

November 16, 2007

UNCLASSIFIED

ENDORSEMENT MEMO FOR ACTING DIRECTOR OF U.S. FOREIGN ASSISTANCE HENRIETTA FORE

FROM: AMBASSADOR William Taylor

CC: Earl Gast, USAID Regional Mission Director for Ukraine, Belarus and Moldova

SUBJECT: Performance Report on Fiscal Year 2007 for UKRAINE

By cover of this memo, I endorse USAID's attached FY 2007 Performance Report. The report represents both a quantitative and qualitative narrative of the key areas of impact for USAID's foreign assistance in Ukraine during the reporting period. It also helps to underscore the importance of U.S. Government foreign assistance in promoting transformational diplomacy in the Ukrainian context.

Even though Ukraine had no Parliament for much of FY 2007, USAID's programs were able to produce tangible results that directly supported the U.S Government's foreign policy objective of a democratic and prosperous Ukraine, secure within its recognized borders, and free to become a full partner in the Euro-Atlantic community.

In Governing Justly and Democratically, USAID worked successfully to promote democratic practices and improve the political process in the run-up to the September 30 snap parliamentary elections through better elections administration and improved political party responsiveness to constituent needs. USAID civil society and media programs continued to work to give more voice and influence to these critical areas of democracy in Ukraine. The Mission also supported projects to further the rule of law and judicial reform in the country, which helped to increase the effectiveness, independence and transparency of the judiciary through the training of judicial personnel, development of capacity for judicial self-governance, improvements in case management, and the publishing of court decisions. Mission projects in local economic development and budget reform supported municipal empowerment and the development of growth strategies with appreciable results.

Within the Investing in People program area, USAID efforts contributed to continuing health sector reform and improvements in the overall quality of health services. Efforts to bring TB and HIV/AIDS under control using international best practices showed increased government support and acceptance. Work to improve birthing and infant care practices, to return street children to

their families, and to bring reproductive health best practices to the country also produced results. USAID's family planning/reproductive health program mobilized both the public and private sectors to expand access to quality services and modern contraceptives beyond urban areas in seven oblasts. Pharmacist certification programs trained over 1,000 providers to provide accurate information on modern contraceptives, and clinical trainings improved quality of care by strengthening knowledge and skills of over 1,600 health providers.

In support of economic growth objectives, Mission projects, in trade and investment, capital markets development and competitiveness emphasized open and transparent practices. The Economic Court dramatically increased its transparency after the implementation of a Registry of Judicial Decisions with USAID support, with more than 700,000 decisions now published on the Internet. Amendments to legislation on enforcement of judgments and bankruptcy eased burdens on business. USAID also continued to support Ukraine's efforts to accede to the WTO, and the country looked poised to finally complete the process as the calendar year ended.

Four Ukrainian cities produced their first successful municipal bond issuances as a result of USAID support. USAID continued to support a profitable independent clearing house for financial securities (MFS) transactions over a government-run National Depository that had still to show the ability to run efficiently, but continued to attempt to assert its predominance even over the objections of many securities traders.

Within the Transnational Crime program area, a successful anti-trafficking in persons project continued to be implemented. In 2007 it helped to develop the National Referral Framework, at the core of which are NGOs helping victims to reintegrate. In the Combating Weapons of Mass Destruction program area, the Chernobyl Shelter Implementation Project continued to be funded. In a move that signaled major progress, the French-led consortium Novarka signed a contract in September to build a new shelter to encase the shattered fourth reactor at the Chernobyl power station.

In an era of reduced resources, the Mission understood the need to continue to develop partnerships with the private sector and actively sought them out in 2007. A Ukraine specific Annual Program Statement was released in March asking for applications for proposals in conjunction with USAID's Global Development Alliance program. More than two dozen concept papers were received and considered; several have been positively assessed and proposals have been requested. They will add to the three GDA's that USAID already has established in Ukraine.

In addition, USAID developed a significant public-private partnership in Ukraine in FY 2007 with the Ukrainian conglomerate Industrial Union of Donbas and the city of Alchevsk on a community development project for this economically depressed city. Alchevsk is located in eastern Ukraine, and the PPP is part of USAID's effort to concentrate its resources in the south and east of Ukraine to spur its integration into the Euro-Atlantic community.

FY 2007 also saw USAID begin the initial implementation of the MCC Threshold Country Program (TCP). It is expected that this two year program, which focuses on anti-corruption efforts, will begin to show tangible programmatic results in FY 2008.

Drafted: Roman Woronowycz, Sr. Development Outreach and  
Communications Officer

Cleared: DKramer, Econ

# Ukraine 2007 Performance Report

## Operating Unit Performance Summary

### Operating Unit Performance Summary 2007

With continuing political turmoil and the dismissal of parliament in April, the challenge in 2007 was to continue to work effectively in an uncertain and changing political environment. Ukraine's democratic and market institutions continued to develop but capacity remained low for formulating sound public policies; the legislative process continued to be haphazard at times; the judiciary remained vulnerable to external pressures; political parties were still not constituency-based; media and civil society monitoring and advocacy was still not fully effective; and corruption remained rampant. Poor governance along with inadequate infrastructure impeded broad-based growth and prosperity; over-regulation and a poor investment climate hindered business development; an aging population, outdated health standards and technologies, and a growing threat of infectious diseases, specifically HIV/AIDS presented particular challenges.

In the democracy and governance area, USG efforts resulted in increased transparency in the courts and access to court decisions, and the establishment of eight regional administrative courts. Local government work supported advances in public budgeting methodologies and city strategic planning. Continued efforts to build and secure civil society resulted in advances in the CSO operational environment, and the strengthening of local political parties, think-tanks and associations. In the run-up to the September snap parliamentary elections, the Mission provided elections administration support to the Central Election Commission and training to commissioners.

In public health protection, assistance in using Directly Observed Treatment Short Course (DOTS) as a tuberculosis control system expanded as did reproductive health programs to reduce reliance on abortions. USAID also continued to support HIV/AIDS control through PEPFAR.

To support economic growth, the mission helped introduce the first mortgage-covered bonds, municipal bonds, and an electronic financial information disclosure system. Cooperation with the MCC continued on an integrated cross-sectoral anti-corruption effort, as did cooperation with other donors, including the World Bank and the Global Fund to Fight AIDS, Tuberculosis and Malaria. USAID continued building public-private partnerships and mobilizing private sector resources to address developmental priority development needs, increasing leveraged funds to over \$26 million.

### **Program Area Performance \ 1 Peace & Security \ 1.2 Combating Weapons of Mass Destruction (WMD)**

This Program Area records expenditures to promote the safe and secure development of nuclear energy, as well as to strengthen the physical protection of nuclear material, control radioactive materials, combat illicit trafficking of materials, and improve nuclear safety. The Chernobyl Shelter Fund (CSF) achieves these objectives through repair to prevent failure of the existing sarcophagus which has covered the site since the late 1980s, by developing a strategy to ultimately return the site to an environmentally safe condition and by constructing a new shelter to cover the site until the developed strategy can be fully achieved. Achieving

short and medium-term results have excellent probability (or are already accomplished), with the major problem the need for further Donor funding to fully construct the new shelter (design life 100 years). Dismantling and permanent storage of remaining radioactive components has been demonstrated at other sites, but continues to be a technical challenge. Successful completion of the CSF Project resolves over the medium term (100 years) a serious environmental and public safety concern remaining from the Soviet era. Prior to the end of this period, it is anticipated that dismantlement of the unit will be possible due to radioactive component decay and development of permanent storage sites and technology.

#### **Program Element Performance \ 1 Peace & Security \ 1.2 Combating Weapons of Mass Destruction (WMD) \ 1.2.1 Counter WMD Proliferation and Combat WMD Terrorism**

The Chernobyl Shelter Fund (CSF) achieves the objectives of promoting nuclear safety, controlling nuclear material and promoting public safety from exposure to such radioactive materials through emergency repairs to the existing sarcophagus over the destroyed Chernobyl 4 reactor and by constructing a new shelter that will last through the projected time of dismantlement of that reactor. Chernobyl 4 was destroyed in a 1986 operating accident causing significant release of radioactivity and human death and sickness. CSF efforts, since its creation in 1997 by action at the G-7's Denver Summit, further the safe control and protection of the public from the remaining radioactive debris at the site through emergency repairs to the existing sarcophagus and the construction of a new shelter. In 2007, EBRD completed its procurement process by contracting with Novarka Consortium to construct a new containment shelter. EBRD completed a series of tasks to reduce the probability of collapse of the existing sarcophagus, to improve worker and environmental safety and to develop a long-term strategy to convert Chernobyl to an environmentally safe site. Safety improvements completed to the existing Sarcophagus include completion of a detailed "Shelter Stabilization Design" in 2003, completion of the new physical works to support 50% of roof load in 2006, design of a new Integrated Monitoring System for radiation/seismic fluctuations yet to be installed, completion of a worker radiological protection program and completion of evaluation to eliminate radioactive water at the site. Although Ukraine has supported CSF Projects, political changes and certain disagreements over project management and objectives have caused significant delay in project completion.

#### **Program Area Performance \ 1 Peace & Security \ 1.5 Transnational Crime**

Ukraine remains a country with high prevalence of human trafficking. However, during the past year, through enhanced coordination and cooperation with governmental agencies, international organizations, law-enforcement and civil society, USAID has achieved considerable progress. As a result of the improved mechanisms of the national referral framework and greater access to trafficking-related information, more than 390 victims of trafficking (VoTs) have received support and assistance in FY07. The National Referral Framework (NRF) in Ukraine is operational and effective; and includes multiple stakeholders including USAID. National non-governmental organizations (NGOs) are the core of this system and serve as focal points for victims' identification, referral and assistance in all regions of Ukraine. Of all cases referred to reintegration programs, 65% have been identified by national NGOs. These NGOs are specialized service providers, with extensive professional expertise and proven institutional, technical and financial capacities. Currently, the success of the NRF is best demonstrated by the results of victim reintegration, with 94% of assisted VoTs either employed or reinstated into educational system; less than 1% of VoTs disappear from the reintegration network. The operations of the NRF are supported by USAID through direct assistance and capacity building, as well as by contributions from other international donors and the Government of Ukraine.

According to survey results, approximately 78% of Ukrainians are aware of the trafficking problem. But

only 7% of Ukrainians perceive themselves as being at direct risk, while 24% see a low probability of falling victim to the crime. Despite greater outreach by prevention programs and improved access to TIP-related information, more media coverage, peer-to-peer and community mobilization activities are required to address the issue of the limited perception of risk and to encourage behavior change among the at-risk population. With the GOU “State Program on Combating Trafficking in Human Beings” approved in March 2007, USAID is working to reinforce the objectives of the program by enhanced coordination with relevant governmental agencies, law-enforcement and judiciary.

### **Program Element Performance \ 1 Peace & Security \ 1.5 Transnational Crime \ 1.5.3 Trafficking-in-Persons and Migrant Smuggling**

In FY 07, USAID’s counter-trafficking in persons efforts provided reintegration services to victims of trafficking (VoTs), including psychological, legal, and medical assistance; counselling; social integration; and education to more than 390 victims of trafficking. The network of NGOs assisting victims of trafficking has been expanded to 90 organizations. Approximately 94% of the beneficiaries of USAID-sponsored reintegration assistance have found employment or been reinstated into the Ukrainian education system. USG programs supported training courses for 1,466 students in Ukrainian Orthodox Church seminaries, since the largest churches in Ukraine have developed strategies to combat trafficking and are actively involved in preventive work with VoT. Last year the Ukrainian Orthodox Church opened anti-trafficking resource centers in Lviv and Crimea, with six more under development in other regions. USAID programs had notable successes during the past year in targeting male victims of trafficking, with approximately 23% of the assisted victims being men. The two-fold increase in the percentage of assisted male victims demonstrates the success of USAID’s efforts to improve identification techniques and reintegration services available to male victims of trafficking.

Through increased USAID-funded public education initiatives, 78% of Ukrainians surveyed understand the real risks of TIP; and communities have become more involved in advocacy efforts to promote accountability and transparency among government bodies and NGOs.

The Government of Ukraine has shown increased commitment to combating trafficking-in-persons in Ukraine, adopting a new State Program Against Human Trafficking in March 2007, and allocating a specific budget to counter-trafficking efforts for the first time. The government of Ukraine has also supported the work of 19 NGOs in the form of premises, utility subsidies, partial coverage of staff costs, and small grants. However, GOU efforts have been impeded by the high level of turnover in officials involved in counter-trafficking.

### **Element Indicator Narrative \ 1 Peace & Security \ 1.5 Transnational Crime \ 1.5.3 Trafficking-in-Persons and Migrant Smuggling**

FY07 actual data for the number of people trained on TIP-related issues exceeds the FY07 target due to a special initiative, which was an awareness campaign “Say ‘Stop!’ to Traffickers!” conducted in cooperation with the StudentPlus magazine. This allowed the magazine to reach out to a larger audience.

There are several reasons for the difference between the planned and achieved indicators in the areas of prevention and protection of victims of trafficking. The main factor is increased government and community commitment to countering this social phenomenon and to helping its victims. Last year, several prominent social and private sector initiatives, including efforts by the major mobile operators in Ukraine, MTV, Student+ magazine and others, helped create higher awareness about trafficking within the Ukrainian population. Due to the increased availability of information on trafficking-related aid services, more victims

have stepped forward and identified themselves; furthermore, the improved capacities of service providers in victim identification and assistance also contributed to higher numbers of assisted individuals.

## **Program Area Performance \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights**

Ukraine's progress towards democratic consolidation and governance depends upon its ability to curb corruption, reform the judicial sector, and improve the rule of law to attract and secure foreign investment, promote stable business growth, and protect human rights. Anti-corruption initiatives are key to justice sector reform in Ukraine, as evidenced by the prioritization of anti-corruption programming by USG implementers and the Millennium Challenge Corporation Threshold Country Plan. Access to justice is necessary to develop a responsive justice system, ensuring that vulnerable parts of the population have access to legal services and information that helps them protect their rights.

As a result of USAID efforts in FY07, judicial effectiveness, independence and transparency is stronger due to training, capacity-building for judicial self-governance, improved case management, and more published court decisions. USG assistance has helped build public trust in the judiciary by partnering with civil society organizations to monitor court activities; strengthening collaboration between courts and the media to improve the image of the judiciary; and implementing public education initiatives to increase access to legal services. USAID supported judicial reforms by introducing US and European judicial selection and disciplinary practices to Ukrainian judges; programs also nurtured consensus-building judicial reform dialogue for 165 key policy makers and produced important recommendations to improve the legal framework by aligning it with international norms. USAID helped increase access to justice by expanding its legal aid clinic and advocacy NGO network to help implement a governmental decree of 2006 requiring every university of law to operate a legal clinic. This effort created the foundations for the institutionalization of pro bono legal services to indigent populations. Assistance programs confirm that the public is increasingly mindful of the need for progress in judicial reform, and that civil society has more opportunities to influence how that process proceeds. USAID programs have also partnered with key governmental institutions in the creation and development of its anti-corruption reform initiatives, including the Ministries of Education and Justice and the Presidential Secretariat. Effective implementation of these initiatives can have significant future impact; their success will depend on the political will of the incoming government.

## **Program Element Performance \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights \ 2.1.3 Justice System**

USAID's assistance to the justice sector increases transparency, accountability, public confidence, and access to justice through support for legal clinics, consensus-building around judicial reform; improved court automation and efficiency, enhanced civil society court monitoring, and increased collaboration between courts and the media.

USAID supports a network of 27 consultation centers and clinics that provided more than 8,000 legal consultations, filed nearly 1,800 administrative actions and represented clients in nearly 1,400 lawsuits in 2007. Assistance programs in the justice sector included workshops for law professors on human rights, European Union law and legal research. These programs received high-level support from mid-level Ministry of Education officials but have been resisted by senior ministry officials.

To increase justice sector accountability, USAID trained 600 staff, improved judicial selection and disciplinary procedures, and fostered consensus-building dialogue around judicial reform for 165 key policy makers. USG assistance promotes the creation of a comprehensive legislative framework by providing legal advice and expertise for draft legislation, aligning Ukrainian reform initiatives with international standards. As a result of USG activities, half of the recommended changes to the key draft Law on the Judiciary were approved by the president and forwarded to the parliament. Important changes include transferring authority for the appointment and removal of chief judges from the executive branch to the Council of Judges. Assistance programs also supported six public hearings on legal reforms, civic monitoring in 49 courts, and expert analysis, publication and distribution of court decisions. With USAID support, the High Administrative Court began to publish its decisions on the internet; implementation of random case assignment has started in seven pilot courts, and will be replicated more broadly. The results of this pilot reform will be used to develop recommendations for the State Court Administration on improving case management.

### **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights \ 2.1.3 Justice System**

1) Number of Justice Sector Personnel that Received USG Training. In FY2007, the actual result is 576 individuals including 273 women (47%) and 303 men (53%). The target was exceeded by 360% for two main reasons: the high level of interest in USAID-supported training programs; and synergies with host-country and international partners which further allowed a drastic increase in the number of trained Ukrainian judicial personnel. The target for FY2008 has been revised from 220 to 650. 2) Number of USG-assisted Courts with Improved Case Management. USAID supported an assessment of case management in selected Ukrainian courts and identified a larger number of complications in implementing the random case assignment system than originally expected. In accordance with FY2007 results, the target for FY2008 has been revised from 8 to 7. 3) Number of Legal Institutions and Associations supported by USG. The FY2007 target was 6 institutions and associations; the actual result is 21. The target was drastically exceeded due to greater needs of host-country stakeholders, and synergies with local and international partners.

### **Program Area Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance**

USAID good governance assistance targets the Ukrainian parliament and local governments for capacity-building technical assistance that helps correct systemic weaknesses and promotes efficiency, transparency, and citizen participation. The political crisis essentially froze parliament's legislative work for six months in 2007. Despite this, USAID's investments in the parliament, the Verkhovna Rada (VR), continued and resulted in important enhancements to its institutional capacity, including its increased organization of public hearings, better trained staff to conduct parliamentary business, and a professionalized information service. These achievements highlight the VR's continuing transformation into a more transparent and durable governance institution amidst political turmoil. As a result of USAID activities, parliamentary staff are better equipped with procedural and technical knowledge to participate in the legislative process; citizens and non-governmental organizations have more information about and input into the VR's deliberations. The VR's law-making role assures its centrality in the Ukrainian political system; however, continued instability risks slowing the legislature's institutional development and impacting the legislative reform which is vital to the country's Euro-Atlantic integration. At the local level, USAID assists Ukrainian cities develop transparent decision-making practices. These activities serve governance, economic growth, and anti-corruption objectives. USAID assists cities develop community-based strategic plans, that enable cities to budget more effectively and transparently; improve municipal services; and attract foreign direct

investment (\$70m). Lviv was the first city with USAID help to issue a bond for \$10m to upgrade its infrastructure. Key legislation developed with USAID assistance includes draft laws on local self-government, decentralization, and communal services. USAID's goals are to increase municipal fiscal and political autonomy; improve municipal management; increase municipal operation transparency and public participation. However, delegated mandates to local governments are not appropriately resourced. Low local tax revenues limit municipal fiscal autonomy, while on-going political instability hinders institutional capacity development.

### **Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.1 Legislative Function and Processes**

Despite a large intake of new MPs and a political crisis which essentially froze legislative activity for six months, the national legislature (Verkhovna Rada, or VR) improved its committee oversight capacity through USAID-assisted training programs for staff and some MPs in legislative and budget processes, committee operations, and citizen access. USAID assisted in professionalizing the operation of the VR by developing, publishing, and distributing six comprehensive guides on the legislative process; over 80% of VR staff benefited. MPs and staff alike report that the resources have improved their effectiveness. The USAID-funded parliamentary internship program complemented this effort by exposing promising young graduates to the legislature's work, engaging them in the parliamentary process, and further opening the VR's operations to the public. The VR assumed less financial and administrative responsibility for the internship administration than originally planned due to the political crisis that prevented the secretariat from focusing on long-term planning issues.

Legislative-executive relations also grew stronger due, in part, to a newly adopted Law on the Cabinet of Ministers which effectively aligned the sitting government and its VR allies. USAID-funded advisers argued unsuccessfully for a more consensus-based process for this particular law. After the political crisis effectively paralyzed law-making, the VR failed to adopt (among other bills) important anti-corruption and judicial reform legislation. USAID supported a package of WTO accession-related legislation that the VR passed. The VR maintained its institutional stability through staff development and training efforts, complemented by USAID-provided reference resources covering all major aspects of parliamentary practice and operation. VR gender outreach expanded as a result of USAID-organized regular gender focus group meetings and professional workshops on gender issues.

The VR is also becoming more transparent: parliament took steps to improve working conditions for journalists in an effort to complete a strategic communication plan developed in close cooperation with USAID experts. USAID helped to improve cooperation of VR and Ukrainian NGOs and foreign donors by organizing an information fair in the VR as well as by USAID-assisted field committee hearings that attracted hundreds of citizens and local NGO representatives.

### **Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.3 Local Government and Decentralization**

USG assistance helped strengthen Ukrainian sub-national governments' capacity to develop performance-based budgets (85 cities); attract foreign direct investments (\$70million); train elected and appointed city officials (17,457); and draft laws, regulations and policies (20). Through USAID's efforts, the Government of Ukraine's (GOU) state budget is more transparent by using Performance Program Budgeting (PPB) at the national (5 ministries), regional (3 oblasts) and local levels. PPB is a novel concept in Ukraine as this

budgetary method allocates funds discreetly to government program activities. In addition, PPB increases budget transparency, efficiency, and accountability. USAID helped form 3 national level working groups on macroeconomic forecasting and budgeting, which enable strategic planning for long-term implementation of budget policies. Twenty-four cities implemented strategic economic plans, resulting in SME growth, work force development, increased foreign direct investment, communal service improvement, increased communal land utilization, and heightened private sector competitiveness. USAID works with the central government for greater decentralization concerning fiscal and policy issues. Other assistance involved the drafting of legal acts on local self-government, submitting draft laws in Ukraine's parliament, strengthening the economic autonomy for local self governance, and training local government officials in 16 separate self-government disciplines. USAID modified two activities in order to have a greater impact at the national level, as this would better sustain local economic development efforts. There has been good support at the national level for several regulatory initiatives. However, due to the national election in late September, personnel changes in the GOU will likely slow the pace of these reform initiatives. USAID is currently attempting to institutionalize relations the working at the working level, so they will carry through the political transition. Concerning gender, for the most part, women do not hold decision-making positions. However, over 52% of the individuals that received USAID training under this Program Element were female.

#### **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.1 Legislative Function and Processes**

Number of National Executive Oversight Actions Taken By Legislature Receiving USG Assistance (Numerical). FY 2007 Target – 35. Actual – 49 (12 committee field hearings; 30 committee hearings and oversight meetings; 7 Government days (9 issue areas scrutinized)).

Number of Public Forums Resulting From USG Assistance in Which National Legislators and Members of the Public Interact (Numerical). FY 2007 Target – 20. Actual – 26 (18 RTs and seminars with participation of MPs and 8 parliamentary hearings)

#### **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.3 Local Government and Decentralization**

The difference between the FY07 Target of 9,700 individuals who received USG-assisted training and the FY07 Actual of 17,457 individuals who received USG-assisted training is due to the fact that FY07 Target figures were based only on FY07 funds. The FY07 Actual data is based on all USG funds and not just from FY07 funds. The FY07 Target figures of 181 sub-national government entities receiving USG assistance to improve their performance is more than the FY07 Actual data of 144 sub-national government entities receiving USG assistance to improve their performance because there was a Scope of Work modification based on the Local Government Assessment that altered the strategic focus of two Local Government and Decentralization activities. The result was a heightened emphasis of working more at the national level than at the local level. Therefore, fewer resources were employed at the sub-national government entity level.

#### **Program Area Performance \ 2 Governing Justly & Democratically \ 2.3 Political Competition and Consensus-Building**

Ukrainian parties remain ineffective at translating citizen interests into electoral platforms or policymaking, working within governing institutions to move policy forward, governing themselves transparently, building effective governing coalitions, and working effectively within parliamentary factions and committees.

To add to these party development challenges, a sustained political crisis unfolded in 2007, resulting in pre-term parliamentary elections that were fiercely competed and generally in line with international standards. The vote was an attempt to break a political impasse created by constitutional changes effected in 2006, which shifted large amounts of political power from the presidency to the parliament. Due to major political disagreements among the country's main political actors, followed by four presidential decrees calling for pre-term elections, election preparations began as early as April. This diverted political attention away from governance, party- and constituency-building efforts and towards electioneering.

USAID's on-going party assistance programs responded appropriately. USAID assistance helped party leaders develop strategies for strengthening internal party organization, building coalitions and engaging young future leaders. Due to heightened political tensions in 2007, as of April all USAID campaign and coalition-building assistance was delivered solely on an inclusive, multi-party basis. Some implementing partners considered this policy a constraint to their political party programming and delayed training plans. Nonetheless, USAID assistance made important contributions to the quality of the election by improving parties' election observation and campaign efforts, increasing parties' electoral law skills, and supporting long-term non-governmental domestic observation.

The electoral system itself, while sufficient to conduct a major internationally-certified emergency election, needs significant further legislative and administrative refinement to ensure transparent and participatory 2009 presidential and future parliamentary elections.

Sustained commitment to this program area will help parties build the external and internal capacity to dispatch their democratic responsibilities more capably and transparently at all levels of government.

## **Program Element Performance \ 2 Governing Justly & Democratically \ 2.3 Political Competition and Consensus-Building \ 2.3.3 Political Parties**

With the introduction of a fully proportional electoral system, political parties became the sole formal participants of the electoral process and the critical vehicles for Ukrainian governance. While parties require additional governance and policy-making capacity, as well as the ability to build lasting governing coalitions and establish effective links between legislative and executive branches, they are now more critical for Ukraine's democratic consolidation than at any point since independence.

USAID's political party training efforts proceeded as planned until the unfolding of a serious political crisis in Spring 2007 that resulted in pre-term parliamentary elections. De facto preparations for these polls began as early as April 2007. USAID assistance to major political players focused upon coalition-building techniques, particularly at the local level. After the announcement of snap elections, political parties largely focused on campaigning and coalition-building, yet participation and party demand remained high for USAID-funded training for young political leaders and local elected officials. As a result of these training efforts, party leaders increased their knowledge and understanding of modern constituency outreach and communications techniques. Other initiatives also helped Ukrainian youth engage more effectively in the political process by providing practical skills in basic party organization and mobilization. These activities were complemented by an annual opinion survey gauging citizens' views on political and social developments in Ukraine that provided key insights into public views on the democratic transition.

Even after Parliament was officially dissolved in mid-summer 2007, USAID's implementing partners conducted small group sessions to assist majority and opposition representatives to improve working relations. Recognizing the necessity to build linkages and improve communications within the executive branch, USAID partners also brokered discussions with political appointees in the Cabinet of Ministers and Presidential Secretariat. These sessions were oriented toward longer-term impact to help political actors work effectively after elections.

With additional funding, USAID supported a variety of 2007 snap-election programs, which contributed to electoral quality.

### **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.3 Political Competition and Consensus-Building \ 2.3.3 Political Parties**

Political Party assistance was provided through NDI and IRI. The Institutes provided technical assistance to political parties across the spectrum, including Party of Regions (PR), the Yuliya Tymoshenko Bloc (BYUT), the Our Ukraine bloc (OU), the People's Self-Defense Movement (PSD), the Socialist Party, the Lytvyn Bloc and others. The projected number of training sessions and the number of parties the Institutes plan to work with in 2008 are expected to remain the same. In 2007 assistance was delivered through specific political party events, consultations, youth training sessions and seminars for locally elected officials associated with political parties.

### **Program Area Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society**

Robust and vibrant civic participation and independent media are essential for keeping government honest and accountable, citizens informed and engaged, and reforms on track. In 2007, USAID programs contributed expertise and input to the development of laws and regulations to improve the enabling environment for civil society organizations (CSOs) and media, delivered training to strengthen the organizational capacity of CSOs, awarded social enterprise grants to help generate secure and sustainable sources of self-financing, and made advocacy grants to help CSOs achieve policy impact in various issue areas. USAID training increased the financial viability of media outlets and improved journalistic skills to responsibly cover political, social and economic issues.

Political power struggles over the past year impeded significant democratic progress. Many Ukrainians were disappointed by the lack of democratic reforms after the Orange Revolution, fuelling cynicism and indifference, especially among youth. Media outlets were used as political tools by competitors for power. Media and NGO sustainability indexes showed little change for the media and lost opportunities for civil society.

Nevertheless, many CSOs actively monitored the work of national and local governments and demonstrated increased advocacy capacity that contributed to positive changes to two national laws and nine new acts and regulations at the local level. Think tanks provided crucial exit poll data in the pre-term parliamentary elections, which validated election results and helped to prevent major electoral disputes. Signatories to the CSO Code of Ethics increased by 84% from fiscal year 2006. USAID media partners played a key role in reviving the Public Council on Freedom of Speech and Information, an advisory body to the Freedom of Speech Parliamentary Committee; provided legal support to journalists; and improved journalistic professionalism and skills through training efforts. MCC civil society program, promoting citizen engagement in combating corruption, conducted public opinion surveys, increased public knowledge about

corruption and issued grants to NGOs to fight against corruption.

Future investments in civil society area will help improve long-term sustainability of key local CSOs, diversify their financial resources, improve enabling framework, strengthen media legislation, develop plans for public broadcasting, and increase media corporate social responsibility efforts.

### **Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.1 Civic Participation**

USAID provided technical, training and grant assistance to approximately 1,100 CSOs. Efforts focused on CSO organizational capacity, professional standards, internal governance, and advocacy. Programs engaged citizens in key issue areas including community development, anti-corruption, youth leadership, NGO law reform, and CSO ethics. USAID programs helped improve the financial viability of CSOs by promoting community philanthropy, corporate social responsibility, and social entrepreneurship initiatives which supported vulnerable populations, created new jobs, and generated revenue to support core CSO mandates.

A special focus of USAID programs is to strengthen key legacy organizations capable of serving the NGO sector in a number of areas, including developing progressive NGO legislation, providing intermediary training, financial and other support resources, conducting policy analysis, and performing watchdog and public oversight functions.

This year's political crisis and parliamentary dissolution stalled national-level CSO legislative initiatives, including a major new draft law on associations designed to bring the CSO enabling environment in line with European standards. However, future prospects for passage of this major law remain good, since it is included into the EU-Ukraine Action Plan. Despite political instability, USAID programs successfully contributed to the number of positive changes in the legal environment. New VAT exemptions on charitable assistance came into effect; CSO membership fees were exempted from income tax; the minimum threshold for deductible donations was removed, and the maximum threshold of 5 percent was finally recognized by the tax authorities as a result of a court decision. USAID implementing partners helped the Ministry of Justice prepare improved regulations on CSO registration, reducing paperwork and reconciling previous jurisdictional disputes between public registrars.

USAID programs contributed to incremental improvement in public perceptions of CSO activities by organizing regional press tours on a variety of civil society and advocacy issues. USAID training for journalists on reporting on the CSO sector also increased media awareness of CSO contributions. Overall, information regarding the achievements of local USAID grantees appeared in more than 200 national and regional publications, 95 reports in electronic media and on 40 TV channels throughout the country.

### **Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.2 Media Freedom and Freedom of Information**

USAID's main accomplishments in the media sector included legal reforms for independent media and increased professional journalism training capacity for local organizations to encourage responsible news coverage.

The current trends of media self-censorship (especially in the state-owned and municipal media), low professionalism, increasing paid news, and the absence of public broadcasting contribute to a lack of

genuine media independence and impede developmental progress.

Despite these trends, over the past year USAID improved the quality of information available to citizens and increased the flow of objective information into the country's regions through intensive media monitoring, and training initiatives in basic reporting, civic journalism, journalistic ethics, election coverage and investigative reporting. In 2007, USAID supported training for more than 1,430 Ukrainian journalists. In addition, approximately 200 non-state regional news outlets received technical assistance on media business development, and independent media organizations in 14 oblasts received grants to support projects on information distribution, local governance and accountability, citizen rights, media advocacy, and pre-term parliamentary elections coverage. The financial viability of media outlets improved due to sounder business practices amidst a growing advertising market. USAID strengthened the organizational capacity of eight key core media partners, and expanded their role in facilitating public discussions on media issues.

USAID's partners developed a model editorial statute for TV and radio companies which guarantees editorial independence and has been adopted by a number of TV and Radio Companies, including the National TV Company of Ukraine. Due to the successful efforts of USAID partners, the elections law was amended to include provisions requiring that printed articles commissioned by parties be appropriately marked, and that parties use budget funds for paid political advertising only on national TV channels; this effectively halved public expenditures for pre-election campaigning in media. USAID partners contributed to new bills on TV/radio and on state and municipal print editorial freedom; these bills were under consideration by parliament when it was dissolved. Work towards their adoption and implementation of these bills will continue.

### **Program Area Performance \ 3 Investing in People \ 3.1 Health**

Ukraine's health sector is highly centralized and specialized, with insufficient budgetary resources that are used inefficiently and which do not effectively address increasing rates of infectious diseases, particularly tuberculosis, continuing high rates of abortion, and rates of maternal and infant morbidity and mortality that are higher than average rates in the EU. In this setting, the USG assistance program aims to strengthen policies and build national and local capacity to: (1) improve TB control through expansion of coverage of TB Directly Observed Treatment-Short Course (DOTS) and DOTS-Plus programs (for multiple drug resistant and extensively drug resistant forms of TB as well as TB-HIV co-infection); (2) increase provision of and access to quality family planning/reproductive health services through the public and private sectors to reduce the number of abortions and unintended pregnancies; and (3) provide modern health care during pregnancy and childbirth to reduce death, illness and injury among mothers and infants, and undertake targeted activities aimed at improving child health. HIV/AIDS programs, not part of this report, support parallel efforts to strengthen HIV/AIDS policies, services and systems.

### **Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.6 Maternal and Child Health**

In FY 2007 USAID-funded programs strengthened and institutionalized evidence-based perinatal, antenatal and pediatric practices in 159 service delivery facilities in 12 oblasts, the Autonomous Republic of Crimea, and the cities of Kiev and Donetsk. Training on prevention of maternal to child transmission for staff at maternities in target sites also improved practices to prevent HIV transmission during labor and pre- and post-delivery. Monitoring and evaluation data illustrating a decrease of over 50% in postpartum bleeding and an increase in normal deliveries from 40% to 70% underscore the contribution the program makes to reducing maternal mortality. A campaign to prevent Sudden Infant Death Syndrome (SIDS) in Lugansk

Oblast increased awareness of appropriate preventive practices in over 50% of the population. With additional oblasts now prepared to fund similar campaigns, program interventions will also support reductions in infant deaths in the year ahead.

Programs continued to promote sustainability of interventions through enhancing the policy environment to support improved maternal and infant care, establishing centers of excellence to guide regional dissemination of improved practices, and increasing local political and financial public and private sector support for improving perinatal, antenatal and pediatric services. To this end, Ministry of Health endorsement and dissemination of six governmental decrees on obstetric/gynecological care, neonatology and epidemiology will support enhanced maternal and infant care and strengthen approaches to the prevention of nosocomial infections. Continuing focus on building cadres of trainers at centers of excellence expanded program reach in 2007 and has positioned the centers to increasingly lead the rollout of maternal and infant health interventions at the oblast level. Partnerships with oblasts have generated investment of local health and civil authority funds which have been used to co-share training and equipment costs for targeted maternities. With the exception of the training of trainers, all oblast level training courses in 2007 were paid for with local funds. Similarly, a public-private alliance between the Ukrainian oil and gas company, TNK-BP, and the USAID-supported Ukrainian NGO, John Snow International/Ukraine, facilitated the rollout of maternal and infant health interventions and improvement of services in five oblasts in eastern Ukraine.

### **Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.7 Family Planning and Reproductive Health**

In FY 2007, USAID's family planning/reproductive health (FP/RH) program mobilized public and private sectors to expand access to quality services and modern contraceptives beyond urban areas in seven oblasts. A public-private partnership, launched between the Ministry of Health and contraceptive manufacturers, supported the promotion and distribution of a contraceptive package that broadened the range of affordable methods. Pharmacist certification programs trained over 1,000 persons to provide accurate information on modern contraceptives, and clinical trainings improved quality of care by strengthening knowledge and skills of over 1,600 health providers. As a result, a total of 547 pharmacies and 461 health facilities are now certified as "FP-Friendly". Public events, dissemination of educational material and interpersonal communication activities that reached nearly 50,000 persons improved knowledge and attitudes towards modern contraceptives, expanded awareness of service sites, and led to increased adoption of methods. Grants awarded to 10 NGOs engaged civil society in FP/RH public education activities targeting youth and advocacy activities to strengthen local support for FP/RH.

USAID continued to strengthen policies and systems to support a sustainable national FP/RH program and produced visible results during 2007, including Cabinet of Ministers adoption of a \$150 million State Program on Reproductive Health of the Nation to 2015. This program commits national and local government resources to increasing contraceptive use, reducing unintended pregnancies, and decreasing rates of abortion. It allocates specific resources to contraceptive procurement to increase access to vulnerable groups, including persons living with HIV/AIDS. Oblasts are currently developing proposals for State Program support using a project-designed planning and budgeting tool. To further generate support for sustainable local FP/RH programs, partnership conventions signed with oblasts mobilized over \$400,000 in public and private contributions.

Ongoing institutionalization of evidence-based medicine led to MOH adoption of clinical protocols, which

reduced medical barriers to FP by removing outdated lab requirements and increased FP access by strengthening guidance to health providers on prescribing contraceptives.

### **Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.2 Tuberculosis**

2007 actual data on TB case notification rate in new sputum smear positive pulmonary TB cases in USG-supported areas will be reported later as it is collected by calendar years.

Actual number of people trained in DOTS with USG funding contains the data submitted by WHO (1953) and PATH (1163). Case Notification rate in

new sputum smear positive pulmonary TB cases in USG-supported areas:

2006: in 8 project regions – 33 per 100,000; in Ukraine – 30,4 per 100,000

2007: in 8 project regions – 35 per 100,000

2008 target: in 8 project regions - 38 per 100,000

### **Program Area Performance \ 4 Economic Growth \ 4.2 Trade and Investment**

To boost Ukraine's participation in international trade and investment, USAID focused its technical assistance on supporting Ukraine's effort to accede to the World Trade Organization (WTO). Most of Ukraine's structural economic reform was driven by WTO accession requirements. Therefore, this effort was particularly successful and USAID exceeded its targets in this area in FY07.

There are few remaining hurdles left for Ukraine to accede to the WTO. The only major obstacle is that Kyrgyzstan has not signed a bilateral agreement with Ukraine.

USAID sponsored a public awareness campaign to bolster public and private sector support for WTO accession, which included numerous seminars and conferences highlighting how private business best can take advantage of Ukraine's becoming a member of the WTO.

USAID also supported an ambitious legislative initiative. Ukraine's commitment to acceding to the WTO was demonstrated when the government held a special legislative session during the parliamentary interregnum in order to pass key WTO related laws. As a result the Government of Ukraine (GOU) amended and adopted over 40 pieces of trade-related legislation, significantly exceeding the program element indicator target (10) for FY07. This was due to additional legislative needs identified by the WTO Working Party (WP). When the FY07 targets were set, Ukraine was quite near the WTO accession. However, later in the year, the WP identified several more areas in Ukrainian legislation that had to be brought up to WTO standards.

USAID also has helped the GOU prepare for WP meetings, review comments on the draft WP report, and reply to WP member questions. The prospects for a long-term positive impact remains high as Ukraine is poised to accede to the WTO in early 2008.

### **Program Element Performance \ 4 Economic Growth \ 4.2 Trade and Investment \ 4.2.1 Trade and Investment Enabling Environment**

USAID was actively engaged in getting Ukraine ready for WTO accession. In FY07, one formal and three informal WTO Working Party (WP) meetings were held in Geneva. USAID helped the Government of Ukraine (GOU) prepare for the meetings, review comments on the draft WP report, and reply to WP

member questions. During this process, USAID helped the GOU work with the private sector to amend and improve over 40 legal/regulatory documents that govern trade. For instance, USAID helped draft or provided advice for rules related to customs clearance, food safety, intellectual property, technical regulations, and import/export so that they conform to WTO requirements. USAID also helped establish a regulatory infrastructure for Hazard Analysis and Critical Control Points (HACCP) and provided assistance to SMEs in adjusting to sanitary and phytosanitary (SPS) standards and HACCP.

The GOU has demonstrated a strong commitment to the reforms that have been initiated with assistance from USAID. A Roadmap for Combating Corruption in Government Procurement was well received by all concerned parties and draft legislation has been prepared to implement the recommendations. USAID developed Guidelines for negotiating the WTO Government Procurement Agreement and strengthened the capacity of Ministry of Economy staff to launch this process, which should begin upon accession to WTO. The Ministry of Economy adopted a manual on SPS notifications/enquiries and for involving private sector in standard setting. Currently, half dozen legal acts to implement key aspects of SPS and TBT-related law are moving through the legislative process. The list of goods subject to mandatory certification has been reduced including the removal of agricultural products and a wide range of food products. The GOU has adopted one of the HACCP ISO 22000 series standards is finalizing drafts for the other three standards. USAID hosted roundtables to involve the private sector in discussions on proposals for harmonization with Codex (food safety standards) in the context of the National Codex Commission. An effort to assist the private sector in adjusting to Codex and complying with HACCP, through initial development of manuals, is well underway. Finally, USAID has built greater understanding of WTO commitments within the private sector by conducting seminars and disseminating WTO related materials.

#### **Element Indicator Narrative \ 4 Economic Growth \ 4.2 Trade and Investment \ 4.2.1 Trade and Investment Enabling Environment**

Over the past year, USAID helped the Government of Ukraine (GOU) to amend and adopt over 40 pieces of trade-related legislation, significantly exceeding the program element indicator target (10) for FY07. This was due to additional legislative needs identified by the WTO Working Party (WP). When the FY07 targets were set, Ukraine was quite near the WTO accession, however, later in the year, the WP identified several more areas in Ukrainian legislation which had to be harmonized with WTO standards.

#### **Program Area Performance \ 4 Economic Growth \ 4.3 Financial Sector**

Technical assistance provided in 2007 allowed USAID to meet or exceed its financial sector development targets. Mortgage lending grew to \$7.5 billion. The value of Pillar III pension assets increased from \$10.4 million in 2005 to \$40 million in 2007. Securities markets capitalization increased from 6 percent of GDP in 2000 to 42 percent in 2006.

Ukraine's financial market is adopting international best practices and is developing new investment-grade financial instruments (mortgage, municipal, and domestic government bonds) suitable for pension fund investment that provide market liquidity and economic growth. Cities now have the knowledge and ability to issue municipal bonds to improve essential communal services. Following international standards, banks issue mortgage-backed bonds that create more capacity/liquidity for housing finance. Small and medium enterprises are enjoying increased capacity and liquidity in leasing and mortgage creation through standardization of products and better regulation.

While Ukraine's non-bank financial sector has grown rapidly in recent years, market development is far from even, with key segments remaining underdeveloped. Low market liquidity and the high degree of fragmentation of market infrastructure result in poor price information, making the valuation of many Ukrainian securities highly problematic. These weaknesses constrain market development and create significant risks for investors. Because of the dissolution of parliament, several pieces of key legislation were not adopted including laws on the Joint Stock Company, Financial Services, Pillar II Pension Law, amendments to Pillar III Pension Law, and International Financial Reporting Standards. These laws have strong backing from the major political parties and therefore we are optimistic they will be passed when the new parliament convenes.

By creating a viable fixed-income debt market and government and non-government securities suitable for investment by pension funds, banks, and other institutional investors, USAID and its partners are creating foundation investment vehicles that offer stability and safety, thus providing market-rate returns and relative security. At the same time, these mechanisms increase the amount of money available for lending in mortgages and available to smaller cities through municipal bonds. These successes have contributed to the growth of Ukraine's financial sector.

#### **Program Element Performance \ 4 Economic Growth \ 4.3 Financial Sector \ 4.3.1 Financial Sector Enabling Environment**

Overall, USAID succeeded in strengthening the financial sector enabling environment. However, key legislative reform was stalled by parliament's dissolution in April (Law on Joint Stock Companies, Financial Services, Pillar II Pension, and International Financial Reporting Standards (IFRS)).

USAID completed assessments and signed protocols of cooperation with major market institutions and regulators, which reflects a strong commitment to reform. Also, USAID and the World Bank initiated a Programmatic Technical Assistance Partnership (PTAP) to develop the capital markets to accommodate private pension investment. The PTAP received positive reviews from the Government of Ukraine (GOU), market participants, and the regulators as a road map for capital markets development. USAID worked with its counterparts on establishment of strong self-regulatory organizations, and improved licensing requirements for market participants; organized study tours on pension reform, capital markets, regulations development and risk management; and helped establish linkages with European markets. Support was also provided to the Securities Exchange Commission to successfully pilot the Ukrainian Electronic Disclosure System. For the first time in Ukraine, financial information on companies will be available on-line to investors. The system will be rolled out to up to 500 listed companies and will become mandatory in 2008.

There was growing demand among Ukrainian enterprises for the USAID-funded Certified International Professional Accountant (CIPA) program that allows accountants to validate their competencies in international accounting standards and practices. This demand resulted in a 35 percent annual increase of certified accountants. The GOU is committed to implement IFRS and, in addition to the pending draft law, has developed a strategy and plan that envisions the IFRS implementation starting 2010.

Women remain active in Ukraine's financial markets, and are assuming positions of leadership such as head of the country's largest stock exchange and within the Ministry of Labor. Half of the trainees and participants in USAID-sponsored conferences and trainings are women; over 80 percent of CIPA exam candidates are women.

## **Program Element Performance \ 4 Economic Growth \ 4.3 Financial Sector \ 4.3.2 Financial Services**

The Government of Ukraine (GOU) strongly supports USAID's successful efforts to develop mortgage, municipal, and government bond issuances to build a viable fixed-income market. Mortgage lending grew from \$4.1b to \$7.5b. Ukraine issued its first pilot mortgage covered bond – an investment-grade security suitable for pension fund investment. With USAID's help, L'viv became the first city to issue a pilot municipal bond for \$10m to upgrade its infrastructure. This demonstrated that smaller cities can access the capital markets. More cities are in the pipeline for bond issuance. The Certified Leasing Specialist program has created a cadre of leasing professionals.

GOU support for pension reform remains strong. USAID completed a draft Pillar II Pension Law, which passed in the first reading. USAID sponsored over ten roundtables on pension and financial sector issues and produced a TV spot on private pensions. The number of private pension funds increased from 75 to 92 and assets grew from \$27.4m to \$40m.

Ukraine's major stock exchange upgraded its trading system and established dual listing with the Warsaw Stock Exchange. USAID continues supporting the market-owned MFS depository, which is negotiating a correspondent relationship with the Polish depository. To protect ownership records, USAID provided MFS depository with a back-up data system.

The National Depository of Ukraine, a state-owned depository, thus far has failed in its efforts to become the Central Depository and to assume clearing and settlement functions. A state agency has prepared a Capital Markets Modernization Concept, under which the state would develop, own, and control the capital markets. The World Bank (WB), USAID, and market participants voiced serious concerns about this Concept. USAID and the WB submitted an alternative five-year "market based" capital markets development plan for GOU consideration, and stand ready to support the proposed reforms.

Over 12 years, the Enterprise Fund has invested \$162 million in over 40 companies. Opportunities remain positive: Ukrainian companies are experiencing acquisition interest from foreign investors. The Agricultural DCA expired in 2007, bringing the cumulative loans to small farmers to \$3.7 million or 62 percent of the total facility. One of the Municipal DCAs was terminated due to low utilization, and the second DCA is being restructured.

### **Element Indicator Narrative \ 4 Economic Growth \ 4.3 Financial Sector \ 4.3.1 Financial Sector Enabling Environment**

The indicator, Number of financial professionals certified in compliance with international accounting standards as a result of USG assistance, was not met. The program suffered a \$300,000 cut in funding and ended early. Moreover, the program's key driver, adoption of the International Financial Reporting Standards (IFRS), is still pending in Ukraine. The Government of Ukraine (GOU) is committed to implement IFRS, but its draft law had never been considered by parliament. NOTE CLARIFICATION on 07 targets: In this template the women's and men's targets are switched and since the table is locked and we cannot change them, please note that for FY 07 the women's targets and performance are actually the men's targets and performance, and vice versa, but the revised FY08 targets are in the correct columns.

### **Element Indicator Narrative \ 4 Economic Growth \ 4.3 Financial Sector \ 4.3.2 Financial Services**

Number of USG supported special funds loans issued this year is reported from three financial institutions, in which WNISEF has equity/debt investment. The difference between target and actual could be explained by the following: ProCredit Bank - the target was provided for all the loans, while the actual number contains only business loans. WNISEF invested in FinComBank in the summer of FY07, and, therefore, only the portion with direct impact contribution is reported here. The revised target for 2008 includes loans by the same portfolio companies, funded from all sources of funds; for the 2008 initial target, an attempt was made to attribute only FY07 USAID funding. Since these financial institutions have other investors and sources of funds, it is hard to make correct attribution. Money becomes intangible once mixed in the general pool of funds.

#### **Program Area Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness**

Due to the political crises and suspension of parliament early in 2007, Ukraine's progress in structural economic reform, particularly in improving its policies, laws, regulations and administrative practices in the area of entrepreneurship, was limited. The World Bank's "Doing Business 2008" report ranks Ukraine 139 out of 178 countries in terms of "ease of doing business," and Ukraine's business environment shows no signs of improvement.

Despite the challenges, there were some successes. The President signed a decree "On Urgent Measures of Improving Regulation of Entrepreneurial Activity in Ukraine" late in the fiscal year. The GOU adopted a strategy for implementing a second phase of its Quick Deregulation Initiative (QDR II) in the sectors of construction, land use, and tourism, as well as streamlining regulations in permitting and licensing.

There was strong improvement in the areas of judicial reform and commercial law, which will have a positive impact on competitiveness. The parliament passed amendments to enforcement of judgments and bankruptcy legislation that reduced the costs and burdens for entrepreneurs as well as corruption opportunities.

USAID carried out public awareness campaigns to heighten awareness of commercial legislation. This effort resulted in greater public support for the legislation, businesses better understanding their rights, and increased the courts ability to implement these laws more effectively.

The Government of Ukraine has generally shown an inclination to adopt legislation that reflects international practices, as they strive to introduce investor-friendly regimes in productions sharing agreements and public-private infrastructure projects. All political parties have publicly acknowledged problems with legislation related to investment and corporate governance. With the QDR II scheduled for implementation in the second quarter of 2008, and numerous economic reform draft laws on the legislative agenda, especially the Joint Stock Company Law, the prognosis for reform in the coming year is positive.

#### **Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.1 Business Enabling Environment**

Under its broader regulatory reform initiatives, USAID assisted the State Committee for Regulatory Policy and Entrepreneurship in the development of the second phase of President Yushchenko's Quick Deregulation Initiative (QDII). QDII is scheduled to commence in FY08 in the sectors of construction, land use, tourism, and in the spheres of licensing and permitting. With USAID's assistance, the Ministry of Regional Development and Construction began to carry out regulation of construction permitting following

the QDII methodology. The Ministry has formed a consultative public council, with extensive representation from the private sector, which will take part in QDII. Late in the fiscal year, President Yushchenko signed the decree “On Urgent Measures of Improving Regulation of Entrepreneurial Activity in Ukraine,” which supports QDII. A working group, in which USAID actively participated, developed the program of regulatory reforms contained in the decree.

The commercial courts have dramatically increased their transparency by publishing more than 700,000 decisions in Registry of Judicial Decisions (supported by USAID), which can be accessed on the internet. The parliament amended the Enforcement of Judgments Law and the Bankruptcy Law, thus easing the burdens on business. After several years of debate, the parliament passed the Joint Stock Company Law in the first reading. There is great optimism that this law will be adopted fully when the parliament reconvenes. While these examples represent progress, Ukraine’s commercial law framework remains incomplete. Inconsistencies still exist between the Civil and the Economic Codes. Due to the legislative interregnum, many important pieces of legislation were stalled including the Repeal of the Economic Code, Amendments to the Civil Code, passage of the Joint Stock Company Law, Mortgage Bond Law, Accounting Law, and the Code of Procedures for the Economic Courts. Therefore, the targets for 2007 were not met.

In 2007, USAID conducted an assessment of Ukraine’s enforcement regime that exposed loopholes and gaps in legislation and used these findings for preparing amendments to the Enforcement Law and for training bailiffs. Within the reporting period, USAID trained around 1,000 bailiffs, 140 entrepreneurs, and 200 judges in the application of commercial law and enforcement of contracts.

### **Key Issue Performance \ Local Organization Capacity Development**

A focus on the development of local capacity has both increased the effectiveness and reach of USAID’s assistance programs and created effective development partners. For example, continued capacity development in the financial sector enabled Ukrainian banks to improve bank liquidity through the development of mortgage bonds and allowed local governments to issue municipal bonds. A growing number of local governments are benefiting from strategic planning and budget systems that provide for longer-term resource planning and prioritization and involve a partnership process with the citizenry. The Mother and Infant Health project is successfully transferring the training role and responsibility to local health organizations, which will broaden the extent of assistance.

In addition, a growing number of former USAID recipients of technical assistance have matured into local leadership organizations, and many are providers of development assistance financed by international donors as well as the business community. The Association of Ukrainian Cities delivers effective training to local governments and effectively lobbies the national government on behalf of the cities. The Commercial Law Center has effectively promoted development of reform-oriented economic legislation and is the prime implementer for notary and bailiff reform funded by MCC. The Municipal Development Institute is a leader in communal services and is partnering with cities to implement needed change.

### **Key Issue Performance \ Trafficking in Persons**

USAID’s Counter-Trafficking assistance is designed to work through partnerships with national actors, foremost with civil society groups. Their strong engagement and expertise are a key to sustainability and institutionalization of prevention and reintegration activities. Twenty-six national NGOs are at the core of the National Referral Framework to identify and assist victims of trafficking (VoTs) throughout the country.

Regular TIP prevention work is carried out by the national NGO Partnership Network - consisting of 70 NGOs - through NGO support grants. To ensure the necessary expertise, and ability to respond to new tendencies in TIP, capacity-building has been provided continuously to the NGOs through technical support and training, including designing a special certification course at one of the leading universities. To further mobilize communities, a number of initiatives started up within the civil society, namely development of volunteer network, peer-to-peer youth groups, and an innovative theater-forum. Engagement of religious groups resulted in training for priests program and development of a TIP prevention strategy for the churches. The established partnership with the leading mobile operators for setting up a toll-free short number for counseling on traveling abroad has been a remarkable achievement of public-private partnership. Since its launch, 3,000 Ukrainians, mostly young people, called seeking information, and with 34 VoTs identified.

### **Key Issue Performance \ Anti-Corruption**

Corruption remains a significant obstacle to development in Ukraine, as confirmed by recent international indices. The USG's major effort in addressing public sector corruption is the \$45 million TCP, which began full implementation in FY07. In spite of the year's political turmoil, the Government's MCC Board, co-chaired by presidential and ministerial representatives, was able to agree on the implementation plans of all TCP components. At the end of the fiscal year all work was on track. However, possible changes in ministerial positions, along with a delayed seating of the new Parliament, could easily jeopardize continued progress.

In addition to the TCP, USAID has mainstreamed anti-corruption throughout its portfolio starting with a training session that showed how all projects can address corruption issues. Current efforts focus on promoting transparency and accountability; bringing public and private actors together; and promoting compliance with international standards. Improvements were made in meeting international financial reporting requirements, addressing corrupt practices of market regulators, introducing a second phase of deregulation, and developing a professional, independent, and transparent judiciary. Good progress was made at the local level where transparent and predictable systems were introduced for both strategic and budget planning in a process that included public participation and civil society oversight.

### **Key Issue Performance \ Microenterprise**

USAID provides a broad range of assistance to develop the financial sector's capacity to serve the needs of private businesses. Part of this assistance is aimed at strengthening the ability of micro-enterprises to obtain credit. One of the most effective means for entrepreneurs to break through the barrier of limited financial resources is to rely on personal credit history. Credit bureaus serve as the primary tool to expand the use of credit for micro-enterprises, SME development and job creation. During this period USAID provided assistance to the Ministry of Justice of Ukraine, the government regulator of credit bureau operations, in drafting key regulations for credit bureaus, making the regulations both effective and business friendly. Once implemented, the regulations will make it possible for credit bureaus to move forward from data gathering to data processing and legitimate sale of credit reports.

### **Key Issue Performance \ Trade Capacity Building**

USAID is directly responsible for providing the Government of Ukraine with sustained expert advice to draft, negotiate and prepare itself for WTO accession. The project enabled this significant step by

developing a strategic alliance with key government ministries and officials that pushed through this legislation while working under three different governments, and two different parliaments.

Ukraine initially applied to for admission to the World Trade Organization in 1993. However, the country made very little headway prior to 2003, when the WTO accession project developed the WTO Accession Roadmap, which was adopted and has been followed by the Ministry of Economy. Since that time, Ukraine has passed over 120 pieces of legislation and signed bi-lateral agreements with 49 countries. Ukraine is expected to meet all WTO requirements by the end of 2007 and is expected to accede to the WTO early in 2008. The WTO related legislation represents the major economic structural reform implemented by the GOU over the past few years.

### **Key Issue Performance \ Community Mobilization/Participation**

USAID supported development of community mobilization in several ways in 2007. First, it promoted community philanthropy and corporate social responsibility, and piloted an innovative workplace giving model as instruments for developing resources for community mobilization. A Eurasia Foundation local development initiative, for example, attracted \$200,000 from local sources. Second, USAID assisted advocacy NGOs to protect and promote the rights of disadvantaged and vulnerable members of society through the development and advancement of policies and awareness of key issues through community-based activism.

Finally, USAID's local government program supported community mobilization through delivery of technical assistance based on public input and involvement. The Association of Ukrainian Cities, USAID local government implementer, has the committed support of 85% of Ukrainian cities and retained its membership during turbulent and divisive elections this year. This democratic institution is the key forum for policy dialogue between central government and municipalities. USAID supported development of economic development strategies in 47 cities that had to receive support from local residents. Our support for a program-based budgeting makes the budgeting process open and accountable to citizens.

### **Key Issue Performance \ Public-Private Partnerships**

USAID places a high priority on leveraging assistance through partnerships. Our efforts have thus far attracted over \$26 million to meet some of the more pressing development challenges in Ukraine, mostly in the areas of health and community development. Currently USAID/Ukraine has 4 official GDAs that have leveraged roughly \$3 million. In an effort to expand this base and generate work with new partners, the Mission issued an Annual Program Statement (APS) soliciting interest in forming alliances, especially from Diaspora organizations. Another 4-6 GDAs are expected from the APS. The Mission is also pursuing other partnership arrangements. In Alchevsk city, where collapse of the municipal heating system left many without heat in sub-zero temperatures, USAID, using mostly resources of existing projects, is partnering with the Industrial Union of Donbass to spur local development. This partnership has generated interest from other regions and businesses, and is one of the most promising forms of partnerships in terms of dollars leveraged. Our implementers are also being proactive in partnering with the private sector. The Family Planning project successfully engaged pharmaceutical companies in the delivery of affordable contraceptives. In addition, success attracts partners. After implementing a successful TB pilot in Donetsk, the private Fund "Development of Ukraine" together with Oblast Administration committed \$20 million over five years to the "Stop Tuberculosis" program.

## **Key Issue Performance \ Civil Society**

Civil society remains the key player in both advocating for reform and monitoring governmental performance in addressing citizen needs. Although Ukraine's civil society organizations (CSOs) and media have had demonstrated success as effective agents of change, their positions are far from secure because of the low level of cooperation between civil society and governmental institutions and continuing political and economic pressure on media.

The capacity of CSOs and media to articulate key problems and issues continues to improve; CSOs have shown they can be effective advocates in the legislative arena, where they have been actively engaged. Media partners expanded their role in building a free media climate by facilitating public discussion on the merits of public broadcasting versus state-owned media. Civil society organizations are an active participant in the strategic planning and budget-setting processes of USAID's partner cities, where citizens and local governments have effectively worked together to address priority needs. Business and professional associations have been most effective in promoting the priorities of their members and the group least subject to outside influence. CSOs, however, still struggle with balancing financial viability and independent and objective programming.

# 1 Peace & Security - Ukraine

## 1.5 Transnational Crime\1.5.3 Trafficking-in-Persons and Migrant Smuggling

### Number of people in host country trained on TIP related issues with USG assistance

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
85,644	40,000	285,865	40,000	40,000	-	-	185,813	-	24,000	-	-	100,052	-	16,000

## 1.5 Transnational Crime\1.5.3 Trafficking-in-Persons and Migrant Smuggling

### Number of TIP victims assisted by USG programs

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,158	300	1,099	300	300	961	225	853	225	225	197	75	246	75	75

1148

### 1.5.3 Trafficking-in-Persons and Migrant Smuggling narrative (no more than 1500 characters)

chars

FY07 actual data for the number of people trained on TIP-related issues exceeds the FY07 target due to a special initiative, which was an awareness campaign "Say 'Stop!' to Traffickers!" conducted in cooperation with the StudentPlus magazine. This allowed the magazine to reach out to a larger audience.

There are several reasons for the difference between the planned and achieved indicators in the areas of prevention and protection of victims of trafficking. The main factor is increased government and community commitment to countering this social phenomenon and to helping its victims. Last year, several prominent social and private sector initiatives, including efforts by the major mobile operators in Ukraine, MTV, Student+ magazine and others, helped create higher awareness about trafficking within the Ukrainian population. Due to the increased availability of information on trafficking-related aid services, more victims have stepped forward and identified themselves; furthermore, the improved capacities of service providers in victim identification and assistance also contributed to higher numbers of assisted individuals.

## 2 Governing Justly & Democratically - Ukraine

### 2.1 Rule of Law and Human Rights\2.1.3 Justice System

#### Number of Justice Sector Personnel that Received USG Training

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
25	610	1,139	570	1,000	8	-	582	-	517	17	-	557	-	483

### 2.1 Rule of Law and Human Rights\2.1.3 Justice System

#### Number of Legal Aid Groups and Law Clinics Assisted by USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	20	27	25	25

### 2.1 Rule of Law and Human Rights\2.1.3 Justice System

#### Number of Legal Institutions and Associations supported by USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1	6	21	6	21

### 2.1 Rule of Law and Human Rights\2.1.3 Justice System

#### Number of USG-assisted Courts with Improved Case Management

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	8	7	8	7

1129  
chars

2.1.3 Justice System narrative (no more than 1500 characters)

1) Number of Justice Sector Personnel that Received USG Training. In FY2007, the actual result is 576 individuals including 273 women (47%) and 303 men (53%). The target was exceeded by 360% for two main reasons: the high level of interest in USAID-supported training programs; and synergies with host-country and international partners which further allowed a drastic increase in the number of trained Ukrainian judicial personnel. The target for FY2008 has been revised from 220 to 650. 2) Number of USG-assisted Courts with Improved Case Management. USAID supported an assessment of case management in selected Ukrainian courts and identified a larger number of complications in implementing the random case assignment system than originally expected. In accordance with FY2007 results, the target for FY2008 has been revised from 8 to 7. 3) Number of Legal Institutions and Associations supported by USG. The FY2007 target was 6 institutions and associations; the actual result is 21. The target was drastically exceeded due to greater needs of host-country stakeholders, and synergies with local and international partners.

**2.2 Good Governance\2.2.1 Legislative Function and Processes**

**Number of National Executive Oversight Actions Taken by Legislature Receiving USG Assistance**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
140	35	49	35	35

**2.2 Good Governance\2.2.1 Legislative Function and Processes**

**Number of Public Forums Resulting from USG Assistance in Which National Legislators and**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
72	20	26	18	26

**508**

**2.2.1 Legislative Function and Processes narrative (no more than 1500 characters)**

**chars**

Number of National Executive Oversight Actions Taken By Legislature Receiving USG Assistance (Numerical). FY 2007 Target – 35. Actual – 49 (12 committee field hearings; 30 committee hearings and oversight meetings; 7 Government days (9 issue areas scrutinized)).

Number of Public Forums Resulting From USG Assistance in Which National Legislators and Members of the Public Interact (Numerical). FY 2007 Target – 20. Actual – 26 (18 RTs and seminars with participation of MPs and 8 parliamentary hearings)

**2.2 Good Governance\2.2.3 Local Government and Decentralization**

**Number of Individuals Who Received USG-Assisted Training, including management skills and Fiscal Management, to Strengthen Local Government and/or Decentralization.**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
14,464	9,700	17,457	1,580	10,792	8,542	5,250	9,156	689	5,023	5,922	4,450	8,301	691	5,759

2.2 Good Governance\2.2.3 Local Government and Decentralization

**Number of Sub-national Government Entities receiving USG assistance to Improve their**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
145	181	144	144	159

936  
chars

**2.2.3 Local Government and Decentralization narrative (no more than 1500 characters)**

The difference between the FY07 Target of 9,700 individuals who received USG-assisted training and the FY07 Actual of 17,457 individuals who received USG-assisted training is due to the fact that FY07 Target figures were based only on FY07 funds. The FY07 Actual data is based on all USG funds and not just from FY07 funds. The FY07 Target figures of 181 sub-national government entities receiving USG assistance to improve their performance is more than the FY07 Actual data of 144 sub-national government entities receiving USG assistance to improve their performance because there was a Scope of Work modification based on the Local Government Assessment that altered the strategic focus of two Local Government and Decentralization activities. The result was a heightened emphasis of working more at the national level than at the local level. Therefore, fewer resources were employed at the sub-national government entity level.

2.3 Political Competition and Consensus-Building\2.3.3 Political Parties

**Number of Individuals who Receive USG-Assisted Political Party Training**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
31,669	1,375	1,435	1,326	1,326	-	-	-	-	-	-	-	-	-	-

2.3 Political Competition and Consensus-Building\2.3.3 Political Parties

**Number of political parties and political groupings receiving USG Assistance to articulate platform and**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2	4	6	6	6

670  
chars

**2.3.3 Political Parties narrative (no more than 1500 characters)**

Political Party assistance was provided through NDI and IRI. The Institutes provided technical assistance to political parties across the spectrum, including Party of Regions (PR), the Yuliya Tymoshenko Bloc (BYUT), the Our Ukraine bloc (OU), the People's Self-Defense Movement (PSD), the Socialist Party, the Lytvyn Bloc and others. The projected number of training sessions and the number of parties the Institutes plan to work with in 2008 are expected to remain the same. In 2007 assistance was delivered through specific political party events, consultations, youth training sessions and seminars for locally elected officials associated with political parties.

**2.4 Civil Society\2.4.1 Civic Participation**

**Number of Civil Society Organizations using USG Assistance to Improve Internal Organizational**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
810	640	1,137	210	465

**2.4 Civil Society\2.4.1 Civic Participation**

**Number of Positive Modifications to Enabling Legislation/Regulation for Civil Society**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4	3	3	3	3

1 chars

**2.4.1 Civic Participation narrative (no more than 1500 characters)**

**2.4 Civil Society\2.4.2 Media Freedom and Freedom of Information**

**Number of Journalists Trained with USG Assistance**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,566	1,238	1,430	980	980	1,026	817	1,000	646	646	530	421	430	334	334

2.4 Civil Society/2.4.2 Media Freedom and Freedom of Information

**Number of Non-state News Outlets Assisted By  
USG**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	190	200	200	150	150

1 chars

2.4.2 Media Freedom and Freedom of Information narrative (no more than 1500 characters)

# 3 Investing in People - Ukraine

## 3.1 Health\3.1.2 Tuberculosis

### Number of people trained in DOTS with USG funding

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5,311	6,516	8,427	7,971	9,000	-	-	-	-	-	-	-	-	-	-

676

chars

### 3.1.2 Tuberculosis narrative (no more than 1500 characters)

2007 actual data on TB case notification rate in new sputum smear positive pulmonary TB cases in USG-supported areas will be reported later as it is collected by calendar years.

Actual number of people trained in DOTS with USG funding contains the data submitted by WHO (1953) and PATH (1163).

Case

Notification rate in new sputum smear positive pulmonary TB cases in USG-supported areas:

2006: in 8 project regions – 33 per 100,000; in Ukraine – 30,4 per 100,000

2007: in 8 project regions – 35 per 100,000

2008 target: in 8 project regions - 38 per 100,000

## 3.1 Health\3.1.6 Maternal and Child Health

### Number of antenatal care (ANC) visits by skilled providers from USG-assisted facilities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
290,000	300,000	395,520	315,000	420,000

## 3.1 Health\3.1.6 Maternal and Child Health

### Number of newborns receiving essential newborn care through USG-supported programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
42,000	45,000	54,948	48,000	56,000

## 3.1 Health\3.1.6 Maternal and Child Health

### Number of people trained in child health and nutrition through USG-supported health area programs

number of women	number of men
-----------------	---------------

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
175	200	221	210	230	85	90	214	90	214	90	110	7	120	20

**3.1 Health\3.1.6 Maternal and Child Health**

**Number of people trained in maternal/newborn health through USG-supported programs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
120	140	370	150	420	70	80	327	85	350	50	60	43	65	70

**3.1 Health\3.1.6 Maternal and Child Health**

**Number of people trained in monitoring and evaluation**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
11,000	16,000	17,200	2,400	2,600

1 chars

3.1.6 Maternal and Child Health narrative (no more than 1500 characters)

# 4 Economic Growth - Ukraine

## 4.2 Trade and Investment Environment 4.2.1 Trade and Investment Enabling Environment

### Number of legal, regulatory, or institutional actions (not mentioned above) taken to improve

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	40	10	42	10	15

**505**  
**chars**

### 4.2.1 Trade and Investment Enabling Environment narrative (no more than 1500 characters)

Over the past year, USAID helped the Government of Ukraine (GOU) to amend and adopt over 40 pieces of trade-related legislation, significantly exceeding the program element indicator target (10) for FY07. This was due to additional legislative needs identified by the WTO Working Party (WP). When the FY07 targets were set, Ukraine was quite near the WTO accession, however, later in the year, the WP identified several more areas in Ukrainian legislation which had to be harmonized with WTO standards.

## 4.3 Financial Sector Environment 4.3.1 Financial Sector Enabling Environment

### Has an automated off-site surveillance system been installed and made operational this year with USG

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	-	-	N	-	N

## 4.3 Financial Sector Environment 4.3.1 Financial Sector Enabling Environment

### Have any new International Accounting Standards been adopted this year with USG assistance

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	-	-	N	-	N

## 4.3 Financial Sector Environment 4.3.1 Financial Sector Enabling Environment

### Number of analysts trained in off-site surveillance with USG assistance

Number of women	Number of men

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	20	20	25	25	-	15	14	15	15	-	5	6	10	10

#### 4.3 Financial Sector\4.3.1 Financial Sector Enabling Environment

##### Number of financial professionals certified in compliance with international accounting standards as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2,128	900	734	270	270	402	162	119	48	222	1,726	738	615	222	48

#### 4.3 Financial Sector\4.3.1 Financial Sector Enabling Environment

##### Number of financial sector supervisors trained with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	25	30	35	35	-	15	21	20	20	-	10	9	15	15

#### 4.3 Financial Sector\4.3.1 Financial Sector Enabling Environment

##### Number of on-site examinations undertaken this year with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	150	160	230	230

820  
chars

#### 4.3.1 Financial Sector Enabling Environment narrative (no more than 1500 characters)

The indicator, Number of financial professionals certified in compliance with international accounting standards as a result of USG assistance, was not met. The program suffered a \$300,000 cut in funding and ended early. Moreover, the program's key driver, adoption of the International Financial Reporting Standards (IFRS), is still pending in Ukraine. The Government of Ukraine (GOU) is committed to implement IFRS, but its draft law had never been considered by parliament. NOTE CLARIFICATION on 07 targets: In this template the women's and men's targets are switched and since the table is locked and we cannot change them, please note that for FY 07 the women's targets and performance are actually the men's targets and performance, and vice versa, but the revised FY08 targets are in the correct columns.

#### 4.3 Financial Sector\4.3.2 Financial Services

**Number of financial sector professionals trained on international standards this year with USG assistance**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
81	243	263	242	305	34	147	170	147	187	47	96	93	95	118

**4.3 Financial Sector\4.3.2 Financial Services**

**Number of material improvements in the infrastructure institutions that reduce market risks**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	2	2	9	7

**4.3 Financial Sector\4.3.2 Financial Services**

**Number of USG supported special funds loans issued this year**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
244,605	157,855	98,675	6,250	256,105

**861**

**4.3.2 Financial Services narrative (no more than 1500 characters)**

**chars**

Number of USG supported special funds loans issued this year is reported from three financial institutions, in which WNISEF has equity/debt investment. The difference between target and actual could be explained by the following: ProCredit Bank - the target was provided for all the loans, while the actual number contains only business loans. WNISEF invested in FinComBank in the summer of FY07, and, therefore, only the portion with direct impact contribution is reported here. The revised target for 2008 includes loans by the same portfolio companies, funded from all sources of funds; for the 2008 initial target, an attempt was made to attribute only FY07 USAID funding. Since these financial institutions have other investors and sources of funds, it is hard to make correct attribution. Money becomes intangible once mixed in the general pool of funds.

**4.6 Private Sector Competitiveness\4.6.1 Business Enabling Environment**

**Number of the 11 core commercial laws put into place with USG assistance**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
9	-	N	-	N

**0 chars**

**4.6.1 Business Enabling Environment narrative (no more than 1500 characters)**



