

ENPI MONITORING IN UKRAINE

Report

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This report is part of an ENP-wide effort to get the big picture of ENPI and pinpoint its key weaknesses, as well as strategic entry points for non-state actors (NSA). It seeks to create conditions propitious to increased NSA participation in ENPI by explaining how its funding is planned, received, disbursed and absorbed, and by identifying bottle-necks in both priority setting and implementation. It also addresses the current level of NSA involvement in ENPI processes, including existing mechanisms and entry points, as well as the benefits to be derived therefrom. While it also contains recommendations for the European Commission and the Ukrainian authorities, it is first and foremost aimed at non-state actors currently unable to participate fully in the planning, implementation, and monitoring of ENPI due to the complexity of the system.

Over a six-week period, a team of experts from the International Centre for Policy Studies (ICPS) in Kyiv conducted desk research, held bilateral and multilateral interviews, and organized a roundtable discussion bringing together representatives from government, NSAs, international donors and the EC delegation. **The result is a unique document: the first-ever general overview of ENPI priorities, processes, funding, and significantly, civil society participation in Ukraine.** 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.

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Table of Contents

Executive Summary	5
Glossary	10
Introduction	15
1. ENPI in Brief	17
1.1 From Technical Assistance to Budget Support: A New Approach to Aid	19
1.1.1 <i>Budget Support: Promoting National Ownership</i>	19
1.1.2 <i>Technical Assistance: Supporting Capacity Building</i>	21
1.2 Innovating through New Tools	22
1.2.1 <i>The Governance Facility: Rewarding Good Governance</i>	22
1.2.2 <i>The Neighbourhood Investment Facility: Synergies in Investment</i>	23
1.3 New Priorities, Enhanced Funding: A New Strategy for Ukraine.....	24
1.3.1 <i>The National Programme: The Lion's Share of ENPI Funding</i>	25
1.3.2 <i>Regional Programmes: Complementing National Strategies</i>	26
1.3.3 <i>Cross-Border Cooperation Programmes: Little Funding, but Big Opportunities for Border Regions</i>	28
2. Making ENPI Count: Planning, Implementation, Monitoring and Evaluation	30
2.1 The Programme Level: The Strategic Thinking Behind ENPI.....	31
2.1.1 <i>Programming: Focusing on Policy</i>	31
2.1.1A <i>Strategy Paper Preparation</i>	32
2.1.1B <i>Indicative Programme Preparation</i>	34
2.1.1C <i>Annual Action Programme Preparation</i>	35
2.1.2 <i>Programme-level Monitoring and Evaluation: An Incomplete System</i>	38
2.1.3 <i>NSA Involvement: A Long Way to Go</i>	39
2.2 Operational Level: Translating Policy into Action	39
2.2.1 <i>Budget Support: Unrealized Potential</i>	39
2.2.2 <i>Individual Technical Assistance Projects: Clear Procedures, but an Imperfect System with Unclear Outcomes</i>	45
2.2.3 <i>Twinning: A Clear System with Clear Outcomes</i>	49
2.2.4 <i>TAIEX: Answers in Real Time</i>	51
3. NSA Involvement in ENPI: a Long Road Ahead	53
3.1 Opportunities on the EC and Ukrainian sides	53
3.1.1 <i>The EC General Framework: Good Intentions</i>	53
3.1.2 <i>The Ukrainian Side: General Framework Needed</i>	54
3.2 NSA Capacity to Engage: The Need to Raise Awareness	54
3.3 Existing entry points for NSAs: Clarification Essential.....	55
3.4 Improving the System.....	56

Conclusions and Recommendations	64
Annex 1. Timeline: 2007–2013 CSP Mid-Term-Review and 2011–2013 NIP Preparation.....	67
Annex 2. Timeline of the Involvement in the Drafting of the Annual Action Programme.....	68
Annex 3. Timeline for the Preparation and Launching of Twinning Projects	69
Annex 4. Joint Monitoring Group: Tasks, Objectives, Timing and outcomes.....	70
Annex 5. Performance Indicators for Energy Sector Budget Support.....	73
Annex 6. List of Interviewees and Roundtable Participants	76
Annex 7. EC and Ukrainian Actors Involved in the Planning and Management of ENPI.....	77
Annex 8. Useful Links on ENPI.....	80

Executive Summary

Since 2005, the European Union's relations with its neighbours have been in constant evolution, driven by major developments both within the bloc and in its neighbours. The 2004 enlargement and the "colour revolutions" of Georgia and Ukraine have created a need for new priorities, new aid, and a new paradigm. In Ukraine, the Orange Revolution and the election of Viktor Yushchenko as President signalled the beginning of a more democratic politics in the country and revived its accession bid, which, despite being an official priority since 1993, had essentially been dormant. Indeed, despite having received billions in foreign aid, Ukraine has not undergone major sectoral or institutional reform since independence in 1991.

New Thinking in Foreign Aid

Launched in 2007, the European Neighbourhood and Partnership Instrument (ENPI) — the financial arm of the European Neighbourhood Policy (2004) — is an important new tool in enhancing the EU's relations with its neighbours, and it signals a strengthening of the EU's commitment to improving governance in the region. This means adopting a policy-driven strategy to support the national development priorities of partner countries, as well as increasing national ownership of financial and technical cooperation. With the recent launching of the Eastern Partnership, a new political framework for collaboration between the EU and ENP Eastern neighbours, EU assistance to neighbouring countries for 2007 — 2013 will exceed €12 bn — a 35% increase over the previous seven-year period.

Still, the essential value of ENPI derives not from quantitative factors but from qualitative ones. ENPI represents a significant advance in technical and financial cooperation between Ukraine and the European neighbourhood, as it includes a number of tools — namely Twinning, TAIEX, and SIGMA — heretofore only accessible to pre-accession countries. This is of major importance to Ukraine since these tools offer the country additional external support in adopting EU regulatory standards. This, in turn, represents an opportunity for Kyiv to demonstrate its ability to reform, which has of late been cast into doubt. ENPI also includes other tools designed to support and reward good governance, as well as to increase the responsibility of national authorities in the management of EU funding. These instruments include budget support, in which EU funds are transferred directly to national authorities to support sectoral reform, and a Governance Facility to grant additional funding to those ENPI partner countries most successful in improving governance.

However, with the exception of a mid-term review carried out every three to four years by the European Commission (EC), there is no ENPI-specific programme-level monitoring and evaluation system. As for the project level, monitoring and

evaluation activities tend to focus on inputs (such as the adoption of legislation or the issuance of a report) rather than on impacts (such as reduced corruption or increased efficiency) – and in the case of budget support, monitoring systems remain to be developed.

Unrealized Potential: The Need to Raise Awareness

Despite its potential, ENPI remains poorly understood by many of its stakeholders – including the national authorities, and above all non-state actors (NSAs). The system is governed by myriad documents, spanning in validity from one to seven years, aimed at different regions, and emphasizing different types of cooperation. The awareness problem caused by the complex nature of ENPI is further compounded by the scattered character and technical nature of publicly available information, making it practically impossible for many government officials and most NSAs, not to mention the public, to understand the processes at work and their potential impact on Ukrainian society.

As a result, Ukraine is not getting as much out of ENPI as it should: to quote but one example of unrealized potential, at the time of writing (July 2009) the first "tranche" (payment) of budget support received by Ukraine had still not been transferred from the Treasury to the target ministry (the Ministry of Fuel and Energy), despite having been received in December 2008.

Opening the Door to NSA Participation

Such problems illustrate the need for a thorough understanding and unpacking of ENPI, at both the programme (planning) and project (implementation) levels. And if ENPI is to be properly planned, implemented, monitored, and evaluated, it is essential that NSAs be involved from the outset of the programming process and that they remain engaged through to final evaluation. These organizations can draw on a first-hand understanding of concrete issues that is an excellent complement to the more strategic perspectives of the State and the EC. They also have an essential role to play in representing alternative interests, as their bottom-up nature allows them to speak for groups generally excluded from the policy process. NSA participation in policymaking thus provides a check against the often state-centred priorities of the authorities.

Good intentions, but a flawed system

Despite EC efforts to open ENPI up to NSA involvement, there remain significant deficiencies in this regard. The ENPI website does offer suggestions on NSA participation in the planning and monitoring of aid, but easily comprehensible information on ENPI is hard to come by. This makes it difficult for NSAs to understand the whole process and see the stages at which they can enter and engage. The posting of information on a website is thus by no means sufficient to stimulate an authentic desire to get involved. More clearly needs to be done to prepare Ukrainian NSAs, as ENPI is new to the country and the Ukrainian en-

environment is generally not conducive to NSA participation in the policymaking process (the state lacks both a general framework for NSA participation and the institutions necessary to properly digest such input).

Still, the EC does make available a number of entry points through which NSAs can get involved in ENPI's national, regional, and cross-border components. For the sake of parsimony and because the national component accounts for the lion's share of ENPI funding, this report focuses mainly on national-level programmes. NSAs can participate in the preparation of the three principal national-level ENPI documents:

- seven-year Country Strategy Papers (CSPs), which define the priorities to be pursued;
- three- to four-year National Indicative Programmes (NIPs), which further refine and set allocations for each of these priorities; and
- Annual Action Programmes (AAPs), which identify specific measures to be funded.

These documents each have their own preparation processes, which in turn exhibit their own specific strengths and deficiencies when it comes to NSA participation.

NSA participation at the programme level: room for improvement

The CSP preparation process involves consultations with civil society prior to the elaboration of a first draft. This is important: the earlier NSAs get involved, the greater the impact their participation will have. However, NSAs have no way of ensuring that their input is taken into account in the final draft, and they are not consulted again until the CSP mid-term review three to four years later. NSA consultations for the 2009 mid-term review took place in May 2009 but drew relatively organizations, with think-tanks heavily outweighing advocacy groups and other NSAs. In addition, almost half of the participating organizations were either foreign or international, a fact that illustrates the lack of Ukrainian NSA involvement in ENPI. The CSP preparation/review process should therefore be modified to allow NSAs not only to make recommendations, but also to participate in the "finalization" phase and provide input on the final draft before it is adopted. The EC should also make a special effort to involve Ukrainian advocacy groups in the priority-setting process, as think-tanks and international/foreign organizations were overrepresented in the recent mid-term review.

The NIP drafting process is distinct from that of the CSP, though it is linked to the CSP mid-term review. Indeed, the May 2009 consultations were the occasion for NSAs to comment on the draft 2010-2013 NIP prepared by the EC. Significantly, these consultations constituted the sole NSA entry point into the NIP preparation process; hence, the aforementioned limitations of that exercise (underrepresentation of advocacy groups and of Ukrainian NSAs in general) also apply to NIP preparation. Further NSA entry points must be created: more specifically, NSAs should be consulted prior to the elaboration of a first draft

NIP (as is the case for the CSP), and they should be invited to participate in the finalization phase.

The AAP preparation process differs from those of the CSP and NIP in that it involves NSAs from the very outset. NSAs participate in the “measures identification” phase, in which the types of assistance to be employed are selected. To ensure maximum effectiveness, this type of concrete planning should involve sectoral NSAs, such as trade unions and single-issue groups (e.g. environmental or human rights organizations), in addition to the more macro-oriented institutions involved in CSP and NIP elaboration. However, participating NSAs are currently not given the opportunity to comment on the draft AAP drawn up on the basis of the measures identification phase, nor are there any other entry points further downstream. As in CSP and NIP preparation therefore, NSAs have no way of ensuring that their input is taken into account in the final AAP, as they are not consulted in the finalization phase. It is therefore essential that the finalization phases of all three documents be opened up to NSA participation.

NSA involvement at the operational level: a gap to be closed

Hence NSAs can make use of an appreciable, if limited, number of entry points at the programme level. But while such a presence is important — it ensures that NSAs can make their voices heard in the priority-setting phase — there is a lack of NSA involvement in project-level monitoring and evaluation activities, even where such engagement would be relatively easy to accommodate. Indeed, there is no real NSA entry point into the implementation, monitoring, and evaluation of budget support, which will account for 70% of ENPI funding to Ukraine for the period 2007-2009. The selection of sectors to receive funding is a matter of negotiation between the EC and the Ukrainian government, and NSAs are absent from the structures set up by these two actors to monitor the use of these funds. In other words, NSAs are all but absent from the operational level.

Moving Forward

It is thus clear that more must be done to raise awareness of ENPI and involve NSAs as early and as much as possible. That means ensuring that NSAs are aware of existing entry points, but also creating new ones where their participation could provide specific expertise or a useful external perspective. As for NSAs themselves, they must ensure that they have the capacity necessary to make the most of existing opportunities. This will allow them to demonstrate that their participation is essential not only because it permits the representation of alternative interests, but also because it leads to stronger policies and strategies. In addition, they must push for more entry points while remaining conscious that all aspects of ENPI are not amenable to NSA participation.

ENPI represents a major test for Ukraine. If the country uses the tools provided to their full potential, it will gain credibility as a potential EU candidate; if it fails, its reputation will suffer a serious blow. This report contains recommendations

covering the entire spectrum of ENPI activities, from the programming process to the monitoring and evaluation of specific initiatives. They are designed to help Ukraine make the most out of ENPI by ensuring that its planning, implementation, monitoring, and evaluation are more results-oriented and more reflective of the diverse interests of Ukrainian society.

Some of the most salient general recommendations are given below.

For the Ukrainian Government:

1. Make NSA consultation in the development of the national development strategy mandatory;
2. Formalize NSA participation in the attraction and utilization of foreign aid in general and ENPI funding in particular;
3. Develop procedures for the analysis and implementation of NSA input;
4. Engage in capacity-building to ensure that civil servants have the knowledge and skills necessary to effectively monitor and evaluate ENPI assistance.

For NSAs:

1. Focus on capacity-building to ensure that NSAs fully understand the ins and outs of ENPI funding and are able to assume their “watchdog” function;
2. Examine the current NSA entry points described in this report, identify those in which the NSA is most likely to make a significant contribution, and use them;
3. Form coalitions to push for new entry points;
4. Raise awareness about ENPI and the opportunities it presents, including by holding formal information sessions and informal roundtables with other NSAs.

For the European Commission:

1. Given the lack of a strong tradition of NSA participation in the Ukrainian policymaking process, maintain a separate track for NSA consultation;
2. Examine the possibility of creating new NSA entry points into relevant processes;
3. Enhance public information efforts to spread awareness about ENPI;
4. Make key monitoring and evaluation documents (including criteria, indicators, benchmarks, etc.) easily accessible to NSAs.

For other donors:

1. Assist the Government of Ukraine in formally integrating NSAs into the development of the national development strategy;
2. Assist the Government of Ukraine in developing procedures for the analysis and implementation of NSA input on foreign aid coordination;
3. Support capacity-building among NSAs;
4. Support NSA initiatives to build coalitions to create new entry points.

Glossary

Annual Action Programme	programming document based on national or regional Indicative Programmes, identifying projects and initiatives to be financed under ENPI, as well as their specific allocations.
Budget support	the transfer of financial resources from an external financing agency to the National Treasury of a partner country, following the respect by the latter of agreed conditions for payment. The financial resources thus received are part of the global resources of the partner country, and consequently used in accordance with the public financial management system of the partner country. ¹
Cabinet of Ministers of Ukraine	highest executive body in Ukraine, composed of the Prime Minister and his/her Ministers.
Central Executive Bodies	national-level executive bodies, namely Ministries, State Committees and Central Executive Bodies with special-status.
Cross-border Cooperation	cooperation between EU Member States and neighbours designed to support sustainable development along both sides of the EU's external borders, to help ameliorate differences in living standards across these borders, and to address the challenges and opportunities following on EU enlargement or otherwise arising from the proximity between regions. ²
Eastern Partnership	initiative launched in May 2009 to strengthen economic and political ties between the EU and its Eastern European neighbours (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine). It implies new association agreements, including deep and comprehensive free trade agreements with those countries willing and able to enter into a deeper engagement, gradual integration into the EU economy, and movement toward easier travel to the EU through gradual visa liberalization.

¹ OECD/DAC, *Harmonizing Donor Practice for Effective Aid Delivery*, Volume 2, 2006.

² *Cross-border Cooperation Strategy Paper 2007-2013 & Indicative Programme 2007–2010 Executive Summary*, p. 2.

European Neighbourhood Policy	the EU's general policy framework for interaction with its immediate neighbours.
European Neighbourhood and Partnership Instrument	policy framework for financial and technical cooperation between the EU and ENP countries.
Entry point	opportunity for non-state actor (NSA) involvement in the policy process.
Financial Perspective	seven-year budgetary framework agreed by the Council, the Commission, and the Parliament.
Financing Agreement	agreement between a donor and a recipient setting out general and specific conditions for funding delivery.
Governance Facility	fund set up by ENPI to provide additional financial support to the one or two ENPI countries that have made the most progress in improving governance.
Implementation:	the execution of a project or programme.
Indicative Programme	programming document detailing and setting out funding allocations for the priority areas set out in the Strategy Paper over a 3-4 year period.
Interservice Quality Support Group	Group established following the adoption of the RELEX reform in 2000 to improve the quality and coherence of the European Commission's external aid programmes. It has played a significant role in promoting technical methodology and coherent approaches in programming strategy documents, and in developing programming support tools.
Joint Managing Authority	in Cross-Border Cooperation, the competent executive body of a participating EU Member State selected to manage the CBC programme on behalf of all participants.
Joint Monitoring Committee	the main joint decision-making body in Cross Border Cooperation programmes.
Joint Monitoring Group	Group established to monitor the use of Budget Support, composed of national and EC officials. Its is in charge of oversight, of coordination of data collection in line with the achievement of a set of benchmarks, of the preparation of a semi-annual joint EU-Ukraine Progress Report, and of the drafting of a mid-term review.
Joint Technical Secretariat	one of the bodies responsible for the implementation of CBC joint operational programmes. It monitors project indicators and submits a synthesized version of programme-level indicators to the Managing Authority on a biannual basis.

Joint Operational Programme	7-year programming document that defines priorities, objectives, and indicative funding allocations for CBC programmes.
Main Department of the Civil Service	provides the integral state policy implementation in the sphere of civil service and functional management of civil service. It is central executive body, which activity is coordinated by the Cabinet of Ministers through the Minister of the Cabinet.
MEDA	the principal financial instrument of the EU for the implementation of the Euro-Mediterranean Partnership. ³ Replaced by ENPI in 2007.
Mid-Term Review	revision of ENPI strategic papers three or four years into the seven-year EU Financial Perspective. It includes a review of the Strategy Paper and the drafting of a new Indicative Programme. It is required by Regulation (EC) №1638/2006 of the European Parliament and the Council.
Ministry of Economy	central executive body charged with the realization of the state's economic, pricing, investment, and external economic policies.
MIS – ETC system	Management Information System for European Territorial Cooperation ensures the collection of information necessary for the financial management, monitoring, verification, audit, and evaluation of programmes under the European Territorial Co-operation Objective.
Monitoring	the systematic and continuous collecting, analysing and using of information for the purpose of management and decision-making. The purpose of monitoring is to achieve efficient and effective performance of an operation. ⁴
National Bank of Ukraine	central bank of Ukraine, in charge of ensuring the stability of the national currency of Ukraine.
National Coordinating Unit for EU	the functions of the National Coordinating Unit (NCU), established according to the Protocole d'Accord dated 11.02.1992, are fulfilled by the Ministry of Economy's Department for Cooperation with the European Union. The NCU's mission is to promote and improve the effective coordination of Government policy with regard to European external assistance.

³ <http://www.gsa.europa.eu/go/news/metis-leads-way-on-eu-mediterranean-gnss-co-operation>

⁴ EuropeAid Co-operation Office, *Handbook for Results-Oriented Monitoring of EC External Assistance*, April 2008, p. 12.

National Programme	national-level programme for the delivery of EC assistance through ENPI.
Neighbourhood Investment Facility	fund set up by ENPI to support lending to ENPI countries by international financial institutions.
Non-state actor	non-governmental institution that exists to contribute to the good of a particular group or of society as a whole. For the purposes of this paper, the term should be considered a synonym of "civil society organization."
Programming	decision-making process aimed at defining the EC strategy, budget and priorities for spending aid in non-EU countries.
Programme Administration Office	office in charge of preparing and implementing Twinning projects in Ukraine. It is part of the Center for Adaptation of the Civil Service to the Standards of the EU, which itself belongs to the Main Department of the Civil Service of Ukraine.
Regional Programme	regional-level programme for the delivery of EC assistance through ENPI. There are two Regional Programmes (one for the East and one for the South) and one Interregional Programme.
SIGMA	joint EU-OECD technical assistance initiative whose role is to assess the progress in reforms and to assist beneficiary administrations in establishing good public sector practice and procedures. ⁵
Sector Readiness Assessment	assessment intended to determine whether a sector is ready to receive budget support. The SRA has seven areas of assessment: (i) National development or reform policy and strategy; (ii) Macroeconomic context; (iii) Budget and Medium Term Expenditure Framework; (iv) Public Financial Management; (v) Donor Coordination; (vi) Performance Measurement; (vii) Institutional assessment and capacity development.
Strategy Paper	7-year programming document defining the priority areas for ENPI assistance under a particular programme (national, regional, or CBC).
TACIS	Technical Assistance to the Commonwealth of Independent States, the principal financial instrument for EU assistance to CIS countries. Replaced by ENPI in 2007.

⁵ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/index_en.htm

TAIEX	Technical Assistance and Information Exchange Instrument, a technical assistance instrument that provides centrally managed short-term technical assistance in the field of approximation, application and enforcement of European Union legislation. ⁶
Technical Assistance	assistance to EU partner countries intended to help them develop the structures, strategies, human resources and management skills needed to strengthen their economic, social, regulatory and administrative capacity. ⁷
Twinning	a technical assistance instrument that aims to contribute to the development of modern and efficient administrations through the long-term secondment of public servants from EU Member States to the public administrations of beneficiary countries. ⁸

legislation.⁶ capacity.⁷ countries.⁸

⁶ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/index_en.htm

⁷ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/index_en.htm

⁸ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/twinning_en.htm

Introduction

It is no secret that Ukraine's relationship with the European Union is a complicated one, as its quest for *rapprochement*, and ultimately membership, has been hampered by both internal deficiencies and geostrategic obstacles. Still, the EU-Ukraine relationship has been growing — albeit unevenly — since independence in 1991. Today, the EU is both Ukraine's largest trading partner and its most important provider of external assistance. With a new Association Agreement currently under negotiation and the launching of the Eastern Partnership in May 2009, deeper European integration may become possible.

In recent years, the European Neighbourhood Policy (ENP) has provided the main institutional backdrop to EU-Ukraine relations, and EU aid has been channelled through the new European Neighbourhood and Partnership Instrument (ENPI). Launched in 2007 to replace the TACIS and MEDA technical assistance programmes, ENPI is designed to deliver aid better thanks to its policy-driven nature and the introduction of a new type of aid: budget support. It also represents a major simplification of the EU's assistance management system, as it has replaced most of the more than 30 instruments that existed pre-2007 and is now the conduit for practically all assistance to the EU's neighbours.

With the launching in May 2009 of the Eastern Partnership (EaP) — a new political framework designed to go beyond the ENP, and under which ENPI is to be enhanced by €350 mn — **ENPI funding for the 2007–2013 Financial Perspective is over 35% greater, in real terms, than the EU assistance offered over the previous seven-year period.** Examination of ENPI, as the central financial instrument for the provision of EU aid to neighbours, is therefore more important than ever.

While ENPI is not a pre-accession instrument, it may allow Ukraine to make a major step toward EU integration. Indeed, ENPI contains a host of tools designed to support democratization and good governance — tools that were, until recently, available only to accession countries, and which Ukraine had been requesting for years. Still, despite being a major beneficiary of ENPI assistance — it is set to receive well over half a billion Euros by 2013 — Ukraine is failing to put these resources to good use.⁹

European integration is first and foremost a technical process in which candidate countries adapt their practices and legislation to EU standards. And while the TACIS programme that ENPI replaces was a laudable effort to improve governance in Ukraine, its narrow nature prevented it from effecting systemic change. Indeed, Ukraine's main challenge is that despite the democratic prog-

⁹ Assessing the quality of Ukrainian management of ENPI funding goes beyond the scope of this report; however, the International Centre for Policy Studies intends to XXXXXXXX.

ress achieved since independence, the country's public administration has yet to be reformed in any meaningful way. **The principal impediment to the sound formulation and implementation of policy lies not in corruption, but in Ukraine's antiquated institutional framework.** The current system is unable to adequately digest the input of non-state actors (NSAs) — organizations such as think-tanks, trade unions, advocacy groups, business associations, grassroots organizations, etc. — into the policy process. Ukrainian civil society has proven itself very creative, but the nature of today's state apparatus has severely limited the policy impact of the "civil councils" set up within virtually all ministries.

ENPI has undergone no serious review at the national level, whether by authorities or by non-state actors, and what monitoring/evaluation there has been has focused on inputs and procedures, rather than on results. Effective and results-oriented monitoring and evaluation are essential to ensure not only that the funds disbursed are well spent, but also that the priorities defined and mechanisms chosen will have the desired impact. To achieve this, and to ensure national ownership, **NSA engagement must therefore begin in the programming phase — long before any funding reaches Ukraine —** and continue through to disbursement and absorption. But information on ENPI planning, monitoring and evaluation is scattered among various bodies within both the European Commission and the Government of Ukraine, which means that **no institution has an overall picture of ENPI assistance.**

While ENPI funding is primarily government-based, Ukrainian NSAs have a crucial role to play in its planning and management. Indeed, it is normal practice to involve NSAs, which enjoy far greater operational flexibility than the State or the European Commission, and whose first-hand understanding of concrete yet complex issues is an excellent complement to the more strategic perspectives of public institutions. This makes NSA input essential to judicious planning and sound implementation and evaluation.

NSAs also have a crucial role to play as a voice for alternative interests and priorities. Their bottom-up nature allows them to represent groups generally excluded from the policy process. NSA participation in policymaking thus provides a check against the often statocentric priorities of the authorities by translating the concrete needs of these sectors into "policy inputs." NSA involvement therefore brings with it a significant value added.

Finally, the nature of ENPI itself makes NSA monitoring more imperative than ever. Indeed, the introduction of new mechanisms designed to enhance local ownership of EC assistance has meant a major transferral of responsibility from the EC to Ukrainian state bodies. And while EC management has been generally sound, the same cannot be said for that of the Ukrainian state apparatus. It is therefore more essential than ever that Ukrainian NSAs take their place at the table.

1. ENPI in Brief

Launched in 2007 as a policy-driven replacement to the MEDA and TACIS programmes, the European Neighbourhood and Partnership Instrument (ENPI) is the principal financial instrument used by the European Community to provide assistance to countries in Eastern Europe, the Southern Caucasus, and the southern Mediterranean region.¹⁰

Regulation (EC) No 1638/2006 constitutes the legal framework of all ENPI programs. It also lays out the fundamental principles of ENPI assistance: complementarity, partnership and co-financing. Indeed, ENPI assistance is to complement or contribute to national, regional or local strategies and measures. Regulation 1638 states that

"...Community assistance under this Regulation shall normally be established in partnership between the Commission and the beneficiaries. The partnership shall involve, as appropriate, national, regional and local authorities, economic and social partners, civil society and other relevant bodies."

"...The beneficiary countries shall associate the relevant partners as appropriate, in particular at regional and local level, in the preparation, implementation and monitoring of programmes and projects."

ENPI assistance is disbursed through three types of programmes:

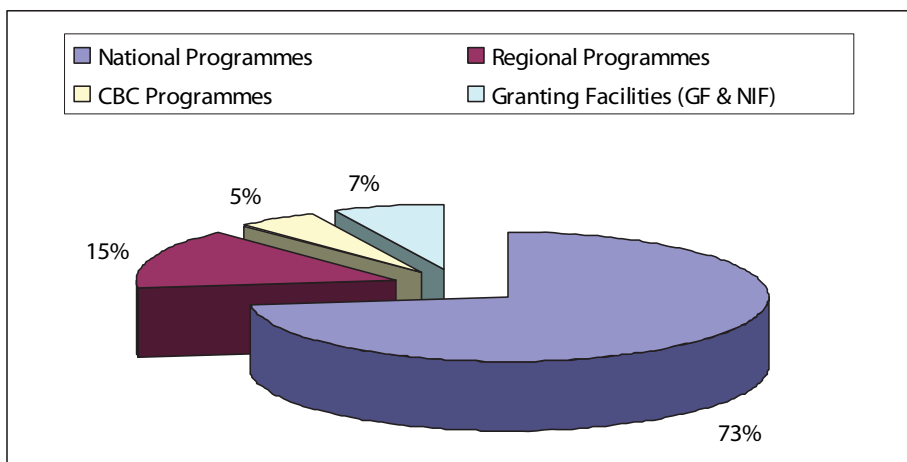
1. 16 national programmes (one for each of the 16 participating countries);
2. Three regional programmes (one each for the East and the South, and one trans-regional programme covering both);
3. 15 Cross-border-Cooperation (CBC) programmes.¹¹

The total ENPI assistance budget for the period 2007-2013 is €12 bn – a 32% increase over the previous 7-year period – and will be supplemented by €350 mn granted under the new Eastern Partnership. National programmes account for the lion's share of this spending, with €4.1 bn (73%) of the €5.6 bn available for the period 2007–2010. Next come regional cooperation (€828 mn, 15%) and cross-border cooperation (€227 mn, 5%). The remainder (€400 mn, 7%), is to be used to support the Governance Facility and the Neighbourhood Investment Fund (described below).

¹⁰ The Russian Federation also receives financial assistance through ENPI.

¹¹ <http://www.enpi-programming.eu/wcm/en/regional-updates/cross-border-cooperation.html>

Diagram 1. Distribution of ENPI Funding, 2007–2010



National, regional, and CBC programmes have their priorities defined in three essential documents:

- **Strategy Papers** (SPs) constitute the principal reference framework for ENPI programmes. They cover the entire seven-year span of the EC's Financial Perspective¹² (though they are reviewed at mid-term) and set out the priority areas for action. Current SPs cover the period 2007-2013;
- **Indicative Programmes** (IPs) are drafted twice per Financial Perspective (at the outset and at the three- or four-year mark) and set the funding allocations for each priority contained in the Strategy Paper. Current IPs cover the period 2007 – 2010;
- The operational aspects of national and regional programme implementation are defined in **Annual Action Programmes** (AAPs), which identify the projects to be financed and set their allocation; as such, they are the key document for the actual commitment of EU funds under these programmes. As for CBC programmes, they are concretely implemented through seven-year **Joint Operational Programmes** (JOPs), which identify priorities and objectives and include indicative funding allocations; actual financing decisions are made in seven-year financing agreements.

¹² The EU Financial Perspective is the seven-year budgetary framework agreed by the Council, the Commission, and the Parliament.

Table 1. Strategic Documents and Available Instruments

	National Programme	Regional Programmes		Cross-Border-Cooperation programme (CBC)
		Interregional Programme	Eastern Regional Programme	
Strategic document (7 years)	Country Strategy Paper	Interregional Strategy Paper	Eastern Regional Strategy Paper	CBC Strategy Paper
Medium-term planning document (3-4 years)	National Indicative Programme	Interregional Indicative Programme	Eastern Regional Indicative Programme	CBC Indicative Programme
Operational document	Annual Action Programme	Annual Action Programme	Annual Action Programme	Joint Operational Programme (7 years)
Financing Agreement	AAP attached to FA	AAP attached to FA	AAP attached to FA	JOP attached to FA
Instruments available	Budget Support; technical assistance, incl. TWINNING	Technical assistance projects, granting facilities	Technical assistance projects	Grants

1.1 From Technical Assistance to Budget Support: A New Approach to Aid

The establishment of ENPI has meant a major shift in the nature of the financial assistance given to Ukraine by the European Commission. Whereas TACIS (Technical Assistance to the Commonwealth of Independent States) offered only technical assistance, ENPI provides both general/sectoral **budget support and technical assistance** to partner countries — thus increasing local ownership of EC assistance (while TACIS has been replaced by ENPI, a number of projects financed by TACIS are still ongoing; Ukraine will thus continue receiving TACIS funding until these projects come to and end in 2011). According to the European Commission's strategy paper for Ukraine, "[t]he introduction of these new external assistance mechanisms will substantially increase flexibility. Technical assistance will no longer be the predominant channel for the Commission's external assistance programmes (...).¹³"

1.1.1 Budget Support: Promoting National Ownership

Budget support (BS) is the primary type of financial assistance provided under ENPI. It can be defined as

"the transfer of financial resources of an external financing agency to the National Treasury of a partner country, following the respect by the latter

¹³ Country Strategy Paper 2007–2013, p. 17.

of agreed conditions for payment. The financial resources thus received are part of the global resources of the partner country, and consequently used in accordance with the public financial management system of the partner country.¹⁴

Budget support can be general or sectoral:

- General budget support provides for cash to be transferred for the execution of national development programs or strategic reforms;
- Sectoral budget support provides for cash to be transferred for the execution of programs aimed at the development of specific sectors of the economy.

Budget support is divided into payments ("tranches"). The first ("fixed") tranche is transferred by the EC once national authorities have met certain criteria, and the receipt of subsequent ("variable") tranches is conditional to the respect of certain conditions (described in section 3.2.1).

Given its nature, budget support is only used at the national level; funding channelled through regional and CBC programmes is used exclusively for technical assistance.

The European Union began offering sectoral budget support to Ukraine in 2007, with the first agreement signed in September 2008. According to the European Commission, since 2007

"Ukraine has undergone a major shift of aid modality, moving more towards Sector Budget Support (SBS) in order to further enhance policy dialogue and increase Government ownership of the process. Identification of SBS programmes is based upon a Sector Readiness Assessment covering 7 main criteria, out of which 3 are considered eligibility criteria (existence of a sector strategy; sound macro-economic framework; sound Public Finance Management system). If one or more of the three criteria is missing, pre-conditions for SBS are considered not to have been met."¹⁵

The EU has a well-established practice of providing budget support to partner countries, namely in Africa. While the absolute amount of budget support to Ukraine is not enormous, the decision to use this instrument represents a political signal that the EU is willing to support the reform process in Ukraine, while at the same time inserting an element of conditionality into its aid by requiring that certain criteria be fulfilled before budget support payments can be made.

¹⁴ OECD/DAC, *Harmonizing Donor Practice for Effective Aid Delivery*, Volume 2, 2006

¹⁵ EC Concept Note on "Potential Priority Areas for ENPI National Indicative Programme (NIP) for Ukraine — 2011–2013," p. 14.

These criteria are: (i) National development or reform policy and strategy; (ii) Macroeconomic context; (iii) Budget and Medium Term Expenditure Framework (MTEF); (iv) Public Financial Management; (v) Donor Coordination; (vi) Performance Measurement; (vii) Institutional assessment and capacity development

Unlike technical assistance, which is primarily monitored by the EC, budget support management falls squarely within the purview of national authorities. Given that **budget support is expected to account for 72% of Ukraine's total national allocation for 2007–2009**, this represents a fundamental shift in the distribution of responsibility as regards the planning, use, monitoring, and evaluation of EC assistance to Ukraine.

EU Sectoral Budget Support to Ukraine, 2008–2009

Ukraine received the first tranche (€23 mn) of its first SBS allocation (€82 mn), intended to support its energy strategy, in December 2008. Under the 2008* Annual Action Programme, Ukraine is expected to receive EU budget support to execute the two following programmes:

- Trade facilitation (norms and standards). EU support: €45 mn, of which €39 mn is budget support and €6 mn is technical assistance;
- Greater energy efficiency. EU support: €70mn, of which €63 mn is budget support and €7 mn is technical assistance.

The European Commission has also made a preliminary decision to co-finance two additional sectoral programmes in 2009:

- Support to development of transport sector. Estimated EU support: €40 mn, of which €35 mn is budget support and €5 mn is technical assistance;
- Protecting the environment. Estimated EU support: €77 mn, of which €72 mn is budget support and €5 mn is technical assistance.

** The funds are transferred in the following year.*

1.1.2 Technical Assistance: Supporting Capacity Building

The EC defines technical assistance (TA) as the provision of resources aimed at helping partner countries “develop the structures, strategies, human resources and management skills needed to strengthen their economic, social, regulatory and administrative capacity.”¹⁶ More specifically, technical assistance to Ukraine has sought to support institutional, legal, and administrative reforms, to bolster private sector and economic development, and to help address social problems.¹⁷ Much of this funding has gone to EU-based firms hired to provide services in these areas.

Between 1991 and 2006 Ukraine received approximately €2.5 bn in technical assistance from the EC, with some of most significant programs being the TACIS

¹⁶ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/index_en.htm

¹⁷ PowerPoint presentation titled “European Union and its Assistance to Ukraine,” delivered at the National Academy of Public Administration of Ukraine on 15 May 2007. Retrieved at twinning.com.ua/index.php?option=com_docman&task=doc_download&gid=259&Itemid=-

National Programme, TACIS Nuclear Safety, and Macrofinancial assistance. Today, TA accounts for a significant portion of Ukraine's national ENPI allocation, and for all assistance received under the Regional and CBC programmes. Indeed, the advent of ENPI has brought with it access to technical instruments previously only available to pre-accession countries.

Major technical assistance instruments include:

- **Individual technical assistance projects** carried out by external contractors hired to contribute to capacity-building in the state apparatus;
- **TAIEX** (Technical Assistance and Information Exchange Instrument), which "provides centrally managed short-term technical assistance in the field of approximation, application and enforcement of European Union legislation¹⁸";
- **Twinning**, which aims to contribute to "the development of modern and efficient administrations¹⁹" through the long-term secondment of public servants from EU Member States to the public administrations of beneficiary countries. Ukraine is the first CIS country to benefit from this instrument;
- **SIGMA** (Support for Improvement in Governance and Management), a joint EU-OECD initiative (mainly funded by the EU) whose role is "to assess the progress in reforms [and] to assist beneficiary administrations [in establishing] good public sector practice and procedures."²⁰

1.2 Innovating through New Tools

The establishment of ENPI has also meant the creation of two new funding tools – the Governance Facility (GF) and the Neighbourhood Investment Facility (NIF) – designed to foster good governance and sound investment, respectively. Their combined allocation for 2007 – 2013 is €1 bn.

1.2.1 *The Governance Facility: Rewarding Good Governance*

The Governance Facility is a fund designed to provide additional financial support to the one or two ENPI countries that have "made [the] most progress in implementing the governance priorities agreed in their Action Plans."²¹ It is

"...intended to provide additional support, on top of the normal country allocations, to acknowledge and support the work of those partner countries who [sic] have made [the] most progress in implementing the agreed reform agenda set out in their Action Plan. In line with an assessment of

¹⁸ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/index_en.htm

¹⁹ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/twinning_en.htm

²⁰ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/index_en.htm

²¹ http://ec.europa.eu/world/enp/funding_en.htm

progress made in implementing the (broadly-defined) governance aspects of the Action Plans, this funding [will] be made available to top-up national allocations, to support key elements of the reform agenda; this will help reformist governments to strengthen their domestic constituencies for reform.²²

The GF is endowed with €50 mn annually, with total funding for the 2007 – 2013 Financial Perspective expected to reach €300 mn.²³ This sum is taken directly from the ENPI budget, as the relevant programming documents are written “in a way that makes allowance for additional funding from the Governance Facility.”²⁴ GF funding is directed toward the specific priorities and areas defined in Country Strategy Papers and National Indicative Programmes, with specific allocations determined in Annual Action Programmes.

Funding decisions are based on progress in 5 key areas, as assessed in Country Progress Reports on the implementation of each ENPI partner country's Action Plan. These areas are the following:

1. Democracy
2. Respect of human rights and fundamental freedoms
3. Rule of law
4. Governance in human security and migration issues
5. Economic, regulatory and social governance

In 2007 Ukraine received €22 mn from the Governance Facility, thus becoming one of the two first countries (with Morocco) to benefit from this new instrument. **In recognition of its efforts to improve governance, it received a further €16 mn in 2008.**

1.2.2 *The Neighbourhood Investment Facility: Synergies in Investment*

Established in 2007, the Neighbourhood Investment Facility is a €700 mn fund (2007 – 2013)²⁵ financed by the Commission to support lending to ENP partner countries by international financial institutions (IFIs). EU Member states have been asked to match this amount, thus allowing the NIF to “leverage as much as four to five times this amount of grant funding, in concessional lending for investment products in ENP partner countries, in priority sectors as identified in their ENP Action Plans.”²⁶ The NIF is therefore funded by a combination of EC funds and individual Member State contributions (for which a trust managed

²² Strengthening the European Neighbourhood Policy COM (2006) 726, 04/12/06

²³ http://ec.europa.eu/world/enp/faq_en.htm

²⁴ *Principles for the Implementation of a Governance Facility Under ENPI*, p.8.

²⁵ This is the indicative budget for the 2007 – 2013 Financial Perspective. http://ec.europa.eu/world/enp/faq_en.htm#4.6

²⁶ http://ec.europa.eu/world/enp/faq_en.htm#4.6

by the European Investment Bank was established in January 2009, and which totalled €37 mn in 2008).²⁷ According to the 2008 Facility's Operational Annual Report, NIF funding leveraged €1.65 bn in loans in 2008.²⁸

According to the Agence française de développement, the NIF "is managed by a Board of Directors which meets once or twice a year to define strategic priorities and objectives, and four times a year (or more) to approve program operations (...) and make financing decisions for each operation. Eligible financial institutions attend sessions of both the strategic and operational Board meetings as observers."²⁹

NIF funding is directed at three priority areas (energy, environment and transport), which it supports through grants, technical assistance and risk capital operations. It also covers the private sector, namely small and medium-sized enterprises.

To date, the NIF has approved over €120 mn in grants, and Ukraine has been a major beneficiary. Indeed, it has received four of the Eastern Region's 11 national project grants, accounting for €11.6 mn of the €47.23 mn granted for national projects (an additional €17 million has been granted for two regional projects).³⁰

1.3 New Priorities, Enhanced Funding: A New Strategy for Ukraine

As a policy- and country-driven instrument, ENPI provides the basis for coherent and cohesive technical and financial cooperation between Ukraine and the EC. In addition, the introduction of the conditionality integral to budget support could well provide an impetus for better governance.

The EU is the foremost provider of international assistance to Ukraine,³¹ and the country's national allocation for 2007 – 2010, at €494 mn, is the fourth largest out of 17.³² With additional funding from the Eastern Partnership (€350 mn by 2013, to be shared among the six participating countries), as well as grants from the Governance Facility and participation in cross-border-cooperation, regional, and interregional programmes, assistance to Ukraine will significantly exceed the half-billion Euro mark for this period (it is, however, impossible to predict

²⁷ http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/investment_en.htm

²⁸ Neighbourhood Investment Facility Operational Annual Report 2008, p.4.

²⁹ <http://www.afd.fr/jahia/Jahia/lang/en/home/AFD-Europe/pid/2528>

³⁰ http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/investment_projects_east_en.htm

³¹ http://ec.europa.eu/delegations/ukraine/eu_ukraine/tech_financial_cooperation/index_en.htm. As noted above, ENPI will be further supplemented by funding under the Eastern Partnership.

³² Morocco (€654 mn), the Palestinian Authority (€632 mn) and Egypt (€558 mn) enjoy the largest funding allocations.

the exact amount to be received by Ukraine, as regional and cross-border co-operation programming documents do not break down funding along national lines, and allocations are only determined at the project level). The section below summarizes EC assistance priorities and financial allocations for Ukraine as laid out in the essential programming documents of the National, Regional, and Cross-border Cooperation programmes. It constitutes the only such summary in existence today.

1.3.1 The National Programme: The Lion’s Share of ENPI Funding

At 73% of the total ENPI envelope, National Programme funding accounts for the bulk of the EC’s aid to its neighbours. The 2007 – 2013 Country Strategy Paper (CSP) for Ukraine identifies three priority areas (and several sub-priorities) for this funding, covering all the headings of the EU – Ukraine Action Plan.³³

These priorities are further explained in the 2007 – 2010 National Indicative Programme (NIP), which elaborates on the long-term impact, specific objectives, expected results, and indicators of achievement of each of these priorities. The NIP sets out an indicative budget for national assistance to Ukraine. As noted above, the total national envelope for 2007-2010 is €494 mn (please see Table 2 for details).

Table 2. ENPI Priorities and Funding for Ukraine (2007–2010 NIP³⁴)

Priority Area	Sub-Priorities	Indicative Budget (mn €)
Priority Area 1: Support for Democratic Development and Good Governance	<i>Sub-priority 1:</i> Public administration reform and public finance management <i>Sub-priority 2:</i> Rule of law and judicial reform <i>Sub-priority 3:</i> Human rights, civil society development and local government <i>Sub-priority 4:</i> Education, science and people-to-people contacts/exchanges	148.2 (30%)
Priority Area 2: Support for Regulatory Reform and Administrative Capacity Building	<i>Sub-priority 1:</i> Promoting mutual trade, improving the investment climate and strengthening social reform <i>Sub-priority 2:</i> Sector-specific regulatory aspects	148.2 (30%)
Priority Area 3: Support for Infrastructure Development	<i>Sub-priority 1:</i> (non-nuclear) Energy <i>Sub-priority 2:</i> Transport <i>Sub-priority 3:</i> Environment <i>Sub-priority 4:</i> Border management and migration including re-admission related issues	197.6 (40%)

³³ These are: 1) Political dialogue and reform; 2) Economic and social reform and development; 3) Trade, market and regulatory reform; 4) Cooperation in justice and home affairs; 5) Transport, energy, information society and environment; and 6) People-to-people contacts.

³⁴ *National Indicative Programme 2007–2010*, p. 4. Allocations for 2010-2013 have yet to be finalised.

The specific objectives to be pursued in any given year are laid out in an Annual Action Programme (AAP), which determines the corresponding allocations and specifies the additional assistance to be disbursed through the Governance Facility (if any). The most recent AAP, adopted in July 2008, identifies three operational objectives (please see Table 3).

Table 3. Annual Action Programme Funding Breakdown for Ukraine (2008 AAP³⁵)

Operational Objective	Budget (mn €)	Budget Breakdown (mn €)
Objective 1: Promoting mutual trade by removing technical barriers to trade between Ukraine and the EU	45 (32%)	Budget Support: 39 Technical Assistance: 6
Objective 2: Support to the implementation of Ukraine's strategy in the area of energy efficiency and renewable sources of energy	70 (51%)	Budget Support: 63 Technical Assistance: 7
Objective 3: Twinning and ENP Support Technical Assistance	23.6 (17%)	Budget Support: 0 Technical Assistance: 23.6
	Total = 138.6 (100%)	Budget Support = 102 (74%) Technical Assistance = 36.6 (26%)

In 2008, ENPI national funding for Ukraine thus totalled €138.6 mn, of which €122 mn were taken from the €494 mn approved in the 2007 – 2010 NIP and €16.6 mn were disbursed through the Governance Facility in recognition of the country's efforts toward good governance.

The expected national allocation for 2009 is €116 mn, with Sector Budget Support (SBS) in transport and environment, as well as Twinning and other technical assistance in various sectors, expected to be priorities. There will be no Governance Facility allocation for Ukraine in 2009.

1.3.2 Regional Programmes: Complementing National Strategies

Eastern Regional Programme

The ENPI Eastern Regional Programme covers Ukraine, Belarus, Moldova, Azerbaijan, Armenia, Georgia, and Russia.

The 2007 – 2013 Eastern Regional Programme Strategy Paper (ERPSP) states that the regional strategy's principal objective is "[t]o facilitate and advance co-operation in areas of mutual interest and benefit between the partner countries themselves, and between the EC and the partner countries. This complements the objective of the individual national strategies (...)."³⁶

³⁵ Annual Action Programme 2008, pp. 1-2.

³⁶ Eastern Regional Programme Strategy Paper 2007–2013, p. 17.

To this end, the Eastern Regional Indicative Programme (RIP) for 2007 – 2010 identifies five priority areas for ENPI support to which will total €223.5 mn and explains the long-term impact, specific objectives, expected results, and indicators of achievement of each priority (please see Table 4 for details).

The most recent (2008) Annual Action Programme for the Eastern region identifies five programmes and projects to be funded, for a total of €38 mn.

Table 4. *ENPI Eastern Regional Priorities and Funding (2007–2010 RIP³⁷)*

Priority Area	Sub-Priorities	Indicative Budget (mn €)
Priority Area 1: Networks	Sub-priority 1: Transport Sub-priority 2: Energy Sub-priority 3: Small and Medium-sized Enterprise (SME) Regional Cooperation	56–78 (25–35%)
Priority Area 2: Environment and forestry	—	56–78 (25–35%)
Priority Area 3: Border and migration management, the fight against international crime, and customs	—	45–67 (20–30%)
Priority Area 4: People-to-people activities, information and support	—	22–34 (10–15%)
Priority Area 5: Anti-personnel landmines, explosive remnants of war, small arms and light weapons	—	11–22 (5–10%)
		Total = 223.5 (100%)

Interregional Programme

The Interregional Programme (IRP) is designed to foster cooperation between the EU and its Eastern and Southern neighbours. The Interregional Programme Strategy Paper (IPSP) for 2007 – 2013 states that

“[t]he role of the IRP is primarily to fund activities that are best implemented at interregional level for reasons of visibility, coherence, or administrative efficiency, but the interregional programme will also aim to gradually strengthen dialogue and cooperation between the EU and the ENPI region and between eastern and southern neighbours.³⁸”

The IPSP sets out five Priority Areas. The Interregional Indicative Programme (IRIP) for 2007 – 2010 elaborates on these priorities, **support to which will total €523.9 mn**, and explains the long-term impact, specific objectives, expected re-

³⁷ Eastern Regional Programme Indicative Programme 2007–2010, p. 4.
³⁸ Interregional Programme Strategy Paper 2007–2013 & Indicative Programme 2007–2013, p. 2

sults, and indicators of achievement of each priority (please see Table 5 for details).

Table 5. *ENPI Interregional Priorities and Funding (2007–2010 IRIP³⁹)*

Priority Area	Sub-priorities	Indicative Budget (mn €)
Priority Area 1: Promoting reform through European advice and expertise	<i>Sub-priority 1:</i> TAIEX <i>Sub-priority 2:</i> SIGMA	40 (7.6%)
Priority Area 2: Promoting higher education and student mobility	<i>Sub-priority 1:</i> Promoting institutional cooperation in higher education <i>Sub-priority 2:</i> Promoting student mobility	218.6 (42%)
Priority Area 3: Promoting cooperation between local actors in the partner countries and in the EU	—	14.3 (2.7%)
Priority Area 4: Promoting implementation of the ENP and the Partnership with Russia	—	n/a
Priority Area 5: Promoting Investment projects in ENP partner countries	—	250 (48%)
		Total = 523.9 (100%)

1.3.3 *Cross-Border Cooperation Programmes: Little Funding, but Big Opportunities for Border Regions*

While CBC only accounts for 5% of ENPI assistance, the 2007-2013 Cross-border Cooperation Strategy Paper (CBCSP) states that cross-border cooperation is a key priority and that ENPI has “considerably enhanced [its] scope, both qualitatively and quantitatively.”⁴⁰ Since 2007, CBC technical assistance has been provided through the Regional Capacity Building Initiative (RCBI).

The 2007-2013 CBCSP identifies four “core issues” to be addressed through 15 Cross-border-Cooperation technical assistance programmes (covering nine land borders, three sea crossings and three sea basins (please see Table 6 for details).

The 2007-2010 CBC Indicative Programme (CBCIP) explains in detail the specific objectives, expected results, indicators, and risks associated with the core issues laid out in the Strategy Paper. While CBC programming does not include Annual Action Programmes, each programme has its own financing agreement. While these agreements are officially in the public domain, they are, in practice, highly difficult to obtain.

³⁹ *Eastern Regional Programme Indicative Programme 2007–2010*, p. 4.

⁴⁰ *Cross-border Cooperation Strategy Paper 2007–2013 & Indicative Programme 2007–2010*, p. 3.

Total funding available for CBC programmes for the period 2007 – 2010 is €583.28 mn, of which €274.92 mn will come from ENPI and the remainder (€308.36 mn) from the European Regional Development Fund (ERDF). The CB-CIP foresees a further €535.13 mn for the period 2011 – 2013 (€252.23 mn from ENPI and €282.93 mn from ERDF).

Ukraine is participating in four of the 15 programmes currently financed (see Table 6 for details).

Table 6. Ukrainian Participation in CBC Programmes (2007–2010 CBCIP⁴¹)

CBC Programme	Indicative Programme Budget (mn €)
Poland/Belarus/Ukraine	97.1
Hungary/Slovakia/Ukraine/Romania	35.8
Romania/Moldova/Ukraine	66.1
Black Sea	9
	Total = 208

⁴¹ Cross-border Cooperation Strategy Paper 2007–2013 & Indicative Programme 2007–2010, p. 29.

2. Making ENPI Count: Planning, Implementation, Monitoring and Evaluation

Despite the fact that ENPI is designed to be a general, cohesive framework for technical and financial cooperation, its programming, implementation, and monitoring procedures are defined by myriad documents. This chapter will describe how the various components of ENPI are planned, implemented, monitored, and evaluated. It is divided into two sections: the programme level and the operational level.

At the programme level, it will describe the processes by which Strategy Papers, Indicative Programmes, and Annual Action Programmes are prepared and adopted. As most ENPI funding is channelled through the National Programme, primary emphasis will be placed on national-level programming. It should however be noted that CSP and IP programming processes are identical across the national, regional, and cross-border cooperation programmes. This first section will then examine programme-level implementation, monitoring, and evaluation.

At the operational level, however, a different structure must be used. Indeed, the various instruments through which ENPI assistance is translated into concrete actions each have their own planning and monitoring procedures. This second section will therefore be structured by instrument (budget support, technical assistance, Twinning, and TAiEX), rather than by phase.

The EC has much experience providing financial and other assistance to partner countries. It can therefore draw on a set of well-defined procedures to ensure the sound planning and management of its assistance. However, while EC programming may be sound, the operational level — which depends to a large extent on the Ukrainian side, whose aid management framework and experience are imperfect — does pose major challenges. This is especially true with the recent introduction of budget support, with which Ukraine lacks experience.

The planning and provision of ENPI assistance can be divided into three general phases.

1. Identification of strategic policy priorities by the Government of Ukraine

As ENPI is a policy-driven instrument, its assistance priorities are a function of Ukraine's own policy priorities. The content of ENPI Strategy Papers and Indicative Programmes thus ultimately depends on the strategic choices made by the Ukrainian authorities.

2. Programme-level planning, implementation, monitoring, and evaluation

The EC programming cycle is not attached to the Ukrainian policy planning schedule; nevertheless, the measures laid out in CSPs and IPs are designed to support the priorities of the Government of Ukraine.

ENPI programming involves consultations with the National Coordinating Unit (NCU) within the Ministry of Economy, which is the EC's key interlocutor in Ukraine.⁴² CSPs and IPs are however drafted and revised by the EC alone.

3. Operational-level implementation, monitoring, and evaluation

Implementation is the translation of assistance priorities into concrete measures through specific instruments, namely budget support, technical assistance, Twinning. The operational level leaves more room for Ukrainian input into types of aid and specific target areas, and relies on the Government of Ukraine for a significant portion of implementation, monitoring, and evaluation activities.

As the identification of strategic priorities by the Government of Ukraine (Phase 1) is an internal issue that is not part of ENPI-specific planning processes, this paper will focus on Phases 2 and 3.

2.1 The Programme Level:
The Strategic Thinking Behind ENPI

2.1.1 Programming: Focusing on Policy

As explained above, ENPI assistance is based on three programming documents drawn up by the EC. The key EC bodies involved in the preparation of these documents are indicated in Table 7 below. CSPs and IPs constitute the general framework, whereas AAPs are operational documents.

Table 7. Programming Documents and Responsible Bodies

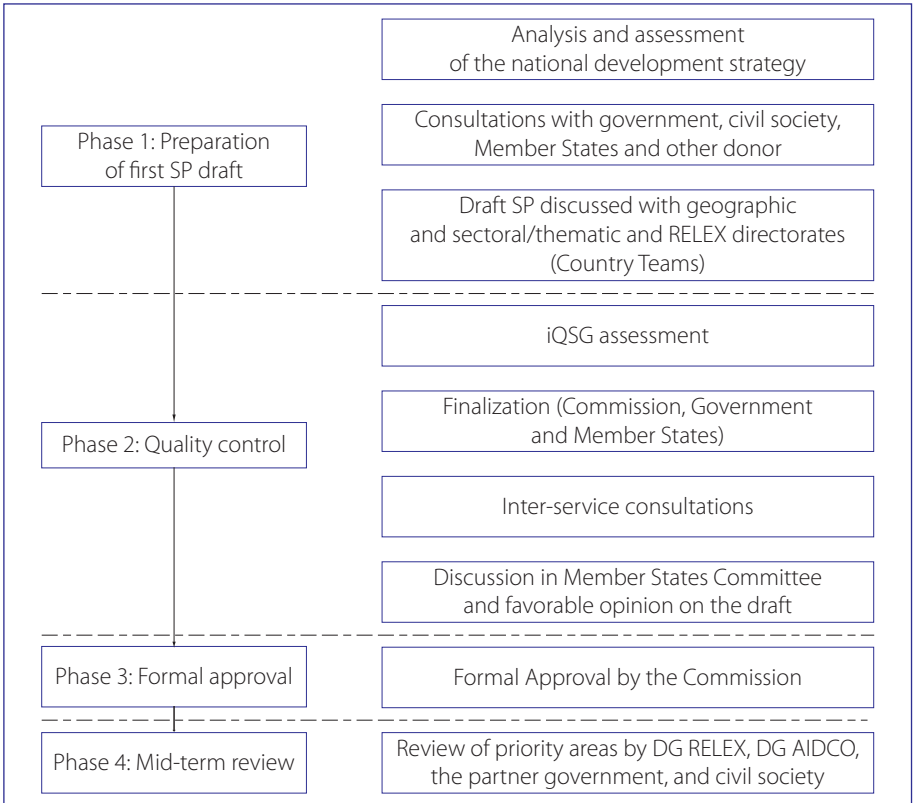
Programming Document	Responsible EC Body
7-year Country Strategy Paper	DG External Relations (DG RELEX), in consultation with local EC delegation
3- or 4-year Indicative Programme	DG External Relations (DG RELEX), in consultation with local EC delegation
Annual Action Programme	DG EuropeAid (DG AIDCO), in consultation with local EC delegation

⁴² as per Cabinet of Ministers Resolution №153, "On establishing a unified system for drawing, utilizing and monitoring international technical assistance." The Minister of Economy is the National Coordinator, and the Ministry's Department of EU Cooperation is the National Coordinating Unit.

2.1.1A Strategy Paper Preparation

SP preparation can take between a year and a year and a half. This drafting process involves many Commission services, as well as the EC delegation in the partner country and a number of local partners.

Diagram 2. Country Strategy Paper Preparation



1. First Draft

SP preparation is performed by DG RELEX, in consultation with the national authorities of the partner country. It begins with the analysis and assessment of the partner country's national development strategy. This allows an understanding of the partner country's needs, as well as of the possibilities for — and obstacles to — development.

Once this analysis has been performed, DG RELEX holds consultations with government, non-state actors, Member states and other donors. These consultations are intended to ensure that policy debates on development strategies include all interested stakeholders.

According to the EC Programming Guide for Strategy Papers,

"The role of EC Delegations is to facilitate the conduct of such dialogue between NSAs [non-state actors] on one hand and between local authorities [LAs] and government structures on the other, and not to play the proxy for the government. It is the responsibility of partner countries' governments to engage in constant dialogue with NSAs and LAs, and it is only in difficult cases (lack of political will on the part of government or lack of local tradition of participation of NSA and LA in these processes) that the Delegations should, as a last resort, take the initiative to conduct the consultation, without involving the government."⁴³

After these consultations, the draft SP is discussed with the relevant geographic and sectoral/thematic directorates; it is then prepared by the relevant geographical service (desk) and EC delegation. The national desk officer then consults and coordinates the support of a "country team."⁴⁴

2. Quality Control

The Interservice Quality Support Group⁴⁵ (iQSG) is responsible for ensuring the quality of SP documents, as well as their internal and external coherence. Once iQSG has revised and approved the draft SP, it is sent back to the relevant EC delegation, which discusses the changes made with the partner government. It then goes through Inter-Service Consultations (ISC).⁴⁶ Once the necessary changes (if any) have been made, the draft SP is submitted to Member States via the ENPI Management Committee. Only after the SP draft has received a favourable opinion from the Committee can it be submitted to the Commission for formal approval. If substantial modifications are needed, the draft is sent back to the responsible geographical service.

3. Formal Approval

The procedure of formal approval is complete when a SP document is signed and when "an Order for service" is addressed to the Director-General of AIDCO in order to launch the implementation of the strategy.

⁴³ http://ec.europa.eu/development/icenter/repository/iqsg_consultation_NSAs_en.pdf. Emphasis added.

⁴⁴ A "country team" is a network consisting of the whole range of Commission services that are involved in the cooperation with the country concerned. Source: www.ec.europa.eu/development/how/iqsg

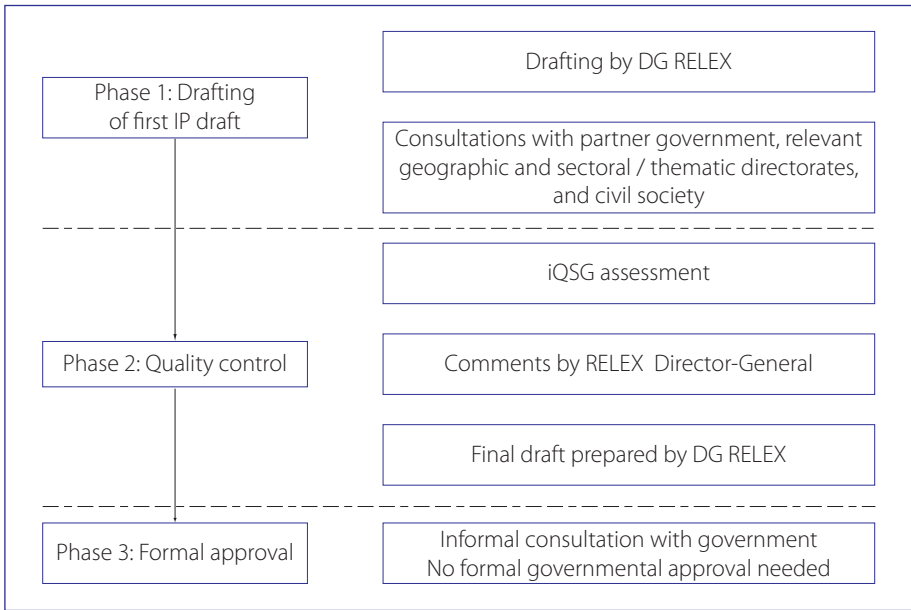
⁴⁵ iQSG are envisaged to ensure the coherence and the quality of EC external cooperation aid. The formal decision to establish such a group, its membership and mandate was taken on 20th September 2000 by the Group of RELEX Commissioners.

⁴⁶ The ISC is restricted to AIDCO, ECHO, DEV, RELEX, TRADE, Legal Service, SG, and DG Translation. Other DGs (e.g. AGRI, ENV, FISH, SANCO, JAI) can be consulted when appropriate. As a rule of thumb, the same services that are involved in the "country team" should be included in the ISC. http://ec.europa.eu/development/how/iqsg/programming_main-steps_drafting_en.cfm

2.1.1B Indicative Programme Preparation

The Indicative Programme refines the priorities set out in Strategy Papers and sets out an indicative budget for a three- or four-year period. With its detailed information on areas for cooperation, priorities and project goals, it serves as the framework within which Annual Action Programmes are prepared.

Diagram 3. National Indicative Programme Preparation



1. First Draft

The draft IP is prepared by DG RELEX in consultation with the partner country government and with the relevant geographic and sectoral/thematic directorates.

2. Quality Control

The IP draft is submitted to iQSG for quality assessment. As with the draft SP, iQSG assesses the overall quality of the document, as well as its internal coherence and its coherence with other documents. The draft is then commented upon by the Director-General of DG RELEX. The final draft is prepared by DG RELEX and presented to the ENPI Management Committee.

3. Formal approval

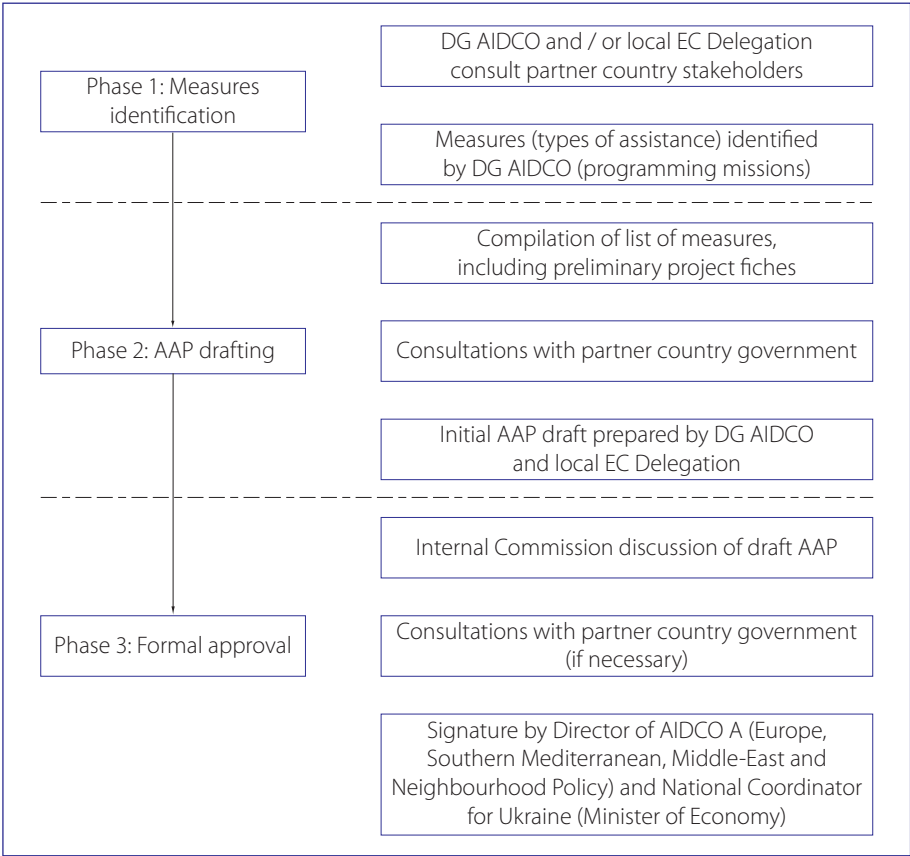
Under the ENPI regulation the Government is not required to approve the NIP (Takis, on the other hand, did require governmental approval). The Commission

informally consults the Government to ensure that important areas are covered and to strengthen national ownership. Ultimately, the Government will give its formal approval by signing the financing agreements for the projects through which the NIP will be operationalised.

2.1.1C Annual Action Programme Preparation

AAP preparation is sometimes called the “identification phase.” It connects the overall strategy contained in the CSP and IP to the specific measures and initiatives needed for its implementation. Action Programmes define specific sectors and projects to be supported, as well as the expected results, management procedures, and budget. They also detail operations and set out an implementation timetable.

Diagram 4. Annual Action Programme Preparation.



1. Measures (types of assistance) identification

Measures identification is mainly performed through programming missions, during which EC representatives (DG AIDCO and/or the local EC delegation) consult stakeholders in the partner country in order to define the specific measures to be taken to implement the Strategy Paper and Indicative Programme. Country stakeholders namely include the government, other donors, and potential beneficiaries.

2. AAP drafting

Once the measures have been identified, they are presented in the form of identification fiches. The identification fiches are reviewed by the iQSG and if the proposed actions are approved, DG AIDCO and the local EC Delegation then drafts the AAP Memorandum and the action fiches, consulting the government as necessary.

3. AAP approval

The draft AAP is discussed internally by the Commission; it is then submitted to iQSG for quality control, after which it is submitted to Member States for approval. The Financing Agreement is signed by the National Coordinator in Ukraine and the Director of AIDCO A (Europe, Southern Mediterranean, Middle-East and Neighbourhood Policy).

Planning, Implementation, and Monitoring of Cross-border Cooperation Programmes

CBC programmes are implemented through individual seven-year Joint Operational Programmes (JOPs) defined by programme partners and adopted by the Commission. These JOPs lay down programme objectives, priorities and measures to be taken, as well as eligible regions, rules for participation, an indicative budget, and the composition of a Joint Monitoring Committee. Ukraine is currently participating in four CBC programmes (see section 1.3.4 for details).

1. Planning

Measures identification

As only grants are used, the measures identification phase is not explicitly defined.

JOP drafting

All participating countries submit recommendations to the Commission.

JOP approval

The Commission adopts the JOP after assessing its consistency with the ENPI Regulation and all implementing rules.

2. Implementation

JOP implementation is managed by a Joint Managing Authority (the competent executive body of one of the participating EU Member States). The granting of CBC funds is performed through a call for proposals managed by the JMA, with allocation decisions

made by a Joint Monitoring Committee (JMC). The JMC, established within a month of JOP approval by the EC, is the programme's main joint decisionmaking structure. While its composition is defined by the JOP, it must comprise representatives of all participating countries. In addition, EC Regulation #951, Article 11.2, states that

in addition to the duly appointed representatives, it is important that the participating countries ensure the adequate participation of the civil society (local authorities, economic and social partners, civil society) to ensure the close association of different local stakeholders in the implementation of the joint operational programme.

However, the regulation neglects to specify how this participation is to be ensured, and none of the four CBC programmes in which Ukraine is involved include NSAs as full-fledged members of their JMCs. They do, however, allow for the participation of external in "observer" or "advisory" capacities.

3. Monitoring

While the ENPI National and Regional Programmes do not have their own monitoring procedures, Cross-border Cooperation does. The JMA and JMC (the latter of which must include civil society representatives) are responsible for monitoring of CBC programme implementation. The following monitoring tools are used:

- Indicators, which are specified in the strategic part of the Programme document by JMA. There are two sets of indicators: the first deals with monitoring and evaluation activities at the programme level, and the second, specific to each project, with project-level monitoring.
- a Management Information System related to the European territorial Cooperation (MIS-ETC).

The responsible bodies for monitoring these two sets of indicators are:

Joint Monitoring Committee	Main joint decisionmaking body. Consulted on the indicators system during the entire programming period and at the beginning of the programme implementation phase to verify that the indicator system can function properly.
Joint Managing Authority	Implements the JOP and JMC decisions; monitors programme indicators using the MIS-ETC system.
Joint Technical Secretariat	Monitors project indicators using the MIS-ETC system (along with the Lead Partner); twice a year, submits a synthesized version of programme-level indicators to the JMA.

Evaluation

The Commission carries out ex ante, mid-term, ex post, and, where necessary, ad-hoc evaluations of the Programme. The Programme can be adjusted upon the results of evaluation, which are submitted to the JMC and JMA.

2.1.2 Programme-level Monitoring and Evaluation: An Incomplete System

ENPI is monitored and evaluated through the mid-term review process described below. Country-level evaluations are also carried out on a regular basis, usually following the seven-year CSP cycle (or otherwise as needed). These evaluations are launched and managed by the AIDCO/RELEX Joint Evaluation Unit, which provides for the external independent assessment of the Commission's expenditure programmes.

The next country-level evaluation for Ukraine will be launched in September 2009. It will cover the period 2002-2008, and will:

- assess the relevance and consistency of the Commission's cooperation strategies, across all instruments;
- assess the coherence, coordination, complementarity, and consistency of cooperation strategies;
- assess the impact, sustainability, effectiveness, and efficiency of Commission cooperation;
- review the intended impact for the period 2007-2013;
- assess the extent to which the recommendations of the previous country-level evaluation for Ukraine (covering the period 1996-2001) have been taken into account;
- assess the coherence of Commission cooperation with the PCA and the Action Plan.

As described in section 3.2, the in-depth monitoring and evaluation of ENPI funding are carried out at the project level (covering either individual projects or groups of projects in the same sector). This programme-level section was prepared on the basis of various official documents and consultations with EC officials.

Mid-term CSP Review / Preparation of New IP

Country Strategy Papers are reviewed by the EC at the three- or four-year mark, as part of the drafting process for the new National Indicative Programme. The exercise is designed to identify:

- "a. Areas which have not been adequately covered by European Community or other donor assistance but which represent key priority areas in need of financial assistance;
- b. Areas for which follow-up assistance is required to previous programmes;
- c. Areas which have been covered in the past, and for which assistance is no longer a priority.⁴⁷"

⁴⁷ EC Concept Note on "Potential Priority Areas for ENPI National Indicative Programme (NIP) for Ukraine – 2011 – 2013," p. 1.

The mid-term review exercise, which takes approximately one year, is carried out by DG RELEX with the participation of DG AIDCO, the appropriate EC Delegation, government of the partner country, and interested non-state actors, which are invited to submit comments and recommendations and participate in roundtable discussions. In Ukraine, preparation of the 2010-2013 IP is nearing its completion: a final draft is scheduled to be ready by 30 June, with a Commission decision expected in early 2010. (Please see Chapter 4, as well as Annex 1, for further details.) As for Annual Action Programmes, their implementation is not monitored or evaluated at the programme level; it is at the project level that their in-depth monitoring and evaluation take place. These processes are described in section 2.2.

2.1.3 *NSA Involvement: A Long Way to Go*

The Commission has made a laudable effort to consult NSAs during the ENPI planning process, but the number of formal and accessible entry points remains limited. NSAs can participate in the CSP mid-term review and the AAP preparation process, but participation in the initial CSP elaboration process is optional and depends on the Ukrainian authorities, which have limited experience and have exhibited little interest in soliciting input from non-state actors. Indeed, while developments in recent years have seen the Government of Ukraine slowly open the policymaking process to NSAs, the absence of clear and mandatory procedures for involving NSAs in aid management has made it easy to overlook these commitments. Hence, despite the fact that both the Commission and the Government have recognized the need for NSA input in ENPI planning and monitoring, only the Commission has taken concrete steps to fulfil it.

2.2 Operational Level: Translating Policy into Action

As mentioned at the top of this chapter, each operational instrument has its own planning, implementation, and monitoring processes. This section will describe the processes associated with four central instruments: budget support, individual technical assistance projects, Twinning, and TAiEX.

2.2.1 *Budget Support: Unrealized Potential*

Budget support, which accounts for over 70% of ENPI funding to Ukraine for the period 2007–2009, stems from a need to enhance national ownership and coordination of foreign aid. Indeed, the European Consensus on Development states that

“The European Commission now has a more clearly defined coordinating and directing role on behalf of the EU and its member states. Aid can be given using a variety of instruments, that is, from technical assistance to general/sectoral budget support. **The EU is hoping to gradually increase**

the percentage of budget support to third countries—to 50% of aid by 2010.⁴⁸

The introduction of sector budget support is a positive step, as it will encourage the Ukrainian authorities to think about sectoral development while at the same time providing useful tools (namely concerning benchmark elaboration). Experience in other regions suggests that budget support can also have a positive impact on countries' public procurement systems, as the EU requires that beneficiary countries modernize their systems.

It is no secret that Ukraine's public procurement system exhibits significant deficiencies. This problem represents a major obstacle to the sound use of the budget support instrument, as it handicaps the entire public financial management process. In fact, a recent SIGMA report stated that "persistent and increasing doubts on the current public procurement legislation and related institutional arrangements, together with the weaknesses of the PIFC [Public Internal Financial Control] system, allows criticism regarding the future capacity to control spending in EU funded projects.⁴⁹" It is still debatable whether the Ukrainian authorities will be willing to modify their practices and comply with the EU's conditions. Hence, the ultimate effect of budget support remains to be determined.

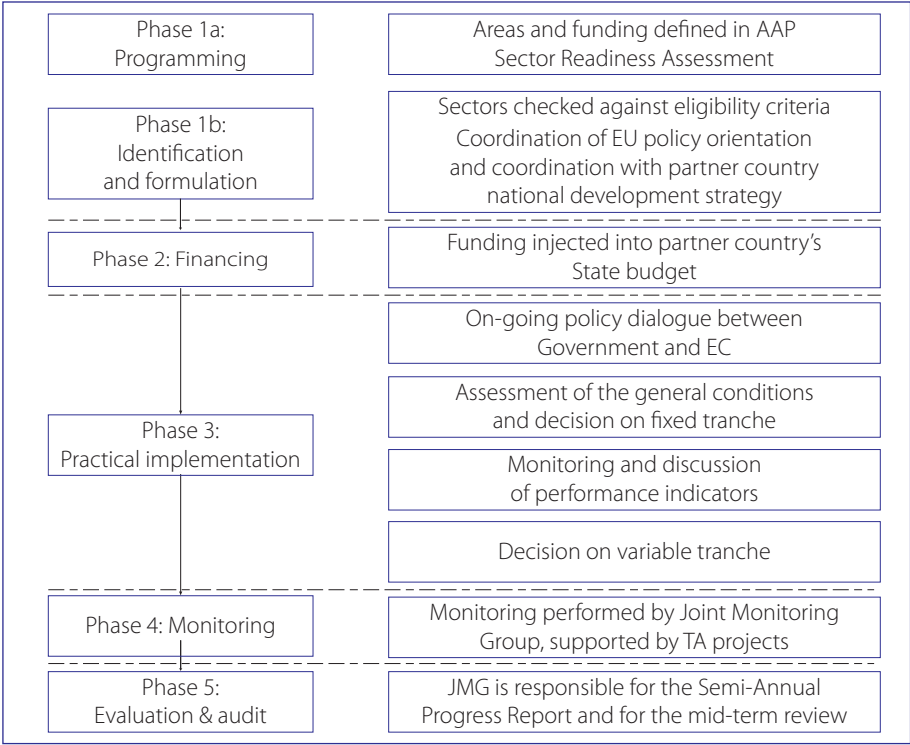
⁴⁸ The European Consensus, (2006/C 46/01), joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy.

⁴⁹ SIGMA Ukraine Governance Assessment Update — February 2007, p.3.

The Budget Support Cycle⁵⁰

Broadly speaking, budget support (BS) uses a 5-stage mechanism.

Diagram 5. Budget Support Cycle



1. Programming

The identification of sectors is the result of negotiations between the EC and the government of Ukraine. Priority areas and specific allocations for BS assistance are laid out in the aforementioned ENPI programming documents (CSPs, NIPs, AAPs). They are based on the following:

- the Commission's overall country strategy;
- the current agenda of EU-Ukraine relations;
- achievements of the Commission's past cooperation with the Government;
- a Sector Readiness Assessment (SRA).⁵¹

⁵⁰ "Sector Budget Support Aide Memoire", prepared by European Consultants Organization (ECO) as part of a technical assistance project called >Support to the National Coordination Unit."

⁵¹ As noted in section 1.1.1, the seven areas assessed in the SRA are: (i) National development or reform policy and strategy; (ii) Macroeconomic context; (iii) Budget and Medium Term Expenditure Framework (MTEF); (iv) Public Financial Management; (v) Donor Coordination; (vi) Performance Measurement; (vii) Institutional assessment and capacity development.

However, NSA participation in BS sector definition is not mandatory, and as a result no external stakeholders are involved in the sector selection process.

Budget support procedures are laid out in a set of guidelines published by DG AIDCO and DG RELEX. According to these guidelines, during the identification and formulation process attention is paid to:

- eligibility criteria (national policy and strategy, macroeconomic framework, public financial management);
- wider analysis of the context (the budget, donor coordination, performance measurement, capacity development);
- the policy orientations of the EU;
- lessons learnt from previous experience;
- other planned interventions.⁵²

The programming process also includes the formulation of performance indicators used to determine whether the partner country has respected the minimum criteria for disbursement of the various tranches of budget support. These are determined jointly by DG AIDCO (supported by external experts), the Ministry of Economy (as National Coordinator), the Ministry of Finance, and the ministry receiving the budget support (see the box titled "General Performance Indicators for Disbursement of Energy Sector Budget Support to Ukraine" and Annex 4 for examples of performance indicators).

2. Financing

The money is transferred from the EC to an account specifically opened by the Ministry of Finance at the National Bank of Ukraine (NBU). The NBU changes the Euros into hryvnias. The funds are then transferred to the account of the sectoral ministry receiving budget support at the State Treasury of Ukraine. As mentioned above, funding is broken down into tranches, with the initial tranche transferred after signing the Financing Agreement, and subsequent ones conditional to the respect by national authorities of predefined performance indicators, as assessed by the Joint Monitoring Group (see below).

⁵² While identification and formulation are not per se part of the programming phase, the , "Guidelines on the Programming, Design & Management of General Budget Support" state that "the identification and formulation stages should be seen as part of a continuous process of programme preparation addressing similar issues. The distinction between identification and formulation is to some extent an administrative one based on the presentation of an Identification Fiche (at the end of 'identification') and the presentation of a Financing Proposal or Annual Action Programme/Action Fiche (at the end of 'formulation')." Source: DG AIDCO & DG Relex, "Guidelines on the Programming, Design & Management of General Budget Support," January 2007, p. 40.

3. Practical Implementation

As it becomes part of the beneficiary country's own budget, budget support is used according to the relevant authorities' (usually a Ministry) own financial management procedures.

According to the Guidelines on the Programming, Design & Management of General Budget Support, implementation concerns two main areas: (i) "pursuing dialogue on key areas such as national policy and strategy, the macroeconomic framework, and public financial management;" and (ii) "reporting to EC headquarters on these issues."⁵³ This phase usually involves the following:

- On-going policy dialogue between the Government and the EC (with the possible involvement of other development partners);
- Assessment of the general conditions and decision on the fixed tranche;
- Monitoring and discussion of the performance indicators;
- Decision on the variable tranche (BS funding whose transfer is conditional to the partner country's respect of conditions set out in the relevant BS Financing Agreement).

4. Monitoring

Before transferring BS funding, the European Commission reviews the partner country's compliance with the pre-established performance indicators. **Once the funds have been transferred to the recipient country's Treasury, the Government of the beneficiary country becomes solely responsible for their management.**

The introduction of budget support has shifted much of the responsibility for the monitoring and evaluation of EC assistance toward the Government of Ukraine, as oversight of the utilization of these funds is handled by the competent ministry in the beneficiary country. A **Joint Monitoring Group** (JMG, see Annex 4), established by the relevant ministry and composed of Ukrainian and EC officials, develops a monitoring system and oversees the execution of each program. The primary functions of the JMG are the establishment of a monitoring system, oversight, the coordination of data collection in line with the achievement of a set of benchmarks, the preparation of a semi-annual joint EU-Ukraine Progress Report, and the drafting of a mid-term review.

NSA inclusion on the JMG is neither prescribed nor proscribed, but the question could be raised by either the governmental body receiving the budget support or the EC, which could make NSA representation mandatory. Still, it should be noted that in Ukraine almost all central executive bodies have established consultative "Civil Councils" composed of NSA representatives.

⁵³ DG AIDCO & DG Relex, "Guidelines on the Programming, Design & Management of General Budget Support," January 2007, p. 70.

While enhancing national ownership of aid, the introduction of budget support has also increased the need for capacity-building:

- within the Ukrainian civil service: very few people within the Ministry of Economy and the Ministry of Foreign Affairs have a solid general understanding of ENPI, thus making both strategic thinking and effective monitoring difficult;
- within Ukrainian civil society: the shift from EC to Ukrainian planning and monitoring has left a gap that must be filled by NSAs.

Indeed, Ukraine's first budget support exercise, called "Support to the implementation of Ukraine's Energy Strategy," is currently underway. While Ukrainian authorities are currently in the process of developing procedures for the JMG (with assistance from the EC), they have no experience dealing with budget support and only a limited understanding of its potential benefits. The process is therefore moving slowly. In addition, at the time of publication the funds received in December 2008 had still not been used. The effectiveness of budget support in Ukraine can therefore not yet be assessed.

5. Evaluation and Audit

The Joint Monitoring Group performs a number of evaluation functions; independent evaluations are also carried out as needed.

Semi-Annual Progress Report

This short report summarizes the main findings on SBS implementation and includes analysis and comments on progress, constraints, and gaps based on the SBS indicators. It also analyzes progress toward reaching a predefined set of benchmarks.

Mid-Term Review

This is also performed by the JMG, supported by the EU TA/Support Project. It forms the basis for progress assessment and determines the size of the variable tranche to be released, as well as map out current and planned actions. The Mid-term review is therefore a critical document.

BS audit

Audit of national accounts is carried out by the Accounting Chamber or equivalent of the partner country. In the case of Ukraine, this is the State Control-Revision Department. It is the responsibility of the national authorities to carry out audits of national accounts. The EC does not carry out financial audits of untar-geted budget support. Once disbursed to the national Treasury, these funds are fungible and it is no longer possible to trace their "use".

General Performance Indicators for Disbursement of Energy Sector Budget Support to Ukraine (detailed in Annex 4)

Tranche 1 (initial)

- Establish Joint monitoring group (JMG) with a view to following up fulfillment of the programme's conditions
- Adoption of the Law on State Budget 2008 and the financial regulation necessary for implementing the Budget support programme

Tranche 2 (conditional)

- Submit and implement a Law on Public Procurement in line with EU Norms
- Further strengthening of the capacity and independence of the National Electricity Regulatory Commission
- No increase in the quasi-fiscal deficit in the energy sector compared to 2006
- Achieve concrete progress on the preparation of the integration of Ukraine into the EU Energy market
- Adopt and ensure further implementation of a modernization plan for the oil and gas transit network (trunk pipelines)
- Finalise with the international financial institutions the financing agreements for priority infrastructure projects, taking into account the list of projects defined in the Aide-Mémoire of 22 October 2006 between the European Commission and the Ministry of Fuels and Energy
- Draft the primary and secondary legislation necessary to achieve harmonisation with the EU Oil Directives, including the establishment of the institutional arrangements for the management of strategic oil stocks. Enforce the adopted legislation
- Design and begin construction of a pilot international gas metering station at one of the entry points into the gas transit system of Ukraine
- Energy intensity of the economy in 2010 is reduced by at least 10% compared to 2005
- Improvement of energy efficiency of the gas compressor stations on the gas transit system (trunk pipelines) through their modernization

2.2.2 *Individual Technical Assistance Projects: Clear Procedures, But an Imperfect System with Unclear Outcomes*

Individual TA projects are identified in AAPs and implemented by private consulting firms. Individual project Terms of Reference (ToRs) are prepared either by EC staff or by external consultants, with participation from the National Coordinating Unit⁵⁴ when necessary.

⁵⁴ The drawing and use of EU technical assistance are governed by Presidential Decree №1238 of 1 November 2003, according to which the Minister of Economy is the National Coordinator for EU technical assistance and the Department of EU Cooperation within the Ministry of Economy is the National Coordinating Unit.

The EU technical assistance programming process follows a Project Cycle Management model. The Department of EU Cooperation, which is the National Coordinating Unit in Ukraine, is especially involved in the first 2 phases of the project cycle:

1. strategy definition/annual programming; and
2. project identification.

The latter phases of the project cycle (financing, implementation, and monitoring) are managed by the EC, with the administrative participation of the Ukrainian authorities. The only exception is evaluation, which is carried out solely by the EC (albeit with governmental input).

1. Planning

The MoE requests the central executive bodies (CEBs) to define their international technical assistance needs. It then analyses all the proposals submitted as to their relevance to the priority areas defined in the annual State Programme for Social and Economic Development and in the corresponding development programmes. Based on this analysis, the MoE prepares a consolidated document that forms the basis for a Strategy for Drawing International Technical Assistance. Donors and the MoE then prepare Annual Action Programmes based both on general proposals put forward by the MoE and on donors' own aid strategies. These Action Plans state the goals, areas of activity, expected results, management procedures, and overall amount of financing for Ukraine.

2. ToR drafting and approval

Technical assistance projects are designed by the local EC delegation, DG AIDCO, external consultants (according to the needs expressed by the beneficiaries, in consultation with the National Coordinating Unit), line ministries, and other stakeholders. Once the Terms of Reference are approved by the competent EC services (namely DG AIDCO), they are sent to the beneficiary country for written approval.

3. Implementation

Implementation begins with a tender process during which bidders are invited by the EC delegation to propose their services for the technical assistance project in question. Once the tender is completed, a contract is signed and copies thereof are submitted to the subcontracting firm and to the NCU (for information). The contractor then implements the project, under the supervision of the local EC delegation.

4. Monitoring⁵⁵

Technical assistance monitoring is generally carried out by external experts hired by the EC delegation. In this instance, monitoring can be defined as the systematic and continuous collecting, analysis and using of information for the purpose of management and decision-making in order to:

- Ensure that projects remain on course to reach their purpose, with any adjustments being made with minimal disruption;
- Support regular reporting mechanisms;
- Ensure early feedback from project implementation to subsequent project design.⁵⁶

On the EC side, there are two types of monitoring: internal and external.

Internal monitoring

Internal monitoring is an integral part of day-to-day project management. The contractor monitors and reports on the following basic issues on a regular basis:

- Which activities are underway and what progress has been made?
- At what rate are the means being used and cost incurred in relation to progress in implementation?
- To what extent are the results furthering the Project Purpose?
- What changes in the project environment occur? Do the Assumptions hold true?

Internal monitoring can be either "traditional" (financial monitoring performed by the Delegation), or "operational" (aimed at monitoring the operational success of projects).

Internal monitoring provides information by which implementation problems can be identified and solved and progress can be assessed. It allows the project management (contractor and Commission Project Manager) to verify whether results and purpose are met, and to analyse changes in the project environment, including key stakeholders, local strategies and policies. If progress falls short, corrective action is taken.

External monitoring

External monitoring is a monitoring system organized by the services of the European Commission through which external monitors are contracted to provide independent follow-up on project progress (as per the EU monitoring programme).

⁵⁵ Points 4 (Monitoring) and 5 (Evaluation) were prepared with the help of the "Practical Handbook on the Basics of Programme/Project Monitoring & Evaluation," drafted as part of a TACIS project called "Support to the NCU in Ukraine."

⁵⁶ EuropeAid Co-operation Office, *Handbook for Results-Oriented Monitoring of EC External Assistance*, April 2008, p. 12.

While external monitoring used to be conducted mainly through in-person visits, since 2002 – 2003 emphasis has been placed on results-oriented monitoring. Monitors examine project implementation, make field visits to project sites, and interview relevant stakeholders. They also prepare progress reports and possible recommendations for improvement. In principle, similar questions are asked as in the internal monitoring but instead of operational, activity and implementation issues, they focus on results and the achievement of project objectives. Therefore, questions on relevance, impact, and sustainability are also raised.

External monitoring has a project advisory role and is aimed at improving the implementation of projects in order to achieve project purposes timely, effectively and efficiently. Monitoring is not inspection, but careful analysis of the whole project process resulting in conclusions and recommendations.

On the Ukrainian side, the Ministry of Economy regularly receives reports from TA project and program executors, and this data is stored in a database. Still, **performance assessments for projects and programs are not undertaken**, as TA funding is largely absorbed by foreign organizations the Ministry of Economy is not interested in evaluating the effectiveness of these projects and programs.

5. Evaluation

Evaluation is the assessment of an ongoing or completed project, programme or policy, its design, implementation and results. Its aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability. Evaluation provides information that is credible and useful, enabling the incorporation of lessons learned into the decision-making processes of both recipients and donors.

In most cases evaluation is conducted *post-facto*, and its main task is to provide recommendations for future activities. It is performed by external consultants in the framework of contracts with DG EuropeAid. There are both geographic and thematic coordinators.

Significantly, despite the EC's relatively extensive monitoring and evaluation system, TA projects are assessed not on their impact, but on their fulfilment of predetermined management criteria (deadlines, budgets, etc.).

Monitoring Criteria for Technical Assistance Projects

Monitors address the following points:

a) Relevance and Quality of Design

The appropriateness of the project purpose to the problems it was supposed to address and to the physical and policy environment within which it operates

b) Efficiency

The cost, speed and management efficiency with which inputs and activities were converted into the results and the quality of the results achieved

c) Effectiveness

The contribution made by results to the achievement of the project purpose and how assumptions have affected project achievements

d) Impact to date

The effect of the project on its wider environment and its contribution to the wider objective as summarized in the project's overall objectives

e) Sustainability

The likelihood of a continuation of the stream of benefits produced by the project. Sustainability begins with project design and continues throughout project implementation

2.2.3 *Twinning⁵⁷: A Clear System with Clear Outcomes*

Twinning is new to Ukraine, as its procedures and practices were initially developed for pre-accession countries. It differs from other types of technical assistance in that it is a purely government-to-government tool, with EU Member States contributing to capacity-building in beneficiary countries through the long-term secondment of their public servants. Twinning therefore does not involve intermediaries or external actors, such as NSAs; it also has its own set of approval procedures.

1. Planning

Twinning planning is based on the Annual Action Programme. A Twinning Programme Administration Office (PAO) for Ukraine has been established within the Centre for Adaptation of the Civil Service to the Standards of the EU, which is itself part of the Main Department of the Civil Service of Ukraine (MDCSU). It is responsible for the coordination of all Twinning related activities in Ukraine.

The MDCSU informs the other Ukrainian authorities of Twinning opportunities by February 1 of each year, after which interested governmental bodies then submit project proposals. The selection of Twinning projects is followed by the signing of framework contracts drafted by the Ukrainian authorities in close co-operation with the European Commission and the Twinning PAO.

⁵⁷ The timeline of Twinning preparation and launching is provided in the Annex 3.

The MDCSU directs and coordinates activities in the preparation and execution of the Twinning program in Ukraine. The Administrative Office coordinates the preparation of Twinning projects, analyzes project proposals and prepares a list of draft proposals for review and approval by the Ukrainian side of the EU – Ukraine Cooperation Committee, provides government bodies with consultations and methodological assistance in preparing and executing Twinning projects, and monitors the progress of all projects.

2. Implementation

The coordination and management of the Twinning programme in Ukraine are performed by the main Twinning stakeholders (the “twinned” ministries of Ukraine and of the EU Member State seconding an official).

Once the project is identified, the process of contract preparation begins. The beneficiary administration, together with EC Delegation, sends the Twinning project fiche to EC Headquarters and the Twinning PAO. Once EC HQ has approved the project fiche, the delegation circulates it to EU Member States – potential National Country Partners (NCPs). These potential NCPs submit proposals to the Delegation, which then presents them to the beneficiary country. Once a “twin” administration has been selected, a contract is drafted. The Twinning project is considered officially “launched” once its contract has been signed.

3. Monitoring

Twinning in Ukraine is regulated by CMU Resolution № 154, dated July 7, 2007, “The Procedures for Organising the Preparation and Implementation of Twinning Projects in Ukraine,” according to which the MDCSU monitors projects by establishing supervisory committees⁵⁸ and by approving quarterly project reports. When necessary, the MDCSU can have issues pertaining Twinning project realization included on the Ukrainian side of the EU – Ukraine Cooperation Committee.

Table 8. Twinning Implementation in Ukraine

Stakeholder	Activities
EC Delegation to Ukraine	manages the EU’s external assistance performs the functions of Contracting Authority for Twinning projects, including in particular contracting and financial control functions
NCU	organizes and coordinates EU technical assistance
Twinning Programme Coordination Group (TPCG)	coordinates planning and implementation of the Twinning Programme in the wider context of EU assistance to Ukraine
Main Department of the Civil Service of Ukraine	coordinates and directs the preparation and implementation of the Twinning Programme in Ukraine
The Twinning Programme Administration Office	coordinates and facilitates the practical implementation of Twinning projects, monitors the results of project implementation, develops drafts of legal documents and strategic policy papers

⁵⁸ These consist of Twinning Project Leaders, Resident Twinning Advisers, representatives of EC in Ukraine and Twinning Program Administration Office.

2.2.4 TAIEX: Answers in Real Time

Unlike budget support and technical assistance, which are implementation tools, TAIEX (Technical Assistance Information Exchange) is an instrument in and of itself. It is provided by the European Commission to foster the exchange of information necessary to the institutional capacity-building needed to adapt national legislation to the *acquis communautaire*. TAIEX was created in 1996 by the EC's Directorate-General for Enlargement in order to assist candidate countries in resolving problems instituting the EU *acquis* in a short time-frame.

The TAIEX instrument is used in Ukraine in accordance with the "Procedure for preparing and executing plans to draw foreign aid from the European Commission under the TAIEX program," and is legally underpinned by CMU №316 "On the Order improvement for preparation and realization of the European Commission foreign aid attraction in the framework of TAIEX" of April, 9, 2008. The MDCSU coordinates activities related to TAIEX issues in Ukraine. It also provides government bodies with consultations and methodological assistance in preparing and executing the TAIEX instrument.

Executive and local executive bodies set up working groups aimed at attracting TAIEX assistance.⁵⁹ These working groups bring together representatives of various relevant sectors, including strategic and financial planning, organizational development, public relations, and legal professions. TAIEX projects can be solicited by officials in line ministries dealing with EU community legislation, public servants on regulatory or supervisory bodies and inspectorates, and other officials in charge of implementing or enforcing legislation. Parliamentary officials, judiciary and law enforcement officials, municipalities, social partners, and private sector associations are also eligible.

1. Planning

The MDCSU collects proposals from the central executive bodies (CEBs) by May 15th and November 15th of each year. Prior to this, local executive bodies can submit their proposals to CEBs by May 5th and November 5th. The MDCSU prepares a draft six-month plan and submits it to the Ukrainian Part of the EU-Ukraine Cooperation Committee for approval.

2. Implementation

TAIEX projects are usually specific events (seminars, expert missions to Ukraine, study visits to EU Member States, etc) designed to allow the exchange of skills and knowledge between Ukrainian officials and experts from EU member states in a variety of sectors. For the implementation of TAIEX events, the beneficiaries create working groups are usually headed by the deputy head responsible for European integration issues in the competent central executive body.

⁵⁹ Source: The Main Department of Civil Service.

3. Monitoring

TAIEX programmes are monitored by the MDCSU. The heads of the working groups submit reports to the MDCSU; these reports include the title, date, and venue of the TAIEX event, its participants, and the concrete results achieved thanks to the skills/knowledge gained (e.g. legal documents, propositions, specific measures, etc.).

3. NSA Involvement in ENPI: a Long Road Ahead

While some initiatives (such as cross-border cooperation) enjoy robust and clear monitoring mechanisms, others (namely budget support) do not. This is in part attributable to the fact that the wide range of measures and programmes available under ENPI has resulted in ambiguous or unclear procedures for the planning, monitoring, and evaluation of assistance. In addition, two initiatives, Twinning and TAIEX, have been set apart from other technical assistance initiatives and fall under separate resolutions of the Cabinet of Ministers. This is likely to detach them from Ukraine's wider technical assistance strategy, making them more instrument-driven than policy-driven.

NSAs need to be further involved at the operational level. The involvement of Ukraine's think-tanks and advocacy groups would bring a significant value added to the budget support instrument, and there could also be much to gain from injecting NSA participation, where appropriate, into TA projects carried out by foreign consulting firms. In addition, the ENPI website suggests that NSAs get involved in "the monitoring of ENPI implementation," without specifying how or at what level (overall programme implementation or project execution). While it is relatively easy to imagine NSA participation in programme-level monitoring (by establishing benchmarks and assessing progress made in the various priority areas set out in CSPs and NIPs), project monitoring poses a challenge due both to the lack of publicly available project-specific information and to the monitoring structures established by ENPI. For example, NSAs are excluded from the Joint Monitoring Groups set up to follow the implementation of budget support projects.

3.1 Opportunities on the EC and Ukrainian sides

3.1.1 *The EC General Framework: Good Intentions*

The European Consensus on development⁶⁰ strengthens the principle of civil society participation by defining it as one of the "common principles" of EU assistance. Thus, the EU

"...supports the broad participation of all stakeholders in countries' development and encourages all parts of society to take part. Civil society, including economic and social partners such as trade unions, employers' organisations and the private sector, NGOs and other non-state actors of

⁶⁰ Joint statement by the Council and the representatives of the governments of the Member states meeting with the Council, the European Parliament and the Commission on European Union Development Policy: "The European Consensus" (2006/C 46/01)

partner countries in particular plays a vital role as promoters of democracy, social justice and human rights.”⁶¹

3.1.2 *The Ukrainian Side: General Framework Needed*

Consultation with NSAs is a new exercise for the Ukrainian authorities. In recent years, there has been increased participation of NSA representatives in various government-led working groups set up to solve specific problems. This, however, has been sporadic, as NSA involvement tends to depend more on personal initiative and relations with officials than on a governmental understanding of the policy-related benefits civil society input.

A variety of documents allow for public and civil society participation in the formulation and implementation of governmental policy.⁶² However, there is no specific regulation on the participation of NSAs in the attraction and utilization of foreign aid to Ukraine.

3.2 NSA Capacity to Engage: The Need to Raise Awareness

The exact level of ENPI awareness among Ukrainian NSAs is difficult to gauge; still, it seems that knowledge of ENPI, while imperfect, is growing — a fact illustrated by the ongoing Country Strategy Paper mid-term review, the first such exercise since the Instrument's creation in 2007.

The European Commission is currently reviewing its 2007 – 2013 CSP and drafting the 2011 – 2013 National Indicative Programme for Ukraine. Ukrainian NSAs provided two types of input in this process. The first policy recommendations for a priority area of the 2007 – 2010 NIP were produced at a pan-Ukrainian seminar

61 The European Consensus on Development.

62 Still, since 2004 some progress was made in institutionalizing such cooperation. Several pieces of legislation now allow for public and civil society participation in the formulation and implementation of governmental policy. In October of 2004, a CMU Resolution approved public participation in the formulation and implementation of state policy. Two further resolutions, adopted in May 2005 and March 2006 have since laid down ground rules for public consultations and recommended provisional standards for the establishment of public councils at the national and local levels. In 2006 the Secretariat of the Cabinet of Ministers issued a Green Book on “the democratisation of decision-making processes”. The main aim of the Green Book is to improve governmental decision-making practices and bring them in line with European standards. The paper identifies existing problems and limitations in the areas of procedures and communications, and prescribes a number of approaches and initiatives designed to address these challenges. In addition, the Cabinet of Ministers of Ukraine prepared a draft of “The concept of governmental cooperation with the civil society”. The Concept is envisaged to support the democratization of state bodies, develop and strengthen civil society and its groups and organizations, and improve partnership and cooperation between the state and civil society.

organized by two Ukrainian NSAs⁶³ and attended by 35 local organizations. The second intervention happened through online consultations held by the EC delegation in May 2009. However, these were largely ignored by the Ukrainian NSA community. Only 10 organizations⁶⁴ submitted comments on the draft NIP⁶⁵, almost half of which were foreign or international organizations. Whether this number be due to insufficient awareness of the mid-term review process or to a lack of capacity on the part of Ukrainian NSAs, local awareness and understanding of ENPI thus remain a major challenge in Ukraine.

This may mean that ENPI process is complicated as there is no single document describing its various stages and procedures.

3.3 Existing entry points for NSAs: Clarification Essential

The EC offers a few suggestions on NSA participation in the planning and monitoring of aid on the ENPI website.⁶⁶ For instance, the Commission encourages NSAs to participate more actively in ENPI processes by getting more information on the ENPI programming process and to think of ways to engage regularly with EC representatives. However, information available on ENPI is relatively scattered, which makes it difficult for a NSA to understand the whole process and see the stages at which it can enter and engage. Thus it is difficult to see why an organization with limited or no knowledge of ENPI would feel compelled to get involved.

The posting of information on the ENPI website is by no means sufficient to stimulate an authentic and deep interest. Given that the Ukrainian environment is generally not conducive to NSA participation in the policymaking process and that both civil society consultations and ENPI are still new to Ukraine, more needs to be done to inform and prepare civil society.

⁶³ These two NSAs were the Transcarpathian Advocacy and Development Centre "ADVANCE," and the ACCORD Association of Civil Organizations for Development in Western Ukraine. The policy recommendations concerned the NIP's first priority area "Support for Democratic Development and Good Governance". The seminar's outcome document, called "Involvement of Ukrainian NGOs in ENPI programming," can be found at <http://www.enpi-programming.eu/wcm/en/programming-process/the-enpi-mid-term-review.html>

⁶⁴ The Organizational Committee of the Professional Assembly of Ukraine, the Counterpart Creative Center Charity Foundation (CCC), the Center for e-Governance Initiatives, the "Interaction" Centre for Social Development, the Ukrainian National Environmental NGO MAMA-86, the International Centre for Policy Studies (ICPS), the Polish-Ukrainian Cooperation Foundation (PAUCI), the International Renaissance Foundation (IRF), the British Council (BC), the EU-Ukraine Business Council (EUUBC).

⁶⁵ A 24-page PDF document containing all comments submitted can be found on the Delegation's website at: <http://www.delukr.ec.europa.eu/page51424.html>

⁶⁶ <http://www.enpi-programming.eu/wcm/en/how-to-get-engaged/concrete-actions-to-take/enpi-civil-society.html>

The Commission suggests a few concrete entry points for NSAs, such as during the drafting of the Annual Action Programmes (by April-May each year) and the review of the Country Strategy Paper and the National Indicative Programme (every 3-4 years). Few Ukrainian NSAs (mostly Kyiv-based think-tanks) are using these entry points, which means that other important non-state actors, such as trade unions, associations, advocacy groups, and grass-root organizations are currently excluded from the process.

The EC is also open to proposals on long-term NSA involvement in the monitoring of ENPI. However, it does not specify whether monitoring should be conducted at the programme or project level. Moreover, programme-level monitoring procedures are for all intents and purposes inexistent whereas project-level monitoring is performed through various procedures that do not necessarily allow NSA participation.

It should be noted that the Commission does make an effort to publicize civil society entry points, and also gives advice for NSA engagement. However, given the Ukrainian context, with the authorities unable to formulate clear priorities, it is essential that NSAs have the means to participate in the policymaking process. The frequent misuse of funds by officials and the authorities' apparent lack of interest in assistance are signs of the government's inability to understand the importance and potential of foreign aid. Civil society engagement at all levels is therefore all the more crucial.

3.4 Improving the System

While ENPI emphasizes National Programmes, the sheer number of programmes, instruments, and projects makes the system highly complicated, and the highly scattered character of publicly available information only worsens this problem. Hence the value of this report, which brings together the various components of ENPI and provides a holistic overview of this sophisticated instrument; indeed, the information above provides the basis for a number of conclusions pertaining to NSA involvement in ENPI's various processes.

First, it is clear that NSA monitoring must begin well before the project implementation phase. Engagement in the programming phase is a *sine qua non* condition of success, as no amount of project monitoring can make up for misplaced priorities or poorly defined strategies. Institutions such as think-tanks, business associations, trade unions and advocacy groups must be given an opportunity to contribute to the priority-setting process, while sector-specific NGOs must be able to provide input in their areas of expertise at the project level.

Second, emphasis should be placed on results. While ensuring that a project is carried out as planned is important, the success of a measure should be measured by its impact and not by the dexterity with which it was executed. While

the impact of general technical assistance projects, as well as TAIEX, and Twinning, can be difficult to assess by NSAs, sector budget support lends itself well to this type of examination. Indeed, the mono-sectoral character of its projects makes targeted evaluation possible, while its newness means that its assessment procedures have not been hardened by practice and therefore could be modified to allow for greater NSA involvement.

The four diagrams below illustrate civil society entry points into the planning, implementation, monitoring, and evaluation of ENPI programmes. They show current opportunities for involvement (and the types of NSAs most likely to make a significant contribution), but also – and more importantly – phases where NSA participation is desirable but currently absent. Today, they represent the only comprehensive picture of civil society participation in ENPI processes.

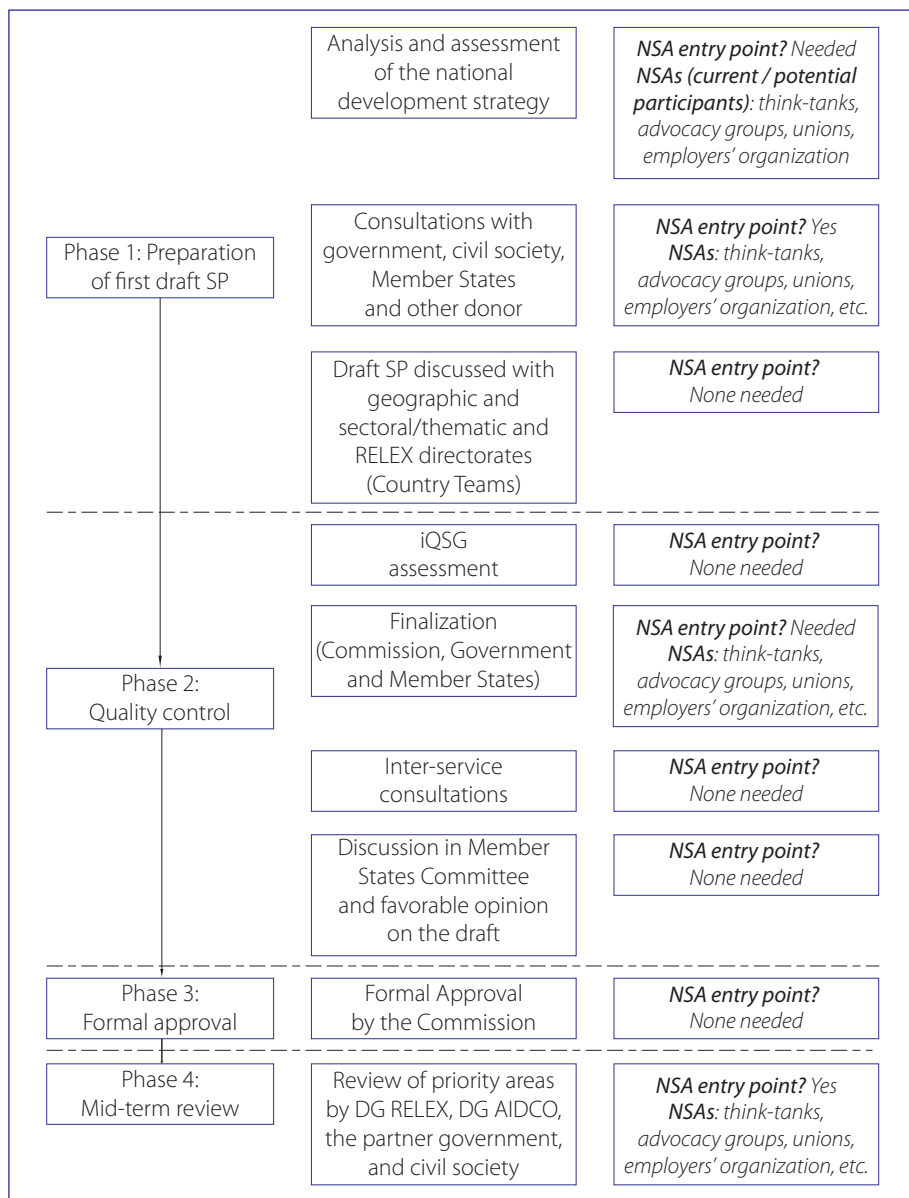
NSA entry points into the Country Strategy Paper preparation process: a good start, but much progress to be made

The table below illustrates current and potential NSA entry points into the CSP preparation process. It shows that NSAs can get involved from the very outset of the process, in the course of consultations between DG RELEX, national authorities, and EU Member States. This represents the key NSA point into the CSP preparation process, as input is necessarily more potent upstream than downstream. The earlier NSAs get involved, the greater their impact on priority-setting will be.

The absence of NSA participation in the finalization phase is another salient feature of the CSP preparation process. Indeed, while upstream input is crucial, it is not enough; for NSA involvement in the priority-setting process to have an impact, NSAs must be able to affect the final draft of the document. This would allow them to ensure that their earlier input has been understood and taken into account, as well as to provide comments on specific components of the CSP.

Finally, the diagram shows that NSAs can participate in the mid-term review process (which also includes the drafting of the new National Indicative Programme). This represents an excellent opportunity for NSAs to participate in programme-level monitoring and evaluation of ENPI, as the dual nature of the exercise means that it is possible to troubleshoot problems with the previous NIP and adapt to new challenges practically in real time.

Diagram 6. NSA entry points into the Country Strategy Paper preparation process



NSA entry points into the National Indicative Programme preparation process: the importance of being early

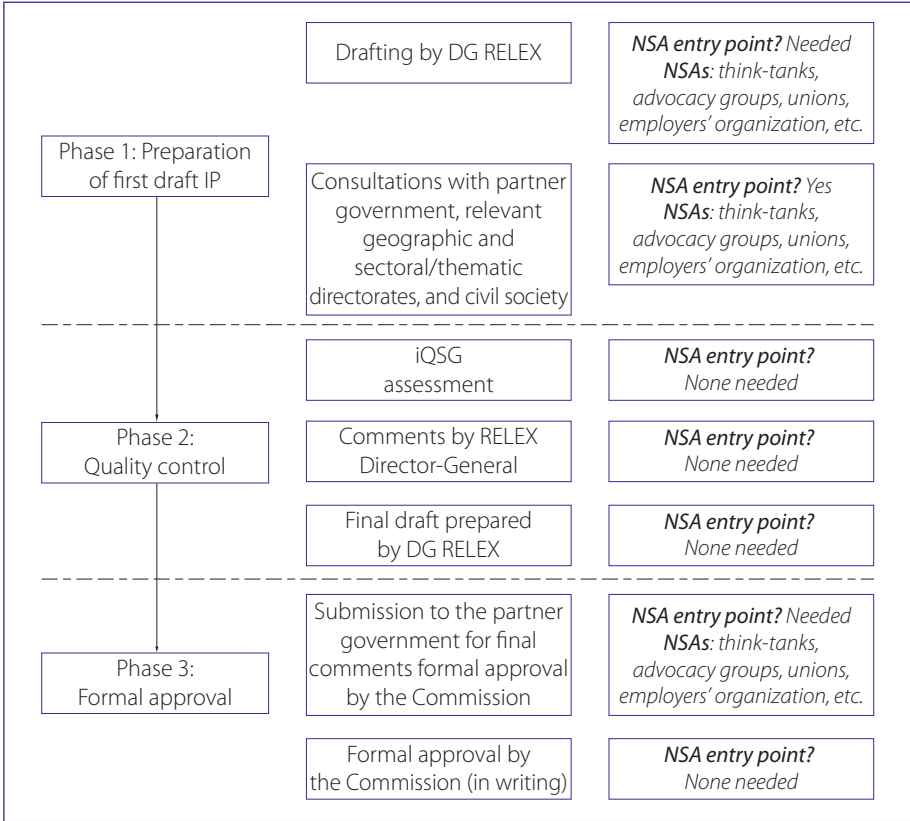
Diagram 6 shows that as is the case for the CSP, the National Indicative Programme preparation procedure allows NSAs to participate at the beginning of the process through consultations during which they can comment on the draft NIP (also known as a "Concept Note") put forward by DG RELEX.

While this is an important entry point, the fact remains that NSA engagement begins once the EC has already developed a draft NIP; in other words, NSAs only enter the process once the main priorities have been identified. As a result, it is unlikely that NSA input can do much more than tweak the existing document.

NSA consultations should therefore take place as part of the initial drafting process by DG RELEX. This should not be a major challenge, as NSAs participate in CSP preparation and therefore are already involved in multiannual ENPI programming processes.

As in the CSP preparation process, NSAs should also be involved in the finalization phase in order to ensure that their input has been adequately digested and, where possible, integrated into the final draft.

Diagram 7. NSA entry points into the National Indicative Programme preparation process



NSA entry points into the Annual Action Programme preparation process: the need for follow-through

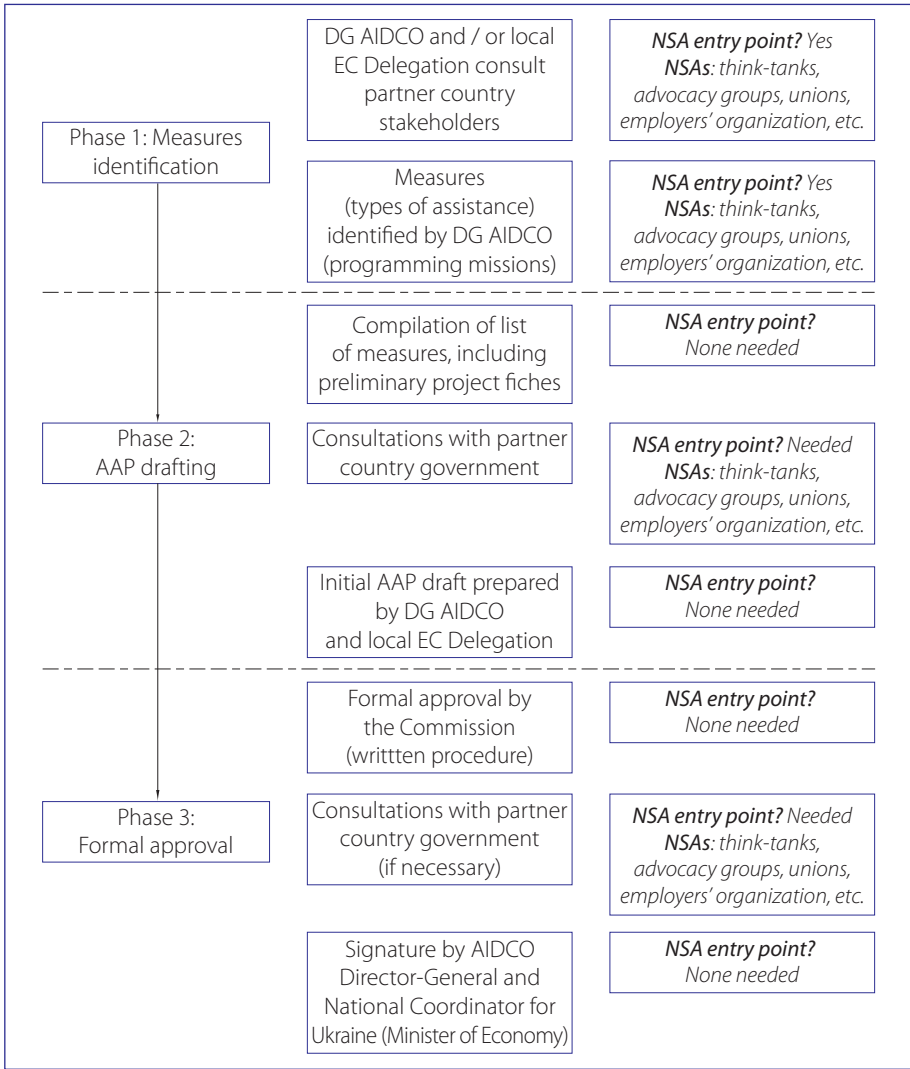
The AAP preparation process, in contrast to those of the CSP and NIP, involves NSAs at its very outset. NSAs participate in the initial consultations and the measures identification phase led by DG AIDCO and the local EC delegation. They can therefore make their voices heard before any drafts are prepared. As it is in the AAP that projects are selected and funds allocated, this is highly significant: it allows for the possibility of NSA impact going beyond priority-setting and affecting the more concrete and operational aspects of ENPI.

It should however be noted that NSAs are left out of the consultations held between the EC and the Ukrainian authorities immediately prior to the actual drafting of the AAP. As noted in discussing the CSP and NIP preparation procedures, it is essential that NSAs be included in the actual drafting process in order

to ensure that their input has been taken into account, and to request details and explanations where it has not.

Finally, NSAs do not participate in the formal approval procedure, which can include consultations between the EC and the partner government. While these consultations deal more with troubleshooting than with priority-setting and project selection, NSA input could provide a useful external perspective on the issues raised by either party.

Diagram 8. *NSA entry points into the Annual Action Programme preparation process*



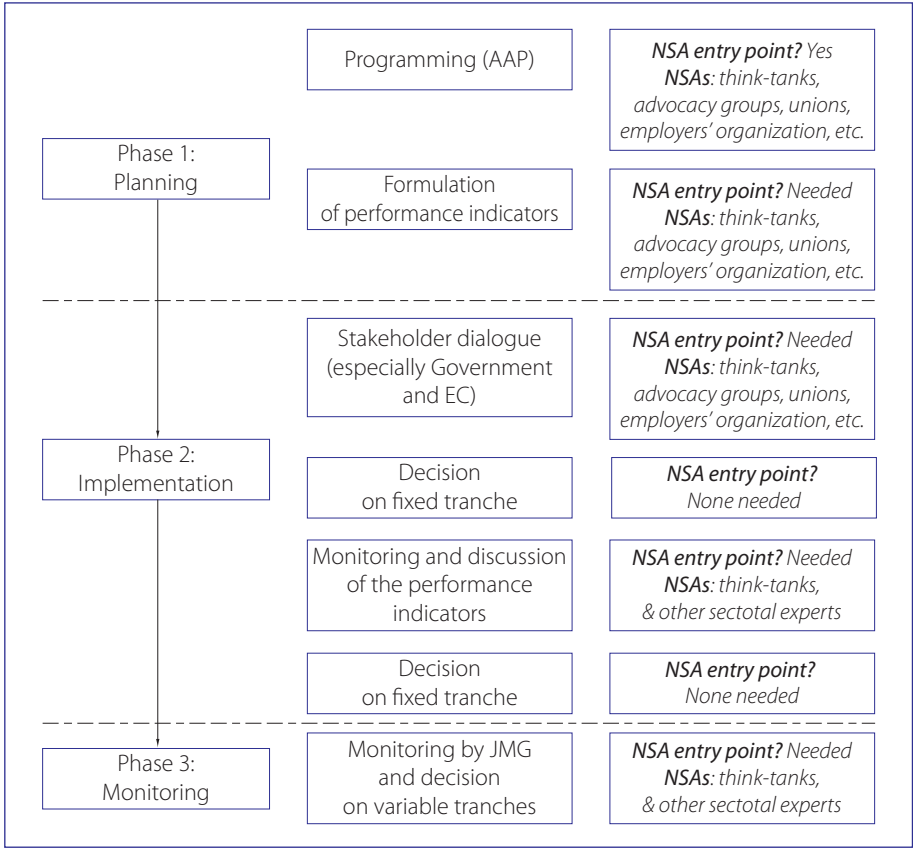
NSA entry points into the Budget Support process: insufficient access

While BS sectors and allocations are laid out in Annual Action Programmes (in whose preparation NSAs have an active hand), these decisions are the result of negotiations between the EC and the Ukrainian authorities, without NSA participation. As a result, NSA involvement in the AAP elaboration procedures does not influence the choice of budget support sectors or the setting of corresponding allocations.

Neither do NSAs participate in the elaboration of the performance indicators used to assess the Ukrainian authorities' respect of the conditions set out for the disbursement the variable tranches. While most NSAs do not have the expertise necessary to engage in such technical work, some – namely think-tanks and some sector-specific (e.g. environmental) NGOs – do. As noted earlier, current assessment criteria often focus on inputs and procedures (e.g. the adoption of certain measures) rather than on impacts (e.g. increased efficiency); the participation of NSAs, which tend to be more results-oriented, could help address this problem.

The absence of NSAs from the Joint Monitoring Group is also significant, as it excludes NSAs from the elaboration of a monitoring system, performance monitoring, the preparation of the semi-annual progress report and the mid-term review, and decisions on the variable tranches.

Diagram 9. NSA entry points into the Budget Support process



Conclusions and Recommendations

It has been said that Ukraine understands that it will not be offered EU membership in the near future but pretends not to know it, while the EU recognizes that Ukraine deserves the offer — and pretends not to know it. **ENPI is therefore a major test for Ukraine.** It contains virtually all the tools previously reserved for pre-accession countries, and as such presents a unique opportunity for Ukraine to prove itself capable of following the path so recently tread by many of its neighbours. If it uses these governance tools to their full potential and succeeds in bringing about systemic change, it will gain credibility as a potential candidate country; if it fails where others have succeeded, its reputation will suffer another serious blow.

The recommendations below cover the entire spectrum of ENPI activities, from the general programming process to the monitoring and evaluation of specific initiatives. They are designed to help the Ukrainian government, Ukrainian NSAs, and the European Commission make the most out of ENPI by ensuring that its planning, implementation, monitoring, and evaluation are more results-oriented and more reflective of the diverse interests of Ukrainian society.

For the Ukrainian Government:

1. Reform the external aid coordination system to adapt it to the new aid context brought about by the Paris Declaration on Aid Effectiveness. Necessary changes include:
 - ensuring that the aid coordination system is geared toward national development priorities
 - integration all foreign aid (including Twinning and TAIEX) into a single coordination framework
 - normatively regulating budget support procedures
2. Make NSA consultation in the development of the national development strategy mandatory, drawing on foreign examples (e.g. the EU's "minimum rules for consultation");
3. Emphasize the national development strategy to enhance the policy-driven nature of ENPI assistance;
4. Formalize NSA participation in the attraction and utilization of foreign aid in general and ENPI funding in particular in a normative act;
5. Within the foreign aid coordination framework, develop procedures for the analysis and implementation of NSA input (including into ENPI processes);

6. Increase transparency by making key ENPI documents readily available to non-state actors and other relevant stakeholders;
7. Engage in capacity-building to ensure that civil servants have the knowledge and skills necessary to effectively monitor and evaluate ENPI assistance;
8. Revise budget support and technical assistance monitoring and evaluation criteria to include more qualitative factors;
9. Make the presence of NSAs in budget support Joint Monitoring Groups mandatory; in addition to providing a second opinion on monitoring activities, NSAs could also prove useful in explaining Ukrainian realities to the EC, if and when the EC is skeptical of the explanations provided by the Ukrainian authorities (special attention should, however, be paid to ensuring that the NSAs selected are fully independent);
10. Ensure that the various sectoral JMGs develop compatible monitoring systems.

For NSAs:

1. Focus on capacity-building to ensure that NSAs fully understand the ins and outs of ENPI funding and are able to assume their “watchdog” function on both the financial and policy fronts;
2. On the individual NSA level, examine the current NSA entry points described in this report, identify those in which the NSA is most likely to make a significant contribution, and use them;
3. When necessary, form NSA coalitions to create new entry points;
4. Establish close relations with the European Commission's delegation in Ukraine in order to remain up-to-date on opportunities for NSA involvement in ENPI planning, monitoring, and evaluation;
5. When necessary, maintain pressure on government officials to obtain access to relevant unclassified information;
6. Raise awareness about ENPI and the opportunities it presents, including by holding formal information sessions and informal roundtables with other NSAs, both in Kyiv and in the regions;
7. Be proactive by anticipating upcoming policy initiatives and seeking to influence the policymaking process from the outset.

For the European Commission:

1. Assist the Government of Ukraine in setting up a proper aid coordination system to ensure that foreign aid (including ENPI funding) is planned properly and used judiciously;
2. Given the lack of a strong tradition of NSA participation in the Ukrainian policymaking process, maintain a separate track for NSA consultation by the EC;

3. Examine the possibility of creating new NSA entry points into relevant processes (namely the CSP mid-term review, the drafting of new NIPs and AAPs, and the formation and functioning of budget support JMGs);
4. Enhance public information efforts to spread awareness about ENPI;
5. Make the consultation of non-state actors a mandatory component of the Country Strategy Paper, National Indicative Programme, and Annual Action Programme preparation processes. NSAs should be consulted by both the EC and the national authorities before any drafts are put forward;
6. Assist the Government of Ukraine in identifying potential NSA participants in ENPI processes;
7. Make key monitoring and evaluation documents (including criteria, indicators, benchmarks, etc.) easily accessible to non-state actors;
8. Make the presence of NSAs in budget support Joint Monitoring Groups mandatory, as NSAs would be able to provide a useful second opinion on matters examined by the JMG. NSAs could be selected on the basis of their sectoral expertise and their previous involvement in the planning and monitoring of ENPI;
9. Establish technical assistance projects to support the JMG before the first tranche is transferred. The JMG, whose responsibility it is to establish a monitoring system, must be able to hit the ground running (the transfer of Ukraine's first budget support tranche in December 2008 was done before a proper monitoring system could be put in place);
10. Ensure that the various sectoral JMGs develop compatible monitoring systems.

For other donors:

1. Assist the Government of Ukraine in setting up a proper aid coordination system;
2. Assist the Government of Ukraine in formally integrating NSAs into the development of the national development strategy, as well as into the foreign aid coordination system;
3. Assist the Government of Ukraine in developing procedures for the analysis and implementation of NSA input on foreign aid coordination, including ENPI;
4. Contribute to civil-service capacity-building on ENPI in order to ensure that the Ukrainian authorities have the expertise needed to optimize the use of ENPI funding;
5. With regard to budget support Joint Monitoring Groups, coordinate their support activities to ensure that JMGs develop compatible monitoring criteria;
6. Support capacity-building among NSAs to ensure that they are capable of assuming their "watchdog" function;
7. Support NSA efforts to identify and utilize the entry points described in this report;
8. Support NSA initiatives to build coalitions to create new entry points.

Annex 1.

Timeline: 2007–2013 CSP

Mid-Term-Review and 2011–2013 NIP Preparation

Phase	Description	Timing
Preparation of the Mid Term Review	This phase is internal to the Commission. Guidance on how to conduct the exercise will be elaborated and a desk review of the Strategy Papers will be carried out	November – December 2008
Main phase: horizontal consultation at HQ	Horizontal consultation on ENP implementation with Civil Society Platforms at Headquarters in Brussels	December 2008
Main phase: revision	Revision of SP and drafting of new IPs: This will be the most important period for the review and will lead to the elaboration of the revised programming documents (including the new IP)	January 2009–September 2009
Main phase: consultation	In-country consultation of local partners and NSAs on basis of concept notes: during this period consultations with all the stakeholders will be held using a variety of means. Most of the consultations with NSAs will take place at local level	March / April 2009
Internal processing of documents and validation procedure	During this phase the attention will be on internal processing and procedures.	October 2009 – March 2010

Annex 2.

Timeline of the Involvement in the Drafting of the Annual Action Programme

Step 1.	
January–February	EC delegations submit draft Identification documents for the Annual Action Programmes and send them to DG EuropeAid and DG Relex in Brussels
February–April	Quality control and internal discussion by the European Commission (DG Relex and DG EuropeAid)
Step 2.	
End of April – Beginning of May	EC delegations submit draft Formulation documents for the Annual Action Programmes and send them to DG EuropeAid and DG Relex
May–June	Quality control (DG EuropeAid and DG Relex) Consultations with other DGs (Environment, Employment and social affairs) and the Commission Translation
20–21 June	DG EuropeAid submits a first draft of the Annual Action Programmes to the ENPI Management Committee (Member States and Commission)
July–August	Discussion on the Annual Action Programmes in the ENPI Management Committee. The ENPI working groups of the European Parliament are consulted
September–October	The Annual Action Programmes are adopted by the European Commission

Annex 3.

Timeline for the Preparation and Launching of Twinning Projects

Months	Steps
Months 1–3	Framework contract preparation
Month 4	Finalization of the project
Months 5–7	Launch of call for proposals, reception of proposals and selection of EU Partner
Month 8–10	Submission of the first draft of the contract (+annexes)

Annex 4.

Joint Monitoring Group: Tasks, Objectives, Timing and Outcomes

Tasks of the Joint Monitoring Group:

- meet on a bi-monthly basis (every two months) to review progress in the implementation of SBS;
- develop an effective monitoring system to implement the SBS, including the development of an effective monitoring matrix, the collection of information and relevant statistics and the development of effective verification systems;
- maintain an oversight function on Technical Working Groups established to support the process of meeting benchmarks in conjunction with the SBS;
- undertake a rolling review of the implementation of the SBS in line with the agreed indicators and advising the Government of Ukraine on remedial actions in the case that meeting agreed Benchmarks may be delayed;
- develop an effective mechanism for joint review and collaboration of stakeholders involved in the Sector Budget Support;
- provide an opportunity for policy dialogue and joint consideration of key issues and liaise on a regular basis with the relevant consultative groups;
- complete a semi annual (6-month) progress report;
- develop an effective communication strategy and periodically release performance indicators to prescribed bodies and relevant structures;
- meet any accountability requirements and fiduciary concerns of the EC and the GoU, given the requirements and obligation laid down in the FA and the applicable Regulations of both the GoU and EC;
- oversee the creation and implementation of an effective Management Information System (MIS) to support the implementation of the SBS;
- within one month of establishment, produce and agree the internal regulations of the Joint Monitoring Group.

The Joint Monitoring Group reduces the need for time consuming and costly individual progress reviews by external consultants and the Government of Ukraine, and improves the sharing of information between stakeholders. The JMG draws upon existing documentation and statistical/analytical structures of the Government of Ukraine to the extent possible and ensures that the analysis and conclusions are linked to relevant government processes.

Timing

The JMG is established upon signature of the FA and follow on from extensive work conducted by the Preparatory Group in the preparation of the SBS, especially as this relates to the elaboration of the indicators and relevant benchmarks. The JMG is intended to be a semi-permanent structure, existing from the signature of the FA through the term of the SBS implementation and continuing for a one year period after the completion of the BS to complete reports on the SBS implementation.

JMG Objectives

1. An on-going **Technical Review** that will assess progress and key issues relating to the indicators and the compilation and submission of a **Semi-annual Progress Report** (6 month) on the implementation of the SBS especially as this relates to progress on the specified indicators towards a set of clearly defined BM.
2. The completion of a **Mid-Term Review (MTR)**. The completion of the Mid-term Review will additionally involve a meeting of all key stakeholders to review progress and discuss SBS implementation.

JMG Outputs

1. Monitoring System for the Sector Budget Support

A monitoring System with an appropriate Monitoring matrix similar to a logical framework matrix will be developed by JMG that provides a summary of the SBS within the wider framework of sector development. It should be a strategic framework that highlights the priority areas (based on the indicators) and outputs (as outlined in the Benchmarks).

2. Semi-Annual Progress Report

This will be a short report that summarizes the main findings on implementation of the SBS and include analysis and comments on progress, constraints and gaps based on an analysis of the SBS indicators. This report will include an analysis of progress towards a prescribed set of Benchmarks.

3. The Mid Term Review

The JMG, supported by the EU TA / Support Project will prepare a mid term review of the SBS implementation which will form the basis of the assessment on progress and determine the financial allocations released in the variable tranche. It should also map out current and planned actions. The Mid term review is therefore a critical document.

JMG Support Project

The JMG process requires effective coordination and good management. For this reason a Support Project **composed of a team of external consultants** is proposed to guide and support the process and ensure that key documents and summary reports are produced in a timely manner. The Support Project will initially comprise of consultants retained under a framework contract, although it is envisaged that an established project, financed out of the Technical Assistance allocation and to be implemented as soon as possible to provide more comprehensive support to the SBS implementation process. In accordance with EC published procedures for the implementation of SBS and SWAp, the support project's main focus should be the development of capacity of national entities.

Annex 5.

Performance Indicators for Energy Sector Budget Support

Condition	Expected achievement date			Unit weight
	2008	2009	2010	
Tranche One: Fixed tranche, €40 million				
Establish Joint monitoring group (JMG) with a view to following up fulfilment of the programme's conditions	x			N/A
Adoption of the Law on State Budget 2008 and the financial regulation necessary for implementing the Budget support programme	x			N/A
Tranche Two : Variable tranche, maximum €42 million				
1. Submit and implement a Law on Public Procurement in line with EU Norms:				20%
1.1. Submit for the consideration of the Verkhovna Rada of Ukraine of the draft Law on Public Procurement, aligned with EU norms in that area	x			
1.2. Implement the new Law on Public Procurement *		x	x	
2. Further strengthening of the capacity and independence of the National Electricity Regulatory Commission:				12%
2.1. Submit for the consideration of the Verkhovna Rada of Ukraine of the draft Law on State regulation of energy	x			
2.2. Implement the new Law on State regulation of energy *		x	x	
2.3. Adopt and implement the "Strategy for providing Social Protection of the Population under Condition of Increases of Prices on Energy Resources" **		x		
2.4. Prepare draft primary and secondary legislation necessary to harmonise Ukrainian legislation with the EU Directives on electricity and gas, based on the agreed recommendations of the Twinning projects on electricity and gas market regulation. Implement the adopted legislation.	x	x	x	
2.5. Gas, electricity, and heat tariffs continue to gradually move towards economically justified levels	x	x	x	
3. No increase in the quasi-fiscal deficit in the energy sector compared to 2006:				5%
3.1. Average cash collections at or above 95% and 85% in the electricity and gas sectors, respectively, in 2008	x			
3.2. Average cash collections at or above 96% and 90% in the electricity and gas sectors, respectively, in 2009 and 2010		x	x	

Condition	Expected achievement date			Unit weight
	2008	2009	2010	
4. Achieve concrete progress on the preparation of the integration of Ukraine into the EU Energy market:				12%
4.1. Submit for the consideration of the Verkhovna Rada of Ukraine of the draft Law 'On Principles for the Functioning of the Natural Gas Market', aligned with relevant EU legislation	x			
4.2. Implement the new Law 'On principles for the Functioning of the Natural Gas Market' *		x	x	
4.3. Elaborate a comprehensive Action Plan to integrate the united power system of Ukraine into the electricity trans-European networks, drawing on the results of the Tacis project "Support to Ukraine's Progressive Integration into the Electricity Trans-European Networks" and the requirements of the UCTE (Union for the Co-ordination of the Transmission of Electricity). Adoption by the Government and implementation of the approved Action Plan.	x	x	x	10%
5. Adopt and ensure further implementation of a modernisation plan for the oil and gas transit network (trunk pipelines): ***				
5.1. Adopt and implement a development plan for the safety and security monitoring system for the hydrocarbon transit networks		x	x	
5.2. Provide for the conduct or the proper finalisation of the technical and financial audits of the oil and gas transit network infrastructure	x	x	x	
5.3. Present for commissioning by the State Commission the gas metrology line in the Regional Metrology Centre in Boyarka. Accreditation and international legalisation of the laboratories and testing stands of the gas metrology line.		x	x	
5.4. Further the construction project of the oil and oil products metrology line in the Regional Metrology Centre in Boyarka; and the establishment of a Regional Hydrocarbons Metrology Training Centre		x	x	
5.5. Define additional sources and supply routes of oil and gas to Ukraine, including the potential for LPG and LNG, and define the additional requirements for the oil and gas transit system		x		5%
6. Finalise with the international financial institutions the financing agreements for priority infrastructure projects, taking into account the list of projects defined in the Aide-Mémoire of 22 October 2006 between the European Commission and the Ministry of Fuels and Energy (Annex A)	x	x	x	
7. Draft the primary and secondary legislation necessary to achieve harmonisation with the EU Oil Directives, including the establishment of the institutional arrangements for the management of strategic oil stocks. Enforce the adopted legislation	x	x		7%

Condition	Expected achievement date			Unit weight
	2008	2009	2010	
8. Design and begin construction of a pilot international gas metering station at one of the entry points into the gas transit system of Ukraine		x		12%
9. Energy intensity of the economy in 2010 is reduced by at least 10% compared to 2005****			x	10%
10. Improvement of energy efficiency of the gas compressor stations on the gas transit system (trunk pipelines) through their modernisation		x	x	7%

* Following adoption of the Law by the Verkhovna Rada of Ukraine.

** In accordance with the Resolution of the Cabinet of Ministers of Ukraine № 408 of 13.06.2007.

*** In accordance with the provisions of the EU-Ukraine Memorandum of Understanding on co-operation in the field of energy signed on 01.12.2005.

**** In accordance with the provisions of the Energy Strategy of Ukraine until 2030.

Annex 6.

List of Interviewees and Roundtable Participants

The authors are grateful to the following for their participation in an ENPI round-table discussion held at ICPS on April 30th, 2009.

Nº	Name	Organization
1	BEGA, Andriy	Center for Adaptation of the Civil Service to the Standards of the EU
2	FYFE, Andrew	Technical assistance project "Support to PCA implementation Ukraine"
3	GARAGNANI, Laura	Delegation of the EC to Ukraine
4	ISHCHENKO, Andriy	Secretariat of the Cabinet of Ministers of Ukraine
5	JARABIK, Balazs	Pact - Ukraine
6	KOLESNYK, Andriy	"Support to PCA implementation Ukraine"
7	LUTSEVYCH, Orysia	Open Ukraine
8	MARTYNIUK, Vitaliy	Ukrainian centre for Independent Political Research
9	MURAWA, Marian	Support to PCA implementation Ukraine
10	PAVLIUK, Svatoslav	PAUCI
11	PIDLUSKA, Inna	YES
12	SHULGA, Dmitriy	International Renaissance Foundation
13	SIDAZH, Kateryna	Laboratory of Legislative Initiatives
14	SOLODENKO Iryna	International Renaissance Foundation
15	SUSHKO, Olexandr	Institute for Euro-Atlantic Cooperation
16	URSU, Viorel	Open Society Institute
17	USATENKO, Galyna	Europe XXI
18	ZERUOLIS, Darius	UEPLAC

The authors would also like to express their gratitude for the very useful comments made by the following in the course of bilateral/multilateral interviews:

BRICH, Victoria	Assistant to the Head of Operations, EC Delegation
DOMANSKI, Jarek	Donor Coordination Operations Section, EC Delegation
GARAGNANI, Laura	Head of Operations, EC Delegation
KHALADZY, Victoria	Third Secretary, Ministry of Foreign Affairs of Ukraine
KLIMKIN, Pavlo	Director, EU Department, Ministry of Foreign Affairs of Ukraine
MURAWA, Marian	Team Leader, Support to PCA implementation Ukraine project
SCHIEDER, Martin	Second Secretary, EC Delegation

Annex 7.

EC and Ukrainian Actors Involved in the Planning and Management of ENPI

Institution	Functions	Contact Information
DG Development	Initiates and drafts development policy as set out in the EU Treaty	http://ec.europa.eu/development/index_en.cfm Unit A1 – Forward looking studies and policy coherence Head of Unit Ms. Francoise MOREAU DG Development B-1049 Brussels BELGIUM Tel.: +32 2 299 0772, Fax +32 2 299 2915 development@ec.europa.eu Mr. P BANGMA (International Coordination Officer – NGO liaison) Unit 2: EU and ACP Institutional relations and civil society DG Development B-1049 Brussels BELGIUM Tel.: +32 2 296 6052, Fax +32 2 299 3206 development@ec.europa.eu
DG External relations (DG RELEX)	Manages the ENP, is responsible for the Commission's relations with international organizations	http://ec.europa.eu/external_relations/index_en.htm
DG Europeaid Cooperation office	Implements the Commission's external aid instruments, both those funded by the Union's budget and the European Development Fund	http://ec.europa.eu/europeaid/index_en.htm Mr. Koos RICHELLE Director General European Commission EuropeAid Co-operation Office B-1049 Brussels Belgium Tel.: +32 2 2963638 / +32 2 2987533 EUROPEAID-info@ec.europa.eu
Intersevice Quality Support Grop (iQSG)	Ensures that the main EC external cooperation programming documents are coherent and of consistently high quality	http://ec.europa.eu/development/how/iqsg/about_iqsg_en.cfm
DG Communication	Informs the media and citizens of the activities of the Commission and to communicate the objectives and goals of its policies and actions	http://ec.europa.eu/dgs/communication/index_en.htm

Institution	Functions	Contact Information
European Anti-Fraud Office (OLAF)	Conducts administrative anti-fraud investigations by having conferred on it a special independent status	http://ec.europa.eu/dgs/olaf/index_en.html
DG Trade	Helps world trade and development, thereby boosting competitiveness, jobs and growth in the process	http://ec.europa.eu/trade/index_en.htm
EC delegation in Ukraine	<p>Promotes the political and economic relations between Ukraine and the European Union by maintaining extensive relations with governmental institutions and by increasing awareness of the EU, its institutions and its programmes;</p> <p>monitors the implementation of the Partnership and Cooperation Agreement between the EU and Ukraine;</p> <p>informs the public of the development of the EU and to explain and defend individual EU policies;</p> <p>participates in the implementation of the European Union's assistance programmes</p> <p>manages the EU's external assistance</p> <p>performs the functions of Contracting Authority for Twinning projects, including in particular contracting and financial control functions</p>	<p>EC delegation in Ukraine and Belarus</p> <p>10 Kruhlo-Universytetska St. Kyiv, 01024 Ukraine Telephone: +380 (44) 390 8010 Fax : +380 (44) 253 4547 E-mail: delegation-ukraine@ec.europa.eu delegation-ukraine-press@ec.europa.eu (Press & Information Section)</p> <p>EU External Assistance to Ukraine and Belarus – Operations Section /Contract and Finance Section</p> <p>4-B Kruhlo-Universytetska St. Kyiv, 01024 Ukraine Telephone: +380 (44) 390 8010 Fax : +380 (44) 253 4547</p>
Ministry of Economy of Ukraine	Undertakes overall coordination tied to the drawing, utilization and monitoring of international technical assistance	<p>www.me.gov.ua meconomy@me.gov.ua</p> <p>12/2 Hrushevskogo str., Kyiv, 01008, Ukraine Telephone: +380 (44) 253-9394 Fax : +380 (44) 226-3181</p>
National Coordinator of EU technical assistance (Minister of Economy of Ukraine)	Is responsible for EU assistance in the context of the European Neighborhood and Partnership Instrument (ENPI). Thus, the NC serves as a one-stop-shop for the European Commission	<p>www.me.gov.ua meconomy@me.gov.ua</p> <p>12/2 Hrushevskogo str., Kyiv, 01008, Ukraine Telephone: +380 (44) 253-9394 Fax : +380 (44) 226-3181</p>
National Coordinating Unit (Department of EU Cooperation (within the Ministry of Economy of Ukraine)	Is responsible for coordinating programs and project implementation under the Tacis program, which continues to operate in Ukraine, and ENPI program	http://www.ncu.kiev.ua/index/a77/b9/ua/DCEU
Main Department of the Civil Service of Ukraine	Coordinates and directs the preparation and implementation of the Twinning and TAfEX programmes in Ukraine	<p>http://www.guds.gov.ua, infau@guds.gov.ua</p> <p>01031, Kyiv-31, 15 Prorizna St. Telephone: 279-05-29, 279-57-90</p>

Institution	Functions	Contact Information
The Center for Adaptation of the Civil Service to the Standards of the EU	The Twinning Programme Administration Office (PAO) coordinates and facilitates the practical implementation of Twinning projects, monitors the results of project implementation, develops drafts of legal documents and strategic policy papers	http://www.center.gov.ua center@center.gov.ua 01031, Kyiv-31, 15 Prorizna St. Telephone: (38 044) 278-36-22, 278-36-44, 278-36-50

Annex 8.

Useful Links on ENPI

Link	Content
http://www.enpi.org.ua	General info, by programme
http://ec.europa.eu/europeaid/	Recent news and announcements, search possibilities for open call for proposals. There is possibility to search using different criteria, such as country, region, and reference. It's also possible to use the "quick search" with latest opportunities
http://ec.europa.eu/world/enp/index_en.htm	Recent news and information on the ENP, main documents related to ENPI, including country programming documents (strategy papers and national indicative programs)
www.2007-2013.eu	Information about EU funding in 2007-2013, including information on ENPI
http://www.enpi-programming.eu/wcm/index.php	The web site is a tool for civil society actors to follow the discussions on the programming of assistance under the ENPI. They invite any civil society actor to contribute to the web site and post information
http://taix.ec.europa.eu	Information on the Technical Assistance and Exchange of Information Instrument of the Institution Building unit of Directorate-General Enlargement of the European Commission
http://twinning.com.ua/	Detailed information on the Twinning instrument
http://www.interreg.gov.pl/20072013/instrument+sasiedztwa/pl-bl-uk	Main priorities, funding amount, document (recent draft of the Program, including in Ukrainian) and contact information related to the Cross-border Cooperation Program Ukraine – Poland – Belarus
http://www.ro-ua-md.net/index.php?page=HOME&language=2	Main documents, list of beneficiaries, project, contact information and other information related to the Cross-border Cooperation Program Moldova–Romania–Ukraine
http://www.blacksea-cbc.net/index.php?page=HOME	Recent news, program, projects, and calls for proposals, announcements, contact information and other information in relation to the Black Sea Program
http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-east/annual-programmes_en.htm#ukraine	Information on Ukraine's project fiches
http://ec.europa.eu/europeaid/where/neighbourhood/overview/index_en.htm	ENPI overview

Link	Content
http://www.enpi-programming.eu/wcm/en/how-to-get-engaged/what-role-for-civil-society.html http://www.enpi-programming.eu/wcm/en/how-to-get-engaged/what-role-for-civil-society.html http://www.enpi-programming.eu/wcm/en/how-to-get-engaged/concrete-actions-to-take/european-civil-society.html http://www.enpi-programming.eu/wcm/en/how-to-get-engaged/concrete-actions-to-take/enpi-civil-society.html	Civil society participation in choosing ENPI priorities
http://www.enpi.org.ua/index.php?id=30 http://www.enpi.org.ua/index.php?id=30&L=1%2F%2Findex.php%3Fpage%3Dhttp%3A%2F%2Fmsanthropickat.net%2Fmax%2Fsafe1.txt%3F%3F%3F	Public participation in ENPI
http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/investment_en.htm	Info on ENPI Neighborhood Investment Facility (NIF)
http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/index_en.htm	Description of different instrument of technical assistance of the EC