved by the IMCCC. The CCI will work with EcoLinks, other U.S. Government assistance programs, as well as other bilateral and multilateral agencies active in the climate change area in Ukraine to identify GHG mitigation projects. The CCI target is to add at least 12 new GHG mitigation projects to the database and to secure investment in at least one project before the end of 2002. The CCI Center will work intensively with project developers for up to four projects to help them establish and explore contacts with potential foreign investors, including multilateral and bilateral donors, investment banks, and private companies and further prepare their technical and financial plans.

With USAID funding through an interagency agreement, DOE and PNNL have been supporting energy efficiency projects at Ukrainian industries within the framework of the Industrial Energy Efficiency Project.

B. Policy Advances

The CCI Center will coordinate with the Canadian climate change program in Ukraine on national system of JI projects. Together, they will build on the draft JI office procedures that were developed by the CCI and the upcoming World Bank's National Joint Implementation Strategy Study for Ukraine to create detailed guidelines for the identification, approval, and monitoring of climate change mitigation projects.

The CCI Center will work with the IMCCC working group to establish a functioning JI Secretariat by the end of 2001. The JI Secretariat should have at least one full-time staff member and be supported by technical reviewers from other competent agencies (e.g., Ministry of Ecology and Natural Resources, Ministry of Fuel and Energy, Ministry of Economy, State Committee on Energy Conservation, State Committee on Forestry). After the JI Secretariat is created, the CCI Center will provide it with methodological assistance.

C. Public and Private Funding Leveraged

In January 2000, the World Bank approved an \$18 million loan for the implementation of the Kyiv Public Buildings Energy Efficiency Project that was prepared by PNNL and Arena-Eco. The project is valued at just over \$30 million and includes a substantial funding contribution from the Kyiv City Administration. It will generate about \$5.7 million per year in cost savings reduce GHG emissions by over 62,000 tons per year. (This activity was reported in last year's R4.)

In 2001, USAID granted funds to the UNECE that will have been matched by the UN and will support preparation of energy efficiency investments in GHG mitigation at the municipal level. These investment projects will focus on district heating, hospitals and street lighting. The UNECE will assist Ukraine in brokering the financing of these projects with the EBRD and other financial institutions.

In summer 2001, the CCI, in cooperation with financial institutions, GHG emission brokers, other bilateral and multilateral donors and the GOU, will start preparation activities for launching an Investment Conference in 2002. The conference will bring together potential investors and Ukrainian project developers for a high-level investment conference. The conference will showcase some of most promising

GHG mitigation projects for which business plans and feasibility studies will have been developed, try to generate interest among international investors to these and other similar opportunities in Ukraine.

D. Institutional Capacity Strengthened

The CCI developed and delivered training courses on Greenhouse Gas Mitigation, Project Baseline Emissions Estimation, Project Preparation and Financing, and Climate Change Transactions, and on Monitoring, Reporting, Evaluating and Verifying GHG Emissions Reductions. These courses are in Ukrainian and English and are available on the CCI web site.

In 2001 and 2002, each course will be repeated at least two more times by Ukrainian trainers. The CCI also will demonstrate the monitoring, evaluation, reporting, and verification (MERV) methodologies on two GHG mitigation projects. The CCI will review selected GHG mitigation projects for development of MERV plans. Based on this review and using internationally recognized methodologies, a monitoring, evaluation, reporting and verification plan for 2 GHG mitigation projects will be developed. Results of the MERV plan for one mitigation project will be presented at the 2001 training workshop on MERV.

FY00 Climate Change Reporting Guidance - Data Tables

Please fill in the YELLOW cells to complete the table.

Table 1.0 - Background Information

Country, Region, Office, or Program Reporting:	USAID Regional Mission for Ukraine, Belarus and Moldova
Name of person(s) & IR Teams completing tables:	
Name #1:	Dan Thompson
SO Team Name and number1:	Increased Environmental Management Capacity to Promote Sustainable Development, SO 1.6
Name #2:	
SO Team Name and number2:	
Name #3:	
SO Team Name and number3:	
Contact information	
Address (1):	Environment Advisor, Office of Democratic and Social Transition
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Other relevant information:	

FY00 Reporting Units participating in the Climate Change Initiative

AFR/SD – CARPE	LAC/RSD
AFR/SD – FEWS	Lithuania
Albania	Macedonia
Armenia	Madagascar
Bangladesh	Malawi
Bolivia	Mali
Brazil	Mexico
Bulgaria	Moldova
CEE Regional	Mozambique
Central America (G-CAP)	Nepal
Central Asia Republics	Nicaragua
East Asia Environmental Initiative	NIS Regional
Ecuador	Panama
EGAD	Paraguay
Egypt	Peru
G/ENV/EET	Philippines
G/ENV/ENR	Poland
G/ENV/GCC	RCSA
G/ENV/UP	Romania

Please fill in the YELLOW cells to complete the table.

TABLE 1.1

Result 1: Increased Participation in the UNFCCC

Indicator 1: Policy Development Supporting the Framework Convention on Climate Change

PLEASE SEE DEFINITIONS BELOW

Policy Measure	STEP 1: Policy Preparation and Presentation	STEP 2: Policy Adoption	STEP 3: Implementation and Enforcement	List Activities Contributing to Each Policy Category	SO Number for Activity	CN/TN Number for Activity
Ex: Integration of climate change into national strategic, energy, and sustainable development strategies	1	1		Gov't-established interagency group has completed all necessary analysis and preparation to develop NEAP.	3.2	CN-23-222
Integration of climate change into national strategic, energy, and sustainable development strategies			3	An Industrial Council was established with active participation of Ukrainian League of Entrepreneurs and Industrialists. Two Roundtables of Industrial Council were on July 21 and October 13.	1.6	
Emissions inventory	2		1	A Strategy for Building Capacity for National Emissions Inventory. "Bottom-up" GHG Emissions Inventory for 1999 Power Sector in Ukraine. Workshop on IPCC Inventory Good Practice and CRF.	1.6	
Mitigation analysis	1			Fourteen (14) new GHG investment projects in five regions of Ukraine.	1.6	
Vulnerability and adaptation analysis						
National Climate Change Action Plan	1	1	2	"Financing Climate Friendly Investment Projects". Criteria and Procedures for Selecting Investment Projects. Preparation of draft technical submission on Capacity Building Priorities for Ukraine submitted to Ministry of Ecology and submitted to UNFCCC.	1.6	
Procedures for receiving, evaluating, and approving Activities Implemented Jointly (AIJ) proposals	2			A draft report on Procedures and Guidelines for Implementing a JI Project Review Function in Ukraine. Criteria and Procedures for selecting Investment Projects.	1.6	
Procedures for monitoring and verifying greenhouse gas emissions	1			Monitoring and Verification Guidelines for energy sector projects in Ukrainian and English.	1.6	
Growth baselines for pegging greenhouse gas emissions to economic growth						
Legally binding emission reduction targets and timetables						
Other (describe) Participation in UNFCCC			5	Specific procedures for compiling annual updates to the national inventory in compliance with UNFCCC requirements. Ukrainian translation of official UNFCCC notifications and documents. CCI facilitated the participation of three Ukrainian officials in the SBSTA meeting in Lyon and supported participation of two NGO representatives and seven ministry and Rada officials at COP6 meeting in Hague. Report from COP-6: Impressions of Ukrainian Government and NGO Representative.	1.6	
Other						
Other						
Other						
Other						
Sub-total (number of policy steps achieved):	7	1	11			
	TOTAL (number of policy steps achieved):					
			19			

Definitions: Policy Steps Achieved	
Policy Measure	"Policy measures" may include documentation demonstrating a legal, regulatory, or other governmental commitment to a defined course of action. Thus, for example, "policy measures" would include: a national, state, provincial, or local law; a regulation or decree; guidance issued by an agency, ministry, or sub-national body; a land use plan; a National Environmental Action Plan; a Climate Change Action Plan; or a National Communication to the IPCC. The term "policy measures" does not include technical documentation, such as technical reports or land use maps, nor site-specific activities reported under Indicators 1 and 2 (e.g., legal demarcation of individual site or granting of community access to single location).
Policy Preparation and Presentation (Step 1)	Draft bill, policy or regulation, vetted through relevant stakeholders in government, non-government, the private sector and civil society, and introduced for debate in appropriate legislative, regulatory, or governmental body.
Policy Adoption (Step 2)	Policy intervention is approved and adopted by the appropriate administrative agency or legislative body. Can take the form of the voting on a law; the issuance of a decree, etc.
Policy Implementation and Enforcement (Step 3)	Actions that put the policy interventions into effect, such as agency personnel trained in procedures, appropriate institutions created or strengthened, or legislation implemented through the appropriate government agency.
Definitions: Types of Activities	
Adaptation	Adjustments in practices, processes or structures of systems to projected or actual changes of climate (may be spontaneous or planned).
Emissions inventory	Detailed listing of GHG sources and sinks.
Growth Baselines	An approach that would link countries' emissions targets to improvements in energy efficiency.
Joint Implementation (JI)	The process by which industrialized countries can meet a portion of their emissions reduction obligations by receiving credits for investing in GHG reductions in developing countries.
Mitigation	An action that prevents or slows the increase of greenhouse gases (GHGs) by reducing emissions from sources and sinks.
National Climate Change Action Plan	Plans that delineate specific mitigation and adaptation measures that countries will implement and integrate into their ongoing programs. These plans form the basis for the national communications that countries submit to the UNFCCC Secretariat.

Please fill in the YELLOW cells to complete the table.

TABLE 1.2					
Result 1: Increased Participation in the UNFCCC					
Indicator 2: Increased capacity to meet requirements of the UNFCCC					
Categories	Types of Support Provided (Enter the number of Training/TA activities for each category)		List the Activities that Contribute to Each Capacity Building Category	SO Number for Activity	CN/TN Number for Activity
	Training	Technical Assistance			
Ex: Support for joint implementation activities	1	3	Provided training and assistance in the economic and financial evaluation of energy efficient projects for consideration in JI activities.	2.4	CN-23-222
Monitoring and verifying GHG emissions	6	1	Procedures for Monitoring, Evaluation, Reporting, Verification and Certification of GHG Emissions Reductions and JI projects. Adapted for Ukraine and prepared English and Ukrainian versions of six (6) existing climate change course materials into Ukrainian training modules. The training modules are in Ukrainian and English Print/CD version with course outline, slides and instructor guides. Two new courses were developed specifically for Ukraine and offered starting in 2000 in various regions of Ukraine. Training program for inventory specialists in the energy sector.	1.6	
Growth baselines for pegging GHG emissions to economic growth					
Development of emissions reduction targets and timetables					
Support for joint implementation activities	1	1	A Seminar "Financing Climate Friendly Investment Projects". Criteria and Procedures for Selecting Investment Projects.	1.6	
Support for Vulnerability and Adaptation Activities					
Other Administrative Structure	2		Two high level seminars on national organizational structures for climate change. Measures to Strengthen the Ukrainian Administrative Structures for International Policy and Negotiation; a National Emissions Inventory System and JI Project secretariat.	1.6	
Other Certification	1		CCI certificated 24 trainees for having completed 4 or more CCI training courses at a graduation and evaluation ceremony.		
Other Raising Awareness		4	CCI publishes a Ukrainian (and English) language monthly "interactive-electronic" newsletter of Climate Change distributed to a network of 500 + NGOs, Industry leaders, National policy makers, specialists and international donors and leaders. Ukr-Rus-Eng Glossary of Climate Change Terms. Public Information Handouts. Ukrainian-English language website.	1.6	
Other Database		2	Database of Climate Change Activities in Ukraine. Database of potential investment projects.	1.6	
Total number of points for Training/Technical Assistance:	10	8			

7														
8														
9														
10														
11														
12														
13														
14														
15														

Total area (hectares):				0	Total area:				0	Total area:				0
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Note: If you need to list more than 45 individual entries in this table, please create a second copy of this spreadsheet, following the instructions at bottom.

Codes for Land Use and Forestry Sector									
Principal Activities:		Predominant Vegetation Type:			Predominant Managed Land Type:		Codes for Additional Information:		
1	Conservation of natural ecosystems (may include protected area management, extraction of non-timber products, etc. but <i>not</i> timber harvesting.)	A	Tropical evergreen forest	H	Tropical grassland and pasture	1	Agricultural systems: Less than 15% of the area under trees	1	Maps
2	Sustainable forest management for timber using reduced-impact harvesting (non-timber forest products may also be harvested)	B	Tropical seasonal forest	I	Temperate grassland and pasture	2	Agroforestry systems: Greater than 15% of the area under trees	2	Geo-referenced site coordinates
3	Afforestation/reforestation/plantation forests	C	Temperate evergreen forest	J	Tundra and alpine meadow	3	Plantation Forests: At least 80% of the area under planted trees	3	Biomass inventory
4	Agroforestry	D	Temperate deciduous forest	K	Desert scrub	4	Protected areas	4	Rainfall data
5	Sustainable agriculture	E	Boreal forest	L	Swamp and marsh			5	Soil type data
		F	Temperate woodland	M	Coastal mangrove				
		G	Tropical open forest / woodland	N	Wetlands				
		O	Mediterranean forest / Vegetation						

Definitions: Natural Ecosystems	
Natural Ecosystems	Any areas that have not experienced serious degradation or exploitation of biomass, and without significant harvest of biomass. This includes protected areas, areas used for the extraction of non-timber forest products, and community-managed forests with minimal timber extraction. Areas where non-timber forest products are harvested can be counted in this category but not those that are managed for timber. The latter are included in 2b below. The distinction is important as different approaches are employed in estimating carbon for "natural areas" (2a) and "managed areas" (2b). Natural areas include: (1) protected areas; (2) areas where non-timber forest products are extracted if significant biomass is not removed (often managed as community-based forest management areas); and (3) any other areas which exclude larger-scale biomass harvest from a management regime including many areas managed by communities and/or indigenous groups.
Definitions: Managed Lands Categories	
Sustainable Forest Management for Timber, using Reduced Impact Harvesting (RIH)	<p>A timber management activity will be considered to have a positive impact on carbon (relative to conventional methods) if it employs RIH practices and/or other key criteria. RIH is a package of practices proven to minimize environmental damage and carbon emissions during the logging of natural tropical forest. To be included, an activity must include most of the following practices:</p> <ul style="list-style-type: none"> - tree inventorying, marking and mapping; - careful planning and marking of skidder trails; - vine cutting prior to harvest, where appropriate; - directional felling of trees; - appropriate skidding techniques that employ winching and best available equipment (rubber tired skidder/animal traction) to - proper road and log deck construction; - a trained work force and implementation of proper safety practices; - fire mitigation techniques (fire breaks); - existence of a long-term management plan. <p>Report on the area where government, industry or community organizations are carrying out forest management for commercial timber using the techniques above, or forest management areas that have been "certified" as environmentally sound by a recognized independent party. Only the area where sound planning and harvesting is being currently practiced should be included (not the whole concession or forest).</p>
Agroforestry	Agroforestry covers a wide variety of land-use systems combining tree, crop and/or animals on the same land. Two characteristics distinguish agroforestry from other land uses: 1) it involves the deliberate growing of woody perennial on the same unit of land as agricultural crops and/or animals either spatially or sequentially, and 2) there is significant interaction between woody and non-woody components, either ecological or economical. To be counted, at least 15 percent of the system must be trees or woody perennials grown for a specific function (shade, fuel, fodder, windbreak). -- Include the area of land under an agroforestry system in which a positive carbon benefit is apparent (i.e., through the increase in biomass, litter or soil organic matter). Do not include agroforestry systems being established on forestlands that were deforested since 1990.
Reforestation/ Afforestation	The act of planting trees on deforested or degraded land previously under forest (reforestation) or on land that has not previously been under forest according to historical records (afforestation). This would include reforestation on slopes for watershed protection; mangrove reforestation or reforestation to protect coastal areas; commercial plantations and community tree planting on a significant scale, and/or the introduction of trees in non-forested areas for ecological or economic purposes. -- Include the area under reforestation or afforestation (i.e., plantation forests and/or community woodlots). Do not include natural forested areas that have been recently deforested for the purpose of planting trees. Do not include tree planting in agroforestry systems (include this under agroforestry).
Sustainable Agriculture	<p>Agricultural systems that increase or maintain carbon in their soil and biomass through time by employing certain proven cultural</p> <ul style="list-style-type: none"> - no-tillage or reduced tillage - erosion control/soil conservation techniques, especially on hillsides - perennial crops in the system - higher crop yields through better nitrogen and soil management - long-term rotations with legumes - the use of organic mulches, crop residues and other organic inputs into the soil - better management of agrochemicals, by stressing careful fertilizer management that will increase yields while minimizing the use
Special Instructions: Creating a Copy of this Spreadsheet	
Step 1	Finish filling any cells you are working on and hit "Return" or "Enter".
Step 2	Click on "Edit" in the menu bar, above. Go down and click on "Move or Copy Sheet". The "Move or Copy" dialog box will open. (NOTE: You may also open this dialog box by using the right button on your mouse to click on the "T4-2.1 Land Use" tab near the bottom of the screen.)

Step 3	Next, scroll down in the dialog box and click on "T2.1 Land Use".
Step 4	Next, click on the box at bottom to Create a copy .
Step 5	Hit "OK". A new copy of T2.1 Land Use will appear in the row of tabs near the bottom of the screen. PLEASE NOTE: Some cells may not retain all the original text when the sheet is copied, especially in the definitions sections.

Please fill in the YELLOW cells to complete the table.

TABLE 2.3							
Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector							
Indicator 3: National/sub-national policy advances in the land use/forestry sector that contribute to the preservation or increase of carbon stocks and sinks, and to the avoidance of greenhouse gas emissions							
PLEASE SEE DEFINITIONS BELOW		Enter the number of separate steps for each measure			List Activities Contributing to Each Policy Category	SO Number for Activity	CN/TN Number for Activity
Policy Measure	Scope (N or S)	STEP 1: Policy Preparation and Presentation	STEP 2: Policy Adoption	STEP 3: Implementation and Enforcement			
Ex: Facilitates establishment and conservation of protected areas	N	2	1		Two studies completed on national protected areas law for the Environment Min., including recommendations for legal reform; revised National Protected Areas Law adopted, Min. Decree No. 1999/304.	3.1	TN-556-27
Facilitates improved land use planning							
Facilitates sustainable forest management							
Facilitates establishment and conservation of protected areas							
Improves integrated coastal management							
Decreases agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management							
Corrects protective trade policies that devalue forest resources							
Clarifies and improves land and resource tenure							
Other (describe)							
Other							
Other							
Other							
Other							
Sub-total(number of policy steps achieved)		0	0	0			
Total (number of policy steps achieved):				0			

Definitions: Scope	
National Policies (N)	Policies that influence issues on a countrywide level.
Sub-national Policies (S)	Policies that affect a tribal nation, province, state or region that are neither national nor site specific in impact.
Definitions: Policy Steps Achieved	
Policy Measure	"Policy measures" may include documentation demonstrating a legal, regulatory, or other governmental commitment to a defined course of action. Thus, for example, "policy measures" would include: a national, state, provincial, or local law; a regulation or
Policy Preparation and Presentation (Step 1)	Draft bill, policy or regulation, vetted through relevant stakeholders in government, non-government, the private sector and civil society, and introduced for debate in appropriate legislative, regulatory, or governmental body.
Policy Adoption (Step 2)	Policy intervention is approved and adopted by the appropriate administrative agency or legislative body. Can take the form of the voting on a law; the issuance of a decree, etc.
Policy Implementation and Enforcement (Step 3)	Actions that put the policy interventions into effect, such as agency personnel trained in procedures, appropriate institutions created or strengthened, or legislation implemented through the appropriate government agency.

Please fill in the YELLOW cells to complete the table.

TABLE 2.4

Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector
Indicator 4: Value of Public and Private Investment Leveraged by USAID for Activities that Contribute to the Preservation or Increase of Carbon Stocks and Reduction of Greenhouse Gas Emissions

PLEASE SEE DEFINITIONS BELOW

Activity	Source of Leveraged Funds	Methodology for determining amount of funding	Direct Leveraged Funds	Indirect Leveraged Funds	SO Number for Activity	CN/TN Number for Activity
National Nature Conservation Fund	National Government	Figure reflects direct, in-kind contribution of national government.	\$572,800		3.3	TN-556-27
Big Forest Climate Change Action Project	The Nature Conservancy and the Friends of Nature Foundation	NGOs initiated independent activity with separate funding, building on earlier USAID conservation project.		\$1,700,000	3.3	CN-23-222
Total:			\$0	\$0		

Definitions: Funding Leveraged	
Direct Leveraged Funding	Funding leveraged directly in support of current USAID activities and programs, including: - funding leveraged from partners for joint USAID activities; - funding for activities in which USAID developed enabling policies, regulations, or provided pre-investment support (prorated); - obligated or committed funding for direct follow-on MDB loan programs (prorated); - obligated or committed funding for direct follow-on private-sector funded programs that reach financial closure (prorated); - joint implementation investments; - Development Credit Authority investments.
Indirect Leveraged Funding	Funding dedicated by other donors or governments to replicate programs that USAID initiated, but which USAID does not or will not itself fund.

Please fill in the YELLOW cells to complete the table.

TABLE 2.5a				
Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector				
Indicator 5a: Increased Capacity to Address Global Climate Change Issues				
Types of institutions strengthened to address GCC issues	Number of Institutions Strength-ened	Names of Associations, NGOs, or other Institutions Strengthened	SO Number for Activity	CN/TN Number for Activity
Ex: NGOs	3	Friends of Nature Foundation, SITA, Sustainable Forests Unlimited	3.2	CN-23-222
NGOs				
Private Institutions				
Research/Educational Institutions				
Public Institutions				
Total Number of Institutions Strengthened:	0			

Please fill in the YELLOW cells to complete the table.

Table 2.5b					
Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector					
Indicator 5b: Technical Capacity Strengthened through Workshops, Research, and/or Training Activities					
	Types of Support Provided (Enter the number of Training/TA activities for each category)				
Category	Training	Technical Assistance	List the Activities that Contribute to Each Capacity Building Category	SO Number for Activity	CN/TN Number for Activity
Ex: Advancing sustainable forest management	1	3	Presentation of nursery & reforestation studies; US training on resource mgmt; env'l impact assessment law training; forest restoration & recovery workshop. TA for fire prevention.	3.3	CN-23-222
Advancing improved land use planning					
Advancing sustainable forest management					
Advancing establishment and conservation of protected areas					
Advancing integrated coastal management					
Advancing decreases in agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management					
Advancing the correction of protective trade policies that devalue forest resources					
Advancing the clarification and improvement of land and resource tenure					
Other (describe)					
Other					
Number of categories where training and technical assistance has been provided:	0	0			

Please fill in the YELLOW cells to complete the table.

TABLE 3.1

Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas

Indicator 1: Emissions of Carbon Dioxide Equivalents Avoided, due to USAID Assistance (Measuring Carbon Dioxide, Methane, and Nitrous Oxide)

PLEASE SEE FUEL TYPE CODES BELOW												
3.1 A - CO2 Emissions avoided through renewable energy activities				3.1 B - CO2 emissions avoided through end use energy efficiency improvements				3.1 C - CO2 emissions avoided through energy efficiency improvements in generation, transmission, and distribution (including new production capacity)			SO number for Activity	CN/TN Number for Activity
Activity	3.1A: MW-h produced in electricity generation	3.1A: BTU's produced in thermal combustion	3.1A: Fuel type replaced (use codes)	3.1B: MW-h saved	3.1B: BTU's saved in thermal combustion	3.1B: Fuel type saved (use codes)	3.1C: MW-h saved	3.1C: BTU's saved in thermal combustion	3.1C: Fuel type saved (use codes)			
Renewable Energy Production Prog.	512,258		J								2.1	CN-120-97
Steam & Combustion Efficiency Pilot Proj.					1,832,144	J					2.1	CN-120-97
Power Sector Retrofits							912,733			T	2.1	CN-120-97
District Heating Retrofits				475		C					1.5	
Totals:	0	0		475	0		0	0	0			

Activity	3.1D: MW-h produced in electricity generation	3.1D BTUs produced in thermal combustion	3.1D Old fuel type (use codes)	3.1D New fuel type (use codes)	3.1E: Tonnes of methane	3.1F: Tonnes of nitrous oxide	SO number for Activity	CN/TN Number for Activity
Clean Fuels Program	4,351		H	FF			2	CN-120-97
Municipal Landfill Proj.					450		2	CN-120-97
Sust. Ag. & Devt. Proj.						575	2	CN-120-97
Totals:	0	0			0	0		

Codes for Fuel Type				
Fuel Types	Code	Fuel Name		
Liquid Fossil	Primary Fuels	A	Crude oil	
		B	Crumblison	
		C	Natural gas liquid	
		Secondary Fuels	D	Gasoline
			E	Jet kerosene
			F	Other kerosene
			G	Shale oil
			H	Gas/diesel oil
			J	Residual fuel oil
	K		LPG	
	L		Ethane	
	M		Naphtha	
	N	Bitumen		
	O	Lubricants		
	P	Petroleum coke		
	Q	Refinery feedstocks		
	R	Refinery gas		
	S	Other oil		
Solid Fossil	Primary Fuels	T	Anthracite (coal)	
		U	Caking coal	
		V	Other bituminous coal	
		W	Sub-bituminous coal	
		X	Lignite	
		Y	Oil shale	
		Z	Peat	
		Secondary fuels/ products	AA	BKB & patent fuela
			BB	Coke oven gas coke
	CC		Coke oven gas	
	DD	Blast furnace gas		
	Gaseous Fossil	EE	Natural gas (dry)	
Biomass	FF	Solid biomass		
	GG	Liquid biomass		
	HH	Gas biomass		

Please fill in the YELLOW cells to complete the table.

TABLE 3.3

Result 3: Decreased Net Greenhouse Gas Emissions from the Energy Sector, Industry, and Urban Areas							
Indicator 3: National/sub-national policy advances in the energy sector, industry and urban areas that contribute to the avoidance of greenhouse gas emissions							
PLEASE SEE DEFINITIONS BELOW							
Policy Measure	Scope (N or S)	STEP 1: Policy Preparation and Presentation	STEP 2: Policy Adoption	STEP 3: Implementation and Enforcement	List Activities Contributing to Each Policy Category	SO Number for Activity	CN/TN Number for Activity
Example: Facilitates improved demand side management or integrated resource planning	N	2	1		Mission supported introduction of two decrees for energy tariff reforms (pursuant to National Energy Reform Law) in the national parliament; one decree was adopted.	2.4	CN-577-92
Facilitates improved demand side management or integrated resource planning	S	3	2	2	Lviv City Administration (i) adopted mayor's decree implementing energy data collection mechanism, (ii) adopted mayor's decree formalizing energy efficiency training requirement for State Housing Maintenance workers, and (iii) drafted but not yet passed Municipal	1.5	
Facilitates competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers							
Facilitates the installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes	S	6	2	1	Letters of Cooperation have been signed with four Ukrainian enterprises. Lviv City Administration institutionalized effort to implement energy efficiency in housing department (Housing Reform Working Group). Identifying the Priority Policies and Measures to Mitigate the Impacts of Climate Change in Small and Medium-sized Cities in Ukraine	1.6, 1.5	
Facilitates the use of renewable energy technologies							
Facilitates the use of cleaner fossil fuels (cleaner coal or natural gas)							
Facilitates the introduction of cleaner modes of transportation and efficient transportation systems							
Promotes the use of cogeneration							
Other (describe)							
Other							
Other							
Other							
Other							
Other							
Sub-total (number of policy steps achieved):		9	4	3			
Total (number of policy steps achieved):				16			

Definitions: Scope	
National Policies (N)	Policies that influence issues on a countrywide level.
Sub-national Policies (S)	Policies that affect a tribal nation, province, state or region that are neither national nor site specific in impact.
Definitions: Policy Steps Achieved	
Policy Measure	"Policy measures" may include documentation demonstrating a legal, regulatory, or other governmental commitment to a defined course of action. Thus, for example, "policy measures" would include: a national, state, provincial, or local law; a regulation or decree; guidance issued by an agency, ministry, or sub-national body; a land use plan; a National Environmental Action Plan; a Climate Change Action Plan; or a National Communication to the IPCC. The term "policy measures" does not include technical documentation, such as technical reports or land use maps, nor site-specific activities reported under Indicators 1 and 2 (e.g., legal demarcation of individual site or granting of community access to single location).
Policy Preparation and Presentation (Step 1)	Draft bill, policy or regulation, vetted through relevant stakeholders in government, non-government, the private sector and civil society, and introduced for debate in appropriate legislative, regulatory, or governmental body.
Policy Adoption (Step 2)	Policy intervention is approved and adopted by the appropriate administrative agency or legislative body. Can take the form of the voting on a law; the issuance of a decree, etc.
Policy Implementation and Enforcement (Step 3)	Actions that put the policy interventions into effect, such as agency personnel trained in procedures, appropriate institutions created or strengthened, or legislation implemented through the appropriate government agency.

Please fill in the **YELLOW** cells to complete the table.

Table 3.4

Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas

Indicator 4: Strategies/Audits that Contribute to the Avoidance of Greenhouse Gas Emissions

Activity	Number of audits or strategies completed	Number or audit recommendations or strategies implemented	SO Number for Activity	CN/TN Number for Activity
Steam & Combustion Efficiency Pilot Project	41	35	2.1	CN-577-92
Lviv Municipal Building Auditing Training	12	10	1.5	
Ukraine Steam Partnership	2	1		
Industrial Energy Efficiency	2			
Business Plans for utilizing methane from two mines in Donbass region		2		
Total:	16	13		

Please fill in the YELLOW cells to complete the table.

TABLE 3.5						
Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas						
Indicator 5: Value of Public and Private Investment Leveraged by USAID for Activities that Reduce Greenhouse Gas Emissions						
PLEASE SEE DEFINITIONS BELOW						
Activity	Source of Leveraged Funds	Methodology for determining amount of funding	Direct Leveraged Funds	Indirect Leveraged Funds	SO Number for Activity	CN/TN Number for Activity
National Renewable Energy Program	Dept. of Energy, World Bank-GEF	DOE direct buy-in to USAID. In FY99, GEF funded replication of NREP activity begun in FY98, called the Renewables for Economic Devt Proj.	\$120,000	\$2,500,000	2	CN-577-92
Munipal Roll-Out Program	Source of Leveraged Funds	50% of matching contributions from each city for weatherization and control system installations: Kharkiv, Lutsk, Ternopil, Ivano-Frankivsk & Khmel'nitsky - \$9000 each; Slavutyeh \$5000.	\$50,000		1.5	
Total:			\$50,000	\$0		

Definitions: Funding Leveraged	
Direct Leveraged Funding	Funding leveraged directly in support of USAID activities and programs, including: - funding leveraged from partners for joint USAID activities; - funding for activities in which USAID developed enabling policies, regulations, or provided pre-investment support - obligated or committed funding for direct follow-on MDB loan programs (prorated); - obligated or committed funding for direct follow-on private-sector funded programs that reach financial closure - joint implementation investments; - Development Credit Authority investments.
Indirect Leveraged Funding	Funding dedicated by other donors or governments to replicate programs that USAID initiated, but which USAID does not or will not itself fund.

Please fill in the **YELLOW** cells to complete the table.

TABLE 3.6a

Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas

Indicator 6a: Increased Capacity to Address Global Climate Change Issues

Types of institutions strengthened to address GCC issues	Number of Institutions Strengthened	Names of Associations, NGOs, or other Institutions Strengthened	SO Number for Activity	CN/TN Number for Activity
Ex: NGOs	3	Center for Cleaner Production, Association of Industrial Engineers, National Solar Energy Foundation, Clean Air Alliance, Institute for Industrial Efficiency	2.4	CN-577-92
NGOs	26	League "Ukrainian Quality" (Odesa), Ukrainian Society for Sustainable Development (Kyiv), "Zeleny Svit" Information Center (Kyiv), Ecopravo (Kharkiv), Ecoclub (Rivne), Ecoforest (Kharkiv), Ukrainian Environmental Association "Zeleny Svit" (Kyiv), "Green Dossier" Information Center (Kyiv), Khmelnitkiy Oblast Society for Nature Protection (Khmelnitkiy), Environmental-Cultural Center "Bakhmat" (Artemivsk), Association "Our Home" (Ivano-Frankivsk), Western Center, Ukrainian Branch of the "World Laboratory" (Lviv), National Ecological Center of Ukraine (Kyiv), Green Movement of Donbas (Horlivka), Future Age Energy (Kyiv), Ecopravo (Lviv), Ukrainian Geographical Society (Kyiv), Public Council at the Ministry of Ecology and Natural Resources (Kyiv), Crimean Republican Environmental Association "Ekologiya i Mir" (Simferopol), Ecoclub (Zaporizhya), Ecology Media Group (Kyiv), "Krona" (Chernivtsi), Regional and Municipal Development Center (Lviv), Ukrainian Network of Energy Efficient Cities (Lviv), Association for Regional and Municipal Development (Lviv)	1.6	
Private Institutions	1	JSC "Nord"	1.6	
Research/Educational Institutions				
Public Institutions				
Total Number of Institutions Strengthened:	27			

Please fill in the YELLOW cells to complete the table.

Table 3.6b					
Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas					
Indicator 6b: Technical Capacity Strengthened through Workshops, Research, and/or Training Activities					
Category	Types of Support Provided (Enter the number of Training/TA activities for each category)		List the Activities that Contribute to Each Capacity Building Category	SO Number for Activity	CN/TN Number for Activity
	Training	Technical Assistance			
Example: Use of renewable energy technologies	1	3	Developed sustainable markets for renewable energy technologies. Over 200 renewable energy systems installed. Training for utilities, government officials, NGOs. Study on renewable energy applications completed.	2.4	CN-577-92
Improved demand-side management or integrated resource planning planning	1		Municipal NGO representatives attend municipal district heating DSM conference in Poland	1.5	
Competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers	1		One-week conference organized at which State Committee, ESCOs. DOE and USAID representatives meet to address barriers to energy efficiency market and EE legislative reforms.	1.5	
Installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes	5	4	Basics of Climate Change. Project Preparation and Financing. GHG Mitigation. Certifiable Climate Change Transaction. A Pre-Feasibility Report for reducing CO2 emissions from a coal fired power station in Kiev region. Assistance in pre-project planning for CO2 GHG mitigation was provided to five other enterprises and municipalities. Approximately eight energy efficiency workshops and conferences fall into categories of (i) trainings for city officials and technicians involved in implementing pilot district heating projects, (ii) steam efficiency workshop for industry and (iii) technical workshops for ESCOs.	1.6 1.5	
Use of renewable energy technologies					
Use of cleaner fossil fuels (cleaner coal or natural gas)					
Introduction of cleaner modes of transportation and efficient transportation systems					
Use of cogeneration					
Other (describe)					
Other					
Total number of points for Training/Technical Assistance:	7	4			

Please fill in the YELLOW cells to complete the table.

Table 4								
Result 4: Reduced Vulnerability to the Threats Posed by Climate Change								
Indicator: USAID Programs that Reduce Vulnerability to Climate Change								
PLEASE SEE DEFINITIONS BELOW								
Key Area	Country	Budget	Duration	Type of Program (see codes below)	Description	SO Name	SO Number for Activity	CN/TN Number for Activity
Example: ii	South Africa	\$1,200,000	FY96-FY99	3	Technical assistance to Rand Water Board to address water resources planning for water shortages	Increased Access to Environmentally Sustainable Housing and Urban Services for the HDP	SO6	

	Key Area Codes	Definitions	Codes for Type of Programs
Coastal Zones	i	Number of programs that are reducing the vulnerability of coastal populations, infrastructure, habitats and living resources to accelerated sea level rise or other environmental changes associated with climate change (e.g., water availability, resource availability, temperature).	1. Urban/Infrastructure
			2. Natural Resource
Emergency Preparedness	ii	Number of programs that are increasing ability to cope with and minimize the damage from natural disasters (e.g., drought, famine, disease outbreaks) through surveillance, early warning, emergency preparedness, capacity building, etc.	1. Early Warning System
			2. Humanitarian Response
			3. Capacity Building
Agriculture & Food Security	iii	Number of programs that are increasing adaptability and resilience of agriculture and food systems to changes in temperature, water availability, pest and pathogen presence or prevalence, soil moisture and other changes in environmental parameters (e.g., crop diversification, water conservation and delivery, flexible market and trade systems).	1. Research and Development
			2. Policy Reform
			3. Extension/ Demonstration
Biodiversity/Natural Resources	iv	Number of programs that are increasing the adaptability of natural ecosystems and levels of biodiversity to changes in temperature, water availability, pest and pathogen presence or prevalence, soil moisture and other changes in environmental parameters (e.g., establishment of biological corridors, habitat conservation, preservation of ex situ germplasm).	1. Preservation of Biodiversity
			2. Forest Conservation
Human Health and Nutrition	v	Number of programs that are reducing vulnerability to climate change through improved access to and quality of health services, vector control, nutrition and environmental health interventions.	1. Improved Quality of Health Services
			2. Vector Control
			3. Improved Nutrition

Information Annex Topic: Success Stories

ECONOMIC REFORM

Private Sector and Capital Market Development

- **Privatization:** After four years of consistent USAID support, a vast majority of state-owned enterprises have been privatized. Over 45,000 small enterprises – 15,500 with direct USAID assistance – in over 70 cities in 23 oblasts throughout Ukraine are in private hands. As a result, over 90 percent of all small and medium enterprises in Ukraine are privately owned. Some 5,400 of 8,000 large and medium enterprises also have been privatized.
- **Private Sector Depository:** In 1999, USAID, the World Bank, and the Government of Ukraine signed a Memorandum of Understanding (MOU) to develop a private-sector securities exchange market for corporate securities in Ukraine, a vital component in developing a viable securities market infrastructure.
- **Accounting Reform:** In August 1999, President Leonid Kuchma signed a law calling for converting Ukraine's enterprises to International Accounting Standards (IAS). For three years, USAID worked closely with the Verkhovna Rada and the Ukrainian Federation of Professional Accountants and Auditors, established with USAID assistance, to advance the law's passage. USAID-supported programs have also trained 1,000 accountants in International Accounting Standards.
- **Training:** More than 1,300 senior accountants, executive managers, commercial lawyers, members of the broker/dealer self-regulatory agency, and the Ukrainian Securities Commission have been trained in corporate governance and shareholder rights. Some 2,000 teachers and faculty have received training on developing business school curriculum at the university and secondary school level.

Business Development

- ***Small and Medium Enterprise (SME) Development Program:*** Fifteen business centers, established with USAID support, service over 15,000 client companies throughout Ukraine.
- ***Counterpart Meta Center (CMC):*** While banks are still reluctant to consider small businesses as prospective borrowers, CMC, an incubator for SME development in Lviv, has become the sole source of credit for small businesses in the region. According to the owner of Vitus Company, “I would have been out of the business by now and would have had to fire 39 people were it not for the loan I received from Counterpart Meta Center”.

Economic Restructuring

- ***National Tax Training Center:*** Working with its contractors, USAID helped establish the National Tax Center, which has trained 60,000 tax officials in new tax laws and more efficient techniques of tax administration and audit.
- ***Law on Bankruptcy:*** In January 2000, a bankruptcy law that will facilitate the reorganization of enterprises went into effect. USAID worked with contractors and the government to support the passage of the legislation and is engaged in training administrators and judges who will interpret and implement the law.
- ***Commercial Law Center:*** USAID has supported the establishment of a Commercial Law Clearinghouse and Center, which contains an electronic database and library of legislative drafts, foreign law, and updates on new legislation. The Center also provides training and has enabled the public to become better informed about and participate in the legislative process, through media outreach.
- ***Banking Supervision*** at the National Bank of Ukraine (NBU) has made great strides in increasing its professionalism. There is now a formal schedule for systematic on-site examinations of banks, and, through USAID assistance, the NBU now has the capacity to deal with problem banks. On December 7, 2000, the new Law on Banks and Banking was adopted. The law, which replaces a 1992 statute, gives the National Bank of Ukraine the power to dissolve insolvent banks or capital-deficient banks. USAID/Kiev played an important role in the drafting of the new law.

Agriculture

- ***Private Farming:*** As a result of USAID assistance, 922 farms have been restructured and 300,000 farmers now have title to their land. Also, with USAID funding, every raion in Vinnitsya oblast now has agricultural advisory professionals helping farmers improve production and identify new suppliers, markets, and access to credit. Over the last three years, USAID has also financed technical experts who have provided the Government of Ukraine with daily agricultural policy advice.
- ***Farm Income:*** USAID-sponsored the establishment of 60 pilot milk collection stations. Today, there are now close to 1,000 milk stations. 30,000 farm households now participate in the program. Villagers selling their milk through the stations have seen their income increase from 0 to over 150 hryvnia a month.

Energy and Environment

- ***Power Sector Privatization:*** USAID has worked closely with the State Property Fund (SPF) on privatizing the energy sector, particularly electricity distribution companies (oblenergos). In December 2000, the SPF received the first formal expression of interest from potential foreign investors in the 20 electric distribution companies that the government plans to offer for sale in the coming year. For the initial group of three companies (KyivOblenergo, ZhytomyrOblenergo, and RivneOblenergo), the SPF received pre-qualification information from 10 potential investors. From this group, the SPF – assisted by USAID – will establish a short list of those investors eligible to present bids, which are to be received no later than February 2001.
- ***Environmental Policy and Technology (EPT):*** The USAID-supported EPT project helped Lviv improve piped water delivery to its residents. In 1997-1998, EPT implemented energy efficiency measures, installed new pumps and 200 water meters, provided computer-aided analysis of leaks and training to improve management of the Lviv vodokanal. After two years, the Lviv vodokanal reported a 5% decrease in energy consumption, a 20% increase in payment collections and dramatic improvements in service delivery. In the Pasichna district, prior to the project, 35,000 residents received piped water only three hours a day. Now, they receive potable water 24 hours a day. Lessons learned from EPT are being applied to two other utilities in Ivano-Frankivsk and Rivne, and may extend to eight more cities. EPT also helped the Lviv vodokanal to be eligible for a subsequent \$24 million World Bank loan.
- ***Modular Drinking Water Purification Units:*** USAID supported the design, manufacture and installation of compact drinking water purification units in the Okmahdet Children's Hospital in Kyiv and in the Hospital for Chernobyl Victims in Zhytomir. In all, 40 units were manufactured and installed.
- ***Regional Environmental Center (REC):*** USAID, along with the European Union, and individual states, helped launch the REC in Ukraine. The REC is an independent, non-governmental, non-advocacy organization that aims to strengthen civil society and support sustainable development by promoting environmental awareness, public participation in environmental decision-making, and regional and international cooperation.

DEMOCRATIC TRANSITION

Promoting Civil Society, Democratic Political Processes, and NGO Development

- *Thousands of TV, radio, and print professionals* have received USAID-supported training in business management, investigative journalism, and other managerial, business and technical areas. More than 700 journalists visit USAID-sponsored media centers each month. Several independent newspapers in provincial cities have increased their circulation and advertising and become profitable after adopting practices learned in such training.
- *A USAID-funded network of press centers* in 25 oblasts provides journalists access to a wide range of resources including Internet, legal databases, Ukrainian and Western wire services, and a unique Ukrainian news photo service, used by more than 100 newspapers. Centers host press conferences, often by top government and business leaders, on economic reform and provide an information hotline with specialists on tax legislation, pensions, small business, credit unions and land reform. The hotlines receive, on average, 2,000 calls a week.
- *Twenty public policy think-tanks*, which provide valuable feedback and analysis on a range of topical issues to the government, media, NGOs, and the international community are being strengthened through training, small grants, exchanges with similar groups in neighboring countries, and internships in the United States. USAID supported-activities by such groups include publishing public-policy journals and informational bulletins, conducting opinion polls, and investigating human rights violations.
- *Support to NGO development* across a broad front is helping to foster skills vitally important to the growth of civil society. With assistance from USAID and other donors, the number of registered NGOs in Ukraine has grown to about 30,000. Some of these groups focus on special needs or groups. For example, women's NGOs address issues such as domestic violence, legal inequality and women's entrepreneurship. Others include anti-corruption coalitions, youth groups, cultural societies, charitable organizations, national minority associations, environmental groups, and human rights organizations.

Local Government Development

- ***Municipal Budgeting:*** USAID programs have introduced improved systems for municipal budgeting, financing, and management in over 40 cities, including the use of financial analysis models developed by USAID.
- ***Association of Ukrainian Cities:*** USAID helped establish this Association, which now includes mayors from over 280 cities. Modeled after the U.S. National League of Cities, the Association lobbies the central government for greater decentralization and focuses on intergovernmental budgetary relations, financial policy issues and municipal services. In addition, USAID is working with the Association to develop and disseminate Ukrainian local government best practices and establish regional offices in each oblast.
- ***Municipal Services:*** USAID has improved public transportation in 10 cities and the delivery and supply of water in three others. The cities were also trained in more efficient resource management. Through USAID support, eight more vodokanals will participate in the second phase of the project to improve their technical, financial and management capacity, with the involvement of the community and local government in this process.

SOCIAL ASSISTANCE

Social Protection

- ***Pension Reform:*** USAID works closely with the Verkhovna Rada, the Ministry of Labor and Social Policy, the Pension Fund of Ukraine, and other donors on reforming the state pension fund and establishing a private pension system. A nationwide record-keeping system has been established, sound legislation has been prepared for both the mandatory and voluntary pension systems, and actuarial models for long-term financial planning have been developed. This program is especially vital to the millions of elderly pensioners living in Ukraine.

Humanitarian Assistance

- ***USAID assistance*** ranges from disaster relief to badly needed supplies for orphanages. Since 1994, nearly \$100 million worth of excess supplies from the Department of Defense have been distributed to schools and boarding houses, orphanages, hospitals, and emergency teams through local NGOs and social service providers. For example, from 1997-98 alone, USAID, working with the Ukrainian Ministry of Labor and Social Policy, provided over \$10 million worth of clothing, furniture, bedding, and medicine to 279 orphanages and boarding houses helping over 50,000 people.
- ***Flood Relief:*** USAID helped distribute over \$2 million worth of clothing, footwear, food, medical equipment, furniture, tents, blankets, and beds to the victims of the October 1998-March 1999 flooding and mudslides in the Transcarpathian region. In addition, USAID has provided emergency humanitarian assistance after the floods in Rivne (1994), Kharkiv (1996), Kiev (1996), Mykolaiv (1996), Lviv (1996), the landslide in Dnipropetrovsk (1997), mine disaster in Donetsk (1997) and Luhansk (2000), and the ice storm in southwestern Ukraine (2000).
- ***Social Sector NGO Support:*** Since 1997, more than \$2.6 million in 225 seed grants have been awarded to 172 social service and public NGOs. In addition, U.S. private voluntary organizations have worked directly with local NGOs. For example, support to the Odessa-based rehabilitation center, “Way to Home” has helped thousands of homeless, many of them suffering from sexually transmitted diseases by providing housing, clothing, and meals.

Healthcare

- **Health Partnerships:** A major initiative has been the Partnerships community-based primary health care program involving six Ukrainian-U.S. partnerships which emphasize primary health care and health promotion. Participating hospitals are located in Kyiv, Lviv, Donetsk, Odessa, Kharkiv, and Uzhgorod. Based on the success of the partnerships, the Ministry of Health (MOH) has adopted national initiatives in infection control, neonatology, women's wellness centers and emergency care.
- **Reproductive Health:** The Women's Reproductive Health Initiative (WRHI) program helps reduce the rate of abortion and improves access to safe reproductive and maternal health services by creating women's health clinics, updating clinical and counseling skills and improving the availability of high-quality contraceptives to consumers. It developed model family planning and maternity care services in Odessa, Donetsk, and Lviv, and in 1998 the program expanded to four new sites in Simferopol (Crimea), Kharkiv, Ivano-Frankivsk and Zaporizhyya.
- **Health Management Information Systems:** USAID supplied over 32 million diphtheria vaccinations to the MOH to combat Ukraine's 1996 diphtheria epidemic. USAID is providing continuing support to the MOH to reform its immunization system to prevent common communicable disease outbreaks, such as TB, HIV/AIDS, and others. A Health Management Information System demonstration project is currently operating in Lviv, Zhitomir, and Odessa.
- **Chernobyl Childhood Illness:** Through this USAID-funded program, 30,000 children have already been screened for thyroid abnormalities. This project uses the latest methods for detecting thyroid cancer in children, and trains psychologists in treating children with psychological disorders. Mobile diagnostic laboratories have been purchased to provide outreach thyroid cancer and psychological screening in children exposed to radioactive iodine in 1986. The project seeks to assist local Ukrainian organizations and volunteers to develop similar activities at the community level.
- **Birth Defects Surveillance:** Data collection on birth defects and up-to-date statistical processing have been launched in two radioactive contaminated regions in Ukraine after training specialists in genetic disease diagnosis and registry in the U.S. Since 1999, over 40,000 live births have been screened.
- **STI/HIV/AIDS Prevention Program:** Since September 2000, USAID has worked in close cooperation with an EU-managed program to combat the growing epidemic of sexually transmitted infections and HIV/AIDS in Ukraine. USAID's focus has been on establishing a national clearinghouse of information on the disease, supporting the growing network of local NGOs who work to increase public education about prevention, and offer support to those infected.

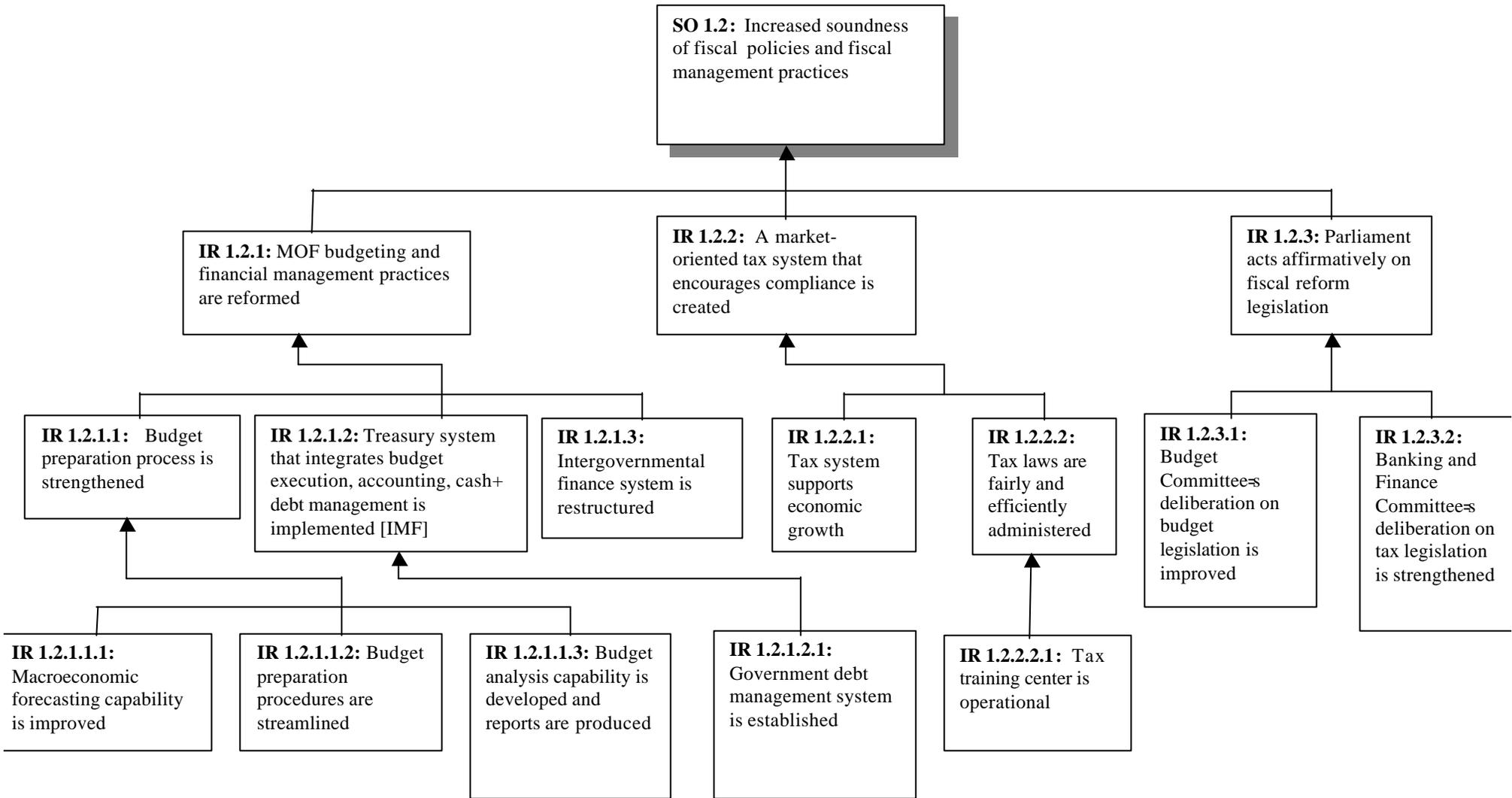
Women's Programs

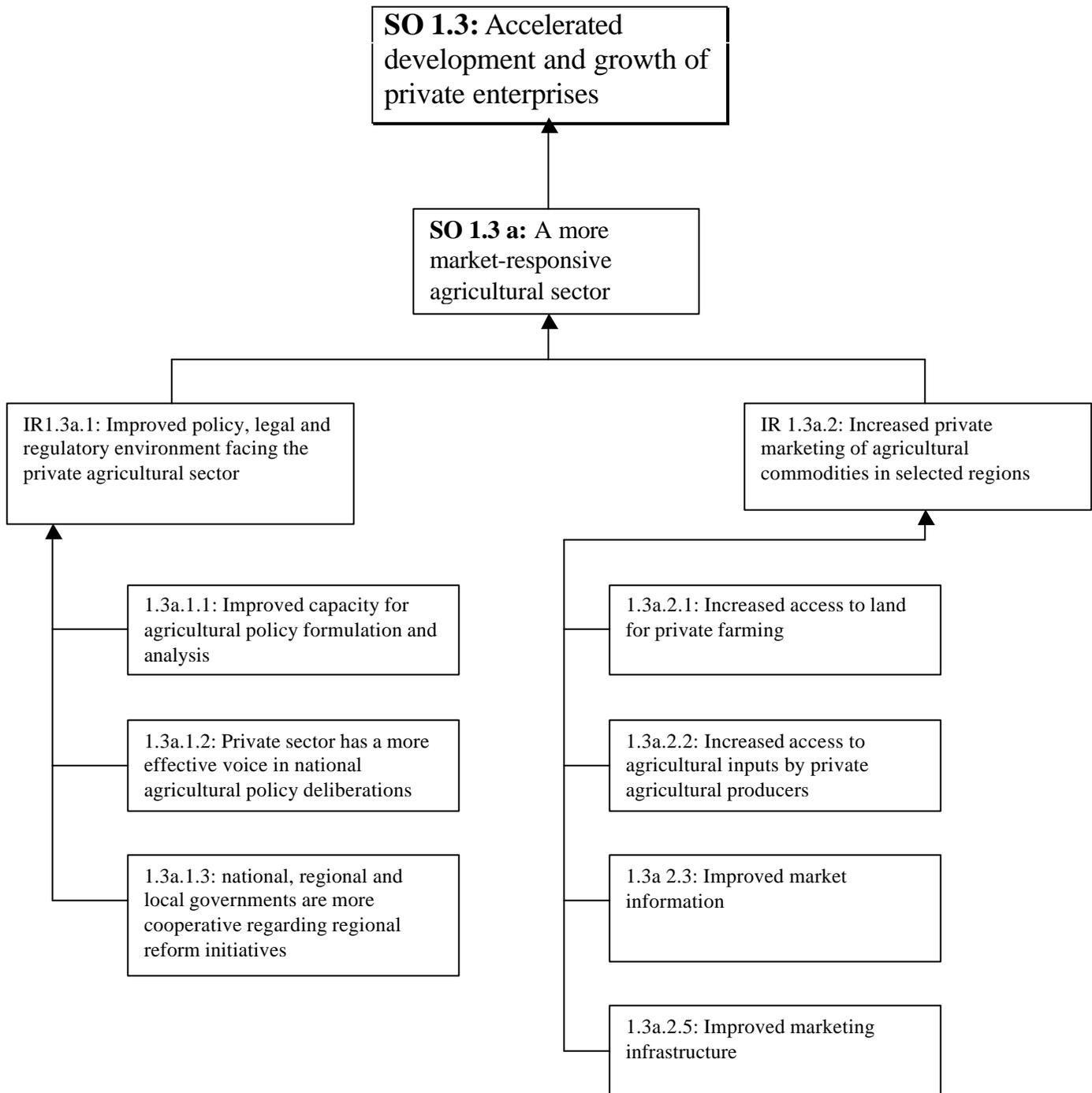
- **Family Planning:** USAID is providing technical assistance to the Kiev Policy Development Group and the Odessa Policy Advisory Group to assist them in planning the new National Family Planning Program 2001-2005. The project has created an information base on current legal and regulatory policies in Ukraine regarding population and reproductive health issues.
- **Women's Wellness Centers** have helped over 150,000 women in Ukraine. USAID has helped establish Women's Wellness Centers in Kiev, Lviv, and Odessa as part of a regional Women's Health Initiative. The centers offer services in cancer screening, prenatal and neonatal care, mental health education, and the detection, prevention, and treatment of sexually transmitted diseases.
- **Women's Economic Empowerment Program** has provided job skills training to 17,572 women since 1998. This project addresses the needs of Ukrainian women by providing job skills and entrepreneurial training, self-employment, savings groups, and access to financing. A job skills training program provides free services in five cities – Mykolaiv, Ivano-Frankivsk, Chernivsti, Donetsk, and Kharkiv – that include walk-in job counseling, resume writing and interviewing advice, and placement in mentoring programs.
- **Anti-Trafficking:** USAID has focused on the serious problem of the illegal trafficking of women from Ukraine. Since 1998, centers in Donetsk, Lviv, and Dnipropetrovsk have trained 7,000 women in basic employment skills, answered 14,000 calls to their hot line, trained 3,500 women in prevention of violence and trafficking in women, provided legal counsel to 1,700 women and brought 200 cases to court for mediation.

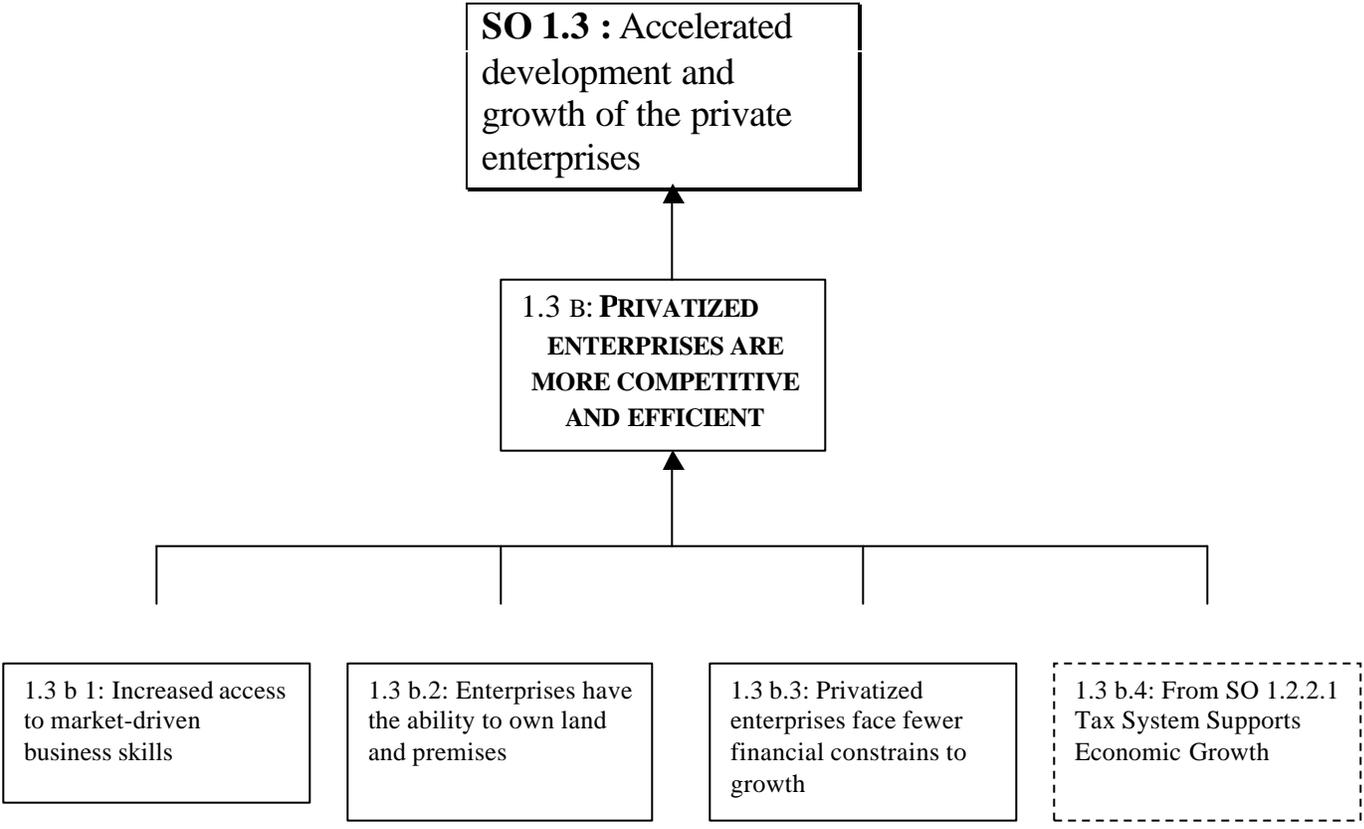
Information Annex Topic: Updated Results Framework Annex

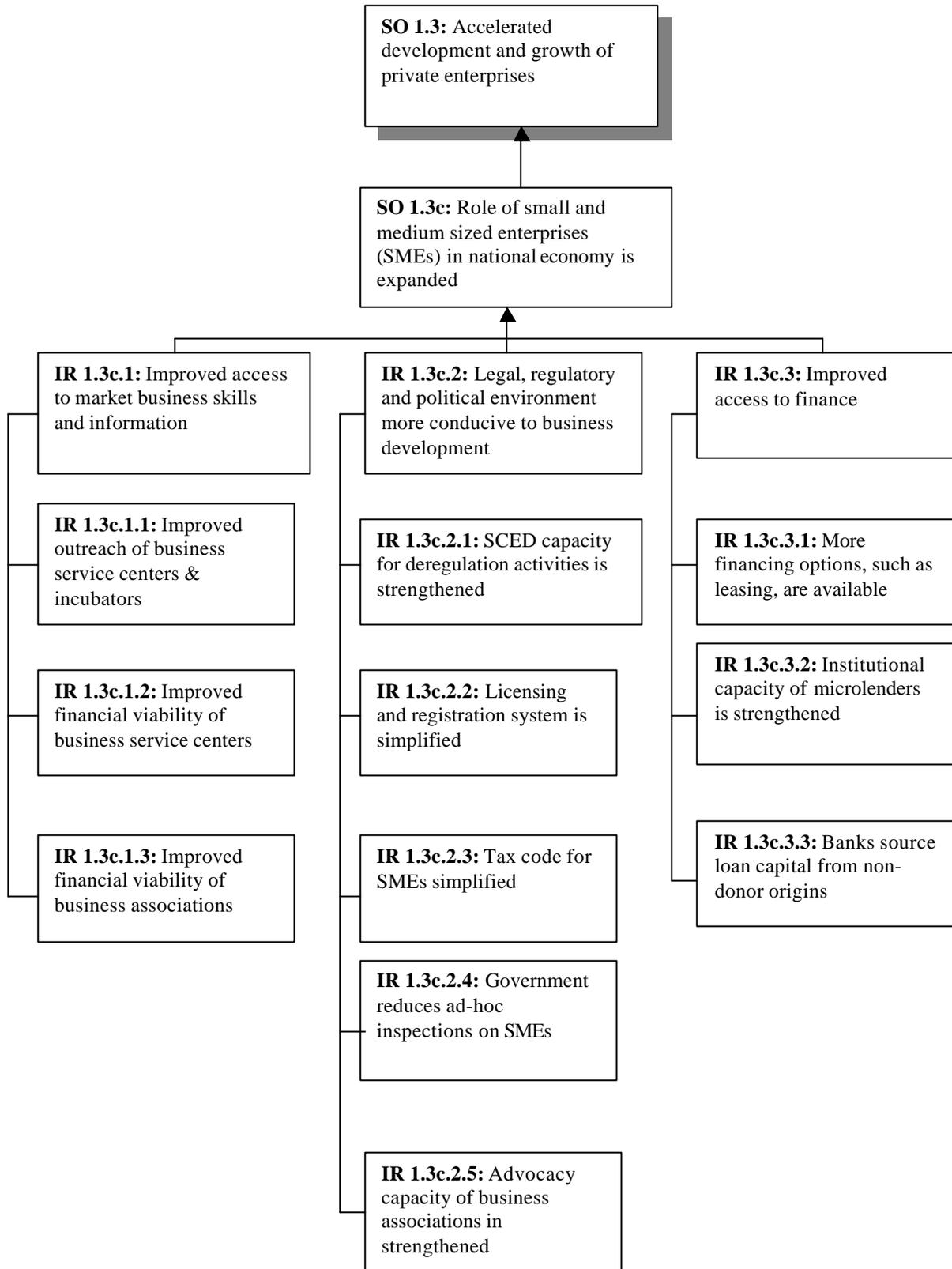
Part A. Results Framework. Provide a listing of the Operating Unit's Current Results Framework

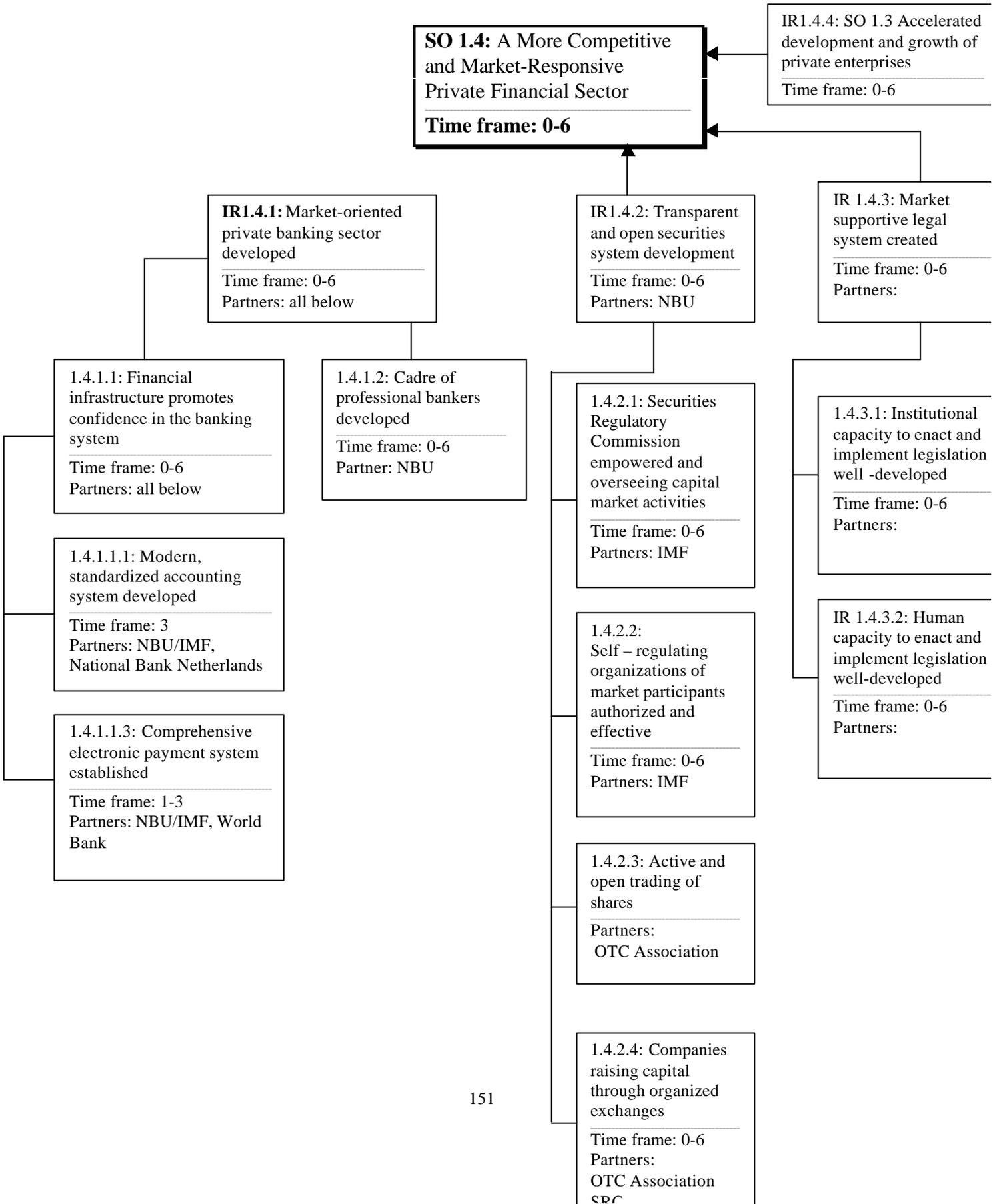
Ukraine: SO 1.2



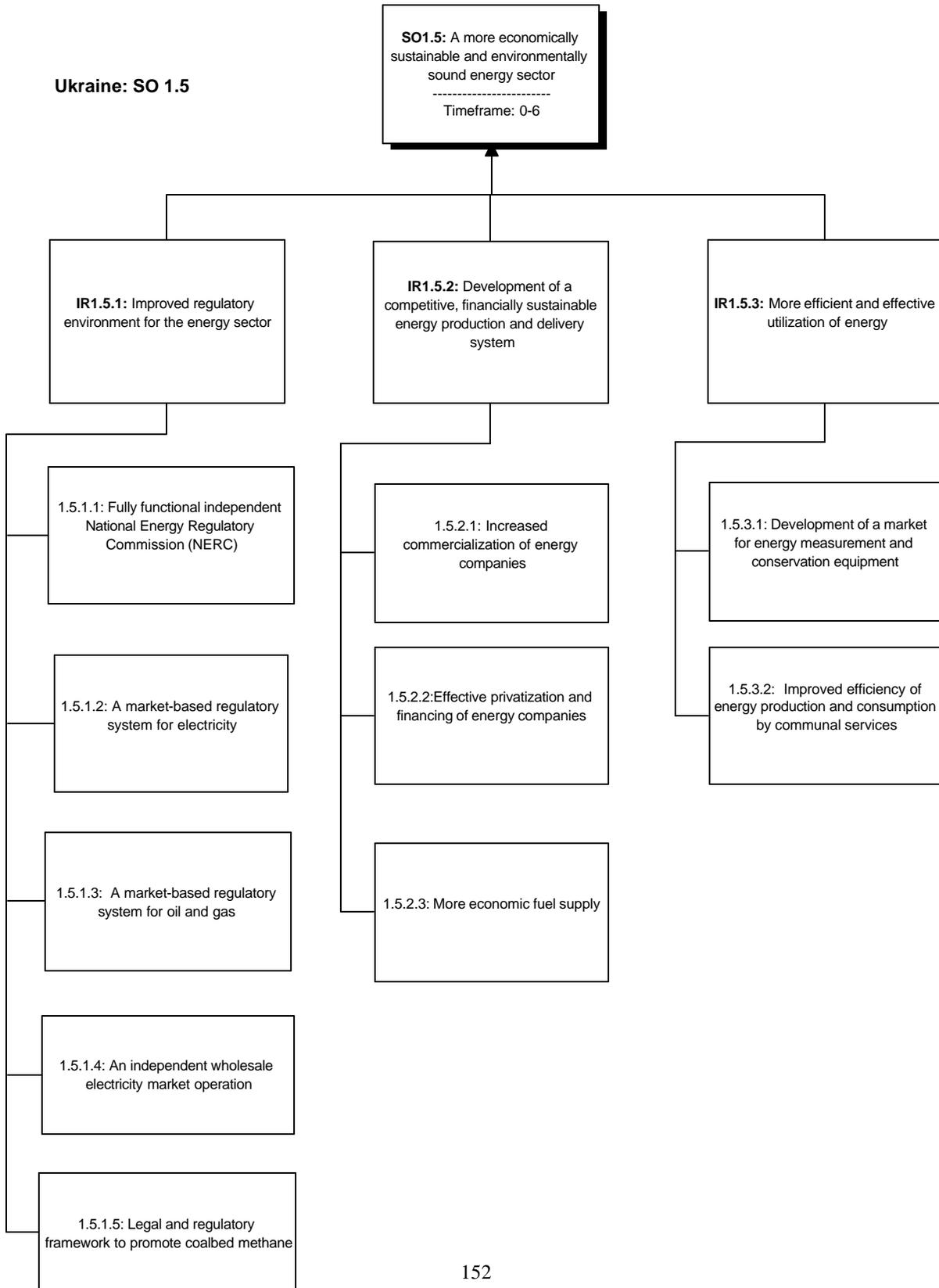


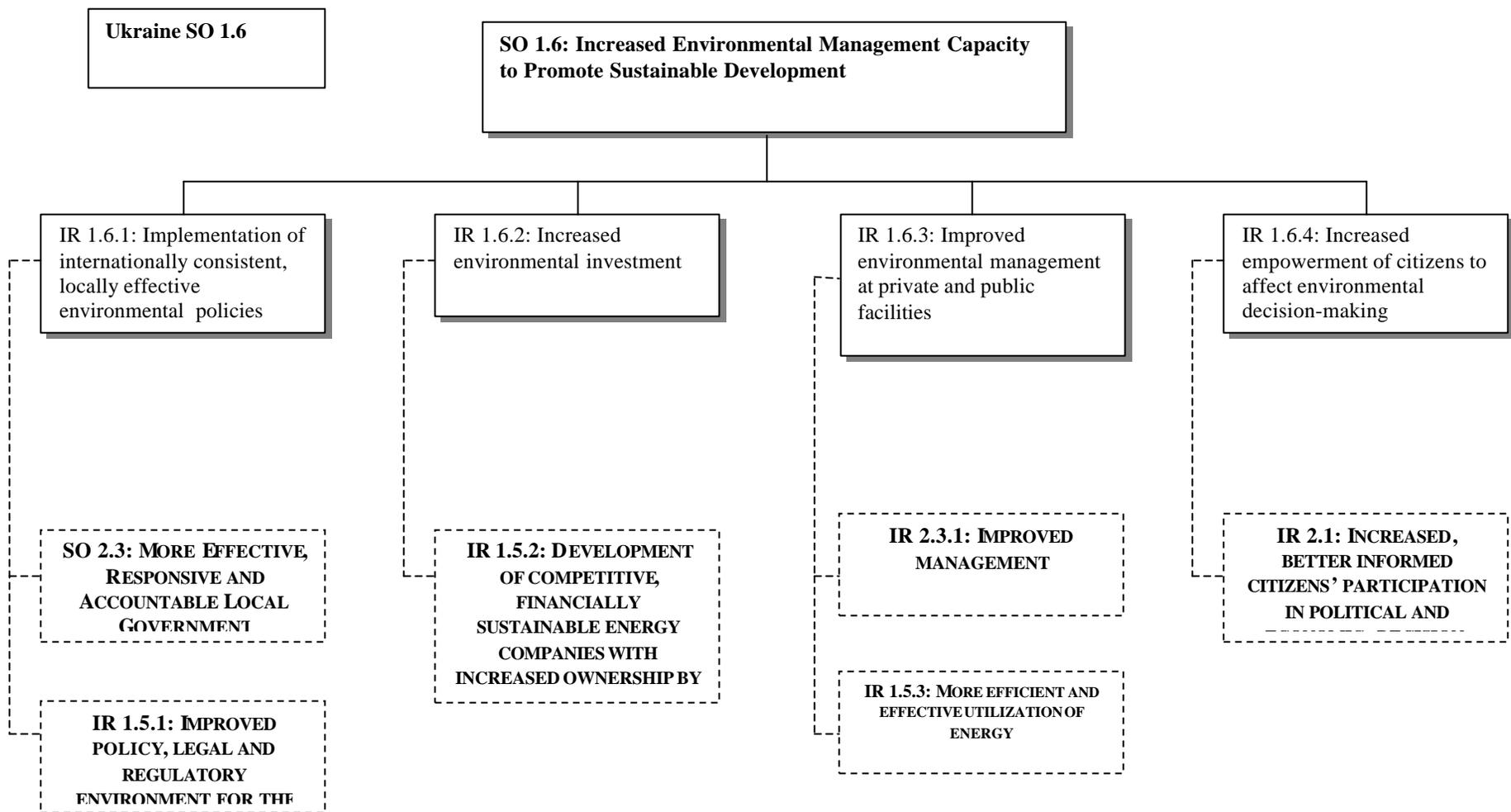




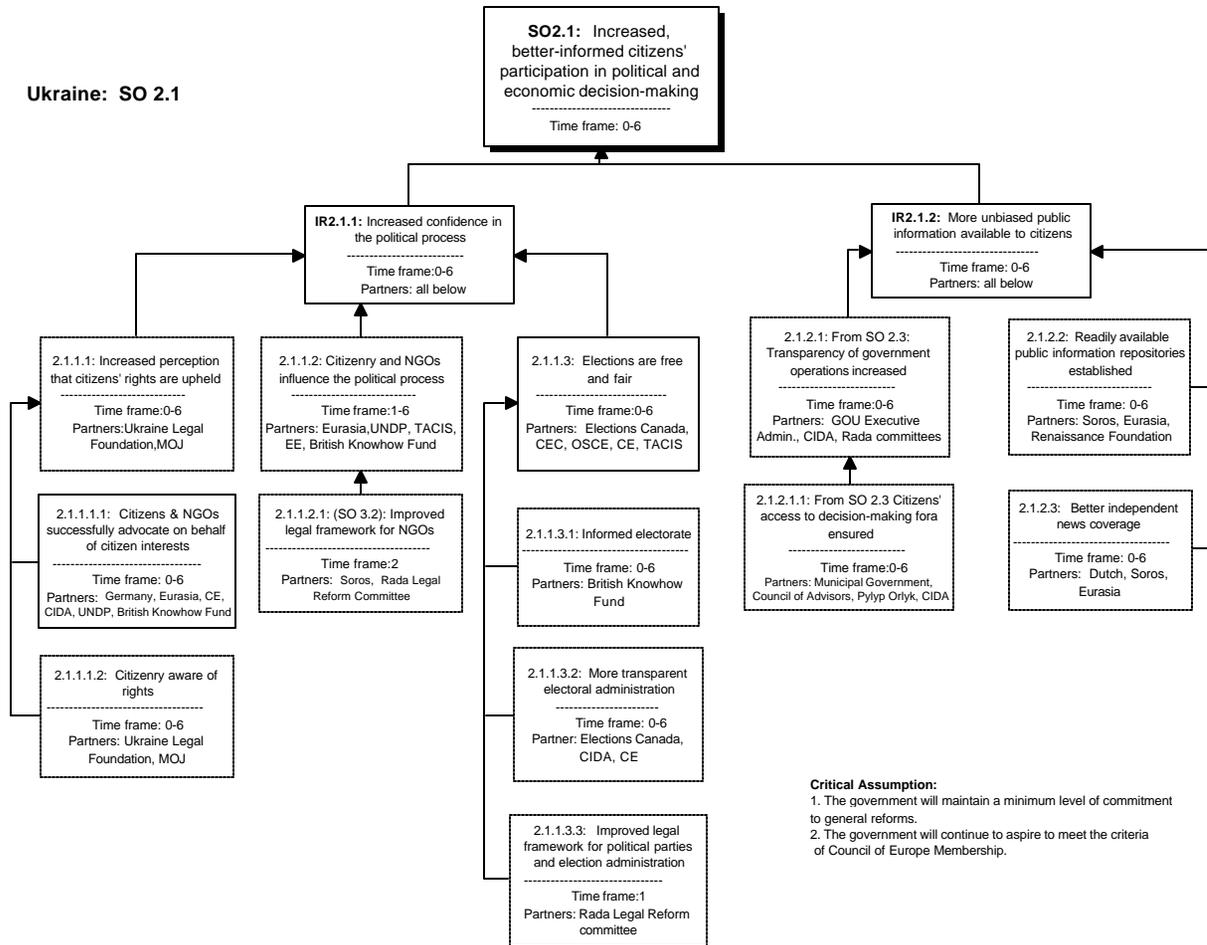


Ukraine: SO 1.5



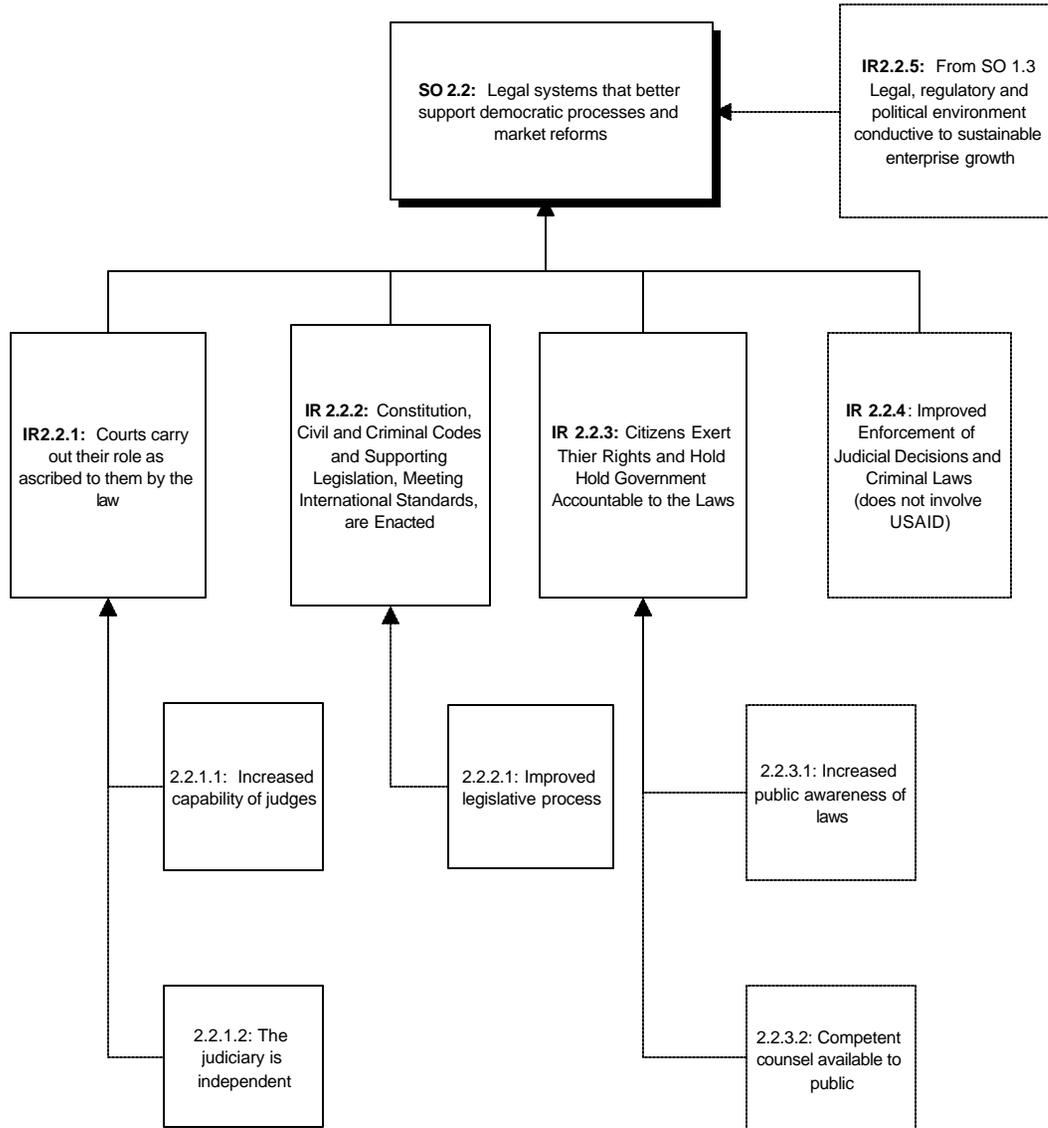


Ukraine: SO 2.1



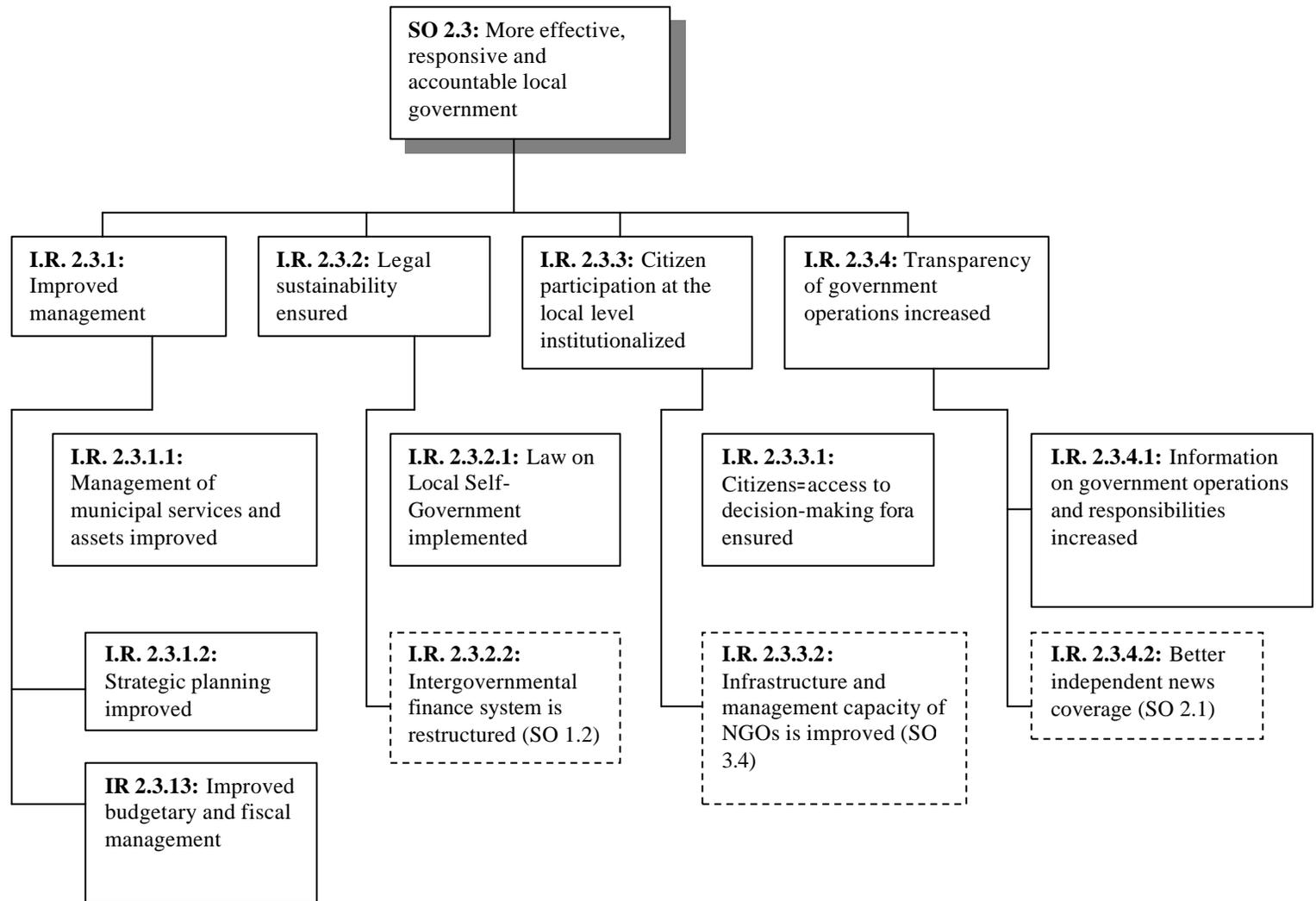
Critical Assumption:
 1. The government will maintain a minimum level of commitment to general reforms.
 2. The government will continue to aspire to meet the criteria of Council of Europe Membership.

Ukraine: SO 2.2



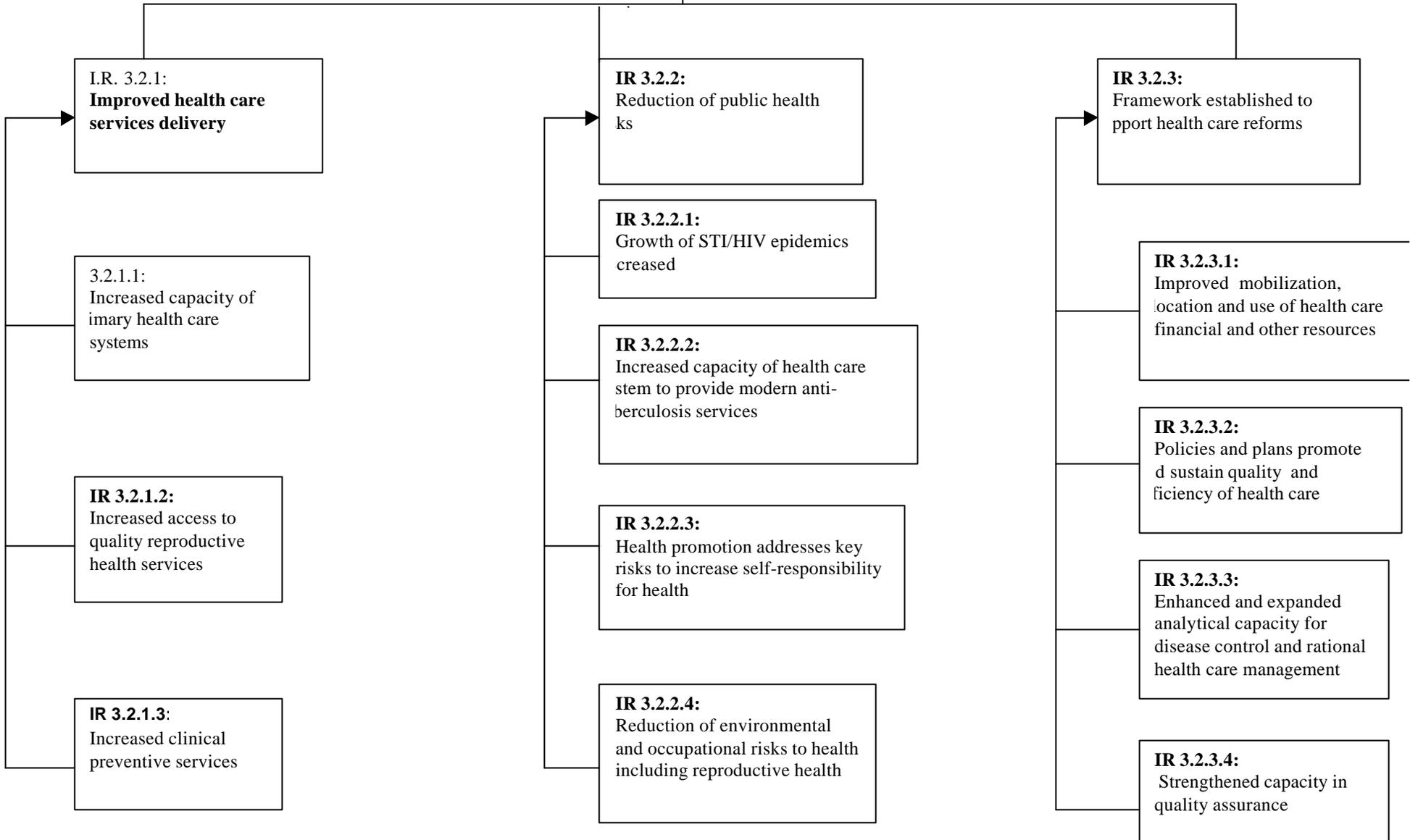
Critical assumptions:

1. Political will for legal/regulatory infrastructure strengthening and impartial application and enforcement of laws.
2. Adequate resources devoted to strengthening

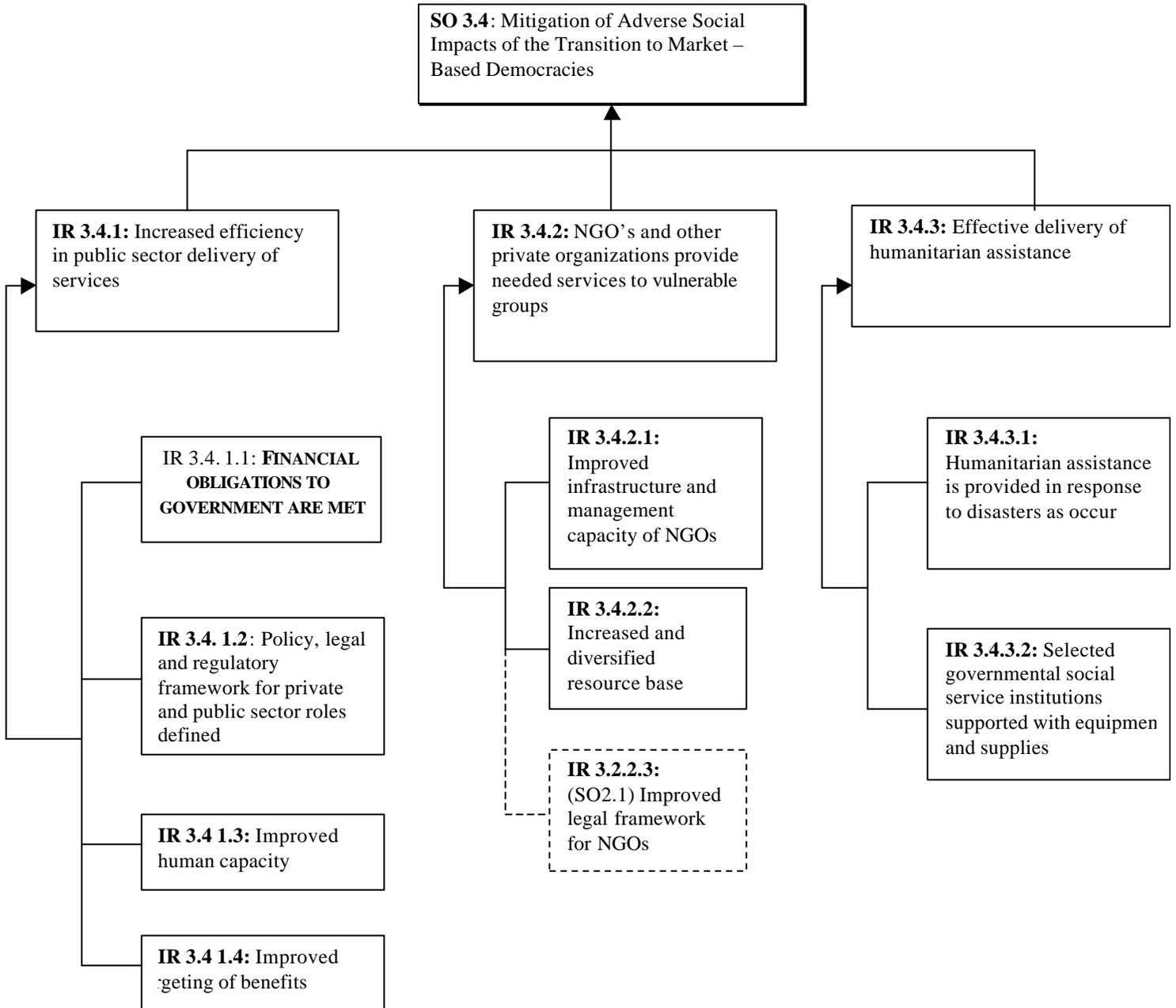


Ukraine SO 3.2

SO 3.2:
Increased promotion of good health and access to quality health care



Ukraine SO 3.4



Part B. New Indicator Reporting. Provide a report of indicators from the Operating Unit's Performance Monitoring Plan that the Operating unit proposes to report on in next year's R4 submission which are different from the indicators currently being reported.

**This applies to on-going strategies only. Indicators that will be used next year as part of a newly approved strategy need not be listed here.

SO Name Accelerated growth and development of private enterprises
Sub-SO Name: Expanded role of small and medium enterprises in national economy

Indicator Level: Intermediate Result

Current Indicator Name Clients at business service providers (BSPs)

Proposed Indicator Name **Increased number of SMEs obtaining services from business service providers (BSPs)**

	Actual	Planned
Baseline Year 1999	4.8%	
Target 2001		15%
Target 2002		20%
Target 2003		25%

SO Name Increased better-informed citizens' participation in political and economic decision-making

Indicator Level: Strategic Objective

Current Indicator Name Citizens understand the political process

Proposed Indicator Name **Hearings held by the Verkhovna Rada that feature substantial input by CSO's to the legislative debate**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name Increased better-informed citizens' participation in political and economic decision-making

Indicator Level: Intermediate Result

Current Indicator Name Citizens participate in NGOs

Proposed Indicator Name **Targeted civil society organizations that improve on the CSO effectiveness index**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name Increased better-informed citizens' participation in political and economic decision-making

Indicator Level: Intermediate Result

Current Indicator Name Rating of elections as free and fair by local and international monitors

Proposed Indicator Name **Graduates of USAID sponsored political party training in responsible positions**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name Increased better-informed citizens' participation in political and economic decision-making

Indicator Level: Intermediate Result

Current Indicator Name Exposure to non-government and politically unaffiliated news sources

Proposed Indicator Name **Improvement on the MSI (media sustainability index)**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name Legal systems that better support democratic processes and market reforms

Indicator Level: Intermediate Result

Current Indicator Name Courts carry out their role as ascribed to them by law

Proposed Indicator Name **Clients receiving pro bono advice and representation from legal clinics for purposes of environmental protection, human rights, domestic violence cases, and anti-corruption**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name Legal systems that better support democratic processes and market reforms

Indicator Level: Intermediate Result

Current Indicator Name Increased capability of judges

Proposed Indicator Name **Continued Use of Public Hearings by the Verkhovna Rada**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name Legal systems that better support democratic processes and market reforms

Indicator Level: Intermediate Result

Current Indicator Name Target laws drafted, introduced and enacted

Proposed Indicator Name **Target laws drafted, introduced in Committee, passed in first or second reading by the Rada, and enacted**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name More effective, responsive and accountable local government

Indicator Level: Strategic Objective

Current Indicator Name Cities using financial analysis models

Proposed Indicator Name **Cities that incorporate citizen input into decision-making on significant topics**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name More effective, responsive and accountable local government

Indicator Level: Intermediate Result

Current Indicator Name Annual publication of budget information by municipalities

Proposed Indicator Name **Municipalities that systematically provide major documents and information on their operations and decisions to the public and media, particularly prior to their adoption**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name SO Name Mitigation of Adverse Social Impacts of the Transition to Market-based Economies

Indicator Level: Intermediate Result

Current Indicator Name NGOs have a strategic management plan

Proposed Indicator Name **U.S. PVOs and their indigenous NGO partners receiving protracted advice and support as to implementation of humanitarian initiatives in Ukraine**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		

SO Name Mitigation of Adverse Social Impacts of the Transition to Market-based Economies

Indicator Level: Intermediate Result

Current Indicator Name Humanitarian assistance is delivered to needy population

Proposed Indicator Name **Enhanced local emergency preparedness and disaster response capability**

	Actual	Planned
Baseline Year		
Target 2002		
Target 2003		