



International Centre for Policy Studies

Kyiv, Ukraine

Annual Report 2006

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Overview

2006 was a year of significant achievements for the International Centre for Policy Studies in promoting and popularizing the concept of public policy in Ukraine. The idea of public policy is gradually becoming familiar and comprehensible to politicians, business and ordinary voters. With time, it should become a part of the life of every Ukrainian citizen.

By instituting public policy procedures, ICPS is slowly destroying the myth that it is impossible for non-government organizations (NGOs) and Government bodies to work together in a regular and constructive manner.

The Centre's success in disseminating public policy concepts and procedures has been so significant and evident that President Viktor Yushchenko appointed ICPS Director Vira T. Nanivska President of the National Academy of Public Administration (NAPA) under the President of Ukraine. Thus, the process of institutionalizing public policy and reforming the civil service will continue with the active involvement of the Centre and using its achievements as a foundation.

ICPS is having a real impact on political processes in Ukraine. An excellent example is the fact that the idea of "political competition" whose importance ICPS experts continually emphasized was recognized by the President as the main achievement of 2006.

The Centre is also successfully acting as a resource center for NGOs. The Centre continues to train NGOs in carrying out strategic planning, developing policies, carrying out government policy analysis, and preparing documents according to international models and standards.

One indisputable accomplishment of ICPS is the fact that Government entities, political forces and business feel an ever-greater need to master public policy methods and to make their activity more meaningful. Among others, this was confirmed by the allocation of Budget funds to implement policy analysis projects in Government bodies. ICPS is one of the recipients of these funds. At the same time, private business and political parties are more frequently asking the Center to carry out independent policy research and initiate debate on government decisions.

Thanks to ICPS specialists, for the first time, Ukrainian election platforms included such critical aspects as specific procedures for public involvement in public administration and honest competition among political forces.

In 2006, one of the Centre's priority areas of activity was to help Ukraine move closer to EU standards. Several projects implemented by the Centre have helped the country set up the basis for launching Twinning programs, which are an instrument that was used to help candidate countries effectively use the expertise of civil servants from members states.

As part of the preparation for Twinning programs, ICPS specialists organized public policy workshops for 10 policy analysis groups (PAGs) in the Government. This was the first project to set up PAGs to get State Budget funding.

By actively cooperating with international donors, especially the European Commission, the Centre has been helping the Ukrainian Government form a position for future negotiations with the European Union on signing their new agreement.

ICPS recommendations are reflected in key Ukrainian internal documents and international agreements alike, such as in the Readmission Treaty signed between Ukraine and the European Union.

2006 was the last year George Soros's Open Society Institute provided ICPS with an institutional grant. To support financial sustainability, the Centre increased its marketing activities. As a result, its revenues were US \$2mn by late 2006, a record high for the entire history of the Centre. This means that ICPS has established itself as an independent organization able to finance and develop itself.

In 2006, important institutional changes took place at ICPS: after Ms Vira Nanivska, the ICPS Director, became a Presidential appointee, ICPS's chief defense and security expert Viktor Chumak took over her functions. In late 2006, Deputy Director for Development Volodymyr Nikitin was appointed the new Director of the Centre. The position of an international consultant to the Director was introduced. The Alexander Kwasniewski, President of Poland over 1995–2000, a politician of global stature and a regular advocate of Ukrainian interests on the international arena, became the new Chair of the ICPS Supervisory Board.

ICPS successfully completed its main mission: disseminating public policy concepts and helping establish the necessary institutions to support sustainable and irreversible democratization in Ukraine. The main public policy concepts and procedures became widely known in Ukraine society and are being actively used by politicians, Government officials and experts. The Centre made a decision to formulate a new mission statement.

ICPS specialists are now working on developing a new strategy. As of 2007, the Centre plans to focus on developing and instituting a mechanism to implement reforms based on the public policy cycle. The new ICPS mission will be to support the process of implementing democratic reforms on the path to democratic governance.

The ICPS Mission

We see the democratization process not as a matter of cultural and mental changes but as a matter of developing necessary skills, procedures and institutions. In our view, democratization means establishing those societal institutions that can ensure cooperation between a strong democratic government and a strong civil society.

We believe the democratization process can be ensured through the public policy process:

- policy analysis
- public consultations
- policy campaigns

We are convinced that no structured dialog can take place within a society without policy analysis and the introduction of a new cycle of democratic reforms, from identifying problems to carrying out institutional change.

The process of democratization depends on the existence of organizations that themselves apply democratic processes and have an understanding of public policy—and can convey these to others.

How ICPS approaches building institutional capacity

1. ICPS has developed all the basic procedures for organizing work, standards and formats.
2. All those with whom ICPS works are expected to study policy analysis, policy campaigning, policy consultations and change management.
3. In order to control the sustainability of results from projects it implements and to verify its methodology, structures and processes, ICPS does internal monitoring and evaluation. It has designed special matrix and databases using a Results Based Management framework to check quantitative and qualitative results in a given project. ICPS's main projects undergo the process of external monitoring and evaluation.
4. By working with partners, ICPS is expanding its capacities.
5. ICPS works within a “network of networks” system.
6. ICPS establishes, facilitates, supports and trains regional networks.
7. ICPS is both an initiator of and active participant in international networks from whom it learns and with whom it shares experience.

How ICPS approaches technical assistance

- ICPS identifies priority democratic changes together with its donors.
- ICPS uses a unique approach that involves the Ukrainian side developing all outputs.
- Foreign consultants support the process through training, consultations and feedback.

- ICPS summarizes the experience of the consultants in the form of procedural standards, formats and technologies that it then applies in its own projects and transfers to other NGOs.

1.PUBLIC POLICY METHODS IN GOVERNMENT

1.1 ICPS Director appointed President of NAPA to support civil service reforms

Reforms of public administration as a whole and the civil service in particular continue to be critical issues for Ukrainian society. Reforming the civil service is one of the first steps towards the administrative reform that Ukraine needs so much. ICPS has been paying the maximum of attention to developing an effective mechanism for transforming the country's system of public administration.

The Centre's achievements in instituting public policy and reforming the system of government were highly appreciated by Ukraine's leadership. On 2 June 2006, the President issued a Decree appointing Vira T. Naniivska, ICPS Director since 1997, President of the National Academy of Public Administration under the President of Ukraine (NAPA). NAPA is Ukraine's primary institution of higher learning for training, re-training and the professional development of civil servants and local government officials.

The President presented Ms. Naniivska with a tight schedule to reform the National Academy, a process that has already begun.

This appointment will make it easier to institutionalize public policy in Ukraine's system of public administration.

1.2 ICPS active in reforming public administration system

With an excellent grasp of public policy methods, ICPS is actively working to reform Ukraine's system of government.

From September to December 2006, ICPS specialists implemented a project called "Modernizing the National Academy of Public Administration (NAPA)." They participated in developing a concept for reforming this institution, consulted with the working group on public policy formats, and scrutinized the resulting documents. The Centre's practice in reforming the civil service will help transform NAPA into a professional school for civil servants and local government officials.

As part of a project called "Policy Consultations on Public Administration Reform," ICPS specialists have been promoting public administration reform by raising public awareness of this reform and increasing support for it among stakeholders.

1.3 ICPS helps Government form strong negotiating position on EU-Ukraine FTA

The granting of market economy status to Ukraine by the EU and the US and Ukraine's anticipated accession to the World Trade Organization open the door to negotiations with the EU on a Free Trade Area. Until now, Ukraine has not had the traditions and procedures for Government consultations with various interest groups. By contrast, the EU has formalized lobbying procedures in place that make it possible to consider the positions of all stakeholders. Because of these procedures, EU business is in a much better position to protect its interests.

Together with European donors, especially the European Commission, ICPS specialists have launched a series of projects to openly formulate Ukraine's position in anticipation of talks on an FTA. In the first part of the project implemented jointly by ICPS specialists jointly and partners from the Centre for European Policy Studies, a report called "The Feasibility and Economic Benefits of an EU-Ukraine Free Trade Agreement" analyzes options for the form of economic integration that might be the most beneficial to Ukraine.

In June 2006, ICPS began consultations with stakeholders on the EU-Ukraine FTA. 15 events were organized during the project with the participation of representatives of government and business and independent experts. After the various discussions, analytical briefs were put together, containing various possible outcomes of a Free Trade Agreement with the EU for each of these sectors of Ukraine's economy, stakeholder positions, and recommendations for future negotiations. All policy briefs prepared as part of this project were submitted to the Ukrainian Government to be used in negotiations with the EU.

1.4 ICPS generates demand for public policy procedures; the state funds public policy training

ICPS has generated demand for public policy procedures. Whereas training in this area was financed by international donor so far, in 2006, the state began to pay for central and local government bodies to learning public policy methods.

The Centre successfully implemented a project called “Setting up Policy Analysis Groups (PAGs) in Central Executive Bodies,” which was the first such project to be funded by the State Budget, confirming the fact that the Government has recognized the priority and importance of instituting public policy procedures.

Having drafted 10 Green and 10 White Papers on some of the most burning issues in the country’s economic and political life, government specialists are slowly mastering the methods of public policy—a proven instrument to support the work of a democratic government and bureaucracy.

These policy analysis groups also provided a platform for launching the Twinning program in Ukraine, an instrument that helped candidate countries acceding to the EU to effectively use the expertise of civil servants from EU Members States.

The results of this project confirmed that it is well worth expanding this effort to other central executive bodies. The Center for Facilitating the Institutional Development of the Civil Service, which commissioned this project, and ICPS will jointly continue the process of setting up and running PAGs.

1.5 ICPS institutes modern mechanisms for evaluating economic potential

One of the most important objectives for a country on building a market economy is to institute modern mechanisms for evaluating economic potential and the socio-economic consequences of its realization. This is the main goal of the “Socio-Economic Performance and Potential Analysis Capacity” project, which was officially launched on 13 October 2006.

Over the next three years, the project’s executing agents, ICPS and the Conference Board of Canada, will work to increase professional capacity among Ukrainian Government workers and analysts by providing them with instruments to evaluate Ukraine’s economic potential and its socio-economic performance. More than 50 employees of government organizations will be trained in applying benchmarking methods and assessing potential output.

1.6 ICPS and National Security Council sign cooperation agreement

ICPS is currently officially working with Government structures. In May 2006, the Office of the National Security Council and the Centre signed a memorandum of cooperation. The parties agreed to make mutual efforts to work on issues related to Ukraine’s national security.

The National Security Council of Ukraine is a coordination body for security and defense issues that reports to the President of Ukraine. According to Ukraine’s Constitution, the NSC coordinates and oversees the activities of executive bodies regarding national security and defense. The President also chairs the Council.

1.7 ICPS offers Government concrete solutions to key problems

- **The “Public Policy Group on Fiscal Decentralization” project.** A paper called “Fiscal Decentralization in Ukraine in the Context of Local Government Reform,” prepared jointly by the Ministry of Economy, the National Security Council and ICPS, proposes a reform strategy aimed at raising the quality of public services. Fiscal decentralization requires a comprehensive approach and the implementation of territorial, tax and residential services sector reforms.
- **The “Model for Public Oversight of Healthcare Spending” project.** As part of this project, ICPS published a White Paper called “A Model for Public Watch over Healthcare Spending” that presents a practical model for public oversight of Budget spending on healthcare. The model, prepared by specialists from the Euro-Balkan Institute (Macedonia), the Public Policy Research Center (Kazakhstan) and ICPS, provides the main requirements for a legislative and institutional base for public oversight, the publication of information, and the participation of NGOs in the mobilization of voters.
- **The “Improving the Implementation of Migration Policy by Disseminating EU Experience with Readmission Treaties” project.** As part of this project, ICPS published a White Paper called “Improving Ukraine’s migration policy mechanisms by disseminating EU experience with readmission treaties.” This White Paper proposes a vision of Government policy to combat illegal migration in Ukraine. The document that was developed by ICPS jointly with the Institute of Public Affairs

(Warsaw) contains recommendations that institutional reform include amendments to legislation, the use of technical assistance, and proposals for specific policies and programs dealing with migration and border control. ICPS specialists propose answers to the immediate challenges of signing a Readmission Treaty with the EU: recommendations for setting up appropriate conditions for detaining illegal migrants, providing legal protection, and carrying out identification and deportation procedures.

2. Independent policy analysis

2.1 ICPS helps improve election platforms

The main event of 2006 was the first-ever Verkhovna Rada and local elections on a proportional basis in Ukraine. As a leading Ukrainian think-tank, the Centre concentrated its activities on the quality and content of election programs.

Indeed, it was ICPS that introduced the concept of the “determining role of political platforms in the election process.”

ICPS specialists helped participants in the election process develop better quality, realistic election platforms. In proposing solutions to key voter issues, the Centre’s specialists worked to reflect the interests of all stakeholders. Thanks to these efforts, for the first time in Ukraine, party platforms included such critical aspects as:

- (1) specific procedures for public involvement in public administration; and
- (2) honest competition among political forces.

2.2 ICPS gives analytical support to parties in new Rada

After the Verkhovna Rada election campaign was over, the main political forces had a critical need for analytical support from think-tanks. ICPS prepared a number of policy papers that have become the basis for the activities of top political organizations in Ukraine.

- The process of a Government handing over power to the next Government is one of the most important principles in a democracy. ICPS drafted a paper that describes international practice in the transfer of power and tasks from one Government to another.
- The work of the Centre’s specialists on the Coalition Agreement, a document describing strategic areas for domestic, foreign and economic policy, became another important area of ICPS activity.
- The effectiveness and success of the current Cabinet of Ministers will largely depend on coordinated and organized cooperation between the Government and the political forces forming it. As Ukrainian parties do not have much experience in this area, ICPS has developed mechanisms for communication between a legislative coalition and the Government.
- In a democratic society, the opposition plays an important socio-political role by placing checks on the government and offering alternatives to government decisions. While working on a paper about the activities of the opposition in Ukraine, ICPS prepared recommendations for institutionalizing the opposition and ensuring that its activity has greater substance.

2.3 ICPS provides analytical support to Presidential Secretariat

With Constitutional reform, Ukraine’s Presidency lost some powers to the Cabinet of Ministers. At the same time, the President continues to be the key player in Ukrainian politics and the “guarantor of the Constitution.” The Centre became one of the few think-tanks that provide analytical support to the Secretariat of the President:

- The State Budget is one of the key elements that determine how successfully the goals set for Ukrainian society will be reached. ICPS evaluated the Draft 2007 State Budget proposed by the Government and developed recommendations for improving it.
- ICPS evaluated the results of regional development over the first eight months of 2006 and introduced a regional rating system.

2.4 ICPS position reflected in EU-Ukraine Readmission Treaty

The Readmission Treaty that Ukraine and the European Union signed in October 2006 is, in fact, a commitment by Ukraine to share responsibility with the EU for the security of the common European area that Ukraine wants to become a part of. However, analysis of the way that Ukraine's policy in the control of illegal migration is actually handled currently revealed that the country was far from ready to carry out the terms of the Readmission Treaty as they pertain to third-country nationals.

Thus, ICPS specialists, in their public statements and also in a White Paper called "Ukraine's Policy to Control Illegal Migration," emphasized the need to establish a transition period and also to share the financial burden with the EU. The proposals made by ICPS analysts were reflected in the final version of the Readmission Treaty.

2.5 ICPS provides analytical support for policy-making

In H1'06, ICPS developed an economic strategy for the country's development. Based on an analysis of globalization processes at this time and Ukraine's current economic situation, a policy study called "The Future of Ukraine's Economy" described a variety of forecast scenarios and prospects for economic development and offered the country's political leadership alternative economic policy options.

2.6 ICPS increases activity in security and defense policy

Defense and security policy has always been the Achilles' heel of Ukraine's government. ICPS is actively working to strengthen this policy area by carrying out research and holding consultations and roundtables. Based on a public initiative, ICPS launched an open public dialog on defense and security policy through a project called "Public Campaign to Increase Public Awareness of Government Defense and Security Policy."

At the end of 2006, ICPS launched another project called "Building Support for a Comprehensive Approach to Security Sector Reform (SSR) in Ukraine" with the support of the Embassy of the United Kingdom in Ukraine. Its specialists will identify methods for building consensus within Ukraine on security sector reform and establishing systems and capacity that should make it possible to implement planned reforms effectively.

In addition, ICPS experts are working on specific recommendations for Government officials as part of two new projects: "Analysis of Ukraine's Arms Export Controls" and "Developing Recommendations for Refugees and Asylum Policy Based on EU Legislation."

2.7 ICPS initiates discussion on accession to NATO

The question "To join, or not to join" has overshadowed the entire debate on integration into the North Atlantic Treaty Organization. To break this deadlock, ICPS is proposing two main things: reasonable, unbiased analysis and open, constructive dialog.

To achieve this, the Centre organized and held an international conference called "Intensified Ukraine-NATO Cooperation: The Challenges and Benefits of Accession to the Membership Action Plan," with the financial support of the NATO Information and Documentation Centre in Kyiv and the Embassy of the Kingdom of the Netherlands to Ukraine. This conference became the wrap-up public event of a project called "Campaign to Increase Public Awareness of Government Defense and Security Policy."

The Centre's specialists say that, although public debate about NATO will never establish 100% consensus among the country's politicians or voters about a single right decision, it should make it possible to reach agreement on the criteria that should be used to make this decision and to ensure that voters and politicians alike are able to make a well-informed decision.

2.8 ICPS specialists provide comment on top events

An important way of delivering ICPS's independent opinion on political and economic processes to the public is to provide regular comments to the press. ICPS responds rapidly to problematic issues through its news flashes. Among comments in the media from ICPS analysts, the most important ones this year were:

- **Systemic drawbacks in Ukraine's budget policy.** The recent Presidential veto disguised systemic drawbacks in the country's budget policy. The Budget should be the key instrument for planning and ensuring growth. Thus, discussions between the President and Cabinet about individual Budget parameters need to become part of an entire process of forming a common view of socio-economic development. ICPS Publications and Economic Research specialists say that the absence of such a common vision will lead to chronic ineffectiveness in the country's policies, when the desire to

immediately raise social standards restricts opportunities to ensure long-term sustainable growth of well-being.

- **ICPS's position on integration with NATO.** A statement by Premier Viktor Yanukovich in Brussels to the effect that Ukraine's joining the Membership Action Plan (MAP) would be postponed indefinitely showed that Ukraine does not have a coordinated and consistent policy on integration with NATO. The Centre's analysts say that Ukraine's foreign policy continues to be hostage to the struggle for power, although neither ordinary Ukrainians nor politicians themselves understand the point of Ukraine's integration with NATO and the Membership Action Plan.
- **Ukraine needs a new approach to SEZs.** The new Government has announced one of its economic policy priorities to renew the special business operation regimes within Special Economic Zones (SEZs). ICPS economists say that SEZs need to switch from "tax resorts," that is, territories for tax holidays, to incubators, that is, territories where special conditions are set up to support developing businesses.
- **Rate hikes for residential services are an inevitability.** As of 1 May 2006, residential gas and electricity rates were raised 25%. As of 1 June 2006, UkrZaliznytsia, the state railway company, raised for passenger fares 50%, with the exception of suburban trains. In revising rates, the state, as before, is being guided by social considerations rather than the need to distribute resources efficiently, say ICPS economists.
- **The best response to Russia's blackmail is to set up a gas transport consortium with the EU.** For Ukraine, the beginning of the year was marked by a gas war with Russia, whose goal was to show its economic leverage over the new Administration in Kyiv and, if possible, to gain control of Ukraine's gas transport system. During this gas war, the media published more than 50 comments by ICPS economists and analysts on the impact of Russia's actions, the options for overcoming this crisis, and the steps the Ukrainian government needed to take.
- **Ten arguments to one in favor of economic policy implemented by the new government.** As the late March 2006 Verkhovna Rada elections approached, former allies of ex-President Leonid Kuchma began to spread the idea that the economic policies of the new Administration were failing and a large-scale economic crisis was looming. ICPS economists analyzed available data on the economic activity of the new Administration over 2005 and presented its 10 most important positive achievements. These showed systemic success despite slower GDP growth.

2.9 ICPS provides strategic consultations to business

ICPS provides strategic consultations to business on an ongoing basis. For instance, Centre analysts studied the current breakdown of companies in Ukraine up to 2009 and prepared forecasts for changes in this dynamic for a leading mobile communication operator in Ukraine. In another case, ICPS prepared an analysis and forecast of trends in the country's macroeconomic environment and the banking system for a leading Ukrainian bank, on the basis of which the bank prepared its own development strategy through to 2011.

3. PUBLIC POLICY METHODS IN NGOS

3.1 ICPS teaches community organizations to influence party policies

Civil society organizations in Ukraine remain fairly weak in terms of affecting the formulation and implementation of party policies. As part of a project called "The Impact of NGOs on the Formation and Implementation of Political Platforms," ICPS helped community organizations develop skills to analyze, monitor and evaluate the platforms of political parties in four regions. During the 2006 VR election, ICPS trained community organizations and voters in these four regions to have a greater impact on the development and implementation of party policies.

At the end of this project, participants confidently stated that, through the influence of CSOs, the media and other interest groups, the issues of formulating and implementing party policies at the local level have gained priority and importance for all participants in the policy-making process. At the same time, the activity of party organizations and local councils has become more open and transparent.

3.2 ICPS continues to be resource for NGOs

ICPS continued to train NGOs in strategic planning, developing policy, analyzing government policy, and preparing documents according to international models and standards.

As part of a project called “Methods and Training Support for Regional CSOs to Prepare and Run Public Lobbying Campaigns,” ICPS provided methodological and training support for regional organizations to prepare and run public lobbying. Over 2006, ICPS held a series of consultations with six regional NGOs

As part of a project called “Developing Capacity among Regional NGOs for Policy Analysis at the Local Level” launched in October 2006, Centre experts are working to boost the capacity of regional CSOs to carry out independent analysis of local government policies for the purpose of resolving urgent problems and to develop recommendations to improve local policies.

ICPS has been working actively with NGOs and policy centers from the CIS and CEE countries through public policy seminars, sharing its experience in setting up public policy centers, and participating in joint projects.

As part of the PASOS project “Study of the Public and Centers for Public Policy Development in the Czech Republic, Latvia, Russia, and Ukraine,” ICPS experts prepared a report on the development of public policy centers. Similar cooperation provides an excellent opportunity for exchanging experience between organizations that are members of the PASOS network and organizations that are not members, such as Strategy, a policy center in Russia.

4. Raising ICPS’s public profile

4.1 ICPS finishes new website

To improve the information component of its image, ICPS is launching a new website. At the moment, ICPS specialists are finishing the programming. As of the beginning of 2007, the new website is in testing mode. The new site will differ from the old one in easy-of-use, contemporary design and a multi-criteria search engine. In addition to Ukrainian and English versions, all information on the new website will also be available in Russian, making the ICPS website attractive to a broader base of CIS users.

4.2 ICPS expands media presence

In 2006, ICPS experts actively worked with the media. Articles and comments on various issues were regularly published in influential papers (*Expert* and *Business*) and in internet publications (*Ukrayinska Pravda* and *Obozrevatel*). During 2006, the media turned to the Centre’s experts for comments on a daily basis. In addition, ICPS specialists participated in radio broadcasts, television programs and talk shows at least twice a week.

Together with the *Ukrainian Journal of Business Law* (UJBL), an English language journal, ICPS issued a series of publications of economic articles on the consequences for various economic sectors of signing an EU–Ukraine Free Trade Agreement.

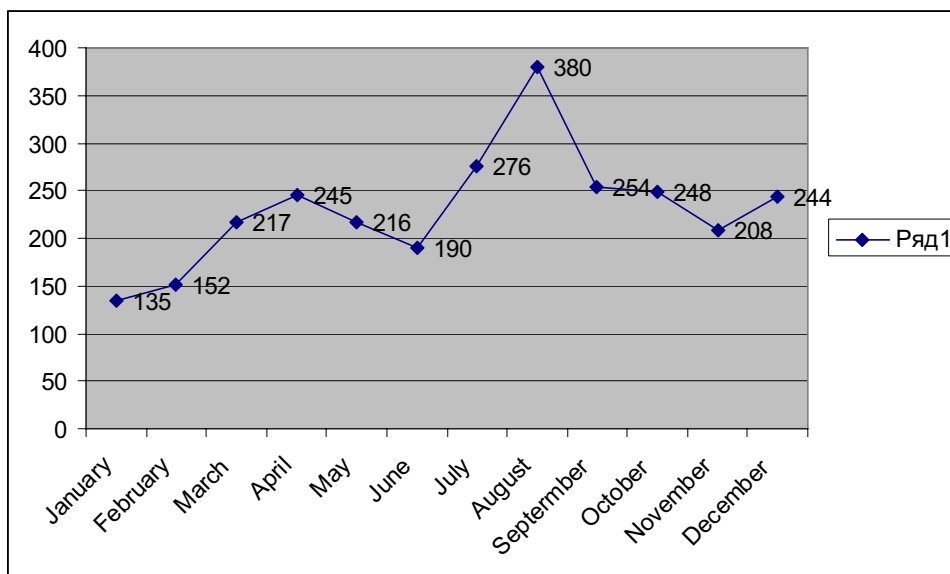
The press now turns to ICPS quite regularly to prepare expert reports that are published on the pages of their periodicals. For example, ICPS has developed a sectoral forecast for *Kompanyon*, a major Ukrainian business weekly published by Maximum Publishing House, for the third year in a row.

As a result of all these efforts, the number of references to ICPS and its experts in the Ukrainian media is growing. On average, there were 145 references to ICPS experts every month in 2005. In 2006, this grew to 243. In August 2006, the Centre registered a record-high 380 references for a single month. In 2006, the highest number of references to ICPS in the media were related to seven key events:

- on the activity of RosUkrEnergo, comments by ICPS economist Ildar Gazizullin (January, 46 references);
- on the gas conflict, comments by ICPS specialists (January, 40 references in various media);
- a forecast for inflation in 2006 by ICPS chief economist Yevhenia Akhtyrko (January, 38 references);
- the appointment of Alexander Kwasniewski as the a new Chair of the ICPS Supervisory Board (July, 35 references);
- the inclusion of ICPS Director Vira Naniwska in a working group preparing the President’s annual State of the Nation address to the Verkhovna Rada (January, 26 references);
- the ban on smoking in public places, comment by ICPS expert Andriy Beha (July, 24 references);

- the release of new forecasts of consumer behavior in Consumer Confidence, now published bimonthly rather than quarterly (June, 19 references).

References to ICPS in the media, 2006



4.3 ICPS holds roundtables on key socio-political and socio-economic issues

- **A roundtable for politicians and journalists on the political and economic situation in Ukraine.** The July crisis in the Verkhovna Rada not only made it impossible for the government to function normally, but also constituted a threat to the country's socio-political development and foreign relations. With the aim of finding a way out of this crisis, the Centre held a roundtable called the "Political and Economic Situation in Ukraine. An evaluation by the International Centre for Policy Studies" on 12 July 2006. Participants included top political analysts, journalists and Alexander Kwasniewski, the President of Poland from 1995 to 2005 and currently Chair of the ICPS Supervisory Board.
- **A debate on reforming the European Neighborhood Policy.** Realizing that the EU's Neighborhood Policy has not yet become an effective instrument for spurring democratization and economic modernization in neighboring countries, the European Union is ready for reforms. To benefit from the ENP the most, Ukraine must join European debates both at the level of the European Commission and at the level of individual Member States. With this aim, ICPS held a roundtable called "Ukraine's European Policy in the Context of European Neighborhood Policy (ENP) Reform" in December 2006.
- **International conference for politicians, diplomats and entrepreneurs from France and Ukraine.** In February 2006, ICPS and the Robert Schumann Foundation (Paris), with the support of the Embassy of France in Ukraine held an international conference called "Ukraine-France: Partnership for Europe." The main purpose of this conference was to launch public dialog among the political and diplomatic leadership of Ukraine and France, business, specialists and academics, on the prospects for developing Ukrainian-French relations in the context of European integration, cooperation priorities in specific sectors of the economy, and opportunities for expanding two-way dialog on a broad base of issues.

5. Marketing ICPS products

5.1 ICPS publication sales up 20 %

In 2006, revenues from ICPS periodicals grew from US \$59,000 to US \$71,000 or 20 % more than the same period in 2005. Over 2006, the Marketing Department was able to increase the subscriber base by 29. The number of subscribers to Quarterly Predictions, Consumer Confidence, Economic Statistics, and Political Commentary grew from 93 in 2005 to 117 in 2006. Preliminary results for 2006 indicate that revenues from paid publications account for 60% of publishing cost. Making ICPS periodicals profitable continues to be the Marketing Department's main objective. Among the new clients are Lehman Brothers, Mria, a commercial bank, CRH Ukraine, Johnson & Johnson, and Societe Generale.

5.2 ICPS publications promoted in influential press

ICPS continued its advertising campaign for the Centre's products in the press. Ads for *Quarterly Predictions*, the ICPS brand forecast publication, have appeared in *Expert*, a Ukrainian business journal, since November 2006. In future, the Centre plans to advertise other ICPS publications in various papers.

The Centre signed an agreement on the distribution of the Centre's periodicals with RBC Ukraine. This is a young, ambitious company, which is the counterpart to the well-known, reputable Russian distributor. Their website offers analytical materials from all key think-tanks. This cooperation should help expand our client base and promote the Centre's products.

5.3 Russian versions of ICPS periodicals open broader readership

In early 2006, ICPS implemented a pilot project to publish Political Commentary and Quarterly Predictions in Russian. The Russian version of the latter immediately found its first client, EuroTsement, a Russian company.

According to ICPS specialists, the FSU market is very promising for ICPS periodicals and disseminating democratic principles of public administration. So far, the Centre has actively cooperated with Central Asian countries and implemented joint projects with Moldovan counterparts. Releasing ICPS periodicals in Russian, providing a Russian version of the Centre's website, and disseminating information about the Centre's current research should help expand our client base in FSU countries, where there is stable demand for research on democratic public administration and where the Russian language continues to dominate and be more widely used than Ukrainian or English.

5.4 Consumer Confidence issues increased

As of the beginning of 2006, Consumer Confidence, a bulletin analyzing changes in the mood of Ukrainian consumers, began to come out every two months, rather than on a quarterly basis. By increasing the frequency of this periodical, the ICPS hopes it will be more appealing to businesses that need more current information on changes in the consumer mood. Consumer Confidence is a joint project of ICPS and GfK-Ukraine which offers not only a description of changes in various indices, but also an analysis of the main factors behind fluctuations in the attitudes of Ukrainian consumers to the current economic situation and the prospects for its further development.

5.5 ICPS successful enters regional markets

In H1 06, the Centre organized two successful events to promote economic research and government policy consultations in the regions:

ICPS specialists presented ICPS products and a macroeconomic and political forecast to Donetsk businesses and media in one of Ukraine's industrial regions with the largest industrial companies;

Specialists in local government and the development of NGOs ran a series of roundtables to form local policy in L'viv, the center of Ukraine's western oblasts. Participants in the initial roundtable included the Mayor of L'viv, some 40 local deputies, business and NGOs. The next roundtable will focus on establishing partnerly relations between local governments and interest groups.

6. Institutional changes

6.1 Strengthening ICPS's institutional capacity

Knowing that ICPS Director Vira Nanivska would likely be appointed President of NAPA, ICPS actively worked on improving the Centre's management system and internal mechanisms for coordination and cooperation among Centre departments during the first half of 2006.

The ICPS Supervisory Board was significantly strengthened. Ex-President of Poland and well-known politician Alexander Kwasniewski agreed to become Chair of the ICPS Supervisory Board, replacing Bohdan Hawrylyshyn. This is a first for Ukrainian think-tanks.

The Centre developed better systems to monitor, implement and manage its projects. Work in this area were managed by the Centre's Administrative Director, whose functions were increased in 2006.

ICPS is also working to improve its human resource management system. Currently, the Financial Department is actively working to develop criteria to evaluate the work of Centre employees. This should provide additional incentives for ICPS staff.

In order to increase international activity, the Centre introduced a new position, that of international consultant to the ICPS Director.

ICPS Director for Development Volodymyr Nikitin, an experienced researcher and public policy methods developer, replaced Vira Naniivska as the Centre's new Director.

Since the Centre's new mission is to develop and institute a mechanism for implementing reforms based on the public policy cycle, ICPS is working on its organizational development strategy for the next few years.

6.2 A new ICPS Director appointed

President Viktor Yushchenko appointed Vira Naniivska president of the National Academy of Public Administration under the President of Ukraine. Ms. Naniivska was ICPS Director from 1997 to 2006. This Academy is Ukraine's primary institution of higher learning for the training, re-training and advanced professional development of civil servants and local government officials.

ICPS chief expert in security and defense policy Viktor V. Chumak became acting ICPS Director. In late 2006, ICPS Director for Development Volodymyr Nikitin was officially appointed a new ICPS Director. Mr. Nikitin is a specialist in organizational aspects of development in administration, education and research. Over the last six years, he participated in the preparation and implementation of more than 30 projects in public policy, including joint projects with the Government of Ukraine. Mr. Nikitin is a PhD in Sociology with a post-graduate degree in architecture. He is also the author of many public policy methodological materials.

To expand the Centre's international activities, ICPS has invited Duncan Hiscock to be Co-Director. Mr. Hiscock, who worked for Saferworld, a London-based NGO, before coming to ICPS, will coordinate ICPS's strategic development as a top think-tank and to raise its profile and authority in international circles.

6.3 Changes to the ICPS Board

After chairing chaired the ICPS Supervisory Board since 1997, Bohdan Hawrylyshyn has stepped down. Mr. Hawrylyshyn is an advisor to the Speaker of the Verkhovna Rada of Ukraine and to the Premier, as well as the Chair of the Supervisory Board of the International Management Institute (Geneva) and a member of the Club of Rome. He has been elected ICPS Chair Emeritus.

The Centre has been actively working to strengthen the composition of the ICPS Supervisory Board. In H1'06, ICPS negotiated with former Polish President Alexander Kwasniewski regarding his appointment as Chair of the ICPS Supervisory Board to replace Bohdan Hawrylyshyn. Mr. Kwasniewski accepted the invitation. The latest meeting of the Centre's Supervisory Board took place in July, during which Kwasniewski officially took over the position of chair of the Supervisory Board. Even now, Mr. Kwasniewski continues to play an important role in Ukrainian-Polish relations, acting as an advocate and an expert in issues related to Ukraine in European and global political circles. Thanks to his chairmanship, the Centre is raising its profile in international circles and ramping up its activity related to European integration processes.

Vira Naniivska was elected Honorary Chair of the Centre's Supervisory Board.

Vitaliy Klitschko, a world-class Ukrainian boxer, joined the Centre's Supervisory Board. This past year, Mr. Klitschko moved into Ukraine's political arena, coming second in the March race for Mayor of Kyiv.

6.4 Developing a new strategy

In late 2006, the Centre presented a new ICPS Development Strategy for the next five years at the meeting of the ICPS Supervisory Board. Members of the Board have already discussed key aspects and made their proposals to improve the Strategy. The Centre is developing its main strategic document in the light of the socio-political situation in Ukraine, based on the developments and experience that it has acquired over 12 years of activity. ICPS is seriously considering expanding its areas of activity, emphasizing the development and institution of a mechanism for implementing reforms based on the public policy cycle.

Annex 1. ICPS projects in 2006

A Model for Public Oversight of HealthCare Spending

March 1, 2005 — June 1, 2006

Goal

To enhance public awareness and participation at the local level by developing effective mechanisms of public oversight of healthcare spending that can be used in SEE, CEE and Central Asia.

Objectives

- Analyze best international practice in the area of budget control;
- Analyze the institutional and legal framework for the public control over budget spending in SEE, CEE and Central Asia;
- Analyze the availability of data and dissemination of information on healthcare spending;
- Develop a public Budget oversight model;
- Prepare an independent analysis of the healthcare budget in one selected city for each country participating in the project.

Outputs

- A usable subnational Budget oversight model that includes: (1) requirements for legislative and institutional frameworks, (2) requirements for disseminating information, (3) examples of independent analysis of Budget spending on healthcare;
- A publication called “Budget Oversight Model;”
- A seminar presenting the project results.

Financing

Local Government Initiative (LGI)

Partners

Economic Policy Research Center of the Euro-Balkan Institute (Macedonia), Public Policy Research Center (Kazakhstan)

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=72>

Analysis of Ukrainian Arms Export Controls

November-December 2006

Goal

To analyze whether Ukrainian arms export legislation and control mechanisms are consistent with international best practice in arms control.

Objectives

- To provide an up-to-date and comprehensive overview of Ukraine’s current arms export control system;
- To do a comparative analysis of Ukrainian arms export legislation against international best practice on arms control;
- To produce recommendations on how Ukrainian arms controls might be strengthened in future;
- To generate debate in Ukraine on the issue of European and international standards of arms control.

Outputs

- A research paper in Ukrainian and English on Ukraine's arms export legislation and arms control mechanisms, distributed widely to all stakeholders in the Ukrainian Government, the arms industry, the media, NGOs, and so on.
- A brief for Ukrainian VR Deputies on the role of Parliament in arms control in the United Kingdom.

Financing

Saferworld (UK)

Partners

Saferworld (UK)

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=119>

Building support for a comprehensive approach to security sector reform in Ukraine

November 10, 2006 — March 10, 2007

Goal

To build support for a comprehensive approach to security sector reform (SSR) in Ukraine among key officials, politicians, and the policy community.

Objectives

- To analyse the current state of reforms in all aspects of the Ukrainian security sector
- To examine the positions of key stakeholders with regard to reforms of the security sector, in order to establish areas of consensus and identify current and future obstacles to reform
- To raise awareness among key Ukrainian stakeholders of the benefits of reforming the security sector in a comprehensive and integrated manner
- To propose priorities for future SSR in the short-, medium- and long-term.
- To identify methods for building consensus within Ukraine on SSR and creating systems and capacity that allow planned reforms to be implemented effectively.

Outputs

- A research paper entitled, "Security Sector Reform in Ukraine: Priorities and Challenges" analysing: the current state of reforms in each part of the security sector, and donor assistance provided; the position of key stakeholders with regard to SSR and security issues more generally; key priorities for future SSR and methods to ensure that they are implemented more effectively;
- A seminar for 40 people that helps build awareness among key Ukrainian stakeholders (including civil society) of the current challenges and the need for SSR to take a comprehensive approach;
- Identification of major structural and political obstacles to reform and methods to overcome them (e.g. changes to the security architecture, improvements in inter-agency co-operation, training on security affairs for relevant officials, etc);

Financing

Embassy of the United Kingdom in Ukraine

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=115>

Defending the Rights of Roma in Ukraine and Ensuring Access to Justice

May 3, 2004 — December 1, 2006

Goal

To improve the access of Roma to justice and to increase their capacity to defend their rights.

Objectives

- Strengthen the state of human rights law in Ukraine through strategic litigation;
- Develop proper anti-discriminatory legislation that will provide Roma and other minorities with an effective tool to defend themselves against discrimination;
- Develop proposals for bringing Ukrainian anti-discriminatory legislation in line with international standards;
- Disseminate these proposals and run a public policy campaign.

Outputs

- A public policy paper on reforming (or developing) Ukrainian anti-discriminatory legislation;
- Proposals to amend legislation defending minority rights, ensuring minority access to justice, and defending minorities against discrimination;
- A Bill “On protection against discrimination.”

Financing

European Commission

Partners

European Roma Rights Center (ERRC), *Romani Yag*, an Uzhhorod-based Romani cultural and educational organization

Online information

Information on this project and its deliverables available online at:

<http://www.icps.com.ua/eng/project.html?pid=76>

Developing capacity among regional NGOs for policy analysis at the local level

October 1, 2006 — October 1, 2007

Goal

To raise the capacity of regional community organizations to independently analyze local government policy for resolving urgent problems and to development recommendations how to improve it.

Objectives

- To raise the capacity of regional community organizations to carry out research according to the international policy analysis standards;
- To disseminate methods for government policy analysis and standards for independent scrutiny that are comprehensible for the broad public;
- To strengthen the impact of regional community organizations on the development and adoption of decisions by local governments;
- To raise the level of informedness among the public and public involvement in developing and making local government decisions and to evaluate the quality of services provided to the population.

Outputs

- Training for a number of specialists of regional community organizations that have the capacity to carry out independent scrutiny of government decisions and to provide specialized recommendations;
- Real assistance to local governments in the form of recommendations for prospective areas of municipal policy aimed at raising the quality of government services provided to the population;
- Improved level of informedness among the public and public involvement in developing and making local government decisions;
- Improved capacity of community organizations to cooperate with each other after the project is completed.

Financing

International Renaissance Foundation

Partners

The Razumkov Ukrainian Centre for Economic and Political Studies

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=114>

Developing management training aids for government officials

Goal

To improve the capacity of government officials for public policy development in a democratic environment.

Tasks

- To develop a set of workshops called “Policy Analysis” and “Regulatory Impact Analysis” aimed at improving the management knowledge, skills and practices of government officials.
- To hold training for trainers (TFT) based on the materials developed.

Results

- Complete training materials
- Groups of trainers able to hold workshops on policy analysis and regulatory impact assessment for government officials.

Outputs

- Training materials for a “Policy Analysis” workshop
- Training materials for a “Regulatory Impact Analysis” workshop
- Training for trainers
- A group of qualified trainers

Financing

PAUCI

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=121>

Developing Recommendations for Refugees and Asylum Policy Based on EU Legislation

October 10, 2006 — December 31, 2006

Goal

To carry out a comparative legal analysis to determine to what extent Ukrainian legislation complies with EU legislation on policy towards refugees and the provision of asylum.

Objectives

- To present the history of how legal relations in policy towards refugees and the provision of asylum have been regulated in the EU;
- To compare the regulation of such relations in Ukraine and in the EU at the level of specific institutions of law;
- To develop recommendations for harmonizing Ukrainian legislation with the EU acquis.

Outputs

A comparative legal analysis on how Ukrainian legislation meets the legislation of the European Union in the area of justice and domestic affairs. Recommendations for harmonizing Ukrainian legislation with the European acquis.

Financing

State Department for Harmonizing Legislation, Ministry of Justice of Ukraine

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=113>

Developing Socio-economic Performance and Potential Analysis Capacity

October 1, 2005 — October 1, 2008

Goal

To introduce mathematical tools for evaluating both Ukraine's economic potential and the socio-economic impact of realizing this potential.

Objectives

- To develop an objective basis for determining policy priorities in Ukraine;
- To increase transparency in policy-making;
- To better evaluate the effectiveness of policies;
- To build capacity for policy analysis among non-government think-tanks;
- To establish the basis for thorough analysis of the various factors that are key to increasing Ukraine's economic capacity;
- To develop a workable approach to price stabilization policy.

Outputs

- The identification of potential output and the establishment of economic development indicators;
- An annual report on Ukraine's economic potential and how it is being realized.

Financing

Canadian International Development Agency (CIDA)

Partners

Conference Board of Canada (CBoC)

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=101>

Evaluating the degree of decentralization and local government and community development in Ukraine

November 15, 2006 — December 31, 2006

Goal

To analyze the degree of decentralization and the state of local government and community development in Ukraine and to prepare the research base for planning activities of the UNDP in Ukraine.

Objectives

- To analyze general obstacles to strengthening the role of local government in Ukraine, including legislation, inter-budgetary relations, regional policy, programs to develop institutional capacity at the local level, and technical assistance programs, as well as legal and organizational obstacles and opportunities for developing community organizations.

Outputs

- A policy paper that will serve as the basis for planning activities of the UN Development Programme in decentralization and local government and community development.
- Recommendations for eliminating existing problems and obstacles, as well as recommendations for how the UNDP can contribute to resolving these problems.

Financing

UNDP

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=118>

Impact of NGOs on the Formation and Implementation of Political Platforms

December 28, 2005 — January 29, 2007

Goal

To engage NGOs and voters in four regions of Ukraine and prepare them to have an effective impact on the development and implementation of party platforms; to raise the institutional capacity of NGOs to analyze party platforms and organize dialog with political forces.

Objectives

- To analyze how the platforms of participants in the 2006 elections address voter interests, concerns and expectations as to development priorities for both Ukrainian society and local communities;
- To develop the skills to analyze, monitor and evaluate party platforms and to organize public dialog; to introduce the means for NGOs to influence the development and implementation of workable party platforms using methods developed by ICPS.

Outcomes

- Higher NGO capacity after acquiring the skills and knowledge of how to influence the development and implementation of party policies, how to analyze, monitor and evaluate party platforms, and how to organize and hold public debates and town meetings;
- Recommendations for developing party platforms as an effective tool for reaching social goals;
- An ongoing dialog between voters and political parties through public debates and discussions, as well as stronger public oversight of and influence over how parties carry out their platforms;
- A reduction in the factors underlying voter distrust of political parties and their policies.

Financing

The Institute of Sustainable Communities and the Ukraine Citizen Action Network

Partners

Mykolayiv Association of Business Employers (Mykolayiv), Donetsk Institute for Social Studies and Political Analysis (Donetsk), Podillia Center for Social Technologies (Vinnytsia), and the Center for Social Studies (Poltava)

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=98>

Improving the Implementation of Migration Policy by Disseminating EU Experience with Readmission Treaties

August 1, 2005 — September 30, 2006

Goals

To help develop better mechanisms for implementing migration policy in Ukraine by disseminating EU experience with readmission treaties; to provide policy recommendations, with special attention to Poland's experience.

Objectives

- To study international experience in concluding and implementing readmission treaties;
- To study and transfer experience in developing mechanisms for detaining illegal migrants;
- To carry out a public awareness campaign;
- To develop recommendations and lobby for their implementation.

Outcomes

- Practical recommendations for Ukraine on concluding and implementing readmission treaties with EU countries, transit countries and countries of origin for illegal migrants, improving the conditions under which illegal migrants are detained in Ukraine, and identifying individuals in detention centers for illegal migrants;
- Drafting migration policy recommendations for presentation to stakeholders and the general public.

Outputs

- Better practical skills and administrative capacity among 24 newly-trained government workers from the State Border Service, the Interior Ministry, and the State Nationality and Migration Committee;
- Better understanding among government workers of how to: (1) identify individuals in illegal migrants detention centers; (2) formulate migration policy; and (3) develop mechanisms to improve cooperation in counteracting illegal migration and to implement readmission treaties.

Financing

Embassy of the United Kingdom in Ukraine, Stefan Batory Foundation, Friedrich Ebert Foundation, Local Government Initiative (LGI)

Partner

Institute of Public Affairs (Warsaw)

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=93>

Industrial Restructuring in the NIS: The Experience of the New EU Member States and Lessons Learned

September 1, 2005 — October 31, 2007

Goal

To provide comprehensive, up-to-date analytical findings regarding recent experience with economic transition, industrial restructuring and integration among both EU New Member States from Central and Eastern Europe (NMS) and selected Newly Independent States (NIS)—Belarus, Russia, Ukraine, Moldova and Kazakhstan—, including the overall role played by the integration of trade, Foreign Direct Investment (FDI), and the institutional aspects of European integration.

Objectives

- To study structural change, trade specialization, FDI, and the integration of NMS and NIS;
- To examine structural change and integration on the EU-NIS border;
- To understand challenges related to EU enlargement and WTO accession for the NIS;
- To review case and survey studies: Experience in restructuring and innovation;
- To analyze policy in the area of structural change and EU-NIS integration.

Outputs

- Policy recommendations related to restructuring prospects and policy in the NIS, a review of the challenges of WTO accession, and an evaluation of prospects for closer integration between the enlarged EU and NIS neighbor states;
- Expert debates and broader understanding of the issues concerned through the dissemination of research results.

Financing

European Commission

Partners

The Vienna Institute for International Economic Studies, Foreign Trade Research Institute (Poland), Institute of Economics (Hungary), Institute of Baltic Studies (Estonia), Pan-European Institute, Turku School of Economics and Business Administration (Finland), Institute for International Economic and Political Studies (Russia), Development Centre (Russia), The Center of World Economy and International Economic Relations (Belarus)

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=92>

LGI Policy Fellowship 2006/2007 for Russian-speaking experts

December 1, 2005 — November 30, 2006

Goal

To support policy research aimed at stimulating innovative and practical policy reform in CEE and FSU countries. To build the capacities of talented individuals who are well placed to influence policy, and it establishes networks of multinational experts.

Objectives

- To set up and manage a Russian Language Fellowship system;
- To gather a pool of mentors for Russian-speaking fellows;
- To train Fellows to write effective, concise, fact-based, practical policy papers, develop their presentation skills and acquaint them with advocacy methods;
- To introduce post-fellowship support for individuals and NGOs through the ICPS Resource Center.

Results

- Russian-speaking Fellows trained to facilitate practical policy reform in the FSU region through policy writing and advocating recommendations;
- A network of Russian-speaking experts on public policy-making at the local level;
- A comparison of public policy-making mechanisms at the local level within the FSU region and regional best practice identified;
- Public policy-making problems in given countries, as well as within the region as a whole, brought to light and possible solutions will be offered.

Outputs

- Policy papers prepared by Fellows on public policy-making mechanisms at the local level in the FSU region. The completed studies will be impact oriented: each will contain an advocacy or implementation strategy and concrete policy recommendations.
- Joint recommendations to be prepared by the group of Fellows, with the support of a Mentor, on how to improve public policy-making mechanisms at the local level in the FSU region.

Financing

Local Government and Public Service Reform Initiative (LGI) of the Open Society Institute

Online information

Information on this project and its deliverables available online at:

<http://www.icps.com.ua/eng/project.html?pid=99>

Methods and Training Support for Regional Community Organizations to Prepare and Carry Out Lobbying Campaigns

October 3, 2005 — April 30, 2007

Goal

To provide methods and training support for regional community organizations to prepare and carry out public campaigns to lobby for community propositions on government and municipal policy issues among government bodies.

Objectives

- To raise the capacity of regional community organizations to run lobbying campaigns;

- To strengthen the impact of regional community organizations on the process of developing and making government decisions;
- To increase public awareness and participation in the process of developing and making government decisions;
- To raise the capacity of regional community organizations to cooperate with each other sustainably.

Outcomes

- Greater awareness among regional community organizations of methods and means for running lobbying campaigns;
- More effective lobbying by regional community organizations;
- Recommendations of meaningful themes for lobbying campaigns intended to tackle issues raised by local communities;
- Greater awareness and participation among community organizations in the process of developing and making at both the local and central government level.

Partners

Competitively selected regional community organizations

Financing

International Renaissance Foundation

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=95>

Modernizing the National Academy of Public Administration (NAPA)

September 1, 2006 — December 31, 2006

Goal

To transform the National Academy of Public Administration under the president of Ukraine into a professional school for civil servants and local government officials.

Objectives

- To study international practice;
- To provide NAPA with expert analytical support during the process of reforming and improving its system for the training, re-training and professional development of civil servants and local government officials.

Outputs

- Analytical reports on key aspects of the reform process:
 - systems for training top government officials;
 - democratic standards of public administration;
 - infrastructure and organizational support for the civil service training system.

Financing

The National Academy of Public Administration

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=117>

People's Voice—2

January 19, 2004 — July 18, 2007

Goal

To institute mechanisms and procedures that promote public participation in building an effective, responsible and open Government at the local level in 6 cities of Ukraine.

Objectives

- Assist municipal authorities in furthering their reforms and improving service delivery in a number of areas, such as education, housing, utilities, public safety, transportation, and so on;
- Assist NGOs in the selected cities in facilitating public engagement through such means as advisory committees, opinion polls, public hearings, express polls, and so on;
- Conduct comparative research on specific municipal policy issues such as services delivery and policy implementation in order to promote municipal interests at the national level.

Outputs

- An assessment of the quality of public service delivery;
- A public awareness/public policy campaign.

Results

- Enhanced regional NGO capacity to conduct independent research and organize public dialog;
- Improved local Government capacity to deliver high-quality public and residential services.

Partner

PADCO Inc., a consultancy

Financing

Canadian International Development Agency (CIDA)

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=37>

Policy Consultations on Public Administration Reform

June 1, 2006 — December 30, 2006

Goal

The goal of the project is to promote public administration reform through raising public awareness about the reform and building support among key stakeholders.

Objectives

- To design and implement communications strategy for public administration reform;
- To present and explain administrative reform to the key stakeholders and the public;
- To receive feedback of stakeholders and prepare analytical report with analysis of stakeholders' positions.

Outputs

- A green paper of the National Council on Public Administration and Local Self-Governance about reform of the central level of government;

- A green paper of the National Council on Public Administration and Local Self-Governance about reform of the local level of government;
- Four discussions with stakeholders: two in Kiev and two in the regions;
- Analytical report on the results of consultations with stakeholders with recommendations to the white paper on administrative reform.

Partner

- The National Council on Public Administration and Local Self-Governance
- Centre for Political and Legal Reforms

Financing

Deutsche Gesellschaft fuer Technische Zusammenarbeit GmbH (GTZ)

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=112>

Public Campaign to Increase Public Awareness of Government Defense and Security Policy

May 15, 2005 — October 15, 2006

Goal

To establish an open dialog on defense and security policies in Ukrainian society through public initiatives.

Objectives

- To support the process of changing public understanding of the concept of national security;
- To radically change public attitudes towards the issues of security and defense and persuade voters that this area is not an exceptional, closed affair of the Government but is an issue for all citizens and should be subject to public control and voter involvement in the policy-making process;
- To introduce mechanisms for public debates so that security and defense issues will be normal, regular topics for public debate and a focus of public awareness campaigns and voter interest.

Results

- To increase the influence of civil society institutions on the policy-making process;
- To generate a feeling among voters that they can participate in and be responsible for policy-making on security and defense matters;
- To make defense and security the subject of systematic public discussion and establish a precedent for introducing a transparent mechanism for public participation;
- To become an example for promoting such projects among Ukrainian NGOs;
- To switch from closed, opaque policy-making on defense and security to an open process.

Outputs

- Policy briefs on government policy in each of the three issues, reflecting the results of public debates;
- An international conference to present the results of the public debates and a publication that will be broadly distributed in electronic and paper form among stakeholders.

Financing

MATRA KAP Programme, Royal Embassy of the Netherlands in Ukraine; the NATO Information and Documentation Center in Kyiv

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=81>

Public consultations on EU-Ukraine FTA

May 15, 2006 — January 15, 2007

Goal

To help the Ukrainian Government form a strong, balanced position for negotiations on an EU-Ukraine Free Trade Agreement and to improve the institution of public policy concepts in Ukraine.

Objectives

- To analyze the needs of Ukraine's economy and its readiness for a free trade area with the EU; analyze the readiness of specific sectors of the economy to be open to the EU;
- To identify Ukrainian interest groups related to an EU-Ukraine FTA, hold a series of public consultations with them, and analyze their positions on such an FTA;
- To continue to assist the Government in institutionalizing the process of public consultations with interest groups;
- To assist interest groups in communicating their positions on an FTA with the EU to the Ukrainian Government, both for the economy in general and for their sectors in particular.

Results

- A Ukrainian Government that is ready to negotiate an FTA with the EU;
- Increased awareness among the Ukrainian Government, NGOs, the business community, and media concerning the prospects, opportunities and impact of an EU-Ukraine FTA for Ukraine's economy in general and for particular sectors;
- The legitimization of interest groups in relation to an EU-Ukraine FTA through being identified and having their positions analyzed;
- Greater familiarity among interest groups and the broader public with the Government position on a future agreement with the EU;
- The prevention of a negative position towards an EU-Ukraine FTA among both interest groups and the broader public and the development of better understanding of FTA-related issues.

Outputs

- A presentation of the subject of an FTA to the Ukrainian Government, business community, NGOs, and media;
- A preliminary analysis of the state of Ukraine's economy and its readiness for free trade with the EU;
- The identification of interest groups related to an EU-Ukraine FTA and their positions towards a future agreement;
- A background paper to be discussed during each public consultation;
- 15 public consultations with representatives of the Government, sector interest groups and independent experts;

- White Papers on the preparedness of a number of sectors for free trade with the EU and the positions of related interest groups on this issue;
- A presentation of project results to the Government and the broader public.

Financing

Swedish Agency for International Development (SIDA), Local Government and Public Service Reform Initiative (LGI) of the Open Society Institute

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=110>

Public Health Watch

August 1, 2005 — July 30, 2006

Goal

To independently monitor government health policies vis-à-vis international health commitments such as the United Nations Millennium Declaration and the UNGASS Declaration of Commitment on HIV/AIDS.

Objectives

- Provide a sound basis for sustained engagement of civil society in the development, implementation and evaluation of health policies;
- Mobilize broad-based civil society participation at the national level in monitoring the extent to which governments ensure their populations equal access to the highest possible standard of health care;
- Publish reports that identify country-specific achievements and challenges on specific public health issues and recommend how challenges might be addressed and achievements scaled up.

Output

- A report examining national HIV/AIDS policies and international efforts to support policy implementation, complete with concrete recommendations for the improvement of national and international HIV/AIDS policies.

Financing

Open Society Institute, Public Health Watch Programme

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=96>

Public Policy Group on Fiscal Decentralization

November 1, 2005 — March 30, 2006

Goal

To promote further reform of local governments in the areas of inter-budget relations and fiscal decentralization.

Objectives

- To design and implement a Government communication strategy for developing and promoting policy reform measures in the areas of inter-budget relations and fiscal decentralization;
- To establish a precedent for formulating the Government's intentions and vision of reform.

Outputs

The main output will be a full cycle of public policy campaigns implemented by the policy group within the Ministry of Finance and applied in their daily work, with consultative support from Canadian advisors and organizational and methodological support from ICPS. The main products will include:

- Green and White Papers on fiscal decentralization;
- A clearly formulated Government vision for reform and actions intended in this area that have been explained and discussed with stakeholders;
- A series of consultations with stakeholders on this policy priority;
- A media campaign on fiscal decentralization;
- Workshops and consultations provided by the Canadian advisors;
- A selected group of civil servants who have the necessary practical experience in developing and implementing a policy communication strategy;
- A report on the effectiveness of Canadian technical assistance to the Government of Ukraine that is widely disseminated among the international technical assistance community.

Financing

CIDA, CBIE, PAR

Partners

Ministry of Economy, National Security Council

Online information

Information on this project and its deliverables available online at:

<http://www.icps.com.ua/eng/project.html?pid=97>

Setting up Policy Analysis Groups in Central Executive Bodies

December 23, 2005 — September 30, 2006

Goal

To boost the capacity of the executive branch to organize itself, in particular in order to participate in the TWINNING program.

Objectives

To formulate reform strategies; to identify necessary institutional and legislative changes in each of 10 policy areas using public policy principles and procedures.

Results

Participants in these policy analysis groups (PAGs) will be selected from among civil servants on a competitive basis and will:

- study the experience of preparing and adopting Government policies in mature European democracies;
- gain the know-how necessary for carrying out policy analysis and developing argued draft policies;
- prepare documents using public policy procedures, based on their qualifications and the sector specialization of the particular PAG.

These PAGs should become the foundation for launching the TWINNING program in Ukraine.

Outputs

10 Green Papers and 10 White Papers on those state policy issues that are key to the carrying out of the Ukraine-EU Action Plan.

Financing

The Center for Facilitating the Institutional Development of the Civil Service under the Administration of the Civil Service of Ukraine

Partners

The Center for Facilitating the Institutional Development of the Civil Service and the Administration of the Civil Service of Ukraine

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=102>

Taxing Tobacco products: an economic study

June 1, 2006 — January 30, 2007

Goal

To help the Government develop an effective tobacco control policy by presenting economic arguments in favor of setting tobacco taxes at the best level for society.

Objectives

- To carry out an economic assessment of optimal tax levels for tobacco products;
- To provide arguments in favor of setting tobacco taxes at this optimal level.

Outputs

- An analytical report called “Taxing Tobacco Products: An assessment of the optimal level” that includes a assessment of optimal tax levels for tobacco products and arguments in favor of setting the tax rate at this optimal level, based on a comparison of alternative options.

Financing

International Renaissance Foundation

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=120>

US-Ukraine Policy Dialog

June 1, 2005 — June 1, 2007

Goal

Facilitating democratic reform in Ukraine and assisting in the restoration of a genuine and meaningful strategic partnership between the two countries.

Objectives

U.S. and Ukrainian partners will co-manage four main issues:

- foreign policy and national security;
- politics and governance;
- economics and business;

- media and information.

Results

Four week-long working sessions, held alternately in Washington and Kyiv, at which government officials, members of the Verkhovna Rada and Congress, and representatives of NGOs, the media and the business community will be able to engage in action-oriented, focused discussions in the search for paths to policy-making that addresses the key issues.

Outputs

Action plans with policy recommendations to be distributed to American and Ukrainian government officials at the conclusion of each working session.

Financing

U.S. State Department's Bureau of Educational and Cultural Affairs

Partners

U.S.-Ukraine Foundation, SigmaBleyzer, Atlantic Council of the United States, Razumkov Centre for Ukrainian Economic & Political Studies, "Europe XXI" Foundation.

Online information

Information on this project and its deliverables available online at:
<http://www.icps.com.ua/eng/project.html?pid=94>

Annex 2. Roundtables organized in 2006

Public hearings on "Action plan for parliamentary coalition and Government: Administrative reform"

14 April 2006

Goal

To inform political and professional circles about what the Government has done so far in administrative reform, as well as the main tasks that need to be immediately taken on so that the Government might function effectively in the aftermath of political reform.

For discussion

1. Presentation of the Bill "On the Cabinet of Ministers of Ukraine"
2. Presentation of the Bill "On the Civil Service"

Participants

The political forces that won the elections to the Verkhovna Rada on 26 March 2006, the Secretariat of the President, the Cabinet of Ministers, the Verkhovna Rada apparatus, the Secretariat of the Cabinet of Ministers, heads of central executive bodies, members of the VR working group preparing the Bill "On the Cabinet of Ministers of Ukraine," members of the VR working group preparing the Bill "On the Civil Service," civic organizations and international institutions.

Partner

International Renaissance Foundation

Outputs

Roundtable outputs available online at: <http://www.icps.kiev.ua/eng/project.html?pid=105>

Roundtable on “Ukrainian Metals: What are their prospects?”

January 31, 2006

Goal

To organize a meaningful public dialog among the government, management of metals enterprises and associations, metallurgists, and sector experts to analyze the prospects of the development of the metals industries, to analyze the options for state policy in this sphere, and to come up with ways of resolving current problems.

Questions for discussion

3. What will have the biggest impact on the development of Ukrainian metal industries in the nearest future?
4. Faced with new conditions, how will the development objectives of this branch shift?
5. What are the major sectoral problems in the way of achieving these objectives?
6. What short- and longterm measures are needed to reach these objectives and resolve existing problems? What resources and conditions are needed for this?
7. What role should the state play and what should its policies look like regarding the development of the metals industries?

Participants

- Management and other representatives of sector enterprises (Yenakiyev Metalworks, Industrial Group, AzovStal, the Tsentralniy and Pivnichniy Mining Complexes);
- Management of sector associations (UkrMet, the metalworkers' union);
- Metallurgists (Institute of Geological Sciences and Institute of Ferrrous Metallurgy under NAS of Ukraine);
- Independent experts (ICPS, DerzhZovhishInform, Concord Capital, the Bleyser Foundation, The EC Delegation to Ukraine, Institute of Economic Research and Political Consulting).

Partner

Pubic Relations Center

Outputs

Roundtable outputs available online at: <http://www.icps.kiev.ua/eng/project.html?pid=100>

Roundtable: Reshaping the Ukrainian Gas Market: New challenges and prospects

16 October 2006

Goal

To organize a meaningful public dialog involving the government, market participants and consumers, academics and specialists with the aim of analyzing changes taking place on the Ukrainian gas market, to analyze government policy options in this area and look for ways to resolve the problems that have emerged with the reshaping gas market.

Questions for discussion

8. What is the impact of the latest changes in the gas market on participants and consumers?
9. What are the prospects for further changes on this market?
10. What gas market problems are hindering its development?

11. What short- and long-term steps must be taken to resolve these problems? What resources and conditions are needed?
12. What should the role of the state be and what should its policy be for the gas market to develop under these new conditions?

Participants

- Managers and other representatives of sector enterprises and industrial gas consumers, including Gas Traders of Ukraine, an association; NaukNaftoGaz, a subsidiary of NAK NaftoGaz Ukrainy; TOV TekhEnergoBud; TOV NaftoGazBudInformatyka; and TOV MetInvest Holding;
- Representatives of government bodies: the Anti-Monopoly Committee, the Office of the National Security Council, the Office of the Verkhovna Rada;
- Independent experts, specifically from policy centers and the media, including: ICPS; the Institute of the National Security Problems under the NSC; a group of developers of the single monitoring system; Teriks, an institute; *Ukrayinska Pravda*, an internet publication; *Kommersant*, a newspaper; and *Expert Ukraine*, a business journal.

Financing

Commercial contract

Partners

The Management Through Public Discourse Agency

Date of event

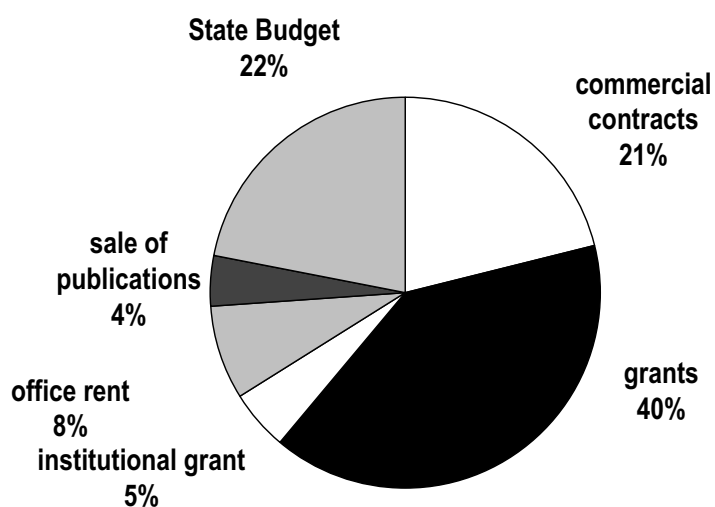
16 October 2006

Outputs

Roundtable outputs available online at: <http://www.icps.kiev.ua/eng/project.html?pid=116>

Annex 4. Financial Data

Revenue Structure, 2006



Expenditure structure in 2006

