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### **Part III: FY 2001 Performance Narrative**

#### **121-012: Increased Soundness of Fiscal Policies and Fiscal Management Practices**

**Key FY 2001 Achievements:** The Government of Ukraine (GOU) increased its capacity to prepare more consistent and accurate economic forecasts and analyze the short and medium-term impacts of economic policies. With USAID assistance, the GOU began to regularly monitor the shadow economy and world economic development, launched an initiative to strengthen Ukrainian competitiveness, and conducted an assessment of public sector performance and restructuring.

**Tax Reform:** USAID-funded advisors helped the GOU estimate the revenue effect of the draft tax code and alternative proposals that would reduce the overall tax burden. USAID also supported GOU efforts to modernize the State Tax Service (STS) by improving administration and collections. Administration and compliance improved for the value added tax, and corporate income and personal income taxes.

**Budget Reform:** USAID assisted the Ministry of Finance (MOF) to improve budget methodology and performance indicators, extend revenue and expenditure databases and analysis, and make the FY 2002 State Budget a more comprehensive and transparent policy document. The new Budget Code—a comprehensive budget law that promotes multiyear program budgeting, a modern budget management system and radical reform of the intergovernmental finance system, based on formula-determined transfer—was passed with USAID assistance. USAID provided initial training to more than 3,500 local financial officers to ensure proper implementation. The intergovernmental reforms indicate that local budgets are receiving more resources from the national government than in previous years and that the variation of budget expenditures (per capita) among oblasts has been reduced. Due in part to these reforms, the 2001 budget resulted in a surplus of about one percent of GDP and was executed on a cash basis. This enabled the GOU to finally pay off all pension arrears and most wage arrears in the public sector, and to increase wages and pensions.

**Land Code:** A major legislative landmark was achieved when the Ukrainian Parliament (Rada) approved the Land Code in November, 2001. This legislation reconfirms the predominance of private land ownership, lays the groundwork for creation of a land market, and limits government involvement and control over land and future land markets.

**Challenges to the SO:** The GOU issued a Cabinet of Ministers (COM) ruling in May 2001 barring foreigners from locating in the COM building. Therefore, several fiscal advisors now can not be co-located with their counterparts. As expatriate advisors used to work side-by-side with their counterparts, this has hindered the pace of the activity.

**Beneficiaries:** The direct beneficiaries of these activities include users of government services and recipients of budget salaries, pensions, and various social protection and security benefits. All social groups benefited from economic growth, low inflation, a stable local currency, and predictable tax and budget policies.

**Mission Performance Assessment:** SO 1.2 met planned targets in 2001 as economic and fiscal policy reform activities achieved notable successes. Favorable performance indicators impacted the SO 1.2 team's resource decisions. Mission management approved, during the second half of 2001, additional resources to train local finance officers in the implementation of far-reaching intergovernmental finance reform. As noted earlier, over 3,500 local finance officers received initial training.

## **121-113: A More Market Responsive Agricultural Sector**

**Key FY 2001 Achievements:** Key achievements of the SO during the reporting period were successful integration of donor and GOU support for continued policy reform, expansion of the agriculture extension program, launching a national land privatization program, and improved effectiveness of private voluntary technical assistance.

USAID's agricultural extension program provided invaluable technology transfer to increase the skills, management capacity and access to market information for private farmers throughout Vinnytsia Oblast. A positive evaluation of the activity enabled USAID to roll out this support to Khmelnytsky and Cherkasy Oblasts in FY 2002. Assistance provided the organizational locus for joint donor funding of the Agricultural Policy for Human Development Project to strengthen the institutional capacity for policy reform in the GOU. APHD was instrumental in preparing the amendments to the Land Code after the first reading in November 2001 adopted the Land Code entirely. USAID private voluntary assistance programs through CNFA and ACDI/VOCA enabled private farmers and small private processors and their associations throughout Ukraine to access current production, marketing, and management technologies. The net impact was on the entire agriculture sector through the policy activity and directly on more than 50,000 private farmers and food processors through Farmer-to-Farmer programs, the agricultural extension program, and the Alliance.

**Challenges to the SO:** Although expectations were met or exceeded, some challenge remain with the legislative and regulatory environment; access to credit; management capacity of the private sector; and the markets capability to provide goods, services and a transparent outlet for production. USAID is addressing these issues by maintaining support for policy reform; launching a Development Credit Authority portfolio guarantee program to improve private farmer access to credit; maintaining support for the transfer of land into private hands; expanding its support for private farmer and food processor access to management and technical information; and launching a market development project to link private farmers to the expanding formal economy.

During FY 01 the reform minded Prime Minister Yushchenko was replaced. However, USAID was able to develop a constructive dialogue with the new Government. Consequently, when unprecedented agricultural production increases led to a dramatic decline of farm gate prices, and pressure was put on the GOU to propose market interventions, USAID's policy program convinced the GOU not to intervene and thus derail private confidence in the market. Launch of the Ukraine Land Titling Initiative was delayed by political infighting between the Ministry of Agrarian Policy and the State Land Resources Committee, both of which sought to control the activity. The challenge was effectively countered and the activity came on track with support for private sector Ukrainian companies to conduct land privatization.

**Beneficiaries:** Ukrainian private farmers are the main beneficiaries of USAID activities under this SO.

**Mission Performance Assessment:** The SO met or exceeded expectations as existing activities continued achieving their targets and new activities started to strengthen the impact of USAID technical assistance on agriculture.

## **121-213: Privatized Enterprises are More Competitive and Efficient**

**Key FY 2001 Achievements:** Although Ukraine's economic growth continued at a strong pace, direct foreign investment continued to decline from USD 583.7 million in 2000 to USD 531.2 million in 2001. Foreign and domestic investors remain wary until a legal and regulatory framework, with credible enforcement mechanisms, is in place. One such confidence measure would be the passage of the law on "Joint Stock Companies" – the most pressing matter for corporate governance development in Ukraine. A draft law was submitted to Parliament in May

2001. The expectation is that the law will be passed during 2002, and will form the basis for protection of investor rights. USAID technical assistance has played an important role in fashioning and lobbying for a comprehensive law.

The adoption of international accounting practices made progress in 2001. Only two of the 25 Ukrainian Accounting Standards (based on IAS) remain to be finalized. Through USAID technical assistance, over 150 accounting consultants and 1,565 enterprise accountants (from 850 enterprises) were trained in IAS-compliant practices, while about 700 enterprises converted to international accounting practices. Other achievements included enhancing the capacity of the Ukrainian Federation of Professional Accountants and Auditors to reform and develop accounting in Ukraine, and train and certify members. The transfer of financial disclosure information from the Securities Commission to private sector web-based electronic filing system at the PFTS stock exchange was also completed. As a result of this USAID assistance program, accurate and detailed enterprise information is becoming increasingly available for investors across Ukraine.

Another important SO target is the privatization of urban (enterprise) land. In 2001, USAID assistance helped develop procedures for enterprises to purchase land underneath them which was enacted by the Cabinet of Ministers. More than 60% of all Ukrainian municipalities have initiated programs to sell enterprise land and a network of 28 land sales field offices has been created through USAID assistance. USAID is involved in developing a new "Law on Mortgages," which would open more credit options for businesses.

The West Newly Independent States Enterprise Fund (WNISEF) continued to provide equity capital and loans (ranging from \$1 million to \$10 million). To date, WNISEF has invested approximately \$62 million in 19 firms that employ over 10,000 people. WNISEF also completed a small business loan fund program that made over 81 small loans totaling \$3.8 million in value.

**Challenges to the SO:** There are 36,000 privatized enterprises in Ukraine, the overwhelming majority of which do not adhere to international financial practices, nor to standards of corporate governance and shareholders rights protection. In 2002, USAID will shift its focus to more broad-based projects in corporate governance and international accounting standards that will extend program reach and develop local capacity. Activities will include the development of standards and guidelines, curricula reform, and the establishment of a corporate governance rating agency.

**Beneficiaries:** Privatized enterprises and new private firms are the principal beneficiaries of this assistance. Over the longer term, Ukrainian consumers will benefit from higher quality products and services at more competitive prices.

**Mission Performance Assessment:** Performance under this SO met expectations in FY '01.

### **121-313: Role of Small and Medium Enterprises in National Economy is Expanded**

**Key FY 2001 Achievements:** BIZPRO, the SME development project focusing on business skills development and the SME policy environment, has reached thousands of entrepreneurs through its information Hotlines, discounts for business training, and advocacy work with business associations and coalitions. The Consortium for Enhancement of Ukraine Management Education (CEUME) has trained over 3,500 faculty and administrators in Western methodologies of teaching and effective governance of higher education institutions. CEUME-trained professors have reached nearly 200,000 students and have developed 150 of their own case studies for use in interactive teaching sessions. Junior Achievement (JA) is providing economic education for Ukrainian students at 231 secondary schools and nearly 12,000 high school students in Ukraine are studying the JA "Applied Economics" course and receiving hands-on experience in business through the computer simulated training exercises. The Alliance, a consortium of International Executive Service Corps, Citizens Democracy Corps, ACDI/VOCA and MBA Service Corps,

continues to provide direct business consulting to hundreds of Ukrainian businesses each year through its network of U.S. business volunteers. The EBRD Microfinance Bank (MFB), which received \$1 million in funding from USAID, began operations in February 2001. As of December 2001, almost 1,800 loans totaling \$14.5 million have been disbursed by the MFB, with 50 percent of the loans for amounts under \$3,000 and almost 70 percent of the loans to businesses with less than 10 employees. The Ukraine Market Reform Education Program (UMREP) continued providing an array of activities promoting public awareness of reforms in Ukraine. The major project achievement for the reporting period has been the transfer of UMREP activities to a Ukrainian non-profit non-governmental organization. UREP will support all USAID strategic objectives with reform education efforts.

**Challenges to the SO:** Although significant progress has been made, the SME sector and USAID's programs face challenges due to the current business climate in Ukraine. The most significant of these have remained consistent over the period of Ukraine's independence: 1) a poor and inefficient legal and regulatory environment; 2) excessive taxation; 3) the large shadow economy; 4) insufficient access to economic resources and 5) the lack of business and management skills among entrepreneurs. The USAID program will continue to focus on business education and skills development, policy reform and microfinance. Little progress has been made in the area of NGO micro-finance. Due to the lack of a regulatory framework, USAID resources allocated for training of NGOs involved in microfinance have been shifted to other areas until the required legislation is in place.

**Beneficiaries:** The beneficiaries of USAID resources for this SO are SMEs that receive support from business skills training, regulatory reform and improved access to economic resources developed under this SO. These SMEs remain an essential element of Ukraine's transition to a market economy and are a critical source of employment (over 50 percent), innovation and future economic growth.

**Mission Performance Assessment:** Overall, this SO has met planned targets and there has been considerable progress in the critical areas of SME development.

#### **121-014: A More Competitive and Market-Responsive Private Financial Sector**

**Key FY 2001 Achievement:** In response to recent improvements in the banking system, depositor confidence in Ukraine has now lifted deposits in banks from 11.5 percent (mid-1998) to 17.5 percent of GDP (Fall 2001). Bank lending to enterprises has expanded even more rapidly—such loans have increased from 8 percent to more than 12 percent of GDP. USAID projects have played a role in this transformation. In 2001, USAID a) assisted in passage of the Law on Banks and Banking that allowed the National Bank of Ukraine (NBU) to take control and begin liquidation of the insolvent Bank Ukraina; b) completed a two-year program to assist Ukraine's largest private bank to introduce improved policies and procedures (such as internal audit) to better manage bank risks – and to avoid succumbing to a breakdown of the banking system such as occurred in Russia in 1998; and c) strengthened the capabilities of the NBU Department of Bank Supervision – which, by mid 2001, had helped to steer five of Ukraine's seven largest banks (all nearly insolvent in 1998) to a dramatic recovery.

To help provide an improved commercial legal basis for Ukraine's private market economy, major contributions of USAID projects during 2001 included a) training and assisting arbitration managers to restructure rather than liquidate insolvent enterprises, saving 50 enterprises employing about 30,000 workers during 2000-01; and b) assisting Parliament to develop and pass in 2001 a modern Civil Code to replace Ukraine's patchwork of ad hoc and Soviet-era laws governing business relations.

A major accomplishment of the regulatory reform program in 2001 was to develop and gain adoption by cities of integrated "decision packages" for sound business-regulatory practices at

the municipal level. These newly transparent practices give businesses better access to premises, opportunities to buy and improve land parcels, and competitive means for passenger transport concessions and for the use of city-owned advertising space. Evidence from the city of Lviv, an early participant, indicates that such reforms are both good for business (since the number of legal businesses increased 20 percent) and for city revenue (Lviv's annual proceeds from land sales rose from \$90,000 to \$1,500,000).

Based on the impact of the commercial law and regulatory reform components of the SO 1.4 program activities, the team requested—and the Mission management agreed— during the second half of 2001 to provide additional budget resources in support of continuation of the financial restructuring (bankruptcy) and regulatory reform activities and a new activity to improve enforcement of judicial commercial decisions.

**Beneficiaries:** Ukrainian banks, businesses, and citizens.

**Mission Performance Assessment:** Results of USAID/Kiev activities under SO 1.4 exceeded expectations in 2001, as several major legislative goals were attained and the health of the banking system continued to improve.

### **121-015: A More Economically Sound/Environmentally Sustainable Energy Sector**

**Key FY 2001 Achievements:** Six electricity distribution companies were sold in April to international investors under an open and transparent bidding process. This brought to 14 the number of private distribution companies. Prior to the sale, a new tariff methodology was approved, providing for fixed- and incentive-based returns and new tariffs were approved for Oblenergos in Fall 2001. USAID's contractor assisted the National Electric Regulatory Commission (NERC) in the preparation of regulatory hearing procedures, which involved four of the six newly privatized distribution companies. The USAID training program graduated 32 mid-level executives from its MBA program, bringing the total number trained to date 170. Numerous partnership exchanges were held this year; two partnerships graduated from USAID support and continued their relationship with US companies with their own financing. USAID helped to establish municipal energy efficiency programs in nine cities. Private Energy Service Companies (ESCOs) have been assisted by development of the ESCO Association.

**Challenges to the SO:** In response to political opposition to tariff increases, the President and the GOU delayed further privatization in the power sector until 2002. A potentially disastrous Wholesale Electric Market bill was passed by the Parliament but vetoed by the President as recommended by USAID. While it is not expected that this veto will be overridden, USAID will continue to advocate a different approach and will support a new Working Group established to develop a completely new electricity market. A marginal NERC Independence Bill was defeated in Parliament. We will be fully engaged in the drafting of a new bill that will give NERC greater independence. The privatization of the remaining Oblenergos and generating companies, scheduled for 2002 and 2003, is contingent upon restructuring the \$3 billion sector debt.

**Beneficiaries:** Energy producers and consumers.

**Mission Performance Assessment:** SO 1.5 met its overall planned targets in 2001. After a major successful privatization of six distribution companies in April, changes in the government led to a slowdown of energy sector reform. Our response to this challenge has been a closer working relationship with other donors to push for reform. We continually provided technical assistance in the form of policy formation and technical support to the State Property Fund, NERC, the Wholesale Electricity Market, and the Parliamentary Committee on Fuel and Energy. Because of the success of these projects, they will be continued in the next year. An additional \$500,000 will be requested to support the GOU in energy sector debt restructuring. The Mission

provided technical support to UkraTransnafta in the commercialization of the Odessa-Brody oil pipeline.

### **121-016: A More Economically Sustainable Environment**

**Key FY 2001 Achievements:** In 2001, USAID continued to address important environmental problems such as global climate change, sustainable development, industrial pollution, and natural resources management. In all these areas, USAID activities achieved results toward increased environmental investment, improved environmental management at facilities, and the empowerment of citizens to affect environmental decision-making. USAID assisted the GOU in the re-establishment and operation of the National Commission on Sustainable Development (NCSD) and the Inter-Ministerial Commission on Climate Change. Both bodies promote the integration of environment and economic development policies. Through workshops, roundtables, workgroups, publications and information dissemination, USAID was the principal sponsor of sustainable development in Ukraine in 2001. The results of USAID Climate Change Initiative (CCI) are described in greater detail in the Climate Change Annex, but should be noted here for their impact on GOU efforts to meet its commitments under the United Nations Framework Convention on Climate Change (UNFCCC), including the preparation of the third National Communication and the annual Green House Gases (GHG) inventory. The CCI added 12 projects to its pipeline of potential investment projects in GHG mitigation and is preparing business plans for three of these projects. The CCI also has supported an NGO work group and numerous public meetings to promote citizen participation in the development of Ukraine's climate change policy. Citizen empowerment was furthered by the CCI website, its monthly newsletters, and a comprehensive training program.

The USAID-funded EcoLinks program has awarded 23 challenge grants and 23 quick response awards to business and local authorities totaling over \$1.1 million since 1999. In 2001, six of these projects made significant steps toward investments valued at over \$10 million. Two EcoLinks grants resulted in actual investments of more than \$500,000 by Ukrainian Oblast authorities. USAID's environmental management training program implemented by AED, involved over 90 facilities, fifteen of which participated in a follow-on study tour. To date, over thirteen of these facilities have adopted environmental plans and eight have made significant environmental investments. The chemical and pharmaceutical firm "Stirol" recently received ISO 14000 certification and has spent over \$30 million on environmental improvements during the past three years.

Results toward increased citizen empowerment were achieved by the ABA-CEELI managed Environmental Public Advocacy Centers, through prosecution of 29 administrative cases and 41 court cases in 2001. Meanwhile, the USAID-funded LEAP and its local NGO partner "ISAR/Yednannia" reported 17 initiatives taken by private citizens or NGOs to influence environmental decisions at the local level.

**Challenges to the SO:** USAID was able to achieve results in spite of challenges brought about by government inertia that included a 10-month delay in reforming the Inter-Ministerial Commission, the GOU's continued failure to establish an administrative process to approve GHG mitigation projects, and weak cooperation between key ministries such as Ecology and Energy. The removal of energy subsidies from many industries and the requirement for increased cash payment have improved the investment climate in Ukraine for energy efficiency and environmental management. Nevertheless, many industries continue to resist the disclosure of financial and technical information that is needed to develop viable business plans to attract investment. USAID was also challenged by GOU delays in registration of the LEAP, in spite of overall support of the project by the Ministry of Ecology. In addition, an MOU on the installation of a flood warning system for the Tisa River has taken over five months to negotiate and still has not been approved.

**Beneficiaries:** The direct beneficiaries of SO 1.6 activities include GOU, NGOs, industry, local authorities, Ukrainian citizens and other donors.

**Mission Performance Assessment:** Overall, SO 1.6 met or exceeded planned targets.

### **121-021: Increased Better-Informed Citizen's Participation in Political and Economic Decision-Making**

**Key FY 2001 Achievements:** Civil society organizations (CSOs) influenced legislative developments last year – an indicator that they are impacting political decision-making. A coalition of think tank experts successfully advocated for 50 amendments to the Law on State Budget and CSO recommendations were included in the Law on Corporate Income Tax, the new Civil Code and the judicial reform package. CSO advocacy also helped prevent the passage of two pieces of legislation that would have adversely affected freedom of speech. In addition, many CSOs made significant organizational improvements, according to Counterpart's quarterly survey of its Ukrainian CSO partners. USAID assistance has helped these CSOs increase membership by more than 6,300 since 1999 and their number of permanent volunteers from approximately 7,000 to 14,000. Sixty-one percent have improved administrative management, 75 percent have better financial management, and over 70 percent have increased their average monthly operating budget by 43 percent. Lastly, in 2001, over 60 percent of CSO partners reported frequent cooperation with local government, versus 45 percent in 1999. These gains have resulted in improvements in USAID's CSO Sustainability Index.

During 2001, there were incremental improvements in Ukraine's electoral and political processes. USAID investments in coalition-building are partially responsible for increased coordination among parties in the pre-election period. In at least 14 oblasts, parties that attended coalition-building seminars began employing new skills in advance of the 2002 parliamentary elections. Moreover, most parties that have benefited from USAID training have formed electoral blocs to a degree not witnessed before. In addition, the majority of 600 local officials who received training on constituent relations now hold public hearings. USAID also influenced the passage of an improved parliamentary election law which, among other provisions, requires political party members to man pollstations and requires pollstation workers to provide election observers with original vote tallies.

Despite Ukraine's much publicized challenges to freedom of speech, the independent media did make important strides this year with USAID assistance. Two USAID-supported media associations were launched and immediately began to lobby in defense of free speech. Their efforts helped defeat one bill that would have allowed local governments to silence local media outlets. USAID's assistance in financial management had impressive results this year due to Ukraine's improving advertising market; numerous media outlets assert that USAID assistance helped increase their revenues this year.

**Beneficiaries:** Under this SO, USAID resources support CSOs, independent media outlets, political parties, government officials at the national and local level, (elected, appointed, and civil service) concerned with democratization and good governance, and election administrators. The general public also benefits directly from news and information disseminated with USAID assistance and indirectly from those successes that improve the quality of democratic governance.

**Challenges to the SO:** Most analysts state that Ukraine's democratic transition, at best, has stalled. USAID has not increased citizen participation to the degree expected when the strategy was conceived. In response, USAID added several new activities to elections programs and redirected elements of the civil society and media programs. The lessons from the latter initiatives

are being incorporated into the new civil society and media programs to be launched by mid-2002.

**Mission Performance Assessment:** Meeting expectations.

### **121-022: Legal Systems that Support Democratic Processes and Market Reforms**

**Key FY 2001 Achievements:** USAID's activities work to improve the capacity of the Ukrainian Parliament (Rada) to draft legislation and respond to constituent needs. Reflecting several years of USAID investment in strengthening both the committee structures and individual member's legislative capacities, in 2001 the Rada passed a record 1,000 bills. These included: the Land Code, Criminal Code, Civil Code, Parliamentary Election Law, and judicial reforms. Twenty parliamentary hearings were held with the participation of outside entities and media. (A twofold increase over 2000 and a fivefold increase over 1999). In 2001, Parliament more than tripled the number of "Government Days" held in which the government answers questions from members of parliament, in open session with the media; in many cases these questions were prompted by constituents. Furthermore, biweekly press conferences are now held, while the Parliament's web site was improved and opened to the public. All of these positive steps are due, in part, to the cumulative effect of over seven years of USAID training and technical assistance.

The "Small Judiciary Reform" legislation was enacted in June 2001, introducing a pro-democratic foundation for further development of the judiciary and increasing independence from executive control. The reforms include more judicial oversight on appointments and a separate budget line item for the. Building on this progress, implementation of programs for further strengthening of the judiciary has become a critical and significant area for USAID technical assistance.

During FY 2001, USAID's assistance to Parliament also focused on the conducting of public hearings by parliamentary committees and parliamentary staff development. The challenge has been to increase the use of hearings by committees, most of which do not have the resources to conduct them. Thus, assistance to individual committees focused upon developing hearings, which do not require extensive resources. The hope is that other committees can use this work as a model.

In the area of "advocacy", the American Bar Association, Central and Eastern European Law Initiative (ABA/CEELI) expanded its program by sponsoring human rights and environmental "pro bono" centers throughout Ukraine, and conducted substantial training for practitioners and judges, as well as developing an electronic information-sharing network.

Judicial self-governance was advanced as the President of the Council of Judges reversed his prior prohibition and is now working cooperatively with judges to organize judicial associations. For the first time an oblast Judicial Association (in Ternopil) won a lawsuit against the local office of the Ministry of Justice for timely payments of the courts' budget.

**Challenges to the SO:** During FY 2001 USAID's assistance to the parliament focused on the conduct of public hearings by parliamentary committees and parliamentary staff development. The challenge has been to increase the use of hearings by committees, most of who do not have the resources to conduct public hearings. Thus, assistance to individual committees focused upon developing hearings, which do not require extensive resources. Another challenge has been to coordinate and facilitate technical assistance to the parliament on key reform legislation such as draft laws on the judiciary, tax code, and civil code. Although "Small Judiciary Reform" legislation was enacted in June 2001, programs for further strengthening of the judiciary have become a critical and significant area for USAID technical assistance. Fundamental reform of the judicial system still need to be adopted.

**Beneficiaries:** The immediate beneficiaries of USAID technical assistance are the judiciary and the parliament. Over a longer time frame the citizenry benefit from an even-handed, transparent and effective legal system.

**Mission Performance Assessment:** SO targets were met.

### **121-023: More Effective, Responsive and Accountable Local Government**

**Key FY 2001 Achievements:** During FY 2001, indicators showed broad-based achievement of municipal/local government program's outcomes. At the national level, the Budget Code was passed by the parliament by a wide margin. This code incorporated, for the first time, a transparent, formula-based intergovernmental transfer of funding from the central government to the cities. The President of Ukraine issued a decree in Support for Local Self-governance and appointed a national committee to plan for and to implement this decree.

Significant reform of tariff-setting was achieved which established transparent and efficient price setting for municipal water and wastewater services.

The Association of Ukrainian Cities (AUC) expanded its regional offices from 12 to 18 and, as a result, increased its membership by more than 25 percent to include nearly 400 cities. The association was active in securing passage of the Budget Code and has now turned its attention to improving the current Law on Local Self-governance.

USAID-funded Regional Training Centers expanded their training capacity by 25 percent and can now serve some 6,000 clients each year. Extensive additions to the center's curriculum have allowed them to train NGO and business clients to promote partnerships with local governments.

The highly successful municipal water roll-out training and technical assistance activity has reduced operating costs of participating utilities by 15 percent to 30 percent. These savings have allowed the utilities to make the first capital improvements to their systems in years. A measure of the program's success is that three to four times as many non-program cities routinely attend training seminars at their own expense.

**Challenges to the SO:** Unfortunately, the future of municipal reforms is still a concern due to ongoing central government interference. For example, unwarranted harassment of elected mayors, including those in cities that are active in USAID-funded projects, by the oblast administrations and other state authorities has not ended. Some elected mayors have been forced to resign. This loss of USAID "champions" is highly disruptive to achieving the results we project in these communities.

**Beneficiaries:** The direct beneficiaries of the SO 2.3 activities include municipal/local government, local NGOs, the AUC, and national state agencies in charge of setting policies for municipal/urban development.

**Mission Performance Assessment:** In most cases, results are exceeding expectations. Overall, the excellent results this year indicate that local government reforms, and even some central government reforms, continue to progress as a result of USAID-funded training and technical assistance.

### **121-032: Increased Promotion of Good Health and Access to Quality Health Care**

**Key FY 2001 Achievements:** USAID assisted the Government of Ukraine (GOU) and NGO task force on reproductive health policy development in elaborating the National Reproductive Health Program for 2001-2005. In March 2001, this Program and its budget were approved by a

Presidential Order. USAID is supporting the Network of Ukrainian Reproductive Health NGOs, which was successful in lobbying for reproductive health funds to be included as a separate line item in the budget for 2002. The birth defects surveillance system in two initial pilot regions (Lutsk and Rivne) has been accepted by the Italy-based International Birth Defects Clearinghouse, which analyzes birth defects data worldwide. The birth defects surveillance system is being expanded to four additional regions.

A sound infrastructure for furthering primary health care has been established under the U.S.-Ukrainian partnerships of health facilities and communities. Ten demonstration family medicine clinics were opened, and have become the catalyst for the establishment of 129 family medicine clinics by local health administrations in pilot areas in 2001. Reproductive health programs have contributed to a 50 percent reduction of the abortion rate over the last five years. Principal achievements also include the establishment of the HIV/AIDS Information Clearinghouse; development of the birth defects surveillance program; and an anti-tuberculosis pilot program, based on the WHO-recommended treatment protocol. To date, over 80,000 children exposed to the Chernobyl accident have been screened for early thyroid cancer and psychological trauma.

**Challenges to the SO:** The most disturbing challenge is that the Ministry of Health is not supportive of USAID's initiatives to provide technical assistance and grants to the Ukrainian NGOs who disseminate information on HIV-related preventive services. While the growth rate of people registered with HIV stabilized in 2001, the national response to the scale of the HIV epidemic remains weak and influenced the Mission's decision to request additional resources to support further HIV-related prevention efforts. More work is still needed to address infectious diseases such as tuberculosis and HIV infection and treatment at different stages of the disease.

**Beneficiaries:** The primary beneficiaries of USAID health care programs are citizens of Ukraine, who have more health care options as well as health care professionals, government officials, and policy makers who are trained to update policies, treatment protocols and preventive methods according to international standards. More specifically, USAID programs have helped people suffering from infectious diseases (STI/HIV/AIDS and TB), families served by family medicine providers; women of reproductive age visiting the three Women's Wellness Centers; children exposed to the Chernobyl accident that were screened for thyroid tumors and psychosocial problems; vulnerable groups of the population with a high risk of contracting STI/HIV/AIDS, such as intravenous drug users and female sex workers, who are now served by numerous NGOs; and the population Volyn and Rivne who are receiving better birth defects care and prevention services.

**Mission Performance Assessment:** Performance results have fully met Health SO team expectations.

## **121-034: Mitigation of Adverse Social Impacts of the Transition to Market-Based Democracies**

**Key FY 2001 Achievements:** USAID has helped the GOU stabilize the current public pension system and lay the foundation for a private pension industry. Critical pension reform legislation, drafted with USAID assistance, passed the first reading in the parliament in November 2001. A framework law establishing a regulator to supervise private pension funds, insurance companies, credit unions and mutual funds, was passed in July 2001. Assistance was provided to the GOU to facilitate the passage of a new law on occupational injury.

Continued assistance to the Pension Fund of Ukraine from USAID experts has resulted in the completion of the first phase of an automated personified data collection process. A national database of 19 million workers now exists. The development of software to issue social security certificates, similar to the U.S. social security card, has begun. The GOU's insistence on cash payments, instead of barter, has dramatically decreased budget offsets. In the past, offsets amounted to about 50 percent of revenues/expenditures. In 2001, offsets were virtually eliminated. In part, as a result of these increased cash flows in public sector accounts, the Government was able to eliminate all public sector pension arrears, increase pension payments and reduce considerably payroll arrears in public sector enterprises.

The public pension system is paying benefits to 14 million pensioners on time, and there is a State Pension Fund's surplus, which is being invested in short-term banking deposits.

In FY 2001, the USAID program contributed to the immediate relief needs of impoverished and vulnerable citizens by delivering 95 forty-foot equivalent containers valued at \$11,593,117 through social service providers in Ukraine, such as NGOs, medical and educational organizations. Much of this assistance was delivered through local organizations to targeted rural communities and vulnerable women most in need. In addition, selected governmental social service institutions were supported with equipment and supplies. USAID continued to facilitate humanitarian assistance activities by other donor organizations in the region, through customs and procedural assistance.

USAID also continued its commitment to support emergency preparedness, strengthen response capabilities, and develop the capacities of local emergency service providers. USAID assisted the victims of the major flooding in Western Ukraine in March 2001. The USG, through the CHAP program, delivered and distributed nine container loads of relief supplies valued at over \$690,000 to the people in all twelve affected raions (counties) of Zakarpattia. The assistance included 45 water pumps, four rubber inflatable boats and two engines, 28 life vests, food, water-resistant cloth, cold-weather shirts, rubber overshoes, sleeping bags, canteen cups, blankets, pillows, and mattresses. Recipients included governmental and non-governmental emergency, medical, and social services organizations. The U.S. Geological Survey started to work in Zakarpattia in May 2001 studying the nature of flooding and mudslides. As a result of this study, flood gauges will be installed at all rivers at risk of flooding to ensure more effective prevention and mitigation.

In August 2001 CHAP responded to the Zasyadko Mine explosion by delivering over \$18,000 worth of medical equipment and consumables to four hospitals in the City of Donetsk treating the wounded miners. The delivery included sutures, needles, blood-gathering and storage equipment, suction and inhalation equipment, neurosurgical instruments, binocular microscopes, tonometers, laryngoscopes, catheters with various gauges, and ultra-violet ray blood machines.

**Challenges to the SO:** The changing political situation in Ukraine resulted in delayed consideration of the pension reform legislation. Future accomplishments of pension reform in Ukraine will depend on the structure of the new parliament and the GOU's ability to collaborate with new members of the parliament. These delays with the enactment of the pension reform bills means that additional levels of effort and financial resources in the area of training and public education will be needed to reach the original SO 3.4 targets.

**Beneficiaries:** The direct beneficiaries of these activities include 14 million Ukrainian pensioners, impoverished citizens, NGOs, medical and educational organizations, rural communities in need, local emergency service providers, and the GOU.

**Mission Performance Assessment:** Results met expectations in 2001, as all indicators show that targets were achieved. Several major legislative goals were attained, and the process of reforming the social protection programs' administration is well underway.

#### **121-042: Special Initiatives and Cross-Cutting Objectives**

Special initiatives include those Mission-funded activities that support more than one strategic objective and involve a high level of inter-agency coordination. The most significant activities in this area include: an initiative to combat the illegal trafficking of women and children from Ukraine through economic and social empowerment of women; a cross-border program to encourage greater cooperation and development experience sharing between the US, Poland and Ukraine; a U.S.-Ukrainian partnership to promote economic growth and business development in the Kharkiv Oblast; and a broad human capacity development program to provide short-term training within and across SOs.

**Key FY 2001 Achievements:** The USAID-funded **Trafficking Prevention Program (TPP)**, implemented by Winrock International, focuses on prevention, protection and assistance. Since its inception seven Trafficking Prevention Centers working across Ukraine (Lviv, Donetsk, Dnepropetrovsk, Zhytomyr, Chernivtsi, Rivne, and Kherson) provide job skills training, counseling, legal and hotline services. Roughly 2,765 women found new jobs as a result of the training. The GOU adopted a new program, which incorporated many elements USAID counter-trafficking awareness prevention efforts. The program, "To Combat the Trafficking in Humans", was passed as article 149, in the new Criminal Code, in December. In November 2001, the anti-trafficking docudrama targeted for young adults and their families, was aired on national and regional TV, through schools and NGOs, and included a broad public awareness program and live call-ins from the audience. More than 50 calls came in on topics ranging from where to seek legal assistance and family counseling, to how to improve local economic conditions to prevent young women from seeking work abroad. Youth Leadership camps were established last year for 150 young campers (including boys and girls) to learn about women and children's rights, gender sensitivity, and define the problem of trafficking in women in the context of their communities. Ukrainian legislators, NGO trainers, and public officials participated in a training course in the Czech Republic and Germany to review comparative mechanisms for combatting trafficking.

Under the **Women's Economic Empowerment (WEE)** activity, USAID offered three-month business training courses to 813 women in five target districts. Of these women, 214 opened or diversified businesses (26 percent) and created 619 new jobs and 134 women found employment (17 percent). A \$100,000 loan fund allowed 126 women to start or diversify their businesses. The repayment rate was 100percent with no delinquency. Through the WEE Grant Program, \$100,000 has been awarded to 13 NGOs which provide support to women entrepreneurs. As a result of this program, 115 new businesses and 136 new jobs were created and 530 women found employment.

In partnership with local NGOs, the project also organized 22 Advocacy Forums across Ukraine and brought together representatives of local government, business and the NGO sector. As a result of these forums, recommendations for legislative reforms to national and local government were prepared.

The **Participant Training** activity, implemented by AED (Academy for Educational Development), trained 3,000 Ukrainian professionals last year, of which 51 percent were women. The goal of the participant training project is to provide NIS leaders and professionals with the practical

knowledge and technical skills needed to create policies, programs and institutions that complement democratic free-market governance and through short-term third-country or U.S.-based training. Of those trained thirty-six percent received training in economic reform strategic assistance areas; 15 percent in democratic reform; 39 percent in the social sector; and 10 percent in cross-cutting initiatives.

The **Kharkiv Partnership** was reoriented to focus on four major aspects of the region's development: improving the investment climate, supporting specific investment projects, encouraging small business growth, and assisting human and social development. The partnership expanded its activities by developing and training staff for economic development agencies in four small cities within the Kharkiv Oblast. Strategic analysis and development assistance also was provided to help the Oblast attract business partnerships and investment, including a USAID-funded tour that took place in late January/February 2002 Kharkivites and the Oblast Governor to meet business and regional development agency representatives in Ohio. On January 28, 2002, the Oblast and State of Ohio signed a Protocol to further economic and business-to-business cooperation. Management of the Kharkiv-based company, FED, which specializes in the manufacturing and production of aircraft hydraulic devices, entered into initial negotiations with General Electric while in Ohio.

June 2001 marked the opening of the Kharkiv branch of the Ukraine Micro Finance Bank and award of 200 loans. USAID contributed to the bank's expansion expertise and capital funding. Training, loans and good policy decisions have made the small and medium enterprise sector the fastest growing part of the Kharkiv economy. Currently, every fifth person works in a small business. According to statistics from the Oblast administration, during the last year alone, the number of SMEs grew by 6 percent, or 800 enterprises, and the total number now stands at 14,200. A business study tour for 29 senior agricultural managers in grain production and livestock management, training for university administrators in agricultural extension methodology and ongoing training in economic development for 13 public officials was also completed.

#### **The Poland-America-Ukraine Cooperation Initiative (PAUCI)**

After participation in a PAUCI-funded activity, ten Poland local governments have set-aside their own funding to continue work with their Ukrainian counterparts in creating trade and business links. Four regions now have joint Polish-Ukrainian business centers and 'eco-tourism' cooperation. Polish and Ukrainian think tanks are now conducting joint analyses on the National Bank, administrative reforms, and democratic practices in local governance. Fifty-four grants have been awarded to date (roughly \$1.8 million in total), with 24 still active. Roughly 32 Polish documents including laws and macroeconomic studies have been translated into Ukrainian, and the grant program, administered by Freedom House, has also fostered a natural networking among its grantees, and shifted attention to attracting more projects from underrepresented areas, particularly in Western Poland and Eastern Ukraine.

**Ukrainian Land and Resources Management Center (ULRMC)** increased Ukraine's capacity to use remote sensing and other environmental information in decision-making and to make environmental information increasingly available to the public. The ULRMC conducts daily monitoring of the Chornobyl Exclusion Zone for fires, has improved Ukraine's capacity to respond to flood emergencies in Zakarpattia, nuclear reactor emergencies in Zaporozhia, ecological health emergencies in Mykolaiev, and manage environmentally hazardous sites and environmentally sensitive areas. The ULRMC is working on increasing Ukrainian capacity to use environmental information to communicate and manage health risks by studying the feasibility of developing a pollutant release and transfer registry.

**The Ukraine Reform Education Project** is not included in SO 4.2 report since in FY 2001 it was still part of SO 1.3c as the Ukraine Market Reform Education Project.

**Challenges to the SO:** Due to the cross-cutting nature of SO 4.2, challenges are related to their operating context. For example, Kharkiv's investment climate still faces considerable constraints,

witnessed by the difficulty of co-implementing a USAID regulatory reform activity in the Oblast capital. PAUCI's macro-economic component received few proposals, which could be causally related to the fiscal problems Poland faced in FY 2001. Although awareness and efforts to curb trafficking and prosecute traffickers improved in FY 2001, public finance allotted to managing the scope of the problem on a regional level remains weak.

**Beneficiaries:** Direct beneficiaries include vulnerable women and women entrepreneurs, Polish and Ukrainian business, public officials, and NGOs, citizens of Kharkiv oblast, and citizens living in environmentally sensitive areas.

**Mission Performance Assessment:** Meeting expectations.

**Annual Report Part IV: FY 2001 Performance Data Tables and Results Framework**

**Table 1: Ukraine FY 2002 Annual Report Selected Performance Measures**

USAID/Ukraine OU does not measure performance using indicators included in this list of Selected Performance Measures and does not report data for the performance indicators selected for this table.

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
<b>Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America and non-governmental organizations in support of shared objectives</b>					
1 Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?	Yes	No X	N/A	N/A	
2 a. How many alliances did you implement in 2001? (list partners)  b. How many alliances do you plan to implement in FY 2002?	0			N/A	
3 What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	N/A			N/A	
<b>Pillar I: Economic Growth, Agriculture and Trade: USAID works to improve country economic performance using five approaches: (1) liberalizing markets, (2) improving agriculture, (3) supporting microenterprise, (4) ensuring primary education, and (5) protecting the environment and improving energy efficiency.</b>					
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? (121-012: Increased Soundness of Fiscal Policies and Fiscal Management Practices)	Exceed	Met X	Not Met		
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? (121-113: A More Market Responsive Agricultural Sector)	Exceed X	Met	Not Met		
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? (121-213: Privatized Enterprises are More Competitive and Efficient)	Exceed	Met X	Not Met		
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? (121-313: Role of Small and Medium Enterprises in National Economy is Expanded)	Exceed	Met X	Not Met		
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? (121-014 A More Competitive and Market-Responsive Private Financial Sector)	Exceed X	Met	Not Met		

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? (121-015: A More Economically Sustainable and Environmentally Sound Energy Sector)	Exceed	Met X	Not Met		
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? (121-016: Increased Environmental Management Capacity to Promote Sustainable Development)	Exceed X	Met	Not Met		
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? (121-034: Mitigation of Adverse Social Transition to Market-Based Democracies)	Exceed	Met X	Not Met		
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? (121-042: Cross-Cutting Programs)	Exceed	Met X	Not Met		
<b>USAID Objective 1: Critical, private markets expanded and strengthened</b>					
5 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged</b>					
6 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable</b>					
7 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors	
<b>USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded</b>						
8 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X			
9 a. Number of children enrolled in primary schools affected by USAID basic education programs (2001 actual) b. Number of children enrolled in primary schools affected by USAID basic education programs (2002 target)	Male	Female	Total			
<b>USAID Objective 5: World's environment protected</b>						
10 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X			
11 a. Hectares under Approved Management Plans (2001 actual) b. Hectares under Approved Management Plans (2002 target)						
<b>Pillar II: Global Health: USAID works to: (1) stabilize population, (2) improve child health, (3) improve maternal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat of other infectious diseases.</b>						
12 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-012: Increased Soundness of Fiscal Policies and Fiscal Management Practices)	Exceed	Met X	Not Met			
12 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-016: Increased Environmental Management Capacity to Promote Sustainable Development)	Exceed X	Met	Not Met			
12 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-042: Cross-Cutting Programs)	Exceed	Met X	Not Met			
<b>USAID Objective 1: Reducing the number of unintended pregnancies</b>						
13 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X			
<b>USAID Objective 2: Reducing infant and child mortality</b>						

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
14 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
<b>USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth</b>					
15 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries</b>					
16 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>USAID Objective 5: Reducing the threat of infectious diseases of major public health importance</b>					
17 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>Pillar III: Democracy, Conflict and Humanitarian Assistance</b>					
18 If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets? (121-313: Role of Small and Medium Enterprises in National Economy is Expanded)	Exceed	Met X	Not Met		
18 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-015: A More Economically Sustainable and Environmentally Sound Energy Sector)	Exceed	Met X	Not Met		
18 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-016: Increased Environmental Management Capacity to Promote Sustainable Development)	Exceed X	Met	Not Met		
18 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-021: Increased Better-Informed Citizens' Participation in Political and Economic Decision-Making)	Exceed	Met X	Not Met		
18 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-022: Legal Systems that Better Support Democratic Processes and Market Reforms)	Exceed	Met X	Not Met		
18 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-023: More Effective, Responsive and Accountable Local Government)	Exceed X	Met	Not Met		

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
18	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-032: Increased Promotion of Good Health and Access to Quality Health Care)	Exceed	Met X	Not Met		
18	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-034: Mitigation of Adverse Social Transition to Market-Based Democracies)	Exceed	Met X	Not Met		
18	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? (121-042: Cross-Cutting Programs)	Exceed	Met X	Not Met		
<b>USAID Objective 1: Rule of law and respect for human rights of women as well as men strengthened</b>						
19	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>USAID Objective 2: Credible and competitive political processes encouraged</b>						
20	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>USAID Objective 3: The development of politically active civil society promoted</b>						
21	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>USAID Objective 4: More transparent and accountable government institutions encouraged</b>						
22	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>USAID Objective 5: Conflict</b>						
23	Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A x		
24	Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A x		
25	Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total		

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
<b>USAID Objective 6: Humanitarian assistance following natural or other disasters</b>					
26 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
27 Number of beneficiaries					

**Table 2: Ukraine FY 2002 Selected Performance Measures for Other Reporting Purposes**

The information in this table will be used to provide data for standard USAID reporting requirements

USAID/Ukraine OU does not measure performance using indicators included in this list of Selected Performance Measures and does not report data for the performance indicators selected for this table.

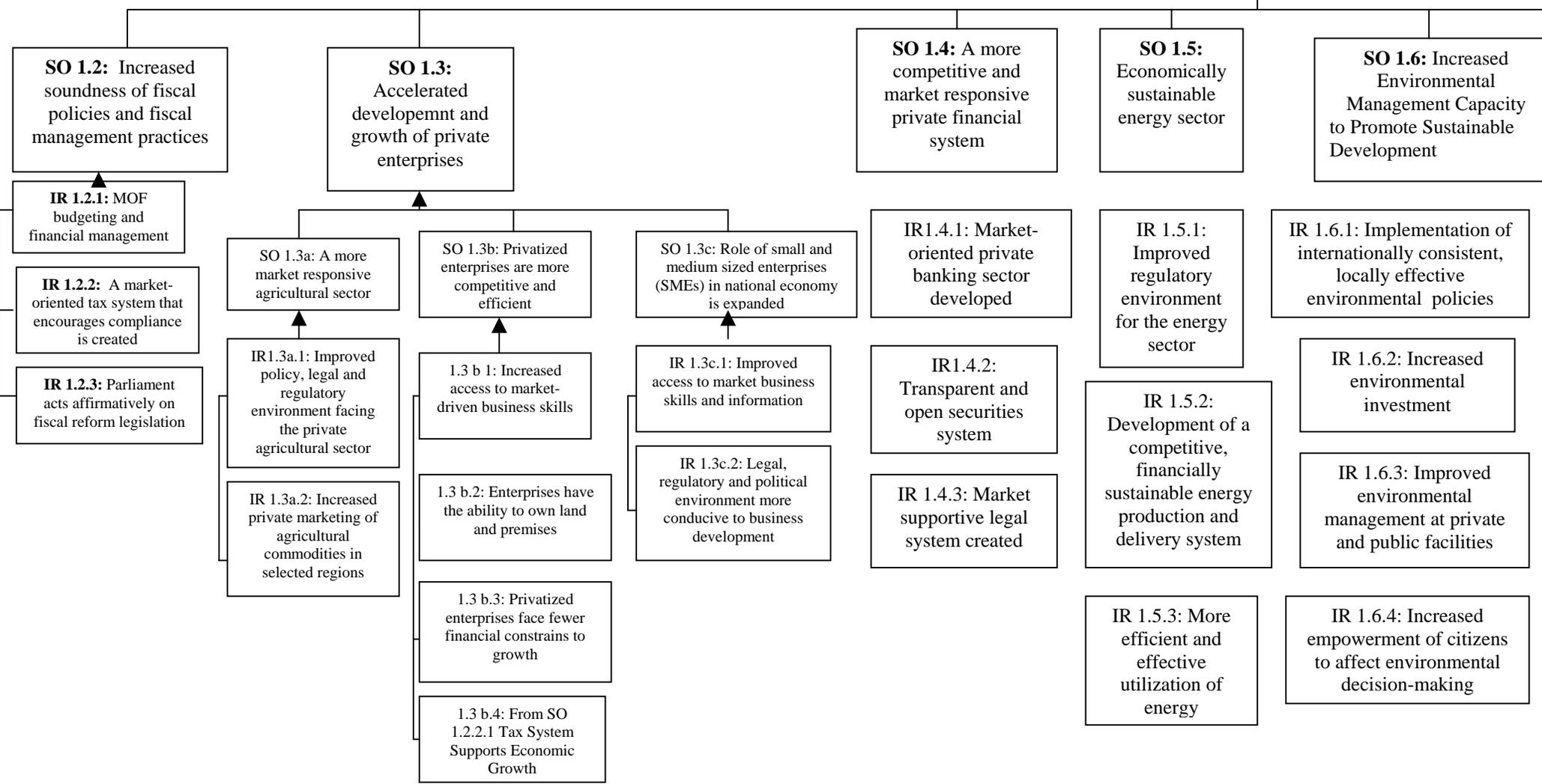
Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
<b>Child Survival Report</b>					
<b>Global Health Objective 1: Reducing the number of unintended pregnancies</b>					
1 Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)					
<b>Global Health Objective 2: Reducing infant and child mortality</b>					
2 Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total		
3 Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total		
4 Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total		
5 Were there any confirmed cases of wild-strain polio transmission in your country?					
<b>Global Health Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth</b>					
6 Percentage of births attended by medically-trained personnel (DHS/RHS)					
<b>Global Health Objective 5: Reducing the threat of infectious diseases of major public health importance</b>					
7 a. Number of insecticide impregnated bed-nets sold (Malaria) (2001 actual) b. Number of insecticide impregnated bed-nets sold (Malaria) (2002 target)					
8 Proportion of districts implementing the DOTS Tuberculosis strategy					
<b>HIV/AIDS Report</b>					

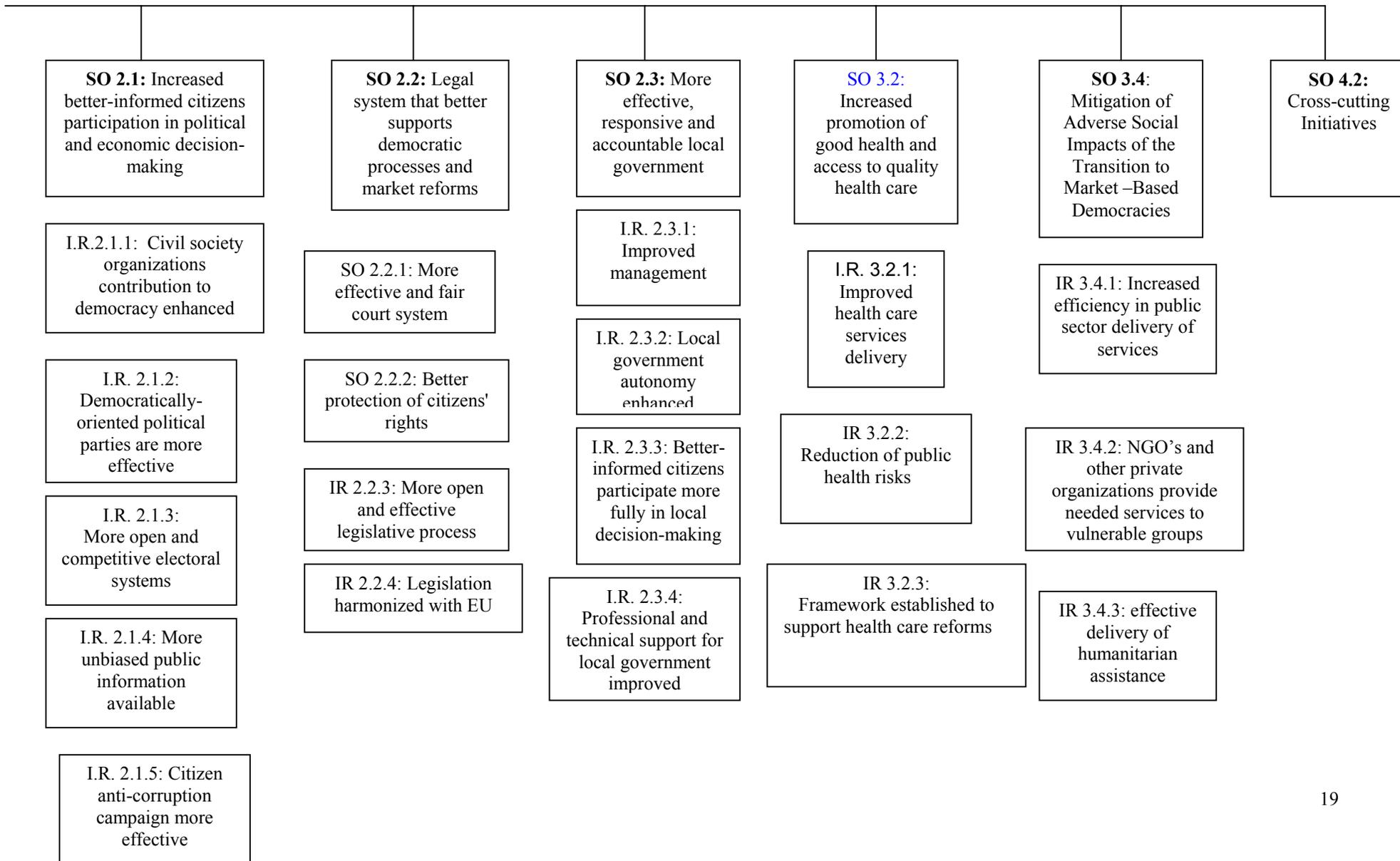
Global Health Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries					
9	a. Total condom sales (2001 actual)				
	b. Total condom sales (2002 target)				
10	a. Number of individuals treated in STI programs (2001 actual)	Male	Female	Total	
	b. Number of individuals treated in STI programs (2002 target)				
11	Is your operating unit supporting an MTCT program?				
12	a. Number of individuals reached by community and home based care programs (2001 actual)	Male	Female	Total	
	b. Number of individuals reached by community and home based care programs (2002 target)				
13	a. Number of orphans and vulnerable children reached (2001 actual)	Male	Female	Total	
	b. Number of orphans and vulnerable children reached (2002 target)				
14	a. Number of individuals reached by antiretroviral (ARV) treatment programs (2001 actual)	Male	Female	Total	
	b. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 target)				

<b>Victims of Torture Report</b>				
<b>Democracy, Conflict, and Humanitarian Assistance Objective 7: Providing support to victims of torture</b>				
<b>15</b> Did you provide support to torture survivors this year, even as part of a larger effort?				
<b>16</b> Number of beneficiaries (adults age 15 and over)	Male	Female	Total	
<b>17</b> Number of beneficiaries (children under age 15)	Male	Female	Total	

<b>Global Climate Change</b>				
<b>USAID Objective 5: World's environment protected</b>				
<b>18</b> Global Climate Change: See GCC Appendix				

**U.S. assistance program objectives:** to (1) help Ukraine realize its potential in building a strong, independent, democratic, and economically viable country by increasing its self-reliance, and (2) further Ukraine's effort to integrate into the global community and forge stronger ties with the West





## **Part VII: Environmental Compliance**

The USAID Regional Mission for Ukraine, Belarus and Moldova continue to make significant progress in meeting requirements under 22 CFR 216 (Reg. 216). The Mission has found the MAARD "check list" to be a successful method for ensuring that each activity receives an environmental review before it is approved. There is a high level of awareness among SO Teams, Office Directors, CTOs and Activity Managers of the need for environmental review. The Mission plans on conducting training in Spring 2002 for key staff on Reg. 216 procedures.

Most of the Mission's activities continue to fall among those classes of action that are categorically excluded from needing an Initial Environmental Examination (IEE) or Environmental Assessment (EA). Historically, the major exceptions to the Categorical Exclusion (CE) have been agricultural activities. The Mission has one outstanding IEE for the Ukrainian Land Titling Initiative (ULTI). The ULTI was approved and initiated under a CE. However, the Bureau Environmental Officer (BEO) later revised the CE decision to require an IEE. It is expected that this issue will be resolved during an upcoming TDY by the BEO in March 2002.

In 2001, the Mission reviewed fifty (50) activities that recommended a CE, one (1) activity that requested CE and IEE with a negative determination, and two (2) that recommended an IEE with a negative determination. To date, the BEO has approved all but one request. One (1) request for a CE and sixteen (16) requests for a CE and an IEE were initiated for agricultural activities in Moldova that subsequently were covered under the Programmatic Environmental Assessment and, therefore, were not reviewed individually by the Mission or the BEO.

In calendar year 2002, the Mission has already reviewed four activities (3 CEs and 1 IEE). Two of the requests for a CE have been approved by the BEO. An additional 31 new activities, or substantive amendments to existing activities, are expected to require an environmental review before the end of the year.

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