



ICPS

International
Centre for
Policy
Studies

ICPS Activity Report for 2009

2009 marked the start of a new phase in the evolution of the International Centre for Policy Studies. Having completed its previous mission, introducing the concepts and procedures of public policy-making in Ukraine, the ICPS team faced an important challenge: What is the top priority for Ukraine's development? Our response was: further democratization and structural reforms.

The Centre's updated mission involves intellectual support for these two processes. The key instrument for carrying out this mission is properly grounded and well-organized "Europeanization," which will draw Ukraine closer to EU and international standards and indirectly improve the standard of living of Ukraine's people and its rules of governing.

For ICPS, the new mission primarily means new challenges, a new team, new ideas and new objectives. Over the past year, the Centre has put together a number of initiatives that are strategically important for Ukraine. To move them forward, ICPS strengthened its expert, communicative and institutional components. The Centre also updated its publications and introduced new ones, offering both ordinary Ukrainians and politicians answers to such questions as: How can the impact of the global crisis be minimized? What are the top issues that Ukraine's Government and Verkhovna Rada should be responding to? How should Ukraine work with its key international partners? What will the political situation look like in Ukraine after a new President is elected?

Key analytical areas to support democratization and reforms

The Supervisory Board approved the Centre's new mission. Based on this, we established our main priorities for the next few years and began to work in six key areas:

Program	Main goal
Democracy and good governance	Supporting democratization and the institution of proper governance in the country
Social economy	Harmonizing economic growth with social development to reach a sustainable European standard of living for Ukrainians
Energy	Reforming the energy sector and shoring up energy security in the country and the region
EU-Ukraine Association Agreement	Assisting the Government with the negotiation process with the EU and the implementation process in Ukraine
Foreign policy	Formulating a foreign policy strategy for key partners
Foreign aid	Increasing the effectiveness of foreign assistance

We are convinced that, in reaching its main goal, each of these programs will support the foundations of democratization and structural reform in Ukraine. In these various spheres, we attempt to provide Ukrainian Society with answers to key questions: What can be done to overcome corruption? How can we achieve proper governance from Ukraine's government? How best can we engage the citizens of Ukraine in determining, managing and carrying out meaningful reforms to their justice system? How can the quality of life in Ukraine be improved? What will Ukraine's residents look like 20 years from now? How can Ukraine shore up its relations with the EU, Russia and the US? How can foreign assistance be made more effective? How might Ukraine's energy sector be reformed? What process should be used to switch to market prices for fuels and energy? How will the Association Agreement between Ukraine and the EU help "Europeanize" the country more?

Democratization and Good Governance Program

Earlier studies by ICPS concluded that the quality of services being provided by the government to the general population is unsatisfactory and far from European standards. The Centre has gradually expanded the geographic reach of its research into municipal services. In this project, implemented together with the Norwegian Institute of Local and Regional Studies (NIBR), ICPS team will carry out a series of applied studies on various aspects of public services offered by the state in Odesa and Mykolayiv Oblasts. On 10-13 June, ICPS and NIBR held seminars for a group of Ukrainian researchers in Odesa and Mykolayiv.

ICPS belongs to the Independent International Expert Commission for a Reform Program for the New President of Ukraine (working title: "Plan for 300 days"), of which it is also a coordinator. The Commission is jointly led by Anders Aslund, senior researcher at the Peterson Institute of International Economics, and Oleksandr Pachaver, president of Centre for Economic Development. The Program will be presented in February 2010.

Over the last few years, ICPS has been advocating the need to establish an effective system for coordinating migration policy, in particular setting up a specialized body to function as a migration service. At the end of June, a Cabinet Resolution was issued, establishing the State Migration Service of Ukraine.¹ However, in order for it to be up and running, many other institutional and

¹ While this report was being drafted, the President of Ukraine cancelled some provisions in the Cabinet Resolution.

legislative changes have to take place. Undertaken in tandem with the Polish Institute of Public Affairs, the "Improving the Coordination of Ukraine's Migration Policy: Polish practice" project presents recommendations to the Ukrainian government.

Social Economy Program

Ukraine has proved able to attain neither sustainable economic growth nor balanced social development. As a result, the quality of life for the ordinary Ukrainian remains low. The Social Economy Program uses concepts of sustainable development and the welfare state that are generally accepted in EU countries to propose new approaches and effective socio-economic policy choices that are intended to improve the quality of life of the general population. In 2010, the priority areas for the program will be: introducing the concept of quality of life into public debate, optimizing social and demographic policy, and analyzing the economic behavior of Ukraine's population.

Under the program, an analytical report called "Consumer Confidence" is being published every month based on a sociological poll carried out by GfK-Ukraine. Not long ago, an analytical brief called "The social cost of the global crisis" was prepared for the 3rd Kyiv Security Forum. A quarterly policy study on stimulating the birth rate in Ukraine was also published. Talks are underway regarding the launch of a major initiative directed at prolonging ICPS activity in assessing the quality of life and reforms to demographic policy in Ukraine.

CPS has begun collaborating with the Organization for Economic Co-operation and Development (OECD). ICPS will provide the OECD with analytical support in the framework of the OECD Eurasia Competitiveness Report and the Overview of the Investment Policy of Ukraine.

Energy Program

Ukraine's energy security is being undermined. This sector requires both internal reforms and a proper strategy for further development. Priority areas in this program are defining strategic priorities for Ukraine in this sphere, participating actively in energy diversification projects, and coordinating energy matters with EU countries and Russia.

ICPS has already been working in this area. The first important issue that we raised was: What does belonging to the Energy Community (EnCT) mean for Ukraine? On 8 October, negotiations on membership in the Community were concluded. In December, Community members are expected to support Kyiv's bid for membership. At an international conference organized by ICPS and the Konrad Adenauer Foundation with the support of the Secretariat of the Energy Community (EnCT), the implications of membership for local power, oil and gas markets were discussed. The Centre gave the press an opportunity to get exclusive information on this issue during a new ICPS initiative, the first Media Breakfast. The prospects for Ukraine's membership in the Energy Community were also raised in the second issue of European Focus, in an article written by Invest-Gazeta commentator Daria Riabokova.

EU-Ukraine Association Agreement Program

The future Agreement will bring Ukraine new, comprehensive commitments. There will be large-scale adaptation of domestic legislation to the EU acquis in more than 20 spheres, as well as the formation of institutions. Under this Program, ICPS is working with the Government to apply qualitatively new approaches to strategic planning in European integration and horizontal coordination and to establish a qualitatively new system for coordinating foreign aid.

In January, ICPS launched a project called "Preparing the Government of Ukraine to Implement the Association Agreement: Analytical and methodological support" with funding from the Swedish International Development Agency (SIDA). The project is scheduled to run 18 months and has

three main components: methodological support for the work of the Coordination Bureau for European and Euroatlantic Integration; analytical support for Ukraine's negotiations on the FTA; and an assessment of Ukraine's institutional readiness to carry out the Association Agreement.

What the Association Agreement will mean for ordinary Ukrainians we discussed in our premier issue of *European Focus* in September 2009. In her article, leading journalist Aliona Hetmanchuk addressed this question in her excellent article „Facade Europeanization“. Our second Media Breakfast gave journalists a chance to talk to members of Ukraine's negotiating team about the opportunities and prospects that setting up a Deep Free Trade Area with the EU will bring this country.

Foreign Policy Program

Ukraine's foreign policy is going through rough times. The diplomatic efforts of its officials need to be backed up by professional research by analysts. ICPS is making its own contribution in shaping the country's foreign policy. Having received a grant from PACT Ukraine/UNITER (A program of the Agency for International Development), ICPS plans to develop innovative recommendations for Ukraine's foreign policy course and to start publishing a new monthly called "Inside Ukraine," which will contain expert reviews on events in foreign policy areas and economic processes in Ukraine.

The Centre is also working on regional policy issues. One of the main strategic outcomes of the 2007 EU expansion was the Union's access to the Black Sea. With that, the EU became a neighbor to new countries, offering it both new opportunities and new challenges. At this time, the EU does not have a coordinated policy or a clear, specific vision of the future evolution of relations in this region. For this reason, seven European think-tanks, including ICPS, launched a new project called "EU 4 Seas" at the end of 2008. The project aim is to analyze the effects of EU policies and strategies on sub-regional multilateralism in four areas: the Baltic, Black, Caspian and Mediterranean basins. Last spring, two international conferences were organized, one in Rome and the other in Reykjavik, at which security and environmental pollution issues were raised.

Foreign Aid Program

Foreign assistance is an important instrument in the country's development. Ukraine lacks effective coordination and application of foreign policy. ICPS is studying this problem and has published a paper called "European Integration: New context, new institutions" under the "Preparing the Government of Ukraine to Implement the Association Agreement: Analytical and methodological support" project. The report focuses on the need for new approaches to foreign aid coordination and offering recommendations for how to institute such approaches.

The European Neighborhood and Partnership Instrument (ENPI) is a new EU institutional and financial instrument for Ukraine and other states in the region. It was instituted in 2007 as part of the European Union's Neighborhood Policy. There is the risk that the European Commission funds will not be used to the greatest effect in Ukraine. ICPS analysts studied the planning, receipt, disbursement and absorption of ENPI funding. The result is a unique document: the first-ever general overview of ENPI priorities, processes, funding and—significantly—entry points for non-state actors participation. This report goes beyond analysis of ENPI per se to illustrate where NSAs are currently involved and identify areas and processes in which they should be—but are not.

Stronger communication for greater impact

ICPS management has been entrusted with a new core and institutional grant from the Open Society Institute to strengthen communication. ICPS has developed a new communication and advocacy strategy whose main objective is to bring the Centre to a new level of interaction with the press and to widen its circle of partners. ICPS management has brought new people to its admin-

istrative team and engaged additional high-quality analysts. ICPS ideas will be promoted through the Centre's new website and revamped publications.

Communication strategy

Today, for ICPS to influence the decision- and policy-making processes and to shape public opinion, the Centre must develop an entirely new approach to communication and advocacy. The Centre is working on new instruments for holding dialog with stakeholders such as the Government, the Verkhovna Rada, the private sector, NGOs and the press. Unique media campaigns will have to be developed to reach each of these groups and provide targeted analysis. To affect public opinion, the Centre's experts will provide commentary and raise ideas on a regular basis at roundtables for the press.

Site

ICPS launched a new site. In developing the design and structure of this upgraded site, the communication team applied ideas from leading western think-tanks, especially the Brookings Institution, the Carnegie Endowment for International Peace, the Centre for European Policy Studies, and FRIDE. ICPS has picked up the best elements of technology, innovation and content from these sites and incorporated them into the design, structure and content of the Centre's own new site. The updated site will also differ from the old one in terms of user friendliness, a contemporary look, a multi-level search engine, and interactive images. The new site will focus on the Centre's ongoing research while establishing a suitable structure for older research that will make it easy to use.

New periodicals

Economic Insight is an updated version of Quarterly Predictions. It contains macroeconomic forecasts for 36 months, a database of statistical data, and analyses of factors and risks to the forecast.

European Focus is a monthly that raises debate on key issues around EU integration and Ukraine, EU policy towards Ukraine, and other important issues connected to Ukraine's European ambitions.

Policy Studies is a new quarterly that will focus on current Ukrainian, European and global issues that require a response from the government and a reaction from voters.

Inside Ukraine – a new English-language current events publication designed to meet the needs of key foreign policy makers as well as private and public investors.

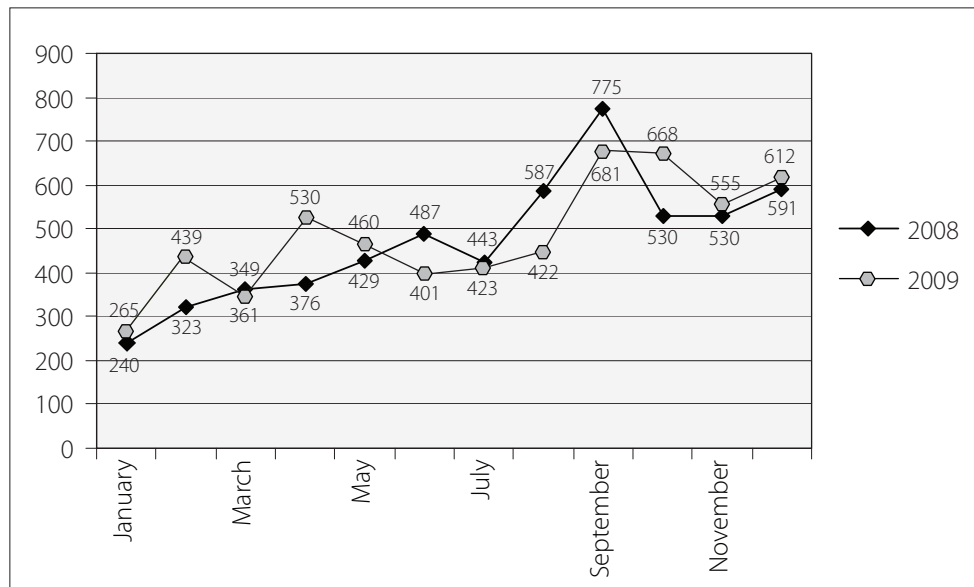
Working with the Press

Media Breakfasts are a new initiative from ICPS that offers a platform for journalists and analysts to exchange thoughts and opinions on European integration. These breakfasts focus on key areas of activity at ICPS. We expect this initiative to offer journalists a venue where they can gain exclusive information from Ukrainian and foreign experts, on various aspects of Ukraine's integration into the EU and to start the day in stimulating company. The first themes at these breakfasts were on Ukraine's membership in the Energy Community (EnCT) and what a Free Trade Area will mean for Ukraine and the EU.

The Centre has revived the preparation of features for the press, especially such forms as commentaries, policy briefs, and op-eds. Throughout the year, the Centre's analysts responded to both internal events and definitive trends in the world.

In 2010, ICPS plans to launch a new regular initiative, the ICPS Café. We hope that this will become a platform for debate on key issues in Ukraine for experts, politicians and the press alike.

Citations in the press remain at their traditionally high levels.



New partners

ICPS maintains contact with its long-term partners and continues to search for support among new ones. The Director's recent visit to the US proved a milestone for the Centre, as we were able to establish partnerships with some of the top American think-tanks, such as the Brookings Institution and the Carnegie Endowment for International Peace.

The Centre is expanding its 2007 initiative to strengthen Ukrainian-Spanish relations, which should lead to bilateral consultations before the Spanish EU presidency. The Centre is developing new initiatives on democratization with the leading Spanish think tanks, such as CIDOB (Barcelona) and FRIDE (Madrid).

ICPS has also become a partner of Europe's World, a highly-successful policy journal that has won itself a global readership of over 100,000 international policy-makers and analysts since its launch in 2005.

Following the advice of its Supervisory Board, ICPS has begun establishing partnerships with analytical centers in neighboring countries. The Centre is planning to hold a series of events addressing the need for improved relations between Ukraine and Russia with a number of Russian NGOs and academic institutions (namely the Moscow State Institute for Foreign Affairs, the Russian Academy of Sciences and the Carnegie Moscow Center).

ICPS has also begun cooperating with NGOs in Belarus. The main goals of this cooperation are to contribute to democratization in Belarus and improve EU-Belarus relations through Ukrainian mediation.

Finally, ICPS will provide the government of Moldova with analytical support both on how to put an end to the crisis and how to prepare for and conduct Free Trade Zone negotiations with the EU.

An expert team

ICPS continues to invite highly-qualified professionals to work with it, individuals who have trained and worked abroad, who have strong experience working with government agencies and international institutions, who are fluent in several foreign languages and who have studied in ma-

for universities, such as Steinbeis University Berlin SHB (Germany), Columbia University (USA), University College Dublin (Ireland), Maastricht University (Dutch), McGill University (Canada).

In addition to this, ICPS is launching an associate system with specialists who will work with the core team on various projects. It will increase ICPS's analytical capacity and civil society connections. Prominent Ukrainian and foreign analysts and journalists are being invited to become such associates. So far, the Centre has engaged top journalist and globetrotter Aliona Hetmanchuk, Director of the Institute of World Policy, and Alan Mayhew, a professor at the Sussex European Institute.