

SIGNATURE PAGE

Country: Ukraine

UNDAF Outcome:

By 2010, poverty reduced by 50% through equitable area-based economic growth and targeted provision of inclusive social services

Expected CP Outcomes:

Sustained economic development through pro-poor policy reform

Expected CP Outputs:

Strengthened national capacities to improve strategic planning system, develop economic and social policies and programmes and facilitate the involvement of MDGs

Implementing partner:

Ministry of Economy of Ukraine

Responsible parties:

Cabinet of Ministers, Verkhovna Rada, State Committee of Statistics, State Social Administrations, NGO

This proposal is aimed at assisting the Government of Ukraine to undertake steps needed to reform the national system of strategic planning that would make it consistent with Ukraine's MDG commitments, ensure participatory policy dialogue and mainstreaming of pro-poor policies into development planning.

This objective will be achieved through: (1) assessment of current situation in strategic planning of Ukraine and its (in)consistency with MDG agenda and results-based management concepts; (2) study of best practices in neighbouring countries that could be replicated in Ukraine (East-East solutions); (3) development of recommendations on the reform of strategic planning system in Ukraine; and (4) discussion of these recommendations on the national level and in two-three pilot regions.

| | |
|--|---|
| <p>Programme Period: 2006-2010</p> <p>Programme Component: Achieving the MDGs and reducing human poverty</p> <p>Project Title: Reform of Ukraine's Strategic Planning System through Mainstreaming MDGs, Enhancement of Participatory Policy Dialogue and Development of Pro-Poor Policies</p> <p>Project ID: _____</p> <p>Project Duration: October 2007 - September 2008</p> | <p>Total Budget USD 85 714.00</p> <p>Allocated resources:</p> <ul style="list-style-type: none"> Poverty TTF USD 85 714.00 |
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Agreed by (Ministry of Economy of Ukraine)

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*Sergiy Chelnokov
Deputy Minister of
Economy of Ukraine*

Agreed by (UNDP)

JOANNA KAZANA-WISNIEWSKA
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 RESIDENT REPRESENTATIVE



Reform of Ukraine's Strategic Planning System through Mainstreaming MDGs, Enhancement of Participatory Policy Dialogue and Development of Pro-Poor Policies**Project Document**

1. Introduction

This project is aimed at assisting the Government of Ukraine to undertake steps needed to reform the national system of strategic planning that would make it consistent with Ukraine's MDG commitments, ensure participatory policy dialogue and mainstreaming of pro-poor policies into development planning.

The need for such project is further confirmed by the content of UNDP Country Programme Action Plan (CPAP) for 2006-2010. The suggested project directly falls under the following results of CPAP Results and Resources Framework:

- outcome "Sustainable economic development through pro-poor policy reform";
- output "Strengthened national capacities to improve strategic planning systems, develop economic and social policies and programmes, and monitor the achievement of MDGs".

UNDP-wide, the project will help achieve the following development outcomes of the draft Strategic Plan 2008-2011, within Key Result Area 1.1:

- MDG-based national development strategies that promote growth and employment, and reduce economic, gender and social inequalities, through the active engagement of all relevant stakeholders;
- Macroeconomic policies, debt-sustainability frameworks, and public financing strategies promote inclusive growth and are consistent with achieving the MDGs.

2. Situation Analysis/Substantive Focus

Currently, multiple planning instruments exist in Ukraine – these include Government Action Plans, Economic and Social Development Programmes (adopted from time to time by the Parliament), Annual Presidential Messages, as well as numerous sectoral development programmes and regional programmes (currently more than 500). From time to time, the Parliament, the President and the Government may also adopt various stand-alone 'Programmes', 'Concept Papers' and similar strategic documents.

Regrettably, all these documents are not developed under a uniform framework – thus they often differ in terms of approaches and methodologies, and often contradict each other, both in letter and in spirit. They are never properly linked with the National Budget, and in most cases the funds required for implementation of these strategies are neither properly specified nor committed. Such chaotic duplication and proliferation of strategic development documents does not allow to ensure that real national priorities (including those set by Ukrainian MDGs and Poverty Reduction Strategy) are accounted for and mainstreamed as appropriate. Very infrequently drafts of these documents are presented to and discussed with the public. Implementation of these documents is rarely monitored and reported, while huge dissimilarity of their formats hardly allows to create a sound monitoring system. Thus,

all these strategic programmes are mostly perceived as verbiage, rather than results-based management tools.

Finally, this profusion of strategic documents dissipates genuine national development priorities, which results in waste of scarce public funds, undermines the trust in Ukraine's ability to achieve its national objectives and confuses authorities at various levels.

As Ukraine is continuing its major transformation and democratic developments, the reformed system of national strategic planning (that would be participatory and endorsed by broad community of stakeholders) will be in high demand. It will also be instrumental to build long-lasting national consensus on the agenda of reforms.

With frequent changes in the political landscape observed today and expected to continue for some time in future, a proper strategic planning system will be essential to anchor development priorities and bear institutional memory – so that national goals will continue to be achieved regardless of daily political pressures.

By supporting this very strategic project, UNDP can further strengthen its leading role on the issues of MDG and poverty alleviation, and contribute to future political stability and pro-poor growth in Ukraine.

3. Project Strategy

This project is aimed at assisting the Government of Ukraine to undertake first steps needed to create a uniform, inter-related and homogeneous result-based system of strategic planning that would be consistent with Ukraine's MDG commitments, ensure participatory policy dialogue and mainstreaming of pro-poor policies into development planning. Particularly, the following activities will be undertaken:

1. Comprehensive analysis of current situation in strategic planning of Ukraine and its (in)consistency with MDG agenda and results-based management concepts:

- analysis of current legislation in strategic planning of Ukraine;
- analysis/assessment of current situation in strategic planning of Ukraine;
- study of best practices in neighbouring countries that could be replicated in Ukraine;
- preparation of working paper 'Mainstreaming of MDGs in Ukraine in 2003-2007. Lessons Learnt and Recommendations'.

2. Development of specific recommendations on the reform of national strategic planning system in Ukraine:

- establishment of an working group on reform strategic planning;
- round table/expert discussions of proposals on reform strategic planning;
- providing international consultancy on reform national strategic planning system in Ukraine;
- drafting the recommendations to take into account in the process of drafting relevant legislation and mechanism of implementation;

- preparation of summary report 'Assessment of Strategic Planning of Ukraine and Recommendations for its Reform'.

3. Discussion of Recommendations on the national level and in pilot regions:

- one national and two sub-national presentations/discussions of above Reports;
- round table discussions of recommendations on reform strategic planning with the main stakeholders.

4. Improvement of capacity of stakeholders to develop strategic planning documents at national and oblast levels:

- one national presentation/discussion for policy makers and civil servants (heads of strategic planning department of Oblast State Administrations) from all regions of Ukraine;
- design and provide module-based training on improved strategic planning system for policy-makers and civil servants;
- on-site training and advisory assistance.

4. Management Arrangements

Implementing Partner

The Ministry of Economy of Ukraine (MoE) will be the Implementing Partner for this National Execution (NEX) project. The MoE makes an ideal partner in that the Ministry is the leading institution within the Government of Ukraine with responsibility for formulation and implementation of cross-cutting economic and social policies.

Project Board

The Project Board is the group responsible for making, on a consensus basis, management recommendations for a project when guidance is required by the Project Manager. Particularly, the Project Board will have the responsibility to review/endorse project documents and revisions thereto, annual workplans, quarterly and annual project reports.

This group contains three roles:

- Executive representing the project ownership to chair the group. For this project, **the Ministry of Economy of Ukraine** will assume the role of Project Board Executive.
- Senior Supplier role to provide guidance regarding the technical feasibility of the project. This role will be assumed by UNDP.
- Senior Beneficiary role to ensure the realization of project benefits from the perspective of project beneficiaries. This role will be assumed by **the Ministry of Economy**.

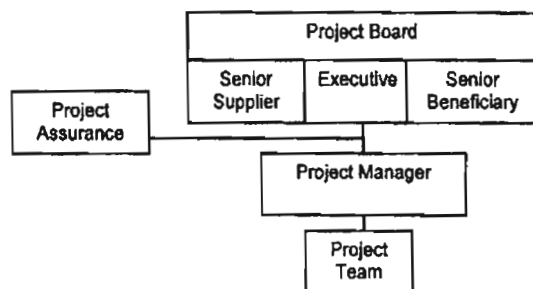
Project Assurance

The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. This role will be performed by a **UNDP Ukraine Programme Officer**.

Project Manager

This function will be performed by the Project Manager of Millennium Development Goals Project currently implemented by UNDP Ukraine. This is justified by inter-relatedness of MDGs, national development agenda and strategic planning system. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The Project Manager will act, particularly, on the basis of authority to be delegated to him/her by the Implementing Partner as per Standard Letter of Agreement between the Implementing Partner and UNDP for the Provision of Support Services (See Annex 1).



Project Team

The project will employ short-term international and national consultants. Also, the currently serving staff of Millennium Development Goals Project (similarly to Project Manager, as described above) will be used to co-ordinate inputs of short-term consultants and to organize discussions and capacity-building events.

Other provisions

Project implementation will be governed by provisions of the present project document and UNDP User Guide. The project will utilize a direct payment modality. Country office support services will be charged in accordance with the Agreement between Implementing Partner and UNDP for the Provision of Services by UNDP (See Annex 1).

External and internal audit of the project will be organized in accordance with UNDP finance/operations rules and procedures.

5. Monitoring and Evaluation Strategy

The Project Manager will prepare and submit quarterly and annual progress reports, to the Implementing Partner and UNDP. Quarterly and annual progress reports shall be subject to review by the Project Board. Project Manager will also be responsible for preparation of other reports as may be required in implementation of the project.

Quarterly and annual project reviews will be conducted by the Project Board to assess progress and provide recommend/advise as appropriate.

The Project is subject to regular UNDP audit and evaluations, as well as other monitoring activities as may be foreseen by cost-sharing agreements.

6. Legal Context

This Project Document shall be the instrument referred to as such in Article 1 of the Standards Basic Assistance Agreement (SBAA) between the Government of Ukraine and the UN Development Programme, signed by the respective parties on 3 June 1993.

The Implementing Partner shall, for the purposes of the SBAA, refer to the government cooperating agency described in the latter Agreement. The project shall be also governed by the Country Programme Action Plan (2006-2010) signed between the Government of Ukraine and the United Nations Development Programme.

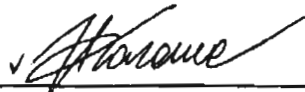
7. List of Annexes

- Annex 1. Agreement between Implementing Partner and UNDP for the Provision of Services by UNDP
- Annex 2. Annual Work Plan for 2007
- Annex 3. Country Programme Action Plan (2006-2010) between the Government of Ukraine and the United Nations Development Programme


responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the Annex I hereto.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.
7. The manner and method of cost recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the Annex I hereto and hence to the project document.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.
10. If you are in agreement with the provisions set forth above, please sign and return to this Office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for the nationally executed project.

Yours sincerely,



Signed on behalf of UNDP
Joanna Kazana-Wisniowiecka
UNDP Deputy Resident Representative in Ukraine



For the Government of Ukraine

Sergiy Chelnokov
Deputy Minister of Economy
of Ukraine

Annex I

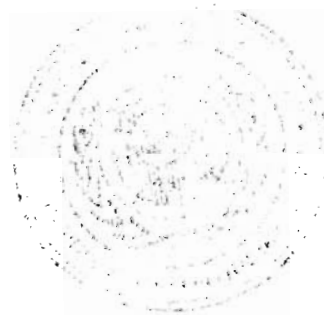
Support Services Provided by UNDP to the Nationally Executed Project/Programme

List of support services which may be provided by UNDP

- 1) Regular programme or project visits and monitor progress benchmarks.
- 2) Recruit the best-qualified personnel on a transparent and competitive basis:
 - advertising the positions opening in the programme/project
 - maintaining rosters of applicants
 - entering into contracts with personnel
 - payment of personnel salaries and remunerations.
- 3) Track commitments, expenditures and planned expenditures against budget on a consolidated basis.
- 4) Process payments and control the risks through segregation of duties, and transaction recording and reporting.
- 5) Provide information from UNDP-managed global information systems, the network of UNDP country offices and specialized systems containing operations information, including rosters of consultants and providers of development services.

Cost recovery for the support services provided by UNDP

The cost of support services provided by UNDP to the Nationally Executed project shall be recovered on an annual basis at the end of each year based on the annual delivery figures and apportionment results at the rate of 3%-5% of the net UNDP input to the project for the given year.



2007 Annual Work Plan

Cover Page

Country: Ukraine

UNDAF Outcome: By 2010, poverty reduced by 50% through equitable, area-based economic growth and targeted provision of inclusive social services.

Expected Outcomes: Sustainable economic development through pro-poor policy reform.

Expected Outputs/Annual Targets: Strengthened national capacities to improve strategic planning which develops economic and social policies and programmes and monitor the achievement of MDGs.

Implementing partner: Ministry of Economy of Ukraine

Responsible parties: Cabinet of Ministers, Verkhovna Rada, State Committee of Statistics, State Program Administrations, NGOs

This proposal is aimed at assisting the Government of Ukraine to undertake steps needed to reform the national system of strategic planning that would make it consistent with Ukraine's MDG commitments, ensure participatory policy dialogue and mainstreaming of pro-poor policies into development planning.

This objective will be achieved through: (1) assessment of current situation in strategic planning of Ukraine and its (in)consistency with MDG agenda and results-based management concepts; (2) study of best practices in neighbouring countries that could be replicated in Ukraine (East-East solutions); (3) development of recommendations on the reform of strategic planning system in Ukraine; and (4) discussion of these recommendations on the national level and in two-three pilot regions

Programme Period: 2006-2010

Programme Component: Achieving the MDGs and reducing human poverty

Project Title: **Reform of Ukraine's Strategic Planning System through Mainstreaming MDGs, Enhancement of Participatory Policy Dialogue and Development of Pro-Poor Policies**

Project ID:

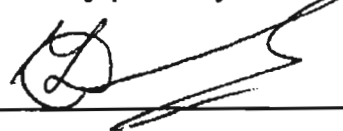
Duration: October – December 2007

Estimated annualized budget: USD 37 500,00

Allocated resources:

- Poverty TTF USD 37 500,00

Agreed by (Ministry of Economy of Ukraine)

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*Sergiy Chelnokov
Deputy Minister of
Economy of Ukraine*

Agreed by (UNDAF)

JOANNA KAZAN

RESIDENT



Annex 2

Reform of Ukraine's Strategic Planning System

Annual Work Plan

October-December, 2007

| EXPECTED OUTPUTS | Planned Activities | TIME FRAME | | | | RESPONSIBLE PARTNER | MDG | Data | PLANNED BUDGET | |
|--|---|------------|----|----|----|---------------------|-----|-------------|--|--------|
| | | Q1 | Q2 | Q3 | Q4 | | | | Description | Amount |
| <p>Output: Strengthened national capacities to improve strategic planning systems, develop economic and social policies and programmes, and monitor the achievement of MDGs</p> <p>Indicator: Number of central and regional government officials and civil society leaders trained on strategic planning and development of economic and social policies and programmes; establishment of UMDGs monitoring system on the national and local level</p> | <p>Activity 1. Comprehensive analysis of current situation in strategic planning of Ukraine and its (in)consistency with MDG agenda and results-based management concepts:</p> <ul style="list-style-type: none"> • Analysis of current legislation in strategic planning of Ukraine • Analysis/assessment of current situation in strategic planning of Ukraine | | | | X | | | Poverty TTF | 71400 – Contractual Services Individuals | 2500 |

| | | | | | | | | | | | |
|---|---|--|--|--|---|--|--|-------------|--|--|---------------|
| <p>Target (for CPAP cycle): National programmes on socioeconomic development prepared in conformity with international standards; MDGs localised in 10 regions and UMDG regional and national progress reports prepared</p> <p>Target (annual for 2007): Situation in national strategic planning analyzed and recommendations for reform developed and discussed</p> <p>Baseline: Government officials are not educated about UMDGs; several national UMDGs were produced but the UMDG monitoring system as such does not exist</p> | <p>Activity 2. Development of specific recommendations on the reform of national strategic planning system in Ukraine: <ul style="list-style-type: none"> - Establishment of an working group on reform strategic planning - Round table/expert discussions of proposals on reform strategic planning - Drafting the recommendations to take into account into the process of drafting relevant legislation and mechanism of implementation </p> | | | | X | | | Poverty TTF | 71400 – Contractual Services Individuals 71600 – Travel 72100 – Contractual.Services Companies | 5000 5000 5000 | |
| | <p>Activity 3. Discussion of recommendations on the national level and in pilot regions</p> | | | | X | | | | | 71600 – Travel 72100 – Contractual.Services Companies | 8000 10000 |
| | <p>Activity 4. Management</p> | | | | X | | | | | 74500 – Miscellaneous Expenses | 2000 |
| | <p>TOTAL:</p> | | | | | | | | | | 37500 |

Prepared by

Oleksandr Shevtsov
Oleksandr Shevtsov
Advisor

Endorsed by

Sergiy Chelnokov
Representative of Implementing Partner
Sergiy Chelnokov
Deputy Minister of Economy of Ukraine

Approved by

