

ICPS newsletter

Government should be responsible for technical assistance programs

In order to enhance the efficiency of international technical assistance in Ukraine, donors should establish cooperation with the government so that government officials are closely involved in the development and execution of concrete actions under technical assistance programs. As long as donors rather than government officials are playing the leading role in the implementation of these programs, technical assistance will remain uncoordinated with the budgeting process and with the government's action programs. This was the opinion communicated by ICPS expert Olga Shumylo at the 11th International Conference "Mechanisms for Ukraine's Cooperation with International Financial Institutions", held on 20 November at the International Relations Institute in Kyiv

Technical assistance failures in Ukraine are often blamed on the government's reluctance to take account of recommendations and work more effectively. Contrary to the widespread opinion which holds solely Ukraine accountable for the inadequate level of reforms, research experience reveals that the activities of international organisations and donor institutions are no less important a factor of influence upon the reform process; hence, they should also be taken into account when assessing the effectiveness of technical assistance.

International organisations have drawn on considerable intellectual and financial resources to identify criteria that would allow an assessment of TA performance. And with good reason, since highly developed countries spend a total of around 15 billion USD per year on foreign aid, and they are naturally interested in having the money be spent effectively.

The World Bank devised a set of criteria it calls the Comprehensive Development Framework (CDF) and has successfully implemented it in twelve projects that have been well received throughout the world. In many countries, the CDF has begun to be used as a basis for designing own development strategies—for example, the Canadian policy paper titled "Enhancing TA Efficiency: New Views on Canada's International Assistance Program".

For optimum performance, the CDF requires that recipient countries produce their own clear national development strategy, with which activities of donors and international organisations can then be coordinated. On the one hand, this will assure that assistance is channeled to areas that need it most; on the other, it will allow the avoidance of duplication of assistance and the

improvement of cooperation between all stakeholders. Developing this kind of document calls for recipient countries to earnestly consider the following:

- consistency of policy measures, programs, and projects;
- speed of the reform process;
- coordination of reforms in various walks of life;
- involvement of all stakeholders;
- effective assistance allocation.

In this respect, the CDF comprises the following four principles:

1. **long-term holistic vision**, envisaging a proper and step-by-step resolution of priority tasks with regard to country development under the framework of a common strategy;
2. **country ownership**, with recipient countries themselves designing their development program and themselves supervising it, having reconciled the interests of the government, civil society, and private sector and having assured that all stakeholders have the right to vote on further action plans;
3. **stable partnerships** between the government, civil society, private sector, international organisations, and other stakeholders, that is, creating a common basis that will coordinate their actions with the government's strategy, and will also assure a leading role for the recipient country in planning and coordinating assistance.
4. **achieving concrete results**, that is, outcomes linked to the overall aims of the country's development strategy.

The above criteria have been successfully achieved when developing strategies and providing technical assistance to candidate countries aspiring to join the European Union.

As for Ukraine, until recently, the above criteria were only declarative recommendations. However, a new Country Assistance Strategy for 2004–2007 for Ukraine, designed by the World Bank in 2003, contains CDF-based principles. First, the assistance strategy is to be laid upon a well-defined strategic framework, which is "assistance to Ukraine in the formation of institutions essential for sustainable development, and support for Ukraine on its way to the WTO and EU". Second, when designing the strategy, World Bank experts held consultations with the government of Ukraine, independent experts, and other stakeholders. Third, the strategy envisages the World Bank's cooperation with other donors (IMF, EU, USAID, etc.) in order to coordinate assistance, cover the entire country with the assistance, and prevent it from overlapping.

Nonetheless, the new strategy still bears the signature of the World Bank—the document is grounded upon the conclusions and recommendations of World Bank experts. Thus, it may be futile to hope that the recommendations will be incorporated into the policy papers and actual deeds of the Ukrainian government. A country development strategy should be devised by the national government of that country and be linked to the budget, with the assistance extended by international organisations being channeled to fulfill this strategy.

One of the chief principles that should guide donors' activities in Ukraine is to let the Ukrainian side to devise the strategies and plan its own assistance programs. Using this approach, the role of donors would entail largely in providing an independent analysis of the strategy, consultations, and training. ■

To learn more about the challenges and ways of enhancing the effectiveness of international technical assistance in Ukraine, we recommend the following ICPS Newsletter issues: nos 175, 161, and 137. For further information, please contact Olga Shumylo at tel.: +380-44-236-3740 or e-mail to oshumylo@icps.kiev.ua.

New ICPS homepage

The International Centre for Policy Studies has changed its Internet image! Now, our partners and clients will see a renovated design of the ICPS website when they visit <http://www.icps.kiev.ua>. Along with the change in design, visitors will find improved navigation, faster searching for necessary information, and easier access to ICPS publications

Handy access to popular materials

When developing the new website design, we sought to ensure easier access to its most popular pages. To this end, we analysed visitor statistics and identified the most popular pages with visitors. In particular, such pages include the publications archives of **quarterly predictions** and the **ICPS newsletter**, macroeconomic forecasts, as well as library materials. The library is a handily structured catalogue, where visitors will be able to promptly find documents of interest, and information about recent postings. From now on, the most popular website sections are just one click away from the main page.

More analytical output from ICPS

Visitors can now access a wider scope of analytical information. A new section, "Analysis", has been introduced, featuring an executive summary of the most recent issue of **quarterly predictions**, including a statistical table and forecast for the major Ukrainian macroeconomic indicators. This section will also include analytical articles on current economic and political issues by ICPS experts, which we plan to regularly update with analytical information.

More information about ICPS

We sought to ensure a more comprehensive coverage of ICPS activities. Our homepage presents information about news and

current ICPS projects. New pages of the website offer more information about ICPS, its experts, activities in different fields of research, and dissemination of our policy analysis experience. Also, a separate section of the library is dedicated to ICPS activities, comprising research materials, project reports, and examples of analytical documents developed by our experts.

Improved interaction with subscribers

A new subscription form was designed for subscribers to ICPS publications. From the entire ICPS assortment, visitors may choose any publications of interest to them and subscribe for a period of from three months up to one year. Subscribers can receive either electronic versions or hard copies, in both Ukrainian and English. As previously, you can purchase separate publications or pay for your subscription with a card in the Internet shop that is integrated with the website.

Website visitors can also subscribe to an e-list informing about recent arrivals at the site, namely, new paid and free publications, presentations, analytical documents, and other ICPS products. ■

ICPS's website was originally launched in 1997. During the past 12 months, about 30,000 users from over 130 countries worldwide have navigated through the site. For further information, please contact Yevhen Shulha at tel.: +380-44-236-4477 or e-mail to shulha@icps.kiev.ua.

Work commenced on Country Economic Memorandum for Ukraine

The World Bank has started working on the next *Country Economic Memorandum*, which offers an independent view on the state of Ukrainian economy, as well as recommendations on necessary reforms. On 19–20 November, representatives of the Ukrainian government and non-governmental think tanks held a session during which they considered the macroeconomic situation in the country, the problem of lowering the poverty rate, and issues of social policy, regional development, and inter-budgetary relations, corporate governance, and entrepreneurship.

The experts noted that the practice of involvement of independent policy centres in the development and discussion of the various parts of the *Memorandum* was much broader this year. In particular, as concerns the block of macroeconomic issues, ICPS experts compiled a report on approaches to improving inter-budgetary relations that our newsletter readers will have the opportunity to see in the nearest future.

The *Country Economic Memorandum* has been developed by the World Bank in Ukraine for 12 years. This document is intended not only to help the World Bank to render its assistance more effectively, but also to serve as a guide for implementing governmental reforms. Unfortunately, the latter function is not used in full measure, since the *Memorandum* remains an internal product of the World Bank, and mechanisms for its provisions being taken into account by Ukrainian government programs have not been introduced.

Subscribe to ICPS publications for 2004!

For the coming year, we offer our readers subscriptions to the following periodicals:

- **quarterly predictions**—a quarterly economic survey presenting regular updated economic development forecasts for Ukraine;
- **political commentary**—a monthly analysis of government policy and factors affecting it;
- **policy studies**—a quarterly working paper series focusing on key public policy issues. Includes **new economic legislation**—an annual evaluation of changes in economic legislation and the impact of that legislation on the

business environment and investment climate in Ukraine;

- **consumer confidence**—a quarterly survey of household consumer expectations;
- **regional trends**—a semiannual analysis of and forecast for economic development trends of Ukraine's regions;
- **economic statistics**—a monthly summary of statistical data useful for doing business in Ukraine;
- **ICPS newsletter**—a weekly bulletin that covers ICPS current research and projects.

You can **save up to 20%** off the subscription price for the publications

quarterly predictions, economic statistics, and consumer confidence by subscribing to the *Economic Research package*, which is a comprehensive source of reliable information, independent macroeconomic analysis, and forecasts for Ukraine's economic development, as well as unbiased assessment of government policy.

The ICPS website (<http://www.icps.kiev.ua>) offers clients, partners, and visitors the opportunity to purchase separate publications, or to subscribe, by using an electronic payment system. For further information regarding subscriptions to ICPS publications, please contact Maksym Korepanov at tel.: +380-44-236-5464 or e-mail to marketing@icps.kiev.ua.

icps newsletter is a weekly publication of the International Centre for Policy Studies, delivered by electronic mail. To be included in the distribution list, please contact the ICPS publications department at marketing@icps.kiev.ua. **icps newsletter** editor Yevhen Shulha (shulha@icps.kiev.ua). Phone: +380-44-236-4477. English text editor D. (Ksenia) Ovcharenko. Articles may be reprinted with ICPS consent.