

## Trade, Investment, and Business Acceleration Project

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### Final Report

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CTO: Evgenia Malikova, Project Management

Specialist, Private Enterprise Development,  
Office of Economic Growth

USAID Regional Mission to Ukraine, Moldova, Belarus

Project Manager: Patrick Rader

Title: Trade, Investment, and Business  
Acceleration Project

Contractor:

Booz Allen Hamilton Inc. with EIF, EMG, and IIFSQ

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This final report summarizes the accomplishments of Task Order No. 5 “Ukraine Trade, Investment and Business Acceleration Project (TIBA),” funded by USAID and the Millennium Challenge Corporation (MCC). The task order was active during the period December 12, 2006- June 30, 2009 under IQC AFP-I-00-04-00005-00 “Commercial Law Institutional Reform (CLIR)”. Booz Allen Hamilton implemented the task order as leader of a consortium that included Emerging Markets Group, Economic Integration Forum, and International Institute for Food Safety and Quality.

## **I. Overview**

The U.S. Agency for International Development (USAID) and the MCC launched the TIBA project to provide technical assistance to Ukraine’s public and private sectors to increase trade in accordance with WTO rules, create a better business environment, and reduce corruption. Total project funding was \$8,198,039 split between USAID (\$3,883,201) and MCC (\$4,314,838). The project had three components. USAID funded Components I and II, which focused on WTO accession and regulatory reform respectively. Component III was funded by the MCC as part of The Millennium Challenge Account’s (MCA) Threshold Country Program (TCP) for the Government of Ukraine (GOU). The Strategic Objective Agreement between the USG and GOU for the implementation of the TCP states that the strategic objective was to “reduce corruption in the public sector through strengthening civil society’s monitoring and exposure of corruption, judicial reform, strengthen government’s monitoring and enforcement of ethical and administrative standards, streamlining and enforcing regulations and combating corruption in higher education.” Through Component III, TIBA helped the GOU implement its subcomponent 4.2 of the TCP, which was prepared by the GOU and dedicated to streamlining and enforcing regulations.

As provided in the Task Order, successful implementation of Component III was conditional upon the GOU’s fulfillment of its obligations under the TCP Implementation Plan (IP) that was prepared with assistance of TIBA and approved by the USG and GOU in August 2007 (Annex A). The IP was later revised by USAID and the MCC Secretariat in April 2008. The modified IP was officially adopted by GOU MCC Board in July 2008. The roles and responsibilities for implementing the TCP IP are detailed in Annex 2. The section below is a summary of the tasks followed by a list of documents that were produced and provided to USAID. The last section is a summary of lessons learned that were presented to USAID at the closing of the project.

## II. Components, Objectives, and Tasks

### **Component I: WTO Accession and Post Accession**

<b>Objective 1: Ukraine Accedes to World Trade Organization (WTO)</b>
Task 1. Manage Accession Process
Task 2. Build Support for WTO Accession and Ratification
Task 3. Complete WTO Accession- Related Legal Reform
<b>Objective 2: GOU Fulfills Select WTO Post-accession Commitments</b>
Task 1. SPS Agreement
Task 2. TBT Agreement
Task 3. Regulations for HACCP
Task 4. Government Procurement
<b>Objective 3: Ukraine's Businesses Benefit from Ukraine's Accession into WTO</b>
Task 1. Assist Ukrainian Businesses in Benefiting from and Adjusting to SPS Standards & HACCP to Increase Exports
Task 2. Assist Ukrainian Businesses in Learning about Ukraine's Commitments and their Impact, and in Accessing WTO Markets
Task 3. Strengthen WTO Informational Services and Facilities

### **Objective 1: Ukraine Accedes to World Trade Organization (WTO)**

#### **Task 1.1 Manage the WTO Accession Process**

Ukraine first applied for WTO membership in 1993, but considerable challenges kept accession hopes limited. In order to fully integrate into the global economy, Ukraine needed to accede to the WTO.

**Solution:** Prepare the accession package and change laws and regulations to be in compliance with the WTO.

#### What was done?

Booz Allen managed and assisted in concluding the accession process by seeking to finalize the accession package – including Working Party Reports and by participating, supporting, and reporting WP meetings. The TIBA project prepared for, participated in, and reported on the proceedings of four working party meetings, held between May 2007 and January 2008. Team members provided in-depth replies to inquiries from the EU, India, Argentina, and the US regarding legislation, the draft WP report, SPS and TBT, while highlighting next steps following each meeting to continue progress toward accession.

#### Result

As a direct result of these actions, the Working Party adopted Ukraine's package of accession on January 25, 2008.

### **Task 1.2 Build Support for WTO Accession and Ratification**

The complications for joining the WTO had two aspects. The first was reforming the legal and regulatory environment. The second was the ratification of the decision to join the WTO by Ukraine's parliament (Verkhovna Rada). Many citizens and politicians did not understand the long term benefits of joining the WTO and focused rather on the shorter term drawbacks.

**Solution:** Educate and build support within the VR for ratification of WTO membership and increase public awareness of long-term benefits of WTO requirements and benefits.

#### What was done to solve the problem?

Booz Allen assisted in the preparation of WTO hearings at the VR, updated an Analytical Comparative Report of Ukraine's commitments; conducted seminars and roundtables jointly with the Ministry of Economy, and disseminated educational materials on WTO compliance. A key output was the guidebook "Ukraine in WTO: Overview of Commitments for Policy-makers and the Business Community". The guidebook was widely disseminated and served as a useful resource.

#### Result

A significant number of public events were conducted to educate the public and private sectors. The project delivered over 65 events (e.g. seminars, workshops, roundtables); of which 54 events in Kiev and 11 events in 8 cities (Dnipropetrovsk, Poltava, Nizhyn, Lviv, Chernigiv, Odessa, Simferopol, and Sevastopol) of Ukraine covering a wide array of topics. Many of the events in Kiev included public and private sector representatives from all regions of Ukraine. On April 10, 2008, Ukraine VR ratified WTO Accession Package through adopting Law of Ukraine "On Ratification of Protocol on Accession of Ukraine to the World Trade Organization", No. 250-VI. Ratification instruments notified to the WTO on April 16, 2008. Ukraine acceded to the WTO on May 16, 2008.

### **Task 1.3 Complete WTO Accession-Related Legal Reform**

A significant number of legislative reforms were required for Ukraine to accede to the WTO and for Ukraine to establish a framework for foreign trade and investment. This required a major effort to work with the GOU and develop and implement a sound foreign trade policy.

**Solution:** Implementation of a concerted effort to reform Ukraine's legal and regulatory environment in compliance with WTO and international standards.

### What was done?

Booz Allen tracked all drafts, provided guidance where needed to finalize SPS and TBT related laws, and monitored the process of adoption of 11 Draft Laws requested by WP Members.

### Result

Key draft laws were submitted to the VR on May 30 and adopted on May 31, 2007. The adoption of this set of draft legislation triggered the conclusion stage of Ukraine's WTO accession negotiations. A year later, this work led to Ukraine's accession to the WTO.

## **Objective 2: GOU Fulfills Select WTO Post-accession Commitments**

### **Task 2.1 SPS Agreement**

In order to become competitive in the global economy and with other WTO members, Ukraine needed to undertake significant reform of its SPS regime.

**Solution:** Develop an SPS harmonization plan and improve GOU capacity to set standards for new goods and services. Improve the GOU's capacity to develop/implement a sound foreign trade policy and increase public awareness of SPS commitments.

### What was done?

A significant level of effort was leveled at helping Ukraine to comply with the SPS agreement. The number of laws and regulations reviewed and modified are significant and available upon request. Highlights of the effort are included below.

Booz Allen helped to develop harmonization plan with Codex Alimentarius/OIE/IPPC. In this regard, held meeting with National Codex Commission (NCC), Ministry of Agriculture (State Department of Veterinary Medicine and Plant Quarantine Service) and researched current status and existing norms. Discussed the plan with relevant authorities and agreed on prioritized harmonization plan focusing on those standards that affect the majority of trade. Additionally, TIBA monitored the activities of NCC, reviewed drafts on a regular basis, facilitated meetings of NCC, promoted the inclusion of the private sector, particularly food association; and participated in all meetings of the NCC.

TIBA assisted the NCC in developing three-language website which would feature full information on the NCC, its tasks, committees, activities and events as well as provide access to the databases and registries of standards and legislative acts. The website provides secured access to members who can get

detailed information on variety of topics and participates in internal discussions. The website development will increase information transparency, and will allow NCC to involve core actively public and private sector in SPS harmonization process. The pilot version of the website and user-friendly content management system with detailed instructions were developed by the end of January 2008. TIBA assisted NCC in preparation of initial content in English, Russian and Ukrainian, and posting it on the test website. By end of June 2008, a fully-functioning version of the Ukrainian Codex Alimentarius Commission website was tested and launched (<http://codex.co.ua/>).

TIBA assisted in the implementation of the Law on State System of Biosafety No. 1103-V, and built the GMO capacity of several state bodies. TIBA also assisted in reviewing and drafting significant biosafety legislation.

TIBA provided extensive capacity building to relevant ministries and state institutions to improve the implementation of newly adopted SPS related laws. The training covered international standards and modern supervision/testing methods; training to border personnel in inspection procedures, cargo examination, statistical sampling methods, sample handling and shipment procedures within Codex, OIE, and IPPC guidelines; training to scientific personnel in Ministry of Agricultural Policy, the Veterinary Committee and Ministry of Health on food risk assessment methods; and training the trainers at the Ministry of Agriculture and Ministry of Health to train on the full cycle, from farm-to-fork regarding new SPS laws.

### Result

Ukraine's compliance with and understanding of SPS requirements were greatly improved; adding to the creation of a modern trade regime designed to increase foreign investment and trade.

### **Task 2.2 TBT Agreement**

Ukraine's compliance with the TBT Agreement was unsatisfactory. Major improvements to the legal framework for market supervision were necessary and the GOU had a low capacity to set technical regulations for goods and services

**Solution:** Prepare a modern and effective Law on Market Supervision, amend and improve the Law on Consumer Protection, and related legislation. In addition the GOU was required to develop procedures for reviewing and accepting or rejecting proposals for technical regulations; identifying criteria for advising on whether or not to adopt a proposed technical regulation.

### What was done?

The project provided legislative drafting and analysis of draft legislation pertaining to market supervision and consumer protection related to the established TBT and SPS framework. It also acted as liaison with pertinent GOU bodies, IFC and World Bank to make necessary regulatory changes required for adoption of technical regulations.

In addition, TIBA delivered training to 21 representatives from Derzhpozhivstandart, Ministry of Economy, Ministry of Industrial Policy, and Ministry of Transport and Communications covering recognition of conformity assessment, notification, enquiry, and international and other countries' TBT regulations, and adoption of technical regulations.

### Result

By the end of the project, the number of regulatory requirements was reduced and the legal framework for market supervision was vastly improved. Through working directly with the GOU, TIBA improved its capacity to set technical regulations for goods and services

### **Task 2.3 Regulations for HACCP**

The regulatory infrastructure for HAACP is woefully inadequate. Major improvements are required for Ukraine's regulatory environment for food safety, including food safety in retail establishments, to achieve modern standards.

**Solution:** Identify key choke points for the improvement in the regulatory infrastructure and embark on a program of improvement.

### What was done?

TIBA assisted in the preparation of an Action Plan to establish an appropriate regulatory infrastructure for HACCP and adopt ISO 22000:2005 series.

### Result

ISO 22000:2005 was adopted in August 2007. In addition, TIBA assisted in moving forward additional ISO HACCP related standards (22003, 22004, and 22005 series). All three were at final stages of approval by end of TIBA.

### **Task 2.4 Government Procurement**

In most countries the government, and the agencies it controls, are together the biggest purchasers of goods of all kinds, ranging from basic commodities to high-technology equipment. At the same time, the political pressure to favor domestic suppliers over their foreign competitors can be very strong. The purpose of the WTO Government Procurement Agreement (GPA) is to open up as much of this business as possible to international competition. It is designed to

make laws, regulations, procedures and practices regarding government procurement more transparent and to ensure they do not protect domestic products or suppliers, or discriminate against foreign products or suppliers.<sup>1</sup> Ukraine committed to join the WTO GPA after it acceded to the WTO. Unfortunately, the GOU's procurement system is notoriously corrupt and not in compliance with the GPA.

**Solution:** Develop and implement a comprehensive plan for improving Ukraine's compliance with the WTO GPA and make concrete improvements to the law on government procurement.

#### What was done?

Working with government counterparts and the private sector, TIBA developed a comprehensive review of Ukraine's GP regime and action plan that contained concrete steps for improvement. At the start of the Project, TIBA completed a thorough assessment of the legal and institutional framework governing the government procurement regime outlining problems which should be addressed to improve transparency in government procurement, reduce discretionary authority and conflict of interest, and curtail corruption. The report, a master plan for combating corruption, covered legal framework for public procurement, institutional and organizational arrangements, procedures and practices, accountability, transparency and anti-corruption, and a framework for single website. The project also worked extensively on promoting sound procurement reform with policy and decision makers including Ministry of Economy, Secretariat of President, Parliamentarians, VR Committee on European Integration, Association of Ukrainian Cities (AUC), and the World Bank.

Institutional capacity development initiatives included the development of an organizational structure for the Government Procurement Department at the Ministry of Economy that included functions of various divisions. An institutional development plan for the Government Procurement Department to build its capacity was also developed. Finally, TIBA developed the GPA Accession Guidelines for preparing negotiating accession to the GPA.

#### Result

Increased awareness of WTO GPA requirements and focus on the public and private sector on key high priority issues for complying with the agreement. Ukraine has generally demonstrated a steady progress implementing its WTO commitments. Major results include:

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<sup>1</sup> WTO website.

- The elimination of the Tender Chamber role in Government Procurements which was a major conduit for corruption and a Trojan Horse, institutionalizing widespread corruption;
- The invalidation of the Law on Government Procurement and the restoration, as Temporary Procurement Regulations, of the 2004 version of Procurement which were based on UNCITRAL;
- The introduction into the VR, and passage on first reading, of a sound draft Procurement Law in line with UNCITRAL and key features of WTO GPA and EU directives;
- The return to the Ministry of Economy of the central policy and oversight functions after they had become in 2005 fragmented and dissipated, and subject to conflicts of interest; and
- The Decision by the Cabinet of Ministers to establish single-portal, official government procurement website.

### **Objective 3: Ukraine's Businesses Benefit Accession into WTO**

#### **Task 3.1 Assist Ukrainian Businesses in Benefiting from and Adjusting to SPS Standards & HACCP to Increase Exports**

Changes in the regulatory environment for SPS and HACCP are required as noted above. At the same time, businesses need to know how to comply with the new standards in order to compete successfully and increase export capacity.

**Solution:** Increase the ability of businesses to adhere to new standards.

#### What was done?

TIBA developed a strategy and action plan to assist SMEs in adjusting to SPS standards and HACCP Identify general constraints and devise solutions to adjust to Codex standards and HACCP, including general requirements, sanitary/hygienic conditions, and hazard control methods.

To allow staged introduction of HACCP in business operations based on proven least-cost methods, including a model of implementation of international food hygiene and safety management systems, TIBA developed and disseminated two SME sector-specific manuals on HACCP implementation, and ensured the model roll-out. The manuals developed included the Manual on Milk and Dairy HACCP Development and Implementation for SMEs, and the Manual on HACCP Implementation at Fruits & Vegetables for SMEs. The model of HACCP implementation described in the manuals was presented to the industry through round table discussions.

TIBA promoted the implementation of HACCP through educating food associations. TIBA developed three guidelines for business associations to respectively (i) promote HACCP and build demand, (ii) to provide services to their Members that would facilitate the introduction of HACCP, and (iii) identify and promote business-business partnerships (e.g. supply chains) for assisting SMEs in introducing HACCP. TIBA in addition provided training to potential HACCP service providers and assisted one HACCP service provider in improving delivery of HACCP related services. Further, TIBA assisted in developing HACCP course materials for educating students. Information about HACCP and the manuals were disseminated through seminars, websites and through CNFA to farmers in the rural areas of Ukraine.

### Result

A better understanding of the benefits of HACCP and methods of introducing it was achieved within the food industry. Over 60 food facilities were recorded to either have started HACCP implementation or prepared a plan using the manuals prepared by TIBA. Two business-business partnerships were also implemented. HACCP course materials were adopted by one local university.

### **Task 3.2 Assist Ukrainian Businesses in Learning about Ukraine's Commitments and their Impact, and in Accessing WTO Markets**

Acceding to the WTO is only the first step in a long process of improving Ukraine's trade regime and integrating into the global economy. For the effort to be completely successful, businesses must understand the changes and be able to adapt their operations to the new environment.

**Solution:** Provide information to businesses so that they understand the changes and how they affect their businesses.

### What was done?

TIBA informed the private sector, particularly SMEs, through at least eight seminars about their rights, obligations, opportunities, and challenges. TIBA provided training on market development for SME goods and services and trade information covering four cities: Lviv, Odessa, Dnipropetrovs'k, and Simferopol. The goal of this training was to assist Ukrainian businesses in benefiting from WTO accession, complying with market/regulatory requirements, and increasing exports.

### Result

Improved understanding by Ukrainian businesses about the benefits of WTO and resulting opportunities as well as improved skills for making needed adjustments to meet export markets regulatory/market requirements.

### **Task 3.3 Strengthen WTO Informational Services and Facilities**

To support Ukraine's commitment to the WTO and continue the process of integration, the Ministry of Economy's Information Center must be able to provide Ukraine's businesses with critical information about changes in the trade regime and how to take advantage of WTO membership.

**Solution:** Improve information dissemination capability of the Ministry of Economy's Information Center.

#### What was done?

TIBA assisted in developing the Ministry of Economy Information Center and in improving its website to provide relevant information to assist SMEs in identifying export opportunities. Procedures were developed and provided for the Ministry of Economy Information Center to secure information on Ukraine and other countries' import/export regulations, standards, and technical regulations. TIBA assisted the Ministry of Economy Information Center in securing materials on exporting goods and services, such as trade in services and developed the list of resources where SMEs can obtain information about other markets.

#### Result

Greater access by private sector to information about WTO and its commitments and improved facilities at the Ministry of Economy to make trade information and regulations available to businesses.

## ***Component II: Improvement of the Business Environment***

<b>Objective 4: Reduce the Cost of Doing Business in Ukraine</b>
Task 1. Ensure Proper and Effective Enforcement of the Regulatory Policy Law
Task 2. Institutionalize RIAs and RIEs
Task 3. Offer Assistance to SCRPE to Provide Institutional Capacity-building to Increase its Effectiveness in Implementing Regulatory Policy
Task 4. Implement the Second Phase of GOU's Quick Deregulation Strategy

### **Objective 4: Reduce the Cost of Doing Business in Ukraine**

#### **Task 4.1 Ensure Proper and Effective Enforcement of the Regulatory Policy Law**

Businesses are forced to contend with a mass of conflicting, duplicative and outmoded regulatory requirements and bureaucratic red tape. This has created an environment conducive to corruption and evasion of the law, and impedes business from growing and developing as it would otherwise. This also constitutes a serious barrier to foreign investment.

The adoption in 2005 of the Law on Regulatory Policy in the Sphere of Economic Activity (RPL), which was developed and promoted by a previous USAID project, represented a very significant step toward reforming the way the government regulates private enterprise. The RPL requires that the government conduct a Regulatory Impact Analysis (RIA) for each proposed law or regulation that will regulate or impact private commercial activity (“regulatory acts”); and that they conduct a Regulatory Impact Evaluation (RIE) periodically after the regulatory act has been adopted, in order to track its actual impact. The RPL stipulates the specific criteria that must be addressed by the RIA and RIE. In addition, the RPL requires the government to provide the public with 30 days’ notice before a proposed regulatory act is adopted and to hold public hearings to elicit comments on it. The RPL also states that the State Committee of Ukraine for Regulatory Policy and Entrepreneurship (SCRPE) must approve a regulatory act before it can be adopted. SCRPE bases its approval on a determination that the responsible government agency followed the procedures established by the RPL for enacting a regulation and that the RIA meets requirements established by the Cabinet of Ministers.

**Solution:** Improve the implementation of the Regulatory Policy Law

#### What was done?

Booz Allen carried out a range of complementary initiatives to improve the implementation of the RPL.

The Rules and Procedures of the Cabinet of Ministers had to be amended to require that any legislation proposed by a ministry for review and approval by the Cabinet of Ministers must have been developed in accordance with the RPL’s requirements, with an emphasis on RIA/RIE, public notice and comment and the review of the proposed legislation by SCRPE. TIBA drafted these amendments and they were adopted by the Cabinet of Ministers of Ukraine in July 2007 (July 18 2007, CMU Resolution #950).

TIBA also developed and disseminated recommendations on how state agencies can better manage their work to increase their ability to comply properly with the RPL. Specifically, TIBA has developed a set of recommendations and proposed templates of internal procedural documents of state executive bodies with the aim to assist them establish better mechanisms of RPL implementation within their organizational structure. These recommendations can be used by regulatory agencies of all levels (national and local).

To raise the awareness and understanding of both the public and private sectors with respect to the RPL, TIBA provided training on the RPL and its

implementation to governmental agencies and business associations at the national, regional and local levels. TIBA used the regulatory policy manual “*Regulatory Activity in Ukraine: Planning, Justification, Discussion, Evaluation*” developed under Task 4.2 as its basic text for the trainings. Over 800 people were trained at all levels.

### Result

The overall framework for the implementation of the RPL was strengthened and there is an increased awareness of its requirements and how to implement it properly.

### **Task 4.2 Institutionalize RIA and RIE**

Like other former Soviet republics, Ukraine inherited a political system premised on government regulation and control of virtually all areas of a citizen’s life. Despite the increase in political and economic freedoms following independence, government entities continued in many respects to operate as before. They continued to interfere in private commercial activity with little accountability for the consequences of their actions; they continued to develop regulatory policies without justifying them or taking into account their impact on business and society at large. As a consequence, business is forced to contend with a mass of conflicting, duplicative and outmoded regulatory requirements and bureaucratic red tape. This has created an environment conducive to corruption and evasion of the law, and impedes business from growing and developing as it would otherwise. This also constitutes a serious barrier to foreign investment.

The adoption of the RPL in 2005 represented the first systematic effort to require state and local governmental agencies to justify their regulatory policies by subjecting them to mandatory RIA and RIE. As could be expected, state and local governmental agencies resisted the RPL. Nevertheless, SCRPE currently reports that the overwhelming majority of draft regulatory acts proposed by state agencies are accompanied by RIA’s.

The quality of the RIAs, however, is often less than satisfactory, with analysis being purely perfunctory or conducted to support a predetermined conclusion. This situation arises not only out of the agencies’ institutional resistance to comply with the RPL; it also reflects the difficulties that they encounter in trying to comply with the RPL, owing to poor organization and management, inadequately trained staff and frequent turnover. The RPL has imposed requirements on state and local governmental agencies that they are hard pressed to meet even when they desire to do so.

**Solution:** Increase the capacity of state and local governmental agencies to carry out effective RIA and RIE and increase the capacity of SCRPE to monitor their compliance.

#### What was done?

Booz Allen developed and disseminated recommendations on how state agencies can better manage their work to increase their ability to comply properly with the RPL. A set of recommendations and proposed templates of internal procedural documents of state executive bodies were also developed with the aim to assist them establish better mechanisms of RPL implementation within their organizational structure. These recommendations can be used by regulatory agencies of all levels (national and local).

A total of 31 laws were identified by TIBA and key stakeholders as requiring amendments to become in compliance with the RPL and amendments were developed. These were then incorporated in to a draft law.

To raise the awareness and understanding of both the public and private sectors with respect to the RPL and build support for amendments adoption and implementation, TIBA provided training on the RPL and its implementation to governmental agencies and business associations at the national, regional and local levels. TIBA also developed the regulatory policy manual "Regulatory Activity in Ukraine: Planning, Justification, Discussion, Evaluation" and about 700 officials from all levels and private sector representatives were trained. Together with SCRPE, TIBA also conducted a round table for 30 judges of administrative courts on the application of RPL norms.

#### Result

On October 8, 2008 TIBA counterparts from the VR Committee on Industrial and Regulatory Policy and Entrepreneurship registered the Draft Law "On Amendments to Certain Laws with the Aim to Bring Them in Compliance with Regulatory Policy Law" (Draft Registration No.3277). The Draft Law amends 29 of 31 laws identified by the project as requiring amendments in order to bring them into compliance with the RPL. This draft Law was adopted in the first reading on May 19, 2009 and is being finalized for the second reading.

TIBA drafted amendments to the Rules and Procedures of the Cabinet of Ministers and they were adopted by the Cabinet of Ministers of Ukraine in July 2007 (July 18 2007, CMU Resolution #950).

### **Task 4.3 Offer Assistance to SCRPE to Provide Institutional Capacity-Building to Increase its Effectiveness in Implementing Regulatory Policy**

SCRPE promotes the growth and development of private enterprise in Ukraine. Under the Law on Regulatory Policy in the Sphere of Economic Activity (RPL), SCRPE is the designated “gatekeeper” with respect to all regulatory acts (i.e., laws, decrees and regulations that could affect private enterprise) proposed by state and local governmental agencies that affect private sector activities. SCRPE is authorized to review all such acts to ensure that they comply with the requirements of the RPL and a regulatory act may come into force only after SCRPE has reviewed and approved it.

Two factors prevent SCRPE from fulfilling its mandate in a fully satisfactory manner. Firstly, SCRPE lacks political independence as it is subordinate to the Cabinet of Ministers while at the same time it is required to hold government accountable to the RPL. Often SCRPE’s position is overruled or ignored with respect to a proposed regulatory act that is deemed expedient for some purpose sanctioned by a state agency or the Cabinet of Ministers, irrespective of whether the regulatory act was developed in accordance with the RPL. SCRPE is further hampered from defending its positions effectively since it does not have its own seat in the Cabinet of Ministers. In addition, although the RPL requires that all proposed laws qualifying as regulatory acts be subjected to review by SCRPE, this is roundly ignored by the VR with respect to draft laws that it develops. Secondly, as with most state agencies in Ukraine, SCRPE is forced to operate on a very austere budget; it is understaffed and poorly automated; and it experiences frequent turnover of personnel. These factors limit SCRPE’s technical capacity to perform its work.

These factors contribute to the perpetuation of Ukraine’s hostile business regulatory environment, which continues to dampen the growth of investment and employment.

**Solution:** SCRPE should be reconstituted as an independent Commission, along the lines of the Securities Commission or Anti-Monopoly Commission, so that it is not subordinated to the Cabinet of Ministers. In addition, measures must be taken to increase SCRPE’s internal capacity to fulfill its mission under the RPL.

#### What was done?

Booz Allen helped SCRPE to create a database of regulatory acts and a Permit Information Window (PIW). At the end of the project, TIBA also provided analysis and technical advice to the head of SCRPE on how to restructure the agency to be more effective.

### Result

The database of regulatory acts contains regulations that are submitted to SCRPE for review so that it can organize and manage more effectively the flow of documents and information related to its function of reviewing proposed regulatory acts for compliance with the RPL. In addition, the database makes it possible for up-to-date information from the database to be posted on SCRPE's website, which creates a public record of the regulatory acts submitted to SCRPE.

The PIW is on SCRPE's website and is Ukraine's central location for information on the permitting procedures and requirements of each of Ukraine's localities, along with information on the one-stop shops (OSSs) that have been established to facilitate the issuance of permits. To date there is no single location in Ukraine where such information is available. The PIW also increase SCRPE's ability to monitor the regulatory activities of regional and local governmental agencies.

### **Task 4.4 Help Implement the Second Phase of GOU's Quick Deregulation Strategy**

The multitude of laws and regulations that the Ukrainian government applies to regulate business stifles economic growth; small- and medium- sized enterprises are particularly hurt by the regulatory system. Eliminating or amending the laws would greatly reduce the burden on business and create a much more market-oriented regulatory environment.

**Solution:** Establish and mechanism to review laws and regulations *en masse* with the aim of eliminating or amending those that are inconsistent with a market economy.

### What was done to solve the problem?

Booz Allen developed the methodology of implementing the second phase of Ukraine's quick deregulation strategy, targeting specific sectors of economy and spheres of economic activity. The project worked with SCRPE to draft and submit to the Cabinet of Ministers a Resolution for the review of regulatory acts pertaining to land usage, construction and tourism (#824-p 06/11/08). TIBA assisted Ministry of Regional Development and Construction, Ministry of Culture and Tourism, State Land Resources Committee to form working groups that would review existing legislation in respective spheres and develop recommendations to repeal and amend business unfriendly regulations.

TIBA conducted national and regional focus groups to identify problematic areas together with sector stakeholders, and based on this analysis facilitated working group meetings. After the lists of regulations that should be repealed or

amended were developed and finalized, TIBA experts helped working groups to prioritize them and worked on drafting legislation and supporting documents for implementation. In cooperation with SCRPE, TIBA provided continued rigorous monitoring of QD implementation and ad hoc support if legal or educational assistance was required.

### Result

The working groups identified 69 laws and regulations that require amendment or cancellation (laws, CM resolutions and ministerial orders). 17 of them had to be repealed urgently (3 resolution and 14 orders). To date, 11 of them were already repealed, and 4 are in the process. 20 regulations required amendments (including 7 laws) and amendments to 5 of them were already drafted and adopted.

The most significant result was adoption of the Law “On Amending Certain Laws of Ukraine Regarding Support in the Sphere of Construction” (signed by the President on October 08, 2008). It decreased the number of permitting procedures in construction sphere and decreases time to get permits by 2.5 months, as well as decreased the amount of investor’s input into infrastructure development from 25% of the total investment project cost to 10% for commercial estate development projects and 5% for residential estate.

Another example is adoption of the CM resolution on acceptance of finished construction objects. It decreased the time of acceptance from 70 days to 15 and simplified acceptance procedure by creation of one unified acceptance commission (compared to the previously required two different commissions compiled from 5 government bodies).

### **Component III: Streamlining and Enforcing Regulations**

<b>Objective 5: Reduce corruption related to granting land owner and user rights, access to utilities, and construction permits</b>
Task 1. Improved Implementation of the Permit System Law (PSL)
Task 2. Simplify Permitting Procedures in Construction
Task 3. Implement the Inspection Law to Simplify Inspection Procedures in Construction
Task 4. Introduce Effective Zoning Principles
Task 5. Simplify Procedures to Obtain Local Access to Municipal Services (Utilities)
Task 6. Reduce Excessive Administrative Control Over Property Transactions

#### **Objective 5: Reduce corruption related to granting land owner and user rights, access to utilities, and construction permits**

##### **Task 5.1 Improved Implementation of the Permit System Law**

Since Ukraine's independence, entrepreneurs have encountered serious impediments to starting and operating a business because of the permitting practices of state and local agencies. Historically, Ukrainian law gave government free rein to develop permitting policies and requirements as they saw fit. Agencies tended to use this power to extend their authority and, often, to extract bribes. As a consequence, business persons were faced with a bewildering mass of permitting requirements emanating from a variety of agencies. The permitting requirements were often unduly burdensome, duplicative and contradictory, and bore little relation to the level of risk posed by the business activity. Often the permitting requirements were not widely published, which led to considerable delays and red tape for business and created considerable incentives for corruption. The lack of uniformity in local regulations made it very difficult to project the likely costs of doing business, in time and money, in different regions of Ukraine.

A major step in correcting this situation was the adoption in 2005 of the framework law "On the System of Permits for Business Activities" (the Permit System Law or PSL), which USAID helped develop. The PSL imposes requirements for all permitting for private business aimed at curtailing state agency discretion and abuse and requires the establishment of permit issuing one-stop shops (OSSs) in every municipality. Unfortunately, the government has failed to implement the law effectively and it needs to be improved to address problems arising in practice.

**Solution:** Amend the PSL and related permitting laws to bring them into conformity with modern principles of permitting law and practice. This will

lead to improved one-stop-shop (OSS) activities, bring into force the principle of silent consent, and reduce opportunities for corruption.

#### What was done?

The IP required Ukraine to amend the PSL to bring it into conformity with modern permitting practice as well as to improve its implementation. The IP called for the PSL amendments to be adopted by the VR by October 31, 2008. The IP designates SCRPE as the agency responsible for leading this work.

#### Result

On April 8, 2008 the draft Law “On the amendments to the Law of Ukraine “On the System of Permits for Business Activities” was adopted in the first reading by VR. In addition, on January 13, 2009 the draft Law “On the List of Permit-Related Documents in the Sphere of Economic Activity” (#3224) was adopted in the first reading by VR. Due to political uncertainty within the VR, adoption in the second reading of the amendments to PSL was delayed.

#### **Task 5.2 Simplify Permitting Procedures in Construction**

The system for obtaining the permits required for construction is complex, opaque, expensive, time-consuming and a major source of corruption. In fact, the Ukrainian permitting system in construction is one of the worst in the world; the World Bank ranks Ukraine 174 out of 178 countries on the complexity of its construction permitting system.<sup>2</sup> This acts as a serious constraint on construction, investment and economic development.

**Solution:** Construction permitting laws must be brought into compliance with the Permit System Law (PSL). In addition, permit-issuing one-stop shops (OSSs) should develop simplified and uniform procedures for issuing construction permits, national and local governments should provide free and open access to all information required to obtain construction permits. Finally, GOU officials, SMEs and civil society must be trained in the new permitting procedures. Taken together these reforms will reduce opportunities for corruption in construction permitting, increase the efficiency of permitting issuance and reduce the costs of permitting that are imposed on business. This will encourage construction and investment and help foster economic growth.

#### What was done?

The IP required Ukraine to reform its regulatory framework for construction permitting through amendments to three principal construction laws (the Law on Planning and the Housing System; the Law on Architectural Activity; and the

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<sup>2</sup> The *Dealing with Licenses* indicator of the World Bank’s *Doing Business 2008* report summarizes the procedures, time, and costs to build a warehouse in Kyiv.

Law on the Fundamentals of City Planning). The IP called for the VR to adopt the legislation by December 1, 2008. The IP designated the Ministry for Regional Development and Construction as the agency responsible for leading this work.

Booz Allen provided technical assistance to the GOU for implementing the reforms. TIBA was responsible for analysis of construction permitting procedures and practice; helping the Ministry for Regional Development and Construction (MRDC) form a working group to draft the amendments; assisting the working group; organizing a study tour on permitting procedures; conducting a roundtable to discuss the proposed amendments; helping get the draft legislation registered in the VR; helping get the legislation adopted; helping to draft sublaws; and providing training to MRDC officials.

One-stop shop administrators and officials from all municipalities and rayons with established OSSs (more than 800 representatives) were trained by TIBA and SCRPE. The basis of the training was the OSS Toolkit "Recommendations for Streamlining Permit Issuance Procedures in the Sphere of Economic Activity and Construction at the Local Level", which was developed by TIBA and SCRPE.

Tools Developed Under this component included:

- OSS Toolkit "Recommendations for Streamlining Permit Issuance Procedures in the Sphere of Economic Activity and Construction at the Local Level"
- Permit Procedures for SMEs (detailed process maps for the twelve most common permits)
- Permit System Manual
- Permit Issuance Procedures in Construction: Ukrainian Legislation and Best International Practices
- Permit web portal (*managed by SCRPE*)

### Result

Implementation of this task lead to a decrease in corruption for obtaining permits related to construction.<sup>3</sup> On September 16, 2008 draft law "On Amending Certain Laws of Ukraine Regarding Support in the Sphere of Construction" was adopted by the Parliament in the second reading. On October 08, 2008 the President of Ukraine signed the Law of Ukraine "On Amending Certain Laws of Ukraine Regarding Support in the Sphere of Construction".

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<sup>3</sup> *Corruption and Business Regulations in Ukraine: Construction and Land Transactions Permits* Comparative, Analysis of National Surveys: 2008-2009 for the MCC Threshold Country Program (Management Systems International, May 2009).

On May 20, 2009 the Resolution "On Adoption of Procedures of Issuing Outgoing Data for Designing Construction Objects" was adopted by the Cabinet of Ministers of Ukraine (№ 489). The Resolution was drafted to implement the provisions of the Law of Ukraine "On Amending Certain Laws of Ukraine Regarding Support in the Sphere of Construction" (№ 509, 9/16/2008). The Resolution regulates the procedures for obtaining city planning conditions (restrictions) and technical specifications for new construction objects. The new procedures establish clear requirements for gaining access to utilities and therefore make the procedure more transparent for enterprises willing to invest in construction. Adoption and enforcement of the Resolution also fulfilled the GOU's commitments under *Task 5.5 Access to Utilities*. The resolution "On Procedures of Issuance of Permits for Conducting Preparatory Works and Permits for Conducting Construction Works" was adopted by the Cabinet of Ministers of Ukraine (# 1104, 9/30/2009).

### **Task 5.3 Implement Inspection Law and Simplify Inspection Procedures in Construction**

A major challenge that businesses encounter in Ukraine is inspections. Historically, inspection agencies have had broad power over business activity. They have used that power to increase the frequency of inspections without regard for whether such increases served the public interest or were consistent with a market economy. In addition, because inspection procedures are unclear and inspection requirements are out-dated; businesspeople are often forced to resort to unofficial payments to escape fines or to operate in the shadow economy. The current business inspection system shackles business development, thwarts competitiveness and significantly increases the cost of doing business in Ukraine.

**Solution:** Regulations governing construction inspections must be brought into compliance with the Law on Inspections; improvements must be made to the procedures for construction inspections; agencies and officials need help to carry out the new procedures effectively; and public aware needs to be raised about the reforms.

#### What was done?

The IP called for adopting the CM Resolution "On the Procedures for Conducting Inspections by Officers of the State Building Inspection and its Regional Departments". Initially, TIBA's assistance was focused on helping the GOU achieve its original goals. After the modification of the TCP IP, the focus was on the CM Resolution.

## Result

The draft CM Resolution “On the Procedures for Conducting Inspections by Officers of the State Building Inspection and its Regional Departments” was approved by relevant ministries, except the Ministry of Justice. To date, the Resolution has not been adopted.

### **Task 5.4 Introduce Effective Zoning Principles**

**Problem:** A transparent and rational system for government to regulate of the use and development of land does not exist. In most modern countries, some form of zoning, or land use principles, is used by government to develop sites and buildings within clearly defined areas. Zoning regulations are also used to protect citizens by separating polluting industry from neighborhoods. Because no concept of zoning is used in Ukraine, government cannot control growth and development in an organized manner, nor can it moderate the combination of different land uses and protect citizens.

**Solution:** Ukraine should introduce modern zoning principles which (1) require each municipality to adopt a zoning plan; (2) establish the guiding rules that municipalities must apply in developing their zoning plans; (3) establish the procedures that cities must follow to ensure that the zoning plans reflect the concerns of all interested parties, including state agencies and the public; and (4) lay the basis for a simplified permitting regime governing land use and construction.

### What was done?

The IP required Ukraine to develop a modern zoning concept paper that would feature the requirements described above by September 30, 2008 and adopted by the Cabinet of Ministers (CM) by November 30, 2008. The IP designated the State Land Resources Committee (SLRC) and the Ministry of Regional Development and Construction (MRDC) as the GOU entities responsible for leading this work. Taking into account lack of common vision on introducing zoning principles in Ukraine between MRDC and SLRC, TIBA received an approval from GOU MCC Secretariat to extend the deadline for zoning concept drafting and adoption until the agreement between key GOU stakeholders is achieved. TIBA worked with MRDC and SLRC to reach an agreement between them and ensure a common vision on introduction of modern zoning principles in Ukraine.

Booz Allen analyzed Ukrainian legislation and best practices related to zoning; organized a study tour to Germany to examine zoning principles; supported working group meetings to discuss strategy and drafting approaches; helped draft the concept paper on zoning; and designed and implemented a public awareness campaign on the reforms.

Draft Concept papers on land zoning and on zoning of territories were developed with TIBA assistance by MRDC and the SCLR. The draft concepts represent visions on the introduction of zoning principles in Ukraine by MRDC and SCLR and take into account international experience and requirements of Ukrainian legislation regulating zoning.

Because of the difficulty reaching consensus within the GOU, TIBA developed a detailed program of territory zoning principles implementation within the framework of the current legislation. The program established individual stages in the general process of territory zoning implementation within boundaries of a settlement as well as the scope and sources of required financing. The program provided information about best practices as well as issues of the territory zoning implementation process that were defined in the course of meetings with representatives of local self-governance bodies of the following cities: Chernihiv, Ivano-Frankivsk, Lviv, Pryluky, Konotop.

The draft concept paper on zoning of territories, action plan on implementing zoning principles, and the financial plan for implementing zoning principles were disseminated to 182 municipalities for use by local governments.

### Result

Analysis and information have been distributed broadly. However, the GOU failed to make the required changes to the legal/regulatory framework.

### **Task 5.5 Access to Utilities**

**Problem:** It is very difficult to establish new utility services (electricity, water supply, heating, sewage, etc.) for a new building, and this hinders investment and job creation. For example, an investor cannot begin construction until each utility service provides the technical specifications for how the connection will be provided. At the same time, the investor will not receive that information until he has acquired the land plot and received permission to build. Overall, the procedures are complicated, obscure and outdated and involve a large number of bureaucrats. This situation increases the opportunities for corrupt behavior.

**Solution:** Procedures for accessing utilities must be streamlined. Technical specifications related to utilities and construction (construction standards, rules, prohibitions, etc.) must be available to potential investors so that they can calculate their costs before making a final decision on whether to undertake a construction project.

### What was done?

The IP required Ukraine to improve the procedures for connecting to utilities. To do this, the Ministry of Regional Development and Construction (MRDC) and the Ministry of Housing and Communal Services (MHCS) were tasked with drafting better procedures for creating connections to utilities.

Booz Allen provided assistance in the drafting of regulations and CM Resolutions and engaged in outreach activities such as workshops and roundtables.

### Result

On March 19, 2009 the Governmental Committee on Economic Policy under the CM positively considered the draft Resolution of the Cabinet of Ministers of Ukraine "On Procedure for Issuance of Outgoing Data" and recommended to adopt it by CMU. On May 20, 2009 the Resolution "On Adoption of Procedures of Issuing Outgoing Data for Designing Construction Objects" was adopted by the CM (№ 489).

### **Task 5.6 Reduce Excessive Administrative Control over Property Transactions**

**Problem:** Land market development is a major barrier to investment and competition in many sectors of Ukraine's economy and access to land is a major constraint to the operation and growth of business. A comprehensive, reliable and accessible real property<sup>4</sup> registry is an important pillar of a land market where ownership rights are secure and land markets work effectively, but Ukraine does not have one. Instead, there are four separate registries that are administered by two separate state agencies (the Ministry of Justice and the State Committee for Land Resources)<sup>5</sup>, and only owners or special government agencies can receive information from them. This complex, opaque system thwarts investments and encourages corruption.

**Solution:** Legislation must be developed and adopted to eliminate excessive administrative control over property transactions. This legislation will facilitate the development of transparent land markets, encourage investment and help foster economic growth.

### What was done?

The IP required Ukraine to eliminate excessive administrative control over property transactions. Specifically, the IP required an amendment to the Land Code to be registered in the VR by November 30, 2008 and adopted by April 1,

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<sup>4</sup> Real property includes land and buildings, constructions, and premises that can not be moved without their depreciation and alteration of use.

<sup>5</sup> The State Agency for Land Resources was recently reconstituted as the State Committee of Land Resources by the Resolution of the Cabinet of Ministry "On Reorganization of the State Agency for Land Resources" 02/13/2008 №48.

2009. The IP designated the State Committee for Land Resources (SCLR) and the Ministry of Justice (MOJ) as the GOU entities responsible for leading this work.

Booz Allen conducted an analysis of real property registration procedures; helped the MOJ and SCLR to work together effectively; provided assistance in legislative drafting; helped obtain the necessary approvals from other ministries; helped register draft legislation with the VR; and engaged in a public awareness campaign on the proposed reforms.

### Results

The Draft Law of Ukraine “On Amendments to the Land Code of Ukraine and Other Legislative Acts Regarding Simplification and Improvement of Permit-Issuance Procedures in the Sphere of Land Relations” (#3044) was improved according to the recent changes in the land legislation of Ukraine. It is scheduled to be resubmitted to the VR by people’s deputy Kseniya Lyapina.

DOCUMENTS PRODUCED AND DELIVERED TO USAID	File
<b>COMPONENT I</b>	
Guidelines for Accession of Ukraine to World Trade Organization Agreement on Government Procurement 05/30/2007	2007-05 GPA Accession Guidelines ENG.pdf 2007-05 GPA Accession Guidelines UKR.pdf
SPS Enquiries and Notifications: Procedures to Fulfill WTO Obligations and Enhance Private Sector Involvement in Evaluating SPS Notifications 05/31/2007	2007-05 SPS Enquires & Notifications ENG.pdf 2007-05 SPS Enquires & Notifications UKR.pdf
A Strategy and Action Plan to Assist SMEs in Adjusting to SPS Standards 07/18/07	2007-07 SME Action Plan for SPS Implementation.pdf
Helping Ukrainian Food Industry SMEs Adjust to and Benefit From SPS Standards and HACCP to Increase Exports: A Strategy and Action Plan 08/03/07	2007-08-03 Proposed Strategy and Action Plan for HACCP Implementation eng.pdf
Facilitating Establishment of a Favorable Regulatory Infrastructure for HACCP Implementation by SMEs: Action Plan 08/03/07	2007-08-03 SME Action Plan for HACCP Regulatory Framework eng.pdf
Master Plan for Reform and Combating Corruption in the Procurement System of Ukraine 08/13/07	2007-08-13 Government Procurement Report ENG.pdf 2007-08-13 Government Procurement Report UKR.pdf
Preparation and Application of Food Quality Management Systems on the Basis of the HACCP Concept for Small and Medium-Sized Enterprises in the Dairy Processing Sector 01/2008	2008-01 HACCP Dairy Manual UKR.pdf
HACCP Implementation Manual for Fruit and Vegetables Processing Sector 09/2008	2008-09 HACCP Fruit and Vegetables Manual UKR.pdf
Proposals to Harmonize with Key IPPC International Standards for Phytosanitary Measures (ISPM) Related to Hazardous Organism Risk Analysis 01/2008	2008-01 Phytosanitary Risk Analysis IPPC Harmonization ENG.pdf 2008-01 Phytosanitary Risk Analysis IPPC Harmonization UKR.pdf
WTO Membership of Ukraine: Commitments Review and Comments 09/2008	2008-09 WTO Membership - Ukraine's Commitments UKR.pdf
<b>COMPONENT II</b>	
The School of Efficient Municipal Management based on the Principles of State Regulatory Reform and Enhanced Entrepreneurial Initiatives. <i>Practical guide on regulatory management for mayors, city council deputies, citizens, entrepreneurs, NGOs, advisory institutions</i> 03/30/2007	2007 Municipal School Manual.pdf
Regulatory Activity in Ukraine: Planning, Justification, Discussion, Evaluation 12/2007	2008-2-19 RIA Manual SCRPE UKR.pdf

DOCUMENTS PRODUCED AND DELIVERED TO USAID	File
Likely Impact of the II Phase of Quick Deregulation in Ukraine April 2009	
<b>COMPONENT III</b>	
Legitimate and Efficient Management of Land Relations in Ukraine: Problems and Perspectives for Development, and Possible Regulation Mechanisms 05/2007	2007-05 TIBA Land Manual UKR.pdf
State Policy for Issues of the Permit System in the Sphere of Economic Activity (updated edition) 09/2007	2007-09-13 Permit System Manual UKR.pdf 2008-01 Permit System Manual UKR.pdf
Analysis of the legislative base for land use and zoning and property registration in Ukraine 12/2007	2007-12 Zoning and Property Rights Analysis UKR.pdf
Permit-Issuing Procedures in Construction: Ukrainian Legislation and Best International Practices 11/2007	2007-11 Permit System Analysis - Ukrainian and International Practices ENG.pdf 2007-11 Permit System Analysis - Ukrainian and International Practices UKR.pdf
Analysis of procedures of obtaining access to utilities 12/2007	2007-12 Utilities Analysis UKR.pdf
International Experience in Organization of Supervision of Use and Protection of Land and Water Resources 12/2007	2007-12 Soil and Water Protection - Presentation RUS.pdf 2007-12 Soil and Water Protection UKR.pdf
OSS Toolkit "Recommendations for Streamlining Permit Issuance Procedures in the Sphere of Economic Activity and Construction at the Local Level" 08/2008	2008-10 OSS Toolkit_UKR.pdf
Implementing Zoning Principles in Pilot Cities. Detailed Action Plan 3/2009	2009-04 Zoning Action Plan Presentation ENG.pdf 2009-04-30 Zoning Action Plan - Action Plan.zip
Financial Plan for City Planning Documentation and Zoning Plans Development 3/2009	2009-04-30 Zoning Action Plan - Financial Plan.zip
Obtaining Permits for Economic Activity June 2009	2009-06 Permit Procedures for SMEs UKR.pdf
Review of the State Committee of Ukraine for Regulatory Policy and Entrepreneurship operations and recommendations to improve SCRPE capacity June 2009	2009-06 SCRPE Assessment Report ENG.pdf 2009-06 SCRPE Assessment Report UKR.pdf

### **III. Lessons Learned**

#### **Top-down & bottom-up**

Due to the dynamics of Ukraine's political system it is important to work at both the national and local levels. A great deal of authority with regard to the regulatory environment lies at the local level. At times reform at the national level required the project to focus on the regional level where champions of reform were making progress. The results of these efforts were used to build grassroots support and provide policy-makers with concrete examples of the success of the reforms that the project was advocating. Armed with these examples, the politician(s) did not feel that they were venturing too far "out on a limb" in suggesting reforms and they were able to convince others that the reforms would bring concrete benefits to the population.

#### **Tactical flexibility**

Due to the consistent political uncertainty in Ukraine reform efforts at times either surged or stopped completely. Overly prescriptive scopes of work hamper projects when trying to adapt to this environment. Ideally, scopes of work should be broad enough to be able to work with both the public and private sectors to initiate and implement reform. Projects that are focused solely on the public sector will encounter long periods of stagnation.

#### **Stakeholder buy-in**

As in all development projects, stakeholder buy-in is critical. This goes beyond pro-forma roundtables and conferences that bring stakeholders together around a common agenda. Trust is a key factor in working behind the scenes to implement legal and regulatory reform. To accomplish this, it is important to engage consultants and advisors that decision makers in the target government entity trusts.

#### **Patience**

The TIBA project was far too short to fully achieve the impact that it was intended to achieve under the MCC's Threshold Country Program. Donors must exercise patience and design legal and regulatory projects that span no less than four years. It may take two years to pass the legislation desired and the remaining two years can be focus on implementation. As can be seen by the results of the TIBA project, much of the changes to the legislative framework were achieved at the end of the project. Had an additional two years been available, the project could have turned its focus on helping government implement the reforms.

## Annex 1. TIBA Work Plan

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
<b>Component I: WTO Accession and Post Accession</b>																			
<b>Objective 1: Ukraine Accedes to World Trade Organization</b>																			
<b>Task 1.1. Manage Accession Process</b>																			
1.1.1 Manage and assist in concluding the accession process by seeking to finalize the accession package—including Working Party (WP) Report and by participating, supporting, and reporting WP meetings																	Ministry of Economy	Completed	
<i>Expected Results 1.1: Completion of Ukraine's WTO accession proceedings in a timely manner</i>																			
<b>Task 1.2. Build Support for WTO Accession and Ratification</b>																			
1.2.1 Assist in WTO Hearings at the VR																	Ministry of Economy, VR Committee on European Integration	Completed	
1.2.2 Update Analytical Comparative Report of Ukraine's commitments developed under previous USAID projects for supporting WTO ratification at the VR.																Completed			
1.2.3 Conduct seminars and roundtables jointly with the Ministry of Economy (at least twice per year) and disseminate educational materials on WTO compliance																Completed			
<i>Expected Results 1.2: VR ratification of WTO membership; increase of public awareness of WTO and other commitments; assessment of accession impact</i>																			
<b>Task 1.3. Complete WTO Accession-Related Legal Reform</b>																			
1.3.1 Complete WTO accession -related legal reform. Track the legislative process and assist in drafting, evaluating, and commenting on any proposed amendments, via a regularly updated Legal Reform Status Chart that will highlight the legislative progress and any outstanding issues and proposed remedies. Work with the Ministry of Economy to maintain draft laws in English and Ukrainian.																	Ministry of Economy, VR Committee on European Integration	Completed	
1.3.2 Provide support to the Verkhovna Rada Committee on European Integration in reviewing at least six (6) draft laws for WTO Conformity.																Completed			
<i>Expected Results 1.3: Development of WTO Membership-Enabling legal and regulatory framework for foreign trade and investment and development of GOU capacity to develop and implement a sound foreign trade policy</i>																			
<b>Objective 2: GOU Fulfills Select WTO Post-accession Commitments</b>																			
<b>Task 2.1. SPS Agreement</b>																			

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
2.1.1 Develop a SPS harmonization plan with the Codex Alimentarius, IPPC, and OIE standards																		Ministry of Agriculture (Veterinary department, Plant Quarantine Department), Ministry of Health (Sanitary-Epidemiological Service, Institute of Toxicology and Eco-Hygiene), Ministry of economy	Completed
2.1.2 Assist the NCC in adopting at a minimum five (5) Codex standards through participating in NCC Working Groups, involving food associations, and assessing compliance cost with Codex including new testing methods																			Completed
2.1.3 Assist the NCC in developing a website for increasing participation in Codex harmonization																			Completed
2.1.4 Assist the Veterinary Department and the Plant Quarantine Department to adjust animal and plant SPS measures for greater compliance with OIE and IPPC in the context of working groups through adopting at a minimum of five (5) OIE standards and three (3) IPPC standards																			Completed
2.1.5 Support the MOAP and MOH in adopting minimum of six (6) SPS-related regulations in key areas (e.g., manufacturer's declaration)																			Completed
2.1.6 Support the implementation of the Law on State System of Biosafety (Genetically Modified Organisms/biotechnology) through advising on the drafting of at least four (4) resolutions																			Completed
2.1.7 Develop a white paper on science based regulation for biotech crops and foods																			Completed
2.1.8 Assist the Ministry of Economy Information Center in establishing procedures to handle and respond to WTO SPS notifications and enquiries, and provide ongoing information to interested parties regarding foreign country SPS notifications on proposed requirements																			Completed
2.1.9 Assist the Ministry of Economy Information Center in establishing a database structure for SPS enquiries and notifications																			Completed
2.1.10 Provide training on international standards and modern supervision/testing methods; training to border personnel in inspection procedures, cargo examination, statistical sampling methods, sample handling and shipment procedures within Codex, OIE, and IPPC guidelines; training to scientific personnel in Ministry of Agricultural Policy (MOAP) and Ministry of Health (MOH) on food risk assessment methods; and training the trainers at the MOH and MOAP to train on the full cycle, from farm-to-fork regarding new SPS laws																			Completed
<b>Expected Results 2.1:</b> Development of SPS harmonization plan; improved GOU capacity to set standards for new goods and services; improved GOU capacity to develop/implement a sound foreign trade policy; improved legal/regulatory framework for foreign trade; increase public awareness of SPS Commitments																			
<b>Task 2.2. TBT Agreement</b>																			
2.2.1 Assist in preparing draft Law on Market Supervision																		Ministry of Economy. National	Completed

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
2.2.2 Assist in preparing draft amendments to the Consumer Protection Law to comply with the recently enacted TBT Law																		Accreditation Agency, State Committee of Technical Regulation and Consumer Protection	Completed
2.2.3 Assist in reducing the list of goods subject to mandatory certification																			Completed
2.2.4 Assist in notifying the ISONET WTO Information Center accordingly																			Completed
2.2.5 Assist in developing procedures for reviewing and accepting or rejecting proposals for technical regulations; identifying criteria for advising on whether or not to adopt a proposed technical regulation.																			Completed
2.2.6 Help the National Accreditation Agency identify requirements for membership in ILAC																			Completed
2.2.7 Provide training that covers, inter alia, recognition of conformity assessment, notification, enquiry, and international and other countries' TBT regulations, and adoption of technical regulations																			Completed

**Expected Results 2.2:** Number of regulatory requirements reduced; Improved legal framework for market supervision; and improved GOU capacity to set technical regulations for goods and services

**Task 2.3. Regulations for HACCP**

2.3.1 Assist the HACCP Working Group under the NCC in the preparation of an Action Plan to establish an appropriate regulatory infrastructure for HACCP and adopt the ISO 22000:2005 series																		Ministry of Agriculture, Ministry of health, State Committee on Technical regulation and Consumer Protection	Completed
2.3.2 Provide training to regulatory officials in MOAP, MOH, and Derzhspozhyvstandart on global SPS/TBT trends and developments in food safety management and bio-security																			Completed
2.3.3 Select one local entity and help it prepare to qualify for international accreditation to confirm its competency in ISO 22000 Series certification																			Completed
2.3.4 Develop train-the-trainers course for HACCP auditors and provide one TOT for at least 10 trainers																			Completed

**Expected Results 2.3:** Regulatory Framework for HACCP Improved

**Task 2.4. Government Procurement**

2.4.1 Prepare a master plan that focuses on combating corruption and promoting sound legal and institutional reform aimed at this goal, as well as on providing effective supervision and public scrutiny of procurement practices																		Procurement Department of the Ministry of Economy	Completed
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Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			
2.4.2 Draft legal amendments that will bring the current laws in line with United Nations Mission on International Trade Law (UNCITRAL), Organization for Economic Co-operation and Development (OECD), and WTO GPA requirements																				Completed
2.4.3 Assist in Updating the WTO GPA Checklist to reflect the new government procurement (GP) regime																				Completed
2.4.4 Assist in launching preparation a WTO Entity Table (initial offer) for negotiating WTO GPA																				Completed
2.4.5 Help improve transparency on GOU procurement by advising on establishing a single website for publishing GOU procurement legislation and tenders																				Completed
2.4.6 Train the WTO Department and other relevant parties on negotiating accession to the WTO GPA																				Completed
2.4.7 Provide other needed technical support and advice to enable WTO GPA Accession																				Completed
<b>Expected Results 2.4:</b> Development of plan for combating corruption in GP; capacity to negotiate GPA improved; bring GOU GP practices in line with best international practices through improving the legal framework; preparation of WTO GPA negotiations documents initiated; increased public awareness on GP																				
<b>Objective 3: Ukraine's Businesses Benefit from Ukraine's Accession into WTO</b>																				
<b>Task 3.1. Assist Ukrainian Businesses in Benefiting and Adjusting to SPS Standards &amp; HACCP to Increase Exports</b>																				
3.1.1 Develop a strategy and action plan to assist SMEs in adjusting to SPS standards and HACCP																			Ministry of Health	Completed
3.1.2 Identify general constraints and devise solutions to adjust to Codex standards and HACCP, including general requirements, sanitary/hygienic conditions, and hazard control methods																				Completed
3.1.3 Develop and disseminate to SME sector-specific manuals (three sectors) for complying with various international norms (Codex, OIE, and IPPC) based on best practices																				Completed
3.1.4 Develop and disseminate two sector-specific manuals (including dairy processors) to allow staged introduction of HACCP in business operations based on proven least-cost methods																				Completed
3.1.5 Implement a model (1 firm per sector) using the two HACCP manuals																				Completed
3.1.6 Roll out the model through presenting progress to food associations																				Completed
3.1.7 Develop a national guide for HACCP implementation																				Completed
3.1.8 Assist at least one business service provider to build its capacity for improving its delivery of HACCP consulting services, focusing on business development/marketing;																				Completed
3.1.9 Train at least fifteen (15) private HACCP consultants on improving their marketing skills for delivering HACCP consulting services;																				Completed

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			
3.1.10 Develop and disseminate guidelines for business/food associations to promote introduction of HACCP and build demand																				Completed
3.1.11 Develop and disseminate guidelines for business/food associations to provide services to their Members that would facilitate introduction of HACCP																				Completed
3.1.12 Develop and disseminate guidelines for business/food associations to identify and promote business-to-business partnerships (e.g. supply chains) for assisting SMEs in introducing HACCP																				Completed
3.1.13 Help develop SMEs' capacity to compete in the market by																				
A. Preparing HACCP university course and training materials																				Completed
B. Disseminating HACCP university course and training materials, including background information (e.g., good manufacturing and hygiene practices)																				Completed
C. Translating and disseminating ISO 22000 series standards																				Completed
D. Delivering two (2) training sessions to food industry SME representatives on the advantages of food processing in compliance with international food hygiene and safety requirements and management systems																				Completed
E. Disseminating information to SME via websites and food associations as well as to farmers and farmers organizations through CNFA																				Completed
<b>Expected Results 3.1:</b> Greater awareness about the need to introduce HACCP within the private sector; Capacity of one local entity improved for the delivery of HACCP consulting services; Food associations promoting the introduction of HACCP; Materials for facilitating the introduction of HACCP developed; and improved capacity of food industry association to assist members in implementing HACCP.																				
<b>Task 3.2. Assist Ukrainian Businesses in Learning about Ukraine's Commitments and their Impact, and in Accessing WTO Markets</b>																				
3.2.1 Inform the private sector, particularly SMEs, through ongoing seminars about their rights, obligations, opportunities, and challenges (2 per year minimum)																				Completed
3.2.2 Provide training on market development for SME goods and services and trade information																				Completed
<b>Expected Results 3.2:</b> Increased SME awareness about WTO opportunities and skills to access new markets																				
<b>Task 3.3. Strengthen WTO Informational Services and Facilities</b>																				
3.3.1 Help develop the Ministry of Economy Information Center and assist in establishing its website to provide relevant information to assist SME in identifying export opportunities																			Ministry of Economy	Completed
3.3.2 Assist the Ministry of Economy Information Center in developing procedures to secure information on Ukraine and other countries' import/export regulations, standards, and technical regulations																				Completed

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
3.3.3 Secure materials on exporting goods and services, such as trade in services ("A Guide for SME Exporters")																			Completed
<b>Expected Results 3.3:</b> Capacity of Ministry of Economy Information Center increased to provide trade information and regulations; increased private sector awareness of WTO commitments																			
<b>Component II: Improvement of the Business Environment</b>																			
<b>Objective 4: Reduce the Cost of Doing Business in Ukraine</b>																			
<b>Task 4.1. Ensure Proper and Effective Enforcement of the RPL</b>																			
4.1.1 Work with the public and private sector to prepare initial draft amendments to the RPL																		SCRPE, VR Committee on Industrial and Regulatory Policy and Entrepreneurship, Presidential Secretariat, Institute for Competitive Society, Analytical Center "Akademia"	Completed
4.1.2 On-going support to adopt amendments to the RPL (including commenting on drafts, facilitating additional discussions, revisions, etc.)																			Completed
4.1.3 Draft law on amendments to RPL registered in VR																			Completed
4.1.4 Initial draft VR rules (reglament) to be in compliance with amended RPL prepared																			Completed
4.1.5 On-going support to adopt amendments to VR rules (including commenting on drafts, facilitating additional discussions, revisions, etc.)																			Completed
4.1.6 Draft VR rules in compliance with amended RPL submitted to VR																			Completed
4.1.7 Improve Cabinet of Ministers rules for the application of RIA and make them consistent with the RPL																			Completed
4.1.8 Develop recommendations to help executive bodies better enforce the RPL																			Completed
4.1.9 Organize up to ten (10) training sessions for public and private sectors at the national and regional level on RPL procedures (linked to Task 4.2.6)																			Completed
4.1.10 Organize two (2) training events for judges on RPL procedures																			Completed
4.1.11. Design and implement a public awareness campaign																			Completed
<b>Expected Results 4.1:</b> Strengthened RPL capable of being enforced via reviewed provisions; increased awareness and capacity building of officials called to implement the law																			
<b>Task 4.2. Institutionalize RIAs and RIEs</b>																			

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
4.2.1 Draft and Publish Guidelines (Regulatory Policy Manual) to improve implementation of RIA/RIE																		SCRPE, VR Committee on Industrial and Regulatory Policy and	Completed
4.2.2 Conduct six (6) working sessions with GOU on current practice of carrying out RIA/RIE																			Completed
4.2.3 Draft amendments to Cabinet of Ministers resolution on RIA/RIE methodology (CMU Resolution # 308 dated March 11, 2004) to be in compliance with amended RPL																		Entrepreneurship, Presidential Secretariat, Institute for Competitive Society, Analytical Center "Akademia"	Postponed to be in line with RPL amendments
4.2.4. Assist SCRPE register drafts in the Cabinet of Ministers																			Postponed to be in line with RPL amendments
4.2.5 On-going support to adopt amendments to Cabinet of Ministers RIA/RIE methodology (including commenting on drafts, facilitating additional discussions, revisions, etc.).																			Postponed to be in line with RPL amendments
4.2.6 Conduct twenty (20) training events on RPL and RIA/RIE for national/regional governmental bodies																			Completed
4.2.7 Conduct up to ten (10) individual training events on RPL and RIA/RIE for central executive GOU agencies																			Completed
4.2.8 Design and implement a public awareness campaign																			Completed
<b>Expected Results 4.2:</b> Improved RIA and RIE implementation, criteria, and adoption of methodologies at all levels and key governmental entities (national, regional, and local), a private sector trained on the application of RIA and RIE, and publication of relevant regulations																			
<b>Task 4.3. Offer Assistance to SCRPE to Provide Institutional Capacity-building to Increase its Effectiveness in Implementing Regulatory Policy</b>																			
4.3.1 At SCRPE's request, help develop a plan to increase SCRPE's effectiveness																		SCRPE	Completed
4.3.2 Assist SCRPE to improve its database of regulations to include systematic information on regulatory acts submitted to SCRPE (with accompanying RIA's)																			Completed
4.3.3 Assist SCRPE to develop Permitting Information Window on its website with information on one-stop shops and local permitting procedures (linked to 5.2.14)																			Completed
4.3.4 Design and implement a public awareness campaign																			Completed
<b>Expected Result 4.3:</b> Strengthened and more effective SCRPE																			
<b>Task 4.4. Implement the Second Phase of GOU's Quick Deregulation Strategy</b>																			
4.4.1 Work with key GOU partners to draft legislation and methodology on implementation of the 2nd phase of quick deregulation																		SCRPE, Ministry of Regional Development and Construction, State Committee for Land Resources,	Completed
4.4.2 Conduct 4 meetings with GOU to establish controls and accountability for QDII																		Ministry of Culture and Tourism,	Completed
4.4.3 Assist SCRPE develop revised drafts																			Completed

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
4.4.4 On-going support to adopt the revised drafts (including commenting on drafts, facilitating additional discussions, revisions, etc.)																		Tourism Association of Ukraine, AmCham, EBA, Ukrainian Business Association, Analytical Center "Akademia"	Completed
4.4.5 Help GOU establish two national level public/private sector working groups (tourism and construction)																			Completed
4.4.6 Support fourteen (14) public discussions and WG meetings at national and regional level to identify sector-specific regulatory barriers to development																			Completed
4.4.7 Assist SCRPE and corresponding ministries to draft legislation to amend or repeal regulations identified as business-unfriendly																			Completed
4.4.8 Conduct two (2) assessments of key impact of QDII																			Completed
4.4.9 Design and implement a public awareness campaign																			Completed
<b>Expected Results 4.4:</b> Improved regulations applicable to selected economic sectors (spheres); increased GOU accountability; laws and regulations coordinated at national and regional levels; business-unfriendly laws and regulations identified and amendments underway																			
<b>Component III: Streamlining and Enforcing Regulations</b>																			
Objective 5: Reduce corruption related to granting land owner and user rights, access to utilities, and construction permits																			
<b>NOTE: Activities highlighted in yellow will be conducted by TIBA to complement implementation of tasks outlined in GOU's TCP IP, but they are not included in the IP</b>																			
<b>Task 5.1. Improved Implementation of the Permit System Law (PSL)</b>																			
5.1.1. Assist SCRPE draft amendments to the law "On Business Permit System" (PSL)																		SCRPE, VR Committee on Industrial and Regulatory Policy and	Completed
5.1.2. Conduct one (1) round table to discuss draft amendments																		Entrepreneurship, Presidential Secretariat, Institute for Competitive Society, IFC, Ministry of Health, Ministry for Emergencies, State Committee for Industrial Safety and Labor Protection	Completed
5.1.3. Assist SCRPE register draft amendments to the PSL in VR																			Completed
5.1.4. On-going support to adopt amendments to the PSL (including commenting on drafts, facilitating additional discussions, revisions, etc.)																			Completed
5.1.5. If TCP IP critical deadlines are met by GOU, assist SCRPE draft sublaws to implement amendments to the PSL																			Postponed
5.1.6. Implement public awareness campaign to inform public and private sectors on improving permit sphere (including development and dissemination of permit system manuals and reports, press conferences and round tables)																			Completed
<b>Expected Results 5.1:</b> Amendments to the PSL registered in the Verkhovna Rada; key legislation brought in compliance with the PSL																			

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
<b>Task 5.2. Simplify Permitting Procedures in Construction</b>																			
5.2.1. Complete analysis of Ukrainian legislation and best practices for permit issuance																		Ministry of Regional Development and Construction, Analytical Center "Akademia", Presidential Secretariat, VR Committee on Industrial and Regulatory Policy and Entrepreneurship, SCRPE, 25 municipalities selected to improve OSS operations, Ukrainian Building Association	Completed
5.2.2. Assist Ministry of Regional Development and Construction establish working group to draft amendments to construction laws																			Completed
5.2.3. Support two (2) working group meetings to discuss approaches and strategy																			Completed
5.2.4. Organize study tour on permit procedures in construction for national and regional level public and private sector																			Completed
5.2.5. Assist Ministry of Regional Development and Construction draft initial amendments to the Laws "On Planning and Housing System", "On Architectural Activity", and "On Fundamentals of City Planning"																			Completed
5.2.6. Conduct one (1) round table to discuss draft amendments																			Completed
5.2.7. On-going support to adopt legislation (including commenting on drafts, facilitating additional discussions, revisions, etc.)																			Completed
5.2.8. If critical deadlines are met by GOU, assist Ministry of Regional Development and Construction draft sublaws to implement amendments to construction laws																			Completed
5.2.9. Implement public awareness campaign to inform public and private sector on streamlined permitting procedures in construction																			Completed
5.2.10. Conduct one (1) training for Ministry of Regional Development and Construction officials																			Completed
5.2.11. Conduct analysis of permit-issuing procedures at 25 selected OSSs																			Completed
5.2.12. Develop unified permit-issuing procedure and OSS toolkit ( <i>work on the unified procedure will not be affected by amendments to Permit System Law developed under Task 5.1</i> )																			Completed
5.2.13. Conduct eight (8) workshops with on-the-job training for representatives of at least 50 OSSs																			Completed
5.2.14. Implement public awareness campaign to disseminate toolkit, and inform public and private sector about streamlined permit-issuing procedure to be implemented at the local level through OSSs																			Completed
<b>Expected Results 5.2:</b> Legislation that would streamline procedures to obtain construction permits registered in the Verkhovna Rada; streamlined construction procedures introduced to all municipalities, 10% of municipalities trained on new procedures																			
<b>Task 5.3. Implement the Inspection Law to Simplify Inspection Procedures in Construction</b>																			

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
5.3.1. Complete analysis of Ukrainian legislation and best practices related to state inspections																		Ministry of Regional Development and Construction, SCPRE, Ukrainian Building Association, Analytical Center "Akademia"	Completed
5.3.2. Support one (1) working group meeting to discuss drafting amendments																			Completed
5.3.3. Assist Ministry of Regional Development and Construction develop initial draft Cabinet of Ministers Resolution "On Procedure for Conducting Inspections by Officers of the State Building Inspection and Its Regional Departments"																			Completed
5.3.4. Assist Ministry of Regional Development and Construction develop revised drafts																			Completed
5.3.5. Conduct one (1) round table to discuss draft amendments																			Completed
5.3.6. Assist Ministry of Regional Development and Construction obtain approvals from relevant ministries																			Completed
5.3.7. Assist Ministry of Regional Development and Construction register drafts in the Cabinet of Ministers																			Completed
5.3.8. On-going support to adopt legislation (including commenting on drafts, facilitating additional discussions, revisions, etc.)																			Completed
5.3.9. Conduct one (1) training for Ministry of Regional Development and Construction officials																			Completed
5.3.10. Implement public awareness campaign to inform public and private sector on improved inspection-related procedures																			Completed
<b>Expected Results 5.3:</b> Legislation that would improve and expedite inspection process in construction registered in the Cabinet of Ministers																			
<b>Task 5.4. Introduce Effective Zoning Principles</b>																			
5.4.1. Complete analysis of Ukrainian legislation and best practices related to zoning																		State Committee for Land Resources, Ministry of Regional Development and Construction, Analytical Center "Akademia"	Completed
5.4.2. Support four (4) working group meetings to discuss strategy and drafting approaches																			Completed
5.4.3. Organize study tour on zoning principles and rules																			Completed
5.4.4. Assist the Committee for Land Resources and Ministry for Regional Development and Construction draft concept paper on introduction of zoning principles in Ukraine																			Completed
5.4.5. Conduct one (1) round table to discuss implementation of zoning rules in Ukraine																			Completed

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			
5.4.6. On-going support to adopt concept paper by the Cabinet of Ministers (including commenting on drafts, facilitating additional discussions, revisions, etc.)																				Completed
5.4.7. If critical deadlines are met by GOU, assist the Committee for Land Resources and Ministry for Regional Development and Construction draft legislation to implement zoning principles																				n/a
5.4.8. Implement public awareness campaign to inform public and private sector on development and implementation of land zoning principle																				Completed
<b>Expected Results 5.4:</b> Zoning concept paper registered in the Cabinet of Ministers, if deadlines met by GOU, legislation drafted to help implement zoning principles																				
<b>Task 5.5. Simplify Procedures to Obtain Local Access to Municipal Services (Utilities)</b>																				
5.5.1. Complete analysis of Ukrainian procedures related to connectivity to utilities																			Ministry of Housing and Communal Services, Ministry of Regional Development and Construction, National Electricity Regulatory Commission	Completed
5.5.2. Support establishment of the national Working Group under the Ministry of Housing and Communal Services																				Completed
5.5.3. Support two (2) working group meetings to discuss drafting																				Completed
5.5.4. Assist Ministry of Housing and Communal Services and Ministry of Regional Development and Construction to prepare initial draft of the Resolution of Cabinet of Ministers "On Amending the Resolution of the Cabinet of Ministers # 2328 dated December 20, 1999 "On Procedure for Issuance of Architectural and Planning Assignments and Technical Specifications Regarding Connectivity to Utilities and Determining the Size of the Fee for Issuance Thereof."																				Completed
5.5.5. Assist Ministry of Housing and Communal Services to prepare initial draft of the Order "On Amending Certain Orders of the State Committee on Housing and Communal Services" (amendments to the Orders #65 dated July 01, 1994 "On Approval of the Rules for Use of Communal Water Supply and Sewer Systems in Cities and Settlements of Ukraine"; #30 dated July 05, 1995 "On Approval of the Rules for Technical Maintenance of Water Supply and Sewer Systems of Population Centers of Ukraine"; and #67 dated December 02, 1992 "On Instructions for the Procedure for Issuance of Technical Specifications for Connecting Consumers to State Drinking Water and Sewer Systems")																				Completed

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
5.5.6. Assist Ministry of Housing and Communal Services and Ministry of Regional Development and Construction to prepare initial draft of the Order "On Amending the Order of the State Committee on Construction and Architecture #9 dated January 9, 1999 "On the Rules for Technical Maintenance of Communal Heat Energy Supply Systems of Ukraine"																			Completed
5.5.7. Assist National Electricity Regulatory Commission prepare initial draft of the Decree of the National Electricity Regulatory Commission "On Amending the Decree of the National Electricity Regulatory Commission #1137 dated December 14, 2005 "On Approval of the Rules for Connecting Electrical Installations to Electric Power Networks"																			Completed
5.5.8. Conduct one (1) round table to discuss draft amendments																			Completed
5.5.9. Assist relevant governmental agencies develop revised drafts																			Completed
5.5.10. Assist relevant governmental agencies obtain approvals from relevant ministries																			Completed
5.5.11. On-going support to adopt legislation (including commenting on drafts, facilitating additional discussions, revisions, etc.)																			Completed
5.5.12. Implement public awareness campaign to inform public and private sectors on streamlined procedures of land parcels connectivity to utilities																			Completed
<b>Expected Results 5.5:</b> Regulations that would improve procedures to obtain utilities officially registered with relevant authorities																			
<b>Task 5.6. Reduce Excessive Administrative Control Over Property Transactions</b>																			
5.6.1. Complete analysis of Ukrainian procedures related to property ownership registration																		State Committee for Land Resources	Completed
5.6.2. Support counterpart meetings to discuss approaches and strategy																			Completed
5.6.3. Assist Committee for Land Resources draft initial amendments to the Land Code																			Completed
5.6.4. Assist Committee for Land Resources develop revised draft																			Completed
5.6.5. Assist Committee for Land Resources obtain approvals from relevant ministries																			Completed

Tasks	PQ	2008 Q1			2008 Q2			2008 Q3			2008 Q4			2009				Counterparts	Status	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			
5.6.6. Assist Committee for Land Resources register draft in VR																				Completed
5.6.7. On-going support to adopt legislation (including commenting on drafts, facilitating additional discussions, revisions, etc.)																				Completed
5.6.8. Assist Committee for Land Resources and/or Ministry of Justice to develop draft sublaws to eliminate excessive administrative control over property transactions																				Completed
5.6.9. Develop a plan on the steps that GOU can take to address the issue of excessive administrative control over property transactions and increase transparency																				Completed
5.6.10. Implement public awareness campaign to inform public and private sector on progress in eliminating excessive administrative control over property transactions																				Completed

**Expected Results 5.6:** Regulations introduced that would Reduce Excessive Administrative Control Over Property Transactions

**Booz|Allen|Hamilton**  
**Trade, Investment, and Business Acceleration Project**  
**Work Plan May-June 2009**

Tasks	2009 Q2		Counterparts	Status
	May	Jun		
<b>Component III: Streamlining and Enforcing Regulations</b>				
Objective 5: Reduce corruption related to granting land owner and user rights, access to utilities, and construction pe				
<b>Task 5.1. Improved Implementation of the Permit System Law (PSL)</b>				
5.1.6. Provide technical assistance to SCRPE in building its capacity to exercise its functions as the principal regulatory policy institution of Ukraine			SCRPE, Akademia Analytical Center	Completed
Complete comprehensive review of all operational and managerial methods applied by the SCRPE				
Complete collection of the necessary information related to SCRPE activities (reports, standardized procedures, statistical data, organizational structure etc)				
Complete processing of notes form interviews with key stakeholders				
Develop recommendations to improve SCRPE capacity as well as high-level action plan for addressing change imperatives, transformational objectives, and quick-win opportunities with a focus on communicating more effectively with the public and private sector				
Present findings and recommendations to SCRPE senior management				
Conduct "stakeholder analysis" to identify people, groups, and institutions that will influence the improvement initiatives				
Together with SCRPE, select high priority activities and launch implementation				
5.1.7. Implement public awareness campaign to inform public and private sectors on improving permit sphere (including development and dissemination of permit system manuals and reports, press conferences and round tables)			SCRPE	Completed
Publish and disseminate 'State Policy in the Sphere of Permit System 2009' reference book to increase public and private sector awareness on the current state of permit system reform, OSS operations and SCRPE activities				
Publish and disseminate 'Obtaining Permits for Economic Activity' manual to increase private sector awareness on procedures of obtaining most common permits required by SMEs				
<b>Task 5.2. Simplify Permitting Procedures in Construction</b>				
5.2.14. Implement public awareness campaign to disseminate too kit, and inform public and private sector about streamlined permit-issuing procedure to be implemented at the local level through OSSs			SCRPE	Completed
Disseminate OSS Toolkit "Recommendations for Streamlining Permit Issuance Procedures in the Sphere of Economic Activity and Construction at the Local Level"				
Conduct training for Crimean permit-issuing one-stop shops on best Ukrainian practices in OSS operations, and practical implementation of streamlined OSS procedures				
Conduct training for Kiev City and Chernigiv oblast permit-issuing one-stop shops on practical implementation of streamlined OSS procedures				
<b>Task 5.4. Introduce Effective Zoning Principles</b>				
5.4.8. Implement public awareness campaign to inform public and private sector on development and implementation of land zoning principle				Completed
Publish and disseminate "Implementing Zoning Principles in Pilot Cities. Detailed Action Plan" and "Financial Plan for City Planning Documentation and Zoning Plans Development" manuals				

## Annex 2. MCC Threshold Country Program Implementation Plan

### Subcomponent 4.2 of Component 4: Reform of the Permit System for Construction, Municipal Services and Streamlining Land Usage and Property Ownership Rights

TCP Result	Necessary Activities	Start date	End Date	Critical output deadline	Responsible - Implementing partner and/or Ukrainian counterpart
<b>1: Regulations in permit sphere improved</b>	1.1 Draft amendments to the law "On Business Permit System"	July 1, 2007	January 1, 2008	<b>February 1, 2008</b> Amendments to PSL registered at the VR	SCRPE; USAID TIBA
	1.2 Conduct 1 round table to discuss draft amendments	October 1, 2007	October 30, 2007		SCRPE; USAID TIBA
	1.3 On-going support to adopt amendments to the law "On Business Permit System" (including commenting on drafts, facilitating additional discussions, revisions, etc.)	January 1, 2008	October 31, 2008	<b>October 31, 2008</b> Amendments to PSL adopted by the VR	SCRPE
	1.4 If critical deadlines are met by GOU, draft sublaws to implement amendments to PSL	November 1, 2008	April 30, 2009		SCRPE; USAID TIBA
	1.5 Conduct 2 round tables on implementing the Law "On Business Permit System"	January 1, 2009	March 31, 2009		SCRPE; USAID TIBA
<b>2: Regulations that streamline procedures to obtain construction permits improved</b>	2.1. Complete analysis of Ukrainian legislation and best practices for permit issuance	July 1, 2007	December 1, 2007	<b>February 28, 2008</b> Amendments to the Laws "On Planning and Housing System", "On Architectural Activity", and "On Fundamentals of City Planning" drafted  <b>December 1, 2008</b>	Ministry of Regional Development and Construction; USAID TIBA
	2.2 Establish working group to draft amendments to construction laws	October 1, 2007	November 1, 2007		Ministry of Regional Development and Construction
	2.3 Conduct two (2) working group meetings to discuss approaches and strategy	November 1, 2007	January 1, 2008		Ministry of Regional Development and Construction

TCP Result	Necessary Activities	Start date	End Date	Critical output deadline	Responsible - Implementing partner and/or Ukrainian counterpart
	2.4 Draft amendments to the Laws "On Planning and Housing System", "On Architectural Activity", and "On Fundamentals of City Planning"	January 1, 2008	February 28, 2008	December 1, 2008 Amendments to the Laws adopted	Ministry of Regional Development and Construction
	2.5 Conduct 1 round table to discuss draft amendments	June 1, 2008	June 30, 2008		Ministry of Regional Development and Construction; USAID TIBA
	2.6. On-going support to adopt legislation (including commenting on drafts, facilitating additional discussions, revisions, etc.)	March 1, 2008	December 1, 2008		Ministry of Regional Development and Construction
	2.7 If critical deadlines are met by GOU, draft sublaws to implement amendments to construction laws	December 1, 2008	April 30, 2009		Ministry of Regional Development and Construction; USAID TIBA
	2.8 Conduct 1 press conference and 1 round table on improved regulations that streamline permit issuance in construction	February 1, 2009	April 30, 2009		Ministry of Regional Development and Construction, USAID TIBA
	2.9 Conduct analysis of permit-issuing procedures at 25 selected OSSs	September 1, 2007	April 30, 2008		Ministry of Regional Development and Construction; USAID TIBA
	2.10. Develop unified permit-issuing procedure and OSS toolkit ( <i>work on the unified procedure will not be affected by amendments to Permit System Law developed under Result 1</i> )	May 1, 2008	August 31, 2008		SCRPE; Ministry of Regional Development and Construction; USAID TIBA
	2.11 Conduct 8 workshops with on-the-job training for representatives of at least 50 OSSs	October 1, 2008	April 30, 2009		SCRPE; Ministry of Regional Development and Construction; USAID TIBA
	2.12. Disseminate toolkit to be used by OSSs	September 1, 2008	April 30, 2009		SCRPE; Ministry of Regional Development and Construction; USAID TIBA

TCP Result	Necessary Activities	Start date	End Date	Critical output deadline	Responsible - Implementing partner and/or Ukrainian counterpart
<b>3. Inspection-related procedures in construction sphere improved</b>	3.1 Complete analysis of Ukrainian legislation and best practices related to state inspections	July 1, 2007	October 1, 2007	<b>June 30, 2008</b> CM Resolution drafted	Ministry of Regional Development and Construction; USAID TIBA
	3.2 Draft CabMin Resolution "On Procedure for Conducting Inspections by Officers of the State Building Inspection and Its Regional Departments"	October 1, 2007	June 30, 2008	<b>November 30, 2008</b> CM Resolution registered in Cabinet of Ministers	Ministry of Regional Development and Construction, USAID TIBA
	3.3 Conduct 1 round table to discuss draft Resolution	June 1, 2008	June 30, 2008	<b>April 1, 2009</b> CM Resolution adopted	Ministry of Regional Development and Construction, USAID TIBA
	3.4 On-going support to adopt legislation (including commenting on draft, facilitating additional discussions, revisions, etc.)	July 1, 2008	April 1, 2009		Ministry of Regional Development and Construction
	3.5 Conduct 1 press conference and 1 round table on improved inspection procedures in construction	April 1, 2009	April 30, 2009		Ministry of Regional Development and Construction, USAID TIBA
<b>4. Zoning principle developed and implemented</b>	4.1. Complete analysis of Ukrainian legislation and best practices related to zoning	July 1, 2007	October 1, 2007	<b>September 30, 2008</b> Concept paper on introduction of zoning principles in Ukraine drafted	Committee for Land Resources; Ministry for Regional Development and Construction; USAID TIBA
	4.2. Conduct 4 working group meetings to discuss strategy and drafting approaches	October 1, 2007	May 30, 2008		<b>November 30, 2008</b> Concept paper on introduction of zoning principles in Ukraine adopted by the Cabinet of Ministers
	4.3. Draft concept paper on introduction of zoning principles in Ukraine	May 1, 2008	September 30, 2008	Committee for Land Resources; Ministry for Regional Development and Construction; USAID TIBA	
	4.4. Conduct 1 round table to discuss implementation of zoning rules in Ukraine	October 1, 2008	October 31, 2008	Committee for Land Resources; Ministry for Regional Development and Construction; USAID TIBA	

TCP Result	Necessary Activities	Start date	End Date	Critical output deadline	Responsible - Implementing partner and/or Ukrainian counterpart
	4.5. On-going support to adopt concept paper by the Cabinet of Ministers (including commenting on drafts, facilitating additional discussions, revisions, etc.)	October 1, 2008	November 30, 2008		Committee for Land Resources and Ministry for Regional Development and Construction
	4.6 If critical deadlines are met by GOU, draft legislation to implement zoning principles	December 1, 2008	April 30, 2009		Committee for Land Resources; Ministry for Regional Development and Construction; USAID TIBA
	4.7 Conduct 1 press conference and 1 round table on zoning principles	February 1, 2009	April 30, 2009		Committee for Land Resources, Ministry for Regional Development and Construction, USAID TIBA
<b>5. Procedures of land parcels connectivity to utilities improved and simplified</b>	5.1. Complete analysis of Ukrainian procedures related to connectivity to utilities	July 1, 2007	October 1, 2007	<b>June 30, 2008</b> Draft Resolution of Cabinet of Ministers That Improves the Regulation of Issuance of Input Data Regarding Connectivity to Utilities and Determining the Size of the Fee for Issuance Thereof and other drafts mentioned in subtasks 5.5, 5.6, 5.7 prepared  <b>November 30, 2008</b> Draft Resolution of Cabinet of Ministers That Improves the Regulation of Issuance of Input Data Regarding	Ministry of Housing and Communal Services; Ministry of Regional Development and Construction, USAID TIBA
	5.2. Establish the Working Group under the Ministry of Housing and Communal Services	October 1, 2007	February 28, 2008		Ministry of Housing and Communal Services; Ministry of Regional Development and Construction
	5.3. Conduct 2 working group meetings to discuss drafting	January 1, 2008	March 30, 2008		Ministry of Housing and Communal Services; Ministry of Regional Development and Construction
	5.4. Draft the Resolution of Cabinet of Ministers That Improves the Regulation of Issuance of Input Data Regarding Connectivity to Utilities and Determining the Size of the Fee for Issuance Thereof	January 1, 2008	June 30, 2008		Ministry of Housing and Communal Services; Ministry of Regional Development and Construction, USAID TIBA

TCP Result	Necessary Activities	Start date	End Date	Critical output deadline	Responsible - Implementing partner and/or Ukrainian counterpart
	5.5. Draft the Order "On Amending Certain Orders of the State Committee on Housing and Communal Services" (amendments to the Orders #65 dated July 01, 1994 "On Approval of the Rules for Use of Communal Water Supply and Sewer Systems in Cities and Settlements of Ukraine"; #30 dated July 05, 1995 "On Approval of the Rules for Technical Maintenance of Water Supply and Sewer Systems of Population Centers of Ukraine"; and #67 dated December 02, 1992 "On Instructions for the Procedure for Issuance of Technical Specifications for Connecting Consumers to State Drinking Water and Sewer Systems")	January 1, 2008	June 30, 2008	Data Regarding Connectivity to Utilities and Determining the Size of the Fee for Issuance Thereof and other drafts mentioned in subtasks 5.5, 5.6, 5.7 adopted	Ministry of Housing and Communal Services; Ministry of Regional Development and Construction, USAID TIBA
	5.6. Draft the Order "On Amending the Order of the State Committee on Construction and Architecture #9 dated January 9, 1999 "On the Rules for Technical Maintenance of Communal Heat Energy Supply Systems of Ukraine"	January 1, 2008	June 30, 2008		Ministry of Housing and Communal Services; Ministry of Regional Development and Construction, USAID TIBA
	5.7. Draft the Decree of the National Electricity Regulatory Commission "On Amending the Decree of the National Electricity Regulatory Commission #1137 dated December 14, 2005 "On Approval of the Rules for Connecting Electrical Installations to Electric Power Networks"	January 1, 2008	June 30, 2008		National Electricity Regulatory Commission; USAID TIBA
	5.8. Conduct 1 round table to discuss draft amendments	April 1, 2008	May 31, 2008		Ministry of Housing and Communal Services; National Electricity Regulatory Commission, Ministry of Regional Development and Construction, USAID TIBA

TCP Result	Necessary Activities	Start date	End Date	Critical output deadline	Responsible - Implementing partner and/or Ukrainian counterpart
	5.9. Obtain approvals of drafts from relevant ministries	July 1, 2008	September 30, 2008		Ministry of Housing and Communal Services; National Electricity Regulatory Commission, Ministry of Regional Development and Construction
	5.10. On-going support to adopt legislation (including commenting on drafts, facilitating additional discussions, revisions, etc.)	July 1, 2008	November 30, 2008		Ministry of Housing and Communal Services; National Electricity Regulatory Commission, Ministry of Regional Development and Construction
	5.11 Conduct 1 round table on improved procedures of connectivity to utilities	February 1, 2009	April 30, 2009		Ministry of Housing and Communal Services; National Electricity Regulatory Commission, Ministry of Regional Development and Construction, USAID TIBA
<b>6. Excessive administrative control over property transactions eliminated through amendments to the Land Code and auxiliary laws</b>	6.1. Complete analysis of Ukrainian procedures related to property ownership registration	July 1, 2007	October 1, 2007	<b>June 30, 2008</b> Draft amendments to the Land Code prepared	Committee for Land Resources and/or Ministry of Justice; USAID TIBA
	6.2. Conduct counterpart meetings to discuss approaches and strategy	January 1, 2008	March 30, 2008	<b>November 30, 2008</b> Draft amendments to the Land Code registered in the Verkhovna Rada	Committee for Land Resources and/or Ministry of Justice
	6.3 Draft amendments to the Land Code	January 1, 2008	June 30, 2008	<b>April 1, 2009</b> Draft amendments to the Land Code adopted	Committee for Land Resources; USAID TIBA
	6.4 Draft sublaws to eliminate excessive administrative control over property transactions	March 1, 2008	July 30, 2008		Committee for Land Resources and/or Ministry of Justice; USAID TIBA
	6.5 Conduct 1 round table to discuss draft amendments	May 15, 2008	June 30, 2008		Committee for Land Resources; Ministry of Justice; USAID TIBA
	6.6 On-going support to adopt legislation	July 1, 2008	April 1, 2009		Committee for Land Resources and /or Ministry of Justice

## Annex 3. Performance Monitoring Plan

Expected Results	Results Indicators	Base-line	Target Year 1	Year 1	Target Year 2	Year 2	Outputs & Output Targets (2007)	Outputs & Output Targets (2008)	Method of Data Collection	Source of Data
				Actual	Actual	Actual				
<b>Component I : WTO Accession and Post Accession</b>										
<b>Objective 1: Ukraine Accedes to World Trade Organization</b>										
<b>Result 1.1</b> Completion of Ukraine's WTO accession proceedings in a timely manner	• Working Party Adoption of Accession Package in the Final Meeting	No	No	No	Yes	Yes	> Summary review of Draft Working Party Report > Memorandum summarizing Working Party Meetings		Tracking official information	Public announcement
<b>Result 1.2</b> VR ratification of WTO Membership; increase of public awareness of WTO commitments; assessment of accession impact	• VR Ratification of WTO Membership	No	No	No	Yes	Yes		> Guide on Ukraine's WTO commitments > Educational materials on WTO commitments disseminated > Two events on WTO Commitments	Tracking official information	Official gazette
<b>Result 1.3</b> Development of WTO Membership-Enabling legal and regulatory framework for foreign trade and investment and development of GOU capacity to develop and implement a sound foreign trade policy	• WTO accession related legislation drafted	0	20	25	20	25	> Legal Reform Status Chart during plenary sessions > Summary table of Forms filled for the VR Committee on European Integration in reviewing Draft Laws for WTO conformity		Tracking the project record	Project record on document preparation
<b>Objective 2: GOU Fulfills Select WTO Post-Accession Commitments</b>										
<b>Result 2.1</b> Development of SPS harmonization plan; improved GOU capacity to set standards for new goods and services; improved GOU capacity to develop/implement a sound foreign trade policy; improved legal/regulatory framework for foreign trade; increase public awareness of SPS Commitments	• SPS sublegal acts drafted	0	3	8	6	8	> Harmonization plan with Codex/OIE/IPPC prepared > On-the-job training on harmonization > Operating procedures for SPS Notification/Enquiry Point prepared > Two SPS-related training events	> On-the-job training (meetings, advice) on harmonization and implementation of proposals and recommendations > Two SPS related training events	Tracking the project record	Project record on document preparation
	• GMO sublegal acts drafted	0	0	0	4	9			Tracking the project record	Project record on document preparation
	• Codex Standards reflected in draft legislation for adoption	0	2	10	5	10			Tracking official information and project record	Official gazette and official databases
	• OIE Standards reflected in draft legislation for adoption	0	2	24	5	>40			Tracking official information and project record	Official gazette and official databases
	• IPPC Standards reflected in draft legislation for adoption	0	0	0	3	4			Tracking official information and project record	Official gazette and official databases
	• SPS Enquiry/Notification points fully operational	No	Partial	Partial	Full	Full			Tracking official information and project record	Official declarations and project data

Expected Results	Results Indicators	Base-line	Target Year 1	Year 1	Target Year 2	Year 2	Outputs & Output Targets (2007)	Outputs & Output Targets (2008)	Method of Data Collection	Source of Data
				Actual		Actual				
<b>Result 2.2</b> Number of regulatory requirements reduced; Improved legal framework for market supervision; and improved GOU capacity to set technical regulations for goods and services	• List of goods subject to mandatory certification reduced	0%	4%	9.6%	8%	10%	> Recommended Amendments to Law on Market Supervision > Recommended Amendments to Law on Consumer Protection > Proposals to reduce list of goods subject to mandatory certification	> Procedures for adopting technical regulations prepared > Guidelines for joining ILAC prepared > Two training events	Tracking official information and project record	Official databases
	• TBT-compliant Draft laws on Market Supervision and Draft amendments to Consumer Protection prepared	0	1	1	2	2			Tracking the project record	Project record on document preparation
<b>Result 2.3</b> Regulatory Framework for HACCP improved	• ISO 22000:2005 adopted	No	No	Yes	Yes	Yes	> Action plan developed for HACCP regulatory framework > One training event on SPS/TBT Trends > One event for training trainers	> One event for training trainers	Tracking official information	Official declarations (gazette)
	• Capacity of one local entity built for accreditation in HACCP certification	No	No	No	Yes	Yes			Tracking the project record	Project record
	• Number of trainers on path to deliver auditing training	0	0	7	10	15			Tracking the project record	Training and awareness events (project record)
<b>Result 2.4</b> Development of plan for combating corruption in GP; capacity to negotiate GPA improved; bring GOU GP practices in line with best international practices through improving the legal framework; preparation of WTO GPA negotiations documents initiated; increased public awareness on GP	• Amendments to Law on Government Procurement drafted	0	0	1	1	1	> Roadmap for combating corruption in government procurement prepared > Draft amendments for the Law on Government Procurement prepared > Framework for publishing GOU procurement legislation and tenders on a website proposed > 1 training event on negotiating GPA	> WTO GPA Checklist updated > Survey for preparing WTO Entity Table > Workshop to procuring entities on preparing Entity Table	Tracking the project record	Project record on document preparation
	• Major legal reform of government procurement prepared	No	No	No	Yes	Yes			Tracking official information and project record	Official declarations and project data
	• Ukraine launched preparation for initiating WTO GPA negotiations	No	No	Yes	Yes	Yes				
<b>Objective 3: Ukraine's Businesses Benefit from Ukraine's Accession into WTO</b>										
<b>Result 3.1</b> Greater awareness about the need to introduce HACCP within the private sector; Capacity of one local entity improved for the delivery of HACCP consulting services; Food associations promoting the introduction of HACCP; Materials for facilitating the introduction of HACCP developed; and improved capacity of food industry association to assist members in implementing HACCP	• SMEs adjusting to HACCP as Model	0	0	1	2	2	> Strategy/action plan for SME adjusting to SPS Standards and HACCP > Report on General Constraints and Solutions to adjust to Codex and HACCP > Manual for three food sectors on complying with Codex, OIE, and IPPC > Manual for two specific food subsectors to allow staged introduction of HACCP > 1 training event to food industry SME Representatives on complying with HACCP and International Standard	> HACCP University Course Materials > HACCP materials (e.g. ISO 22000 series) disseminated to business associations and food associations > 1 training event to food industry SME representatives on complying with HACCP and International Standards > 1 training event to food associations on promoting HACCP > 1 training event to private HACCP consultants and auditors on improving their marketing	Tracking the project record	Project record
	• SMEs adjusting as a result of Model Rollout	0	0	0	50	54			Tracking the project record	Project record (a survey of businesses and business associations)

Expected Results	Results Indicators	Base-line	Target Year 1	Year 1	Target Year 2	Year 2	Outputs & Output Targets (2007)	Outputs & Output Targets (2008)	Method of Data Collection	Source of Data
				Actual		Actual				
	• SMEs involved in business-business/Supply Chain	0	0	0	6	6		skills > Guidelines for business associations on promoting HACCP, providing services to their Members on HACCP, and promoting business-business partnership > Materials on complying with HACCP and international standards disseminated through websites and food associations and to farmers through NGOs	Tracking the project record	Project record (a survey of assisted businesses)
<b>Result 3.2</b> Increased SME awareness about WTO opportunities and skills to access new markets	• Percentage of surveyed SMEs reporting increased knowledge of WTO commitments, opportunities, and challenges	59.2%	+5%	69%	+15%	80%	> 2 seminars to inform SMEs about their rights, obligations, opportunities, and challenges	> 2 seminars to inform SMEs about their rights, obligations, opportunities, and challenges > 2 seminars on market development for SME goods and services and trade information	Tracking the project record	Project record (a survey of assisted businesses)
<b>Result 3.3</b> Capacity of MinEcon Information Center increased to provide trade information and regulations; increased private sector awareness of WTO commitments	• MinEconInfoCenter became a source of information for SMEs to increase their participation in international trade (team appraisal)	No	Partial	Partial	Yes	Yes		> Key WTO documents on MinEconInfoCenter Website > Procedures for MinEconInfoCenter to secure ongoing information on trade regulations and standards	Tracking official information	Data from the Ministry of Economy of Ukraine
<b>Component II: Improvement of the Business Environment</b>										
<b>Objective 4: Reduce the Cost of Doing Business in Ukraine</b>										
<b>Result 4.1:</b> Strengthened RPL capable of being enforced via reviewed provisions; increased awareness and capacity building of officials called to implement the law	• Amended RPL legislation drafted	No	No	No	Yes	Yes	> Draft amendments to make laws consistent with RPL > Two working sessions to define revised CM Rules > Draft amendments to CM rules	> Draft amendments to RPL (reglament) to make them consistent with amended RPL > Recommendations to help executive bodies better enforce the RPL > 10 training sessions for public and private sectors at the national and regional level on RPL procedures > 2 training events for judges on their new authority based on the amended RPL	Tracking the project record	Project record on document preparation
	• Amended Internal rules of VR, consistent with RPL, drafted	No	No	No	Yes	Yes			Tracking the project record	Project record on document preparation
	• Amended Internal rules of CM, consistent with RPL, drafted	No	No	Yes	Yes	Yes			Tracking the project record	Project record on document preparation
	• Amendments to selected laws to make them consistent with RPL drafted	No	No	Yes	Yes	Yes			Tracking the project record	Project record on document preparation

Expected Results	Results Indicators	Base-line	Target Year 1	Year 1	Target Year 2	Year 2	Outputs & Output Targets (2007)	Outputs & Output Targets (2008)	Method of Data Collection	Source of Data
				Actual		Actual				
	<ul style="list-style-type: none"> <li>Increased understanding and competence for enforcement of RPL procedures by trained central and regional executive bodies staff</li> </ul>	0%	0%	0%	40%	94%			Tracking the project record	Project record (a survey of public officials participating in trainings)
	<ul style="list-style-type: none"> <li>Increased understanding by trained private sector of their rights according to the RPL</li> </ul>	0%	0%	0%	40%	93%			Tracking the project record	Project record (a survey of private sector representatives participating in trainings)
	<ul style="list-style-type: none"> <li>Increased understanding of handling RPL violation cases by trained judges</li> </ul>	0%	0%	0%	25%	0%			Tracking the project record	Project record (a survey of judges participating in trainings)
<b>Result 4.2:</b> Improved RIA and RIE implementation, criteria, and adoption of methodologies at all levels and key governmental entities (national, regional, and local), a private sector trained on the application of RIA and RIE, and publication of relevant regulations	<ul style="list-style-type: none"> <li>Improved RIA and RIE guidelines and methodology (including RIA and RIE quality criteria) prepared</li> </ul>	No	Yes	Yes	Yes	Yes	<ul style="list-style-type: none"> <li>&gt; Regulatory Policy Manual that includes guidelines on how to use the RPL; and how to conduct RIA/RIE effectively</li> <li>&gt; Criteria for assessing the quality of RIA</li> <li>&gt; 6 working sessions with representatives of state agencies on current state agency practice in carrying out RIA/RIE</li> <li>&gt; 2 training events for national governmental bodies on RIA and RIE</li> <li>&gt; 1 training event for private sector on RIA/RIE</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Draft amendments to Cabinet of Ministers resolution on RIA/RIE methodology to be in compliance with amended RPL</li> <li>&gt; 18 training events for national/regional governmental bodies on RPL, RIA and RIE</li> <li>&gt; Up to 10 individual training events on RPL, RIA and RIE for GOU agencies</li> <li>&gt; 1 training event for private sector on RIA/RIE</li> </ul>	Tracking the project record	Project record on document preparation
	<ul style="list-style-type: none"> <li>Improved understanding and competence of RIA and RIE application by trained national and regional authorities</li> </ul>	0%	20%	90%	35%	93%			Tracking the project record	Project record (a survey of public officials participating in trainings)
	<ul style="list-style-type: none"> <li>Increased share of RIAs that meet the new quality criteria</li> </ul>	0%	0%	0%	10%	0%			Tracking official record	Data from the State Committee on Regulatory Policy and Entrepreneurship
<b>Result 4.3</b> Strengthened and more effective SCRPE	<ul style="list-style-type: none"> <li>Plan to increase SCRPE's effectiveness developed</li> </ul>	No	No	Yes	Yes	Yes	<ul style="list-style-type: none"> <li>&gt; A plan to increase SCRPE effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Database of regulations with systematic information on regulatory acts submitted to SCRPE created and operational</li> <li>&gt; Database of regulations with accompanying RIAs is available for public on SCRPE website</li> <li>&gt; Electronic Permitting Information Window with information on one-stop shops and local permitting procedures created and available for public on SCRPE website</li> </ul>	Tracking the project record	Project record

Expected Results	Results Indicators	Base-line	Target Year 1	Year 1	Target Year 2	Year 2	Outputs & Output Targets (2007)	Outputs & Output Targets (2008)	Method of Data Collection	Source of Data
				Actual		Actual				
<b>Result 4.4</b> Improved regulations applicable to selected economic sectors (spheres); increased GOU accountability; laws and regulations coordinated at national and regional levels; business-unfriendly laws and regulations identified and amendments underway	<ul style="list-style-type: none"> <li>Number of national and regional regulations reviewed</li> </ul>	0	0	0	120	120	<ul style="list-style-type: none"> <li>Draft legislation and methodology on implementation of the 2nd phase of quick deregulation</li> <li>4 meetings with GOU to establish controls and accountability for QDII</li> </ul>	<ul style="list-style-type: none"> <li>Two national level public/private sector working groups (tourism and construction) established</li> <li>14 public discussions and WG meetings on national and regional level to identify sector-specific regulatory barriers to development</li> <li>Draft legislation to amend or repeal regulations identified as business-unfriendly</li> <li>2 assessments of likely impact of QDII</li> </ul>	Tracking the project record	Project record
	<ul style="list-style-type: none"> <li>Number of national and regional regulations identified as being not business-friendly and burdensome for entrepreneurs</li> </ul>	0	0	0	40	24			Tracking the project record	Project record
	<ul style="list-style-type: none"> <li>Number of business-unfriendly regulations to be repealed or amended by relevant drafted legislation</li> </ul>	0	0	0	40	24			Tracking the project record	Project record
<b>Note:</b> Upon confirmation from USAID another indicator will be added. The indicator is "Number of legal, regulatory, or institutional actions taken to improve implementation or compliance with international trade and investment agreements partly or fully due to USG-assisted organizations".										



Expected Results	Results Indicators	Base-line	Target Year 1	Year 1	Target Year 2	Year 2	Outputs & Output Targets (2007)	Outputs & Output Targets (2008)	Method of Data Collection	Source of Data
				Actual		Actual				
<b>Result 5.3</b> Legislation that would improve and expedite inspection process in construction registered in the Cabinet of Ministers	• Relevant CabMin resolution to implement new inspection-related procedures drafted	No	No	No	Yes	Yes	> Analysis of Ukrainian legislation and best practices related to state inspections > 1 working group meeting to discuss draft amendments	> Draft CabMin Resolution "On Procedure for Conducting Inspections by Officers of the State Building Inspection and Its Regional Departments" > 1 round table to discuss draft amendments > 1 training for MinBud officials	Tracking the project record	Project record on document preparation and dissemination
	• Improved knowledge of administering new procedures by Ministry of Regional Development and Construction staff trained	No	No	No	Yes	Yes			Tracking official data	Project record (a survey of public officials participating in trainings)
<b>Result 5.4</b> Zoning concept paper registered in the Cabinet of Ministers, if deadlines met by GOU, legislation drafted to help implement zoning principles	• Concept paper on introduction of zoning principles in Ukraine drafted	No	No	No	Yes	Yes	> Analysis of Ukrainian legislation and best practices related to zoning > 1 working group meeting to discuss drafting	> 3 working group meetings to discuss drafting > Draft Concept paper on introduction of zoning principles in Ukraine > 1 round table to discuss implementation of zoning rules > Study tour on zoning principles and rules for national and regional public and private sectors > Legislation to implement zoning principles drafted if GOU adopts concept paper on introduction of zoning principles	Tracking the project record	Project record on document preparation
	• Legislation to implement zoning principles drafted if GOU adopts concept paper on introduction of zoning principles	No	No	No	Yes	No			Tracking the project record	Project record on document preparation
<b>Result 5.5</b> Regulations that would improve procedures to obtain utilities officially registered with relevant authorities	• CM resolution drafted	No	No	No	Yes	Yes	> Analysis of Ukrainian procedures related to connectivity to utilities	> National Working Group under the Ministry of Housing and Communal Services established > 2 working group meetings to discuss drafting > Four (4) relevant regulations drafted > 1 round table to discuss draft amendments	Tracking the project record	Project record on document preparation
	• Ministry of Housing and Communal Services and Ministry of Regional Development and Construction orders drafted	No	No	No	Yes	Yes			Tracking the project record	Project record on document preparation
	• National Electricity Regulatory Commission order drafted	No	No	No	Yes	Yes			Tracking the project record	Project record on document preparation
<b>Result 5.6</b> Regulations introduced that would Reduce Excessive Administrative Control Over Property Transactions	• Amendments to the Land Code drafted	No	No	No	Yes	Yes	> Analysis of Ukrainian procedures related to property ownership registration > 1 working group meeting	> Amendments to Land Code > Working group meetings to discuss drafting supported > Relevant legislation drafted > A plan on the steps that GOU can take to address the issue of excessive administrative control over property transactions and increase transparency	Tracking the project record	Project record on document preparation
	• Sublaws to eliminate excessive administrative control over property transactions drafted	No	No	No	Yes	Yes			Tracking the project record	Project record on document preparation

**Note:** The TIBA project ended in June 2009, so actuals for Year 2 reflect status as of the end of the project

# **Annex 4. Final Presentation**



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# Trade, Investment, and Business Acceleration

Kyiv  
June 2009

# Components and Key Tasks

## **Component I - WTO Accession and Post Accession**

- Help complete accession process
- Implement SPS and TBT agreements and establish regulations for HACCP
- Reform GOU Procurement Practices
- Help businesses adjust to SPS and HACCP and increase WTO awareness

## **Component II - Improvement of the Business Environment**

- Effective enforcement of the Regulatory Policy Law
- Institutionalize regulatory impact analysis and evaluation (RIA and RIE)
- Quick Deregulation

## **Component III - Streamlining and Enforcing Regulations**

- Effective implementation of the Permit System Law
- Simplify permitting and inspection procedures and access to utilities in construction
- Launch Procedures for Effective Zoning

# Selected Achievements - WTO Accession



- On 16 May 2008, the WTO welcomed Ukraine as its 152<sup>nd</sup> member
- Tools:
  - WTO Enquiry Point and Information Processing Centre
  - “WTO Guidebook – Implementation of Ukraine’s Commitments”
  - “SPS Enquiries And Notifications: Procedures to Fulfill WTO Obligations and Enhance Private Sector Involvement in Evaluating SPS Notifications”



# Selected Achievements – SPS and Food Industry Standards



- Tools:
  - HACCP Manual for Dairy Industry
  - HACCP Manual for Fruits & Vegetable Industry
  - Facilitating Establishment of a Favorable Regulatory Infrastructure for HACCP Implementation by SMEs
  - Implementation of International Standards for Phytosanitary Measures
  - National Codex Alimentarius Commission webportal



# Selected Achievements – Regulatory Reform



- Tools:
  - “Regulatory Activity in Ukraine: Planning, Justification, Discussion, Evaluation” Manual
  - Professional Business Association Guidebook
  - Quick Deregulation Methodology and Recommendations



# Selected Achievements – Government Procurement Reform

- Tools:
  - Analysis of Government Procurement System in Ukraine
  - GPA Accession Guidelines
  - Master Plan for Reform and Combating Corruption in the Procurement System of Ukraine
  - GPA Accession Entity Questionnaire
  - Policy and Oversight Functions in Public Procurement Systems



# Selected Achievements – Permit System

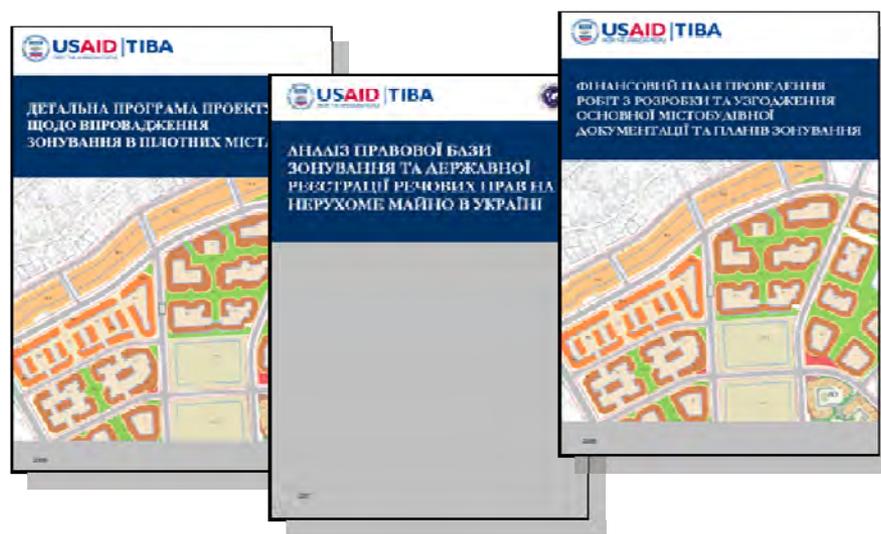
- Tools:
  - OSS Toolkit "Recommendations for Streamlining Permit Issuance Procedures in the Sphere of Economic Activity and Construction at the Local Level"
  - Permit Procedures for SMEs: detailed process maps for 12 most common permits
  - Permit System Manual
  - Permit Issuance Procedures in Construction: Ukrainian Legislation and Best International Practices
  - Permit web portal (*managed by SCRPE*)



# Selected Achievements – Land Relations



- Tools:
  - Analysis of Ukrainian Legislation in the Sphere of Land Zoning and Property Rights Registration
  - Implementing Zoning Principles in Pilot Cities: Detailed Action Plan
  - Financial Plan for City Planning Documentation and Zoning Plans Development



# Lessons Learned

- Top-down & bottom-up
- Tactical flexibility
- Stakeholder buy-in
- Patience



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**Thank you!**

Kyiv  
June 2009