

1. CAS/CPS Data	
Country: Ukraine	
CAS/CPS Year: FY12	CAS/CPS Period: FY12 – FY16
CLR Period: FY12 – FY16	Date of this review: May 31, 2017

2. Ratings		
	CLR Rating	IEG Rating
Development Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
WBG Performance:	<i>Good</i>	<i>Good</i>

3. Executive Summary

- i. Ukraine is a lower middle income country with a GNI per capita of \$2,640 in 2015. Leading up to the Country Partnership Strategy (CPS) period, poverty had been declining, with the share of the population below the \$5 poverty line decreasing from 46 percent in 2002 to 3.2 percent in 2013, and a GINI index lower than those of peer countries in the ECA region in 2014. During the CPS period, Ukraine experienced almost zero growth during 2012-2013 and negative real GDP growth of -6.6 percent in 2014 and -9.9 percent in 2015. Following the Euromaidan demonstration and subsequent political events, a new Government took over in late 2014 and faced several challenges, including maintaining macroeconomic stability and managing a banking crisis. With higher unemployment and a compression of public expenditures, Ukraine experienced increases in poverty rates with the share of the population below the \$5 poverty line increasing to 3.3 percent in 2014 and 5.8 percent in 2015. While the economy has stabilized, Ukraine would have to address long-standing structural, governance and anti-corruption issues to achieve sustained growth and shared prosperity. During the CPS period, Ukraine’s ranking in the Worldwide Governance Indicator (WBI) for Control of Corruption deteriorated from 17th percentile in 2011 to 15th percentile in 2014, while the ranking in the Human Development Index has remained at 83rd-84th.
- ii. At the start of the CPS period, the government’s program was articulated in the 2010-2014 Economic Reform Program of the President, which had five pillars that included business climate improvement, infrastructure modernization, and public administration efficiency upgrading. To support the government program, the CPS was designed around two focus areas: (i) support for building relations with citizens by improving public services and finance; and (ii) support for building relations with business by improving policy effectiveness and economic competitiveness. The CPS employed a cautious approach, with a specified lending program that covered the first two years of the CPS (FY12-14) that consisted of scaling up well performing projects using the Investment Project Financing (IPF) instrument while maintaining dialogue on major reforms through Advisory Services and Analytics (ASA). The CPS lending during the second part (FY15-16) was to be determined based on a mid-term assessment of government commitment and ability to deliver reforms.
- iii. At about mid-term of the CPS period, there were significant changes in the political and economic context. The new Government that took over in December 2014 had to urgently address macroeconomic imbalances, but also included structural reform priorities and transparency and

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anti-corruption measures in its program. In response, the WBG supported major policy and institutional reforms using development policy financing (DPF) as the main instrument. The main reforms supported were in the areas of public sector governance, business environment, utility subsidies, social protection, and the banking system. According to the Completion and Learning Review (CLR), senior management waived the completion of a mid-term Performance and Learning Review (PLR) and the CPS was not adjusted to take into account the changes in the WB program.

iv. During the CPS period, thirteen lending operations were approved totaling \$4.9 billion. Seven IPF operations amounting to \$1.8 billion were approved during FY12-14. These operations scaled up ongoing operations through Additional Financing and follow-up projects. During FY14-16, in response to the changed economic and political context, the Bank approved six operations amounting to \$3.1 billion, of which 72 percent were accounted for by four development policy operations (DPOs). During the CPS period, the core of IFC's operations was its support to the agriculture and agribusiness sectors.

v. IEG rates development outcomes of the CPS as *Moderately Satisfactory*. Focus Area I is rated as Moderately Unsatisfactory while Focus Area II is rated as Moderately Satisfactory. Of the six CPS objectives, three are rated as Mostly Achieved and three are rated as Partially Achieved. The overall rating takes into account the strength of the evidence in the objectives that were rated Mostly Achieved and the lack of verifiable information in one objective that resulted in its Partially Achieved rating. The WBG program performed well in several areas, including business climate reforms, banking system stabilization and consolidation, pension reform, and energy sector governance reform. The program fell short of meeting the targets for strengthening efficiency of public financial management (PFM) in particular capital expenditures, improving efficiency of education and health expenditures, improving governance of municipal infrastructure services, and increasing access to finance for agriculture and agri-business. It should be noted that the ratings were based on the original CPS results framework, since there was no PLR. Nonetheless, the DPOs that were approved during FY14-16 contributed to several CPS objectives and outcomes, mainly in the areas of PFM, business environment, and financial sector. In particular, this review notes the important contribution of the Financial Sector Development Policy Loan series in helping the authorities navigate the banking crisis and consolidate the banking system.

vi. IEG rates WBG performance as *Good*. The CPS was appropriately designed with a FY12-14 program that was well defined and an indicative lending for FY15-16 program following the lessons of the previous CPS. The FY12-14 program was well aligned with the Government's program and was selective. The program would focus on scaling up well performing IPF operations and utilize ASA to engage in policy dialogue and lay the groundwork for future operations. The program sought to incorporate governance and anti-corruption measures in projects. However, there were weaknesses in the results framework, including the numerous indicators that were not sufficiently linked to the outcomes and objectives, and the lack of program level outcome indicators in several important areas. In terms of implementation, the WBG was able to deliver all of the planned FY12-14 operations, and at the same time, it was able to respond promptly during FY14-16 to a different country context and additional development challenges including the emergence of a banking crisis. In the early part of the FY14-16 program, the WB supported the new Government mainly with DPOs which helped ensure that institutional and structural reforms accompanied the International Monetary Fund (IMF) program to stabilize the economy. However, the CPS was not modified to take into account changes in the country's development challenges and the WB program, including the DPOs that were approved in FY14-15 with results to be achieved during the CPS period. In terms of performance of active projects during the CPS period, Ukraine's portfolio performed better than the regional average during 2012-2014, but experienced deterioration during 2015-2016. The WBG coordinated its program and activities with a large number of development partners and the DPOs were part of an international package for Ukraine. There were seven substantiated cases reported by the Integrity Vice Presidency (INT) mainly involving collusion and fraud to influence the procurement process.

vii. IEG concurs with the following lessons in the CLR: greater WBG impact when addressing policy and institutional issues; importance of ASA in achieving development results; maintenance of



continuity in country strategies to sustain progress in reforms; effectiveness of implementation readiness filter; importance of close coordination with development partners to avoid duplication and create synergies; and stricter application of risk management system. However, IEG disagrees with the CLR lesson that the results matrix should have been updated even if not covered in a formal PLR. IEG asserts that a PLR should have been issued, along with an updated results matrix, given the major changes in country circumstances, the increase in size and use of different instruments in the WBG program, and the emergence of new risks. In addition, IEG provides the following lessons based on this review.

- First, while the use of the calibrated or phased approach was appropriate given the uncertainties regarding government commitment to reform and ability to implement projects, there is need to undertake a mid-term assessment through a PLR. In the case of Ukraine, the CPS was designed to support a flexible program, with a set of planned projects for the first half of the CPS period while the second phase was indicative and yet to be determined on the basis of a mid-term assessment, which did not materialize.
- Second, IFC's role remained important and relevant in a difficult political and economic environment. In the case of Ukraine, IFC played a counter-cyclical role and helped boost investors' confidence by maintaining its exposure and making new investments in the agriculture and agribusiness sectors.

4. Strategic Focus

Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** The CPS addressed the country's major development challenges, including institutional weaknesses, major reform bottlenecks, poor governance and high levels of corruption. At the beginning of the CPS period, Ukraine ranked 152 out of 183 economies in terms of the Doing Business (DB) ease of doing business indicator, and was at the bottom 50th percentile in all six dimensions of the WB Worldwide Governance Indicators. Poverty had been declining, with the share of the population below the \$5 poverty line decreasing from 46 percent in 2002 to 3.2 percent in 2013. However, a significant portion of household incomes of the bottom 40 percent relied on pension and social assistance. In addition, real GDP growth had begun to decline starting 2012. The CPS supported the Economic Reform Program of the President (2010-2014), specifically the initiatives on improving the business climate, modernization of infrastructure, and raising public administration efficiency to promote growth and improve governance. In addition, the CPS included outcomes on improved efficiency of social expenditures, sustainability of the pension system, and increased productivity of agriculture to support incomes of the bottom 40 percent. The CPS also introduced a governance and anti-corruption (GAC) filter for all lending operations.

2. The conflict in eastern Ukraine and a weak global environment resulted in an economic and banking crisis starting in 2014 with GDP contracting by 6.6 percent in 2014 and 10 percent in 2015, and the fiscal deficit increasing to 10 percent of GDP in 2014. The share of the population below the \$5 poverty line increased from 3.3 percent in 2014 to 5.8 percent in 2015. The new Government that took office in December 2014 faced major challenges that included reducing the fiscal deficit in the midst of a recession and containing a major banking crisis while addressing long standing bottlenecks in institutional and structural reforms. WBG responded with a program that complemented those of the IMF and other development partners.

3. **Relevance of Design.** The CPS was designed to address the main development challenges and to support the government program while taking into account the institutional weaknesses and uncertainty in commitment towards reforms. The calibrated approach to the CPS provided for flexibility in program design, with a well-defined lending program during the first half of the CPS period, and future lending to be determined based on a mid-term assessment. The CPS objectives reflected the areas of WBG focus, and remained relevant throughout the CPS period. The pre-existing projects at the beginning of the CPS period, the planned projects for FY12-14, and the DPOs approved during FY14-16 were relevant and supported the achievement of CPS objectives. Nonetheless, a PLR should



have been completed given the substantive changes in the political and economic environment, the increased size and different instruments of the WB program, and the emergence of new risks faced by the WBG. While the CPS objectives remained relevant throughout the CPS period, there should have been significant changes to the results framework to incorporate the contribution of the DPOs.

Selectivity

4. The CPS program was selective at the level of the focus areas and the program objectives. In defining the lending program for the first three years of the CPS period, the CPS built on operations with a good track record of implementation - the IPF operations approved during FY12-14 were essentially scaling up previous interventions that were deemed to be performing well. The two programmatic DPO series that dominated the FY14-16 WB program built on previous work and complemented the IMF program by focusing on reforms to improve public sector governance and the business environment as well as to stabilize and restructure the banking system. The ASA focused on key reform areas and TF projects supported specific operations in the lending program. IFC was also selective in its engagement as the agribusiness and agriculture sectors were the core business of IFC for both investment and advisory services during the CPS period.

Alignment

5. The CPS was prepared prior to the adoption of the WBG twin goals. The CPS poverty and shared prosperity focus was increasing labor and farm incomes while improving the pension and social assistance system to benefit the bottom 40 percent. The CPS included objectives and outcomes that contributed directly or indirectly to the twin goals including promoting economic growth, increasing competitiveness of agriculture, ensuring sustainability of the pension system, and improving efficiency of social expenditures. With the increase in poverty in 2014-2015, the WB program added measures to protect the poor in the wake of utility tariff increases.

5. Development Outcome

Overview of Achievement by Objective:

Focus Area I: Improving Public Services and Public Finances: Support to Building Relations with Citizens.

6. This Focus Area had three objectives: (i) improved governance of public finances; (ii) improved efficiency of social expenditures; and (iii) improved efficiency, quality and governance of municipal infrastructure services. There were nine outcomes supporting the three objectives.

Objective #1: Improved governance of public finances.

7. This objective contained five outcomes: three covering various aspects of public financial management (PFM), one focusing on governance of the energy sector which accounted for a significant portion of the fiscal deficit, and one dealing with the sustainability of the Pension Fund. The outcomes sought to improve transparency and efficiency of PFM as part of efforts to improve governance, increase the efficiency of Naftogaz to reduce the fiscal burden, and implement pension reforms to ensure long term sustainability of the pension system.

8. Strengthened operational efficiency and transparency of PFM. The indicator for this outcome was the reduction by at least 20 percent in time required to get necessary information for managerial decisions as compared to 2011. The main WB instrument supporting this outcome was the FY08 Public Finance Modernization Project which would support the implementation of a modern public expenditure management system (PFMS). While there was no baseline survey to enable measurement of the indicator, the Implementation Completion Report Review (ICRR) for the project used results from four surveys on business processes to conclude that the target was not achieved, in large part because the PFMS was not implemented. The ICRR rated the project outcome as Unsatisfactory. Based on the ICRR findings, *this outcome is rated as Not Achieved.*



9. Increased transparency in public procurement. The indicator for this outcome was that civil society would have easy and unrestricted access to information on public procurement process and system on a regular basis. Several TA projects supported this outcome: the FY13 Fiscal, Structural and Governance TA; the FY15 Public Investment Project Appraisal and Selection System Development TA; and the FY15 Increasing Fiscal Transparency and Accountability TA. The FY14 First Development Policy Loan had a prior action that would reduce exemptions in public procurement from competitive procedures. The TA projects resulted in the development of indicators to enable the civil society to monitor procurement, the adoption by Parliament of legislation improving access to public procurement information, and the development of an electronic public procurement system which would enable ease of access to information. Parliament adopted a new procurement law in 2015. The indicator for this outcome is not measurable and monitorable, and could have utilized the Public Expenditure and Financial Accountability (PEFA) assessment scores on public access to fiscal information to assess progress. Nonetheless, there has been progress in development of systems to improve access to information, and PEFA 2015 gave a grade of “B” for public access to fiscal information, which meant that Ukraine’s PFM met all the basic requirements with room for improvement in two additional areas. *This outcome is rated as Achieved.*

10. Improved efficiency of capital expenditures. The indicator for this outcome was the improvement in the capital expenditures execution rate from 70 percent in 2010 to over 80 percent by the end of the CPS period. The FY15 Public Investment Project Appraisal and Selection System Development TA supported this outcome. The final report for the FY15 Public Investment Project Appraisal and Selection System Development TA stated that during 2014-2016 the Parliament had adopted changes to the Budget Code and other laws that improved public investment performance. The FY16 Second Development Policy Loan included as prior action the improvement of the public investment management framework through enactment of amendments to the Budget Code. The 2013 IMF Article IV Consultation paper reported that the budget execution rate was at 70 percent. The indicator was appropriate, but IEG could not verify the status of current performance. *This outcome is rated as Not Achieved.*

11. Improved governance in the energy sector. The indicator for this outcome was the publication by Naftogaz subsidiaries of separate financial accounts according to international standards. The main WBG instruments to support this outcome were IFC advisory services, WB TA, and the FY16 Second Development Policy Loan which included cabinet approval of the Gas Sector Reform and Implementation Plan as a prior action. Neftogaz published consolidated financial statements for 2015 and the financial statements for subsidiaries were available in their websites. *This outcome is rated as Achieved.*

12. Implementation of the Pension Reform Law and improved sustainability of the Pension Fund. The indicator for this outcome was the reduction of pension expenditures as a share of GDP from 18 percent in 2010 with no time-bound target. The indicator, while appropriate, could have included a specific target to be achieved by the end of the CPS period. The main WB instrument of support was the FY14 Fiscal, Structural and Governance TA which provided advice on measures to ensure the long term sustainability of the pension system. The Pension Reform Law increased the retirement age and extended the contribution period. Based on IMF data, pension expenditures as share of GDP declined to 13.4 percent in 2015. *This outcome is rated Achieved.*

13. **Objective #1 is rated as *Mostly Achieved*.** Three of the five outcomes under this objective were rated as Achieved and two were rated as Not Achieved. This review notes that the Government has prepared a new PFM reform strategy to address weaknesses identified in the 2015 PEFA. Some of the indicators for the PFM outcomes could have been improved or augmented by using the results of the periodic PEFA which provides scores for different aspects of Ukraine’s PFM system and by utilizing the results framework of the DPOs.

Objective #2: Improved efficiency of social expenditures.

14. Two outcomes supported this objective, one on health and education spending and the other on social safety net efficiency and equity. Because education and health spending accounted for a significant share of government resources, the outcome in these sectors focused on improving



spending efficiency. The social safety net outcome would improve targeting of social protection programs and improve efficiency of social assistance administration.

15. Improved efficiency of spending in health and education. There were three indicators for this outcome: (i) reduction in average length of stay (ALOS) in hospitals in pilot oblasts by 20 percent against 2011 level; (ii) increase in visits to primary health centers in pilot oblasts by 10 percent against 2011 level; and (iii) improvement in government capacity to analyze public spending efficiency in education. The main WB instruments were the FY15 Serving People, Improving Health Project, the FY11 Support Pilot of Health Systems Reform Project, and the FY13 Education Sector Dialogue BOOST Project. The latest ISR for the Serving People, Improving Health Project reported a 3.4 percent reduction in ALOS in project regions, compared to the 20 percent target – indicator (i) is rated as not achieved given the minimal progress. The health project did not report on number of visits to primary health care centers, hence the achievement of the target for indicator (ii) could not be verified. Based on the training provided under the education project and a report on the utilization of the BOOST tool for public expenditure analysis, the target for indicator (iii) is considered achieved. The indicators did not provide information on health and education expenditure trends and outcomes which are necessary to assess efficiency of spending in these sectors. During 2012-2014, education expenditures as percent of GDP declined from 6.7 percent to 5.9 percent, and health expenditures as percent of GDP declined from 4.1 percent to 3.6 percent, though there had been deterioration of certain education (e.g. gross enrollment ratio in primary grades) and health (e.g., immunization rates for children) indicators. Based on the status of the three indicators, *this outcome is rated as Partially Achieved.*

16. Improved efficiency and equity of social safety net. The indicators for this outcome were: (i) increase in targeting accuracy of the social safety net from 37.4 percent in 2011 to 50 percent in 2016; and (ii) reduction in spending on categorical benefits by 30 percent in 2016 compared to 2011. The main WB instruments were the FY06 Social Assistance System Modernization Project, the FY14 Social Safety Nets Modernization Project, and the FY16 Second Development Policy Loan which included various government actions to improve targeting of social assistance to the poor. With respect to indicator (i), the CLR reported that there was a decline in targeting accuracy based on the 2014 Household Budget Survey data and rated the target as not achieved. With respect to indicator (ii), the Government has been shifting from categorical to means-tested benefits. Based on official budget spending data, the CLR reported that the share of means and income tested programs in overall social assistance spending – which was an indicator in the DPO - had increased resulting in a reduction of categorical benefit spending by 65 percent during 2011-2016. However, IEG could not verify progress for indicator (ii) due to the absence of an ISR or ICR for the DPO. *This outcome is rated as Not Achieved.*

17. **Objective #2 is rated as Partially Achieved** based on the Partially Achieved rating for one outcome and a Not Achieved rating for the other. This review notes that despite the reforms undertaken to improve targeting of social safety net and the utilization of both IPF and DPO instruments to support the reforms, there was a decline in targeting accuracy per the 2014 household budget survey. This review also notes that the DPL series, approved after the 2014 household budget survey, supported the Government's efforts to increase the share of means and income tested programs in overall social assistance spending from 13 percent in 2012 to 20 percent in 2016. The CLR reported an increasing trend, but IEG could not verify this information in the absence of an ISR or ICR for the DPL series. In addition, this review notes that the target for reduction of ALOS in the CPS was intended to be achieved in 2020 based on the Serving People, Improving Health Project, whose latest ISR rated progress towards achievement of DO as Moderately Satisfactory. While the indicators for improved efficiency and equity of social safety were appropriate, those for improved efficiency of spending in health and education were not.

Objective #3: Improved efficiency, quality, and governance of municipal infrastructure services.

18. Two outcomes supporting this objective would reduce energy consumption of water utilities and improve quality and responsiveness of municipal services. Energy intensity in Ukraine was very



high relative to countries in the ECA Region. Improved water, wastewater, and solid waste services were expected to have a significant impact on the living standards of the bottom 40 percent of the population.

19. Improved energy efficiency of targeted municipal water utilities. The indicator was an increase in energy efficiency in at least 12 participating water and sanitation utilities as measured by a 15 percent reduction in kwh/m³ compared to 2011. The FY08 First Urban Infrastructure Project and the FY14 Second Urban Infrastructure Project supported this outcome. The ICRR for the First Urban Infrastructure Project reported that 12 utilities completed energy efficiency investments with average energy savings of 25 percent. *This outcome is rated as Achieved.*

20. Increased transparency and accountability of municipal service provision. The indicators were: (i) water services and sanitation utility performance benchmarking introduced in 2014; and (ii) performance information is reported by targeted WSS utilities to the central government through the new sector information system. The FY08 First Urban Infrastructure Project and the FY14 Second Urban Infrastructure Project supported this outcome. With respect to indicator (i), the ICRR for the First Urban Infrastructure Project reported that the Swedish International Development Cooperation Agency (SIDA) supported the development of a benchmarking system. However, the CLR reported that the system was not introduced due to changes in the regulator, thus indicator (i) is considered not achieved. With respect to indicator (ii), while the ICRR reported that an initial plan for the integrated water information system was developed, the CLR reported that indicator (ii) was not achieved due to delays in implementation. *This outcome is rated as Not Achieved.*

21. **Objective #3 is rated Partially Achieved.** There was an overachievement with respect to meeting the target for improved energy efficiency of targeted municipal water utilities. However, in the case of increased transparency and accountability of municipal service provision, while the systems to meet the targets had been developed, there were delays in implementation due to the establishment of a new regulator, which was being supported by the WB with capacity building assistance.

22. **Focus Area I is rated as Moderately Unsatisfactory.** Two of the three objectives were rated as Partially Achieved and one rated as Mostly Achieved.

Focus Area II: Improving Policy Effectiveness and Economic Competitiveness: Support to Building Relations with Business.

23. This Focus Area had three objectives: (i) improving business regulatory environment for a more competitive and diversified economy; (ii) improving infrastructure for business activities; and (iii) improving productivity and competitiveness in agriculture. There were 11 outcomes under this pillar.

Objective #4: Improving business regulatory environment for a more competitive and diversified economy.

24. Four outcomes would contribute to the achievement of this objective. Two of the outcomes addressed regulatory and tax compliance costs. The other two would increase access to finance by improving export finance and strengthening the financial system.

25. Reduced regulatory burden on enterprises. The indicators were: (i) WTO commitments pertaining to certification and standardization are accomplished in line with the Law of Accession to the WTO; (ii) Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) with the EU signed; and (iii) burden on enterprises is reduced by shifting to the sample-based data collection approach (from 10 surveys elaborated in 2010 to 15 by the end of the CPS period). The main WB instruments supporting this outcome were the FY08 Second Development Policy Loan, the FY09 Third Development Policy Loan, and the IFC Ukraine Investment Climate Agriculture and Cleaner Production Project. Several laws were enacted as part of WTO commitments on certification and standardization, thus meeting indicator (i). Based on the CLR, indicator (ii) was not met. With respect to indicator (iii), the latest ISR for the FY14 Development of the State Statistics System for Monitoring the Social and Economic Transformation Project reported that the number of surveys moving to sample-based has increased to 19 as of end-2013, thus meeting indicator (iii). Although IFC



project outcomes were not included as CPS indicators, IFC's industry specific AS project helped reduced the regulatory burden for the agribusiness sector. The indicators for this outcome were process oriented and did not provide a measurement for reduction in regulatory burden. *This outcome is rated Mostly Achieved.*

26. Reduced tax compliance costs. The indicators were: (i) share of legal entities that undergo on-site audits is reduced from 16.3 percent in 2010 to below 12 percent throughout the CPS period; and (ii) share of VAT refunds under the automatic refund system increases from 48 percent in July 2011 to above 70 percent. The FY13 First State Tax Service Modernization Project, the FY14 First Development Policy Loan, and the FY16 Second Development Policy Loan were the main instruments supporting this outcome. The First State Tax Modernization Project did not report on indicator (i), which could not be verified. With respect to indicator (ii), there were changes in the VAT refund processing procedures and the Programmatic Development Policy Loan series used a new indicator to track results – ratio of VAT refund claims older than 74 days to quarterly flow of VAT refund claims with a targeted reduction from 153 percent in 2013 to 20 percent in 2015. The country team reported that the DPO indicator was 0.4 percent in 2015 and 0.8 percent in 2016, exceeding the DPO series target. However, IEG could not verify progress in the DPO indicator due to the absence of an ISR or ICR. *This outcome is rated as Not Verified.*

27. Increased access to medium and long-term finance for export. The indicator was that all borrowers under the FY07 Second Export Development Project (EDP-2) expanded their export volumes as per project targets. The ICRR for the EDP-2 reported that annual volume of exports by beneficiary enterprises increased nearly sevenfold between 2006 and 2015 and rated achievement of outcome as satisfactory. This is a project level indicator which did not provide information on whether there had been increased access to medium and long-term finance for export beyond beneficiary enterprises of the Bank project, whose share of the export sector is unclear. There was a decline in the domestic credit to the private sector as percent of GDP, from 71 percent in 2011 to 57 percent in 2015, though it is neither possible nor appropriate to assess the contribution of the project to system-wide performance due to the economic and banking crisis. On balance, *this outcome is rated as Not Achieved.*

28. Increased stability of the financial system. The indicators were: (i) Deposit Guarantee Fund (DGF) capacity as bank resolution agency is strengthened, as confirmed by WB's expert assessment; (ii) consolidated supervision of financial institutions implemented; (iii) the State has exited three banks recapitalized in 2009 following low-cost option; (iv) distressed asset market established and actively operating; and (v) risk management in 28 IFC client financial institutions improved. The WBG instruments were the FY14 First Financial Sector Development Policy Loan (FSDPL), the FY16 Second Financial Sector Development Policy Loan, and IFC investments. With respect to indicator (i), the FSDPLs stated that the DGF had strengthened its capacity through the completion of several prior actions – indicator (i) is achieved. Indicator (ii) is not achieved. With respect to indicator (iii), the 2016 IMF Article IV Consultation Report for Ukraine stated that 88 banks accounting for half of the banking system assets in 2014 had been closed – indicator (iii) is deemed achieved. Indicator (iv) is considered partially achieved – while the FSDPLs had strengthened distressed asset management function of DGF, IEG could not verify its operational status and performance. With respect to indicator (v), although 25 IFC client banks participated in the training on risk management, only two banks implemented a new risk management system – this indicator is partially achieved. This review notes that the indicators were developed prior to the banking crisis and the approval of the FSDPL series, which focused on stabilizing the banking system. Thus, the results indicators of the FSDPL had not been incorporated in the results framework though the FSDPL series was the main instrument supporting the outcome. The 2016 IMF Article IV Consultation Report for Ukraine stated that there has been impressive progress in restoring the health and improving governance of the banking system, and while there continue to be challenges in ensuring financial stability, confidence in the banking system was gradually returning with deposits increasing. This review notes the gains made in stabilizing the banking system, hence on balance, *this outcome is rated as Mostly Achieved.*

29. **Objective #4 is rated Mostly Achieved.** Two of the four outcomes were rated as Mostly Achieved, one was rated as Not Achieved, and one rated as Not Verified. The rating for this objective



takes into account the assessment of the IMF on progress towards stabilizing and consolidating the banking system, as well as the wide ranging financial sector reforms undertaken as part of the FSDPL series. In addition, while the reduced tax compliance costs outcome was rated as not verified, this review notes that DB indicator for ease of paying taxes showed significant improvement in Ukraine's ranking, from 181 out of 183 economies in DB 2012 to 84 out of 190 in DB 2017. In addition, there has been improvement in the Ukraine's ranking in the DB overall ease of doing business, from 152 out of 183 economies in DB 2012 to 80 out of 190 economies in DB 2017. In retrospect, this objective should have been split into two – one on reducing the cost of doing business and the other on stabilizing the financial system.

Objective #5: Improving infrastructure for business activities.

30. The four outcomes supporting these objective addressed energy efficiency improvements in industrial enterprises and municipalities, implementation of the Government's Energy Sector Reform and Development Program, improvements in road safety and road connectivity to key markets, and piloting private participation in the transport sector.

31. Improved energy efficiency in the public and private sectors. Indicators were: (i) energy intensity of selected industrial enterprises decreased by 15 percent by 2014 compared to 2011; and (ii) loans granted through the credit line for energy efficiency investments generated 750,000 tons of oil equivalent (toe) in energy savings. The main WBG instruments were the FY12 Energy Efficiency Project and IFC investments. While the data did not permit calculation of reduction in energy intensity between 2011 and 2014, the latest ISR for the Energy Efficiency Project reported that energy savings targets for the project were mostly achieved or exceeded, thus indicator (i) is considered mostly achieved. The ISR reported 553,281 tons of oil equivalent (toe) in energy savings – indicator (ii) is mostly achieved. *This outcome is rated as Mostly Achieved.*

32. Improved performance of the power sector. Indicators were: (i) 20 percent of power market transactions concluded on the basis of bilateral contracts in line with Wholesale Electricity Market Law; (ii) greater power system reliability; (iii) increased hydropower capacity by 80 MW and hydropower production by 180 GWh between 2011 and 2014; (iv) energy not served reduced by at least 35 GWh/year and transmission losses reduced to less than 2.5 percent; (v) greater uptake of investment in resource efficiency in agribusiness; (vi) cost savings of US\$30 million per year through the implementation of resource efficiency initiatives with IFC support; (vii) 230,000 tons of CO2 per year in emissions avoided as a result of these investments; and (viii) IFC Residential Energy Efficiency Project facilitated US\$50 million in financing, achieving 48,000 tons per year of CO2 emission reduction. WBG instruments were: the FY08 First Power Transmission Project, the FY15 Second Power Transmission Project, and the FY05 Hydropower Rehabilitation Project, and IFC investments. Out of the four indicators supported by WB power projects, three were achieved (indicators ii, iii, and iv), and one was not achieved (indicator i). The four indicators supported by IFC investments were either achieved (indicator viii) or mostly achieved (indicators v, vi, and vii). *This outcome is rated as Mostly Achieved.*

33. Improved road connectivity and safety. Indicators for this outcome were: (i) riding quality along the rehabilitated road sectors of the M03 road improved as measured by the reduction of international roughness index from 5 m/km in 2011 to less than 2 m/km in 2015 and beyond; (ii) road capacity increased on 2-lane sections of the M03 between Lubny and Poltava; and (iii) road safety along the rehabilitated sections of M03 and high risk corridors treated is improved as evidenced by at least 40 percent reduction in traffic fatalities and injuries compared to 2011. The FY09 First Road and Safety Improvement Project and the FY12 Road and Safety Improvement Project supported this outcome. Based on the ICRR for the First Road and Safety Improvement Project and the latest ISR for the Second Road and Safety Improvement Project, the targets for all three indicators were met. *This outcome is rated as Achieved.*

34. Private participation in transport sector. The indicator was at least one pilot Public Private Partnership (PPP) project in transport was brought to a financial closure, applying best international practices. The road projects – the FY09 First Road and Safety Improvement Project, the FY12 Road and Safety Improvement Project, and the FY16 Road Sector Development Project – did not include



this indicator. The CLR reported that as a result of poor market conditions and inadequate legislation, no PPP transaction materialized. *This outcome is rated as Not Achieved.*

35. **Objective #5 is rated Mostly Achieved.** Three of the four outcomes were rated as Achieved or Mostly Achieved. However, the outcome on private participation in the transport sector was rated as Not Achieved.

Objective #6: Improving productivity and competitiveness in agriculture.

36. To support this objective, outcomes focused on reducing transaction costs, developing agri-insurance products, and improving access to finance for farmers.

37. Increased efficiency of cadastral registration. The indicator was the reduction in time for cadastral registration from 3-24 months in 2011 to 14 days by 2014. The FY03 Rural Land Titling and Cadastre Development Project supported this outcome. The ICRR for this project reported that the introduction of a new IT system and procedures resulted in the reduction in registration time to 21 minutes with only one visit to the cadaster office required. *This outcome is rated as Achieved.*

38. Reducing the cost of compliance for agribusiness. The indicators were: (i) system of food safety control aligned with the EU practice; and (ii) US\$60 million in increased sales for client companies of IFC's Food Safety Project. IFC investments and advisory services supported this outcome. The IFC Ukraine Investment Climate Agri and Cleaner Production Project helped develop the Food Safety Law adopted in July 2014 but the CLR noted that the law on inspection was still under development – indicator (i) is partially achieved. Based on the PCR for the Food Safety Project, IFC client companies recorded increased sales of US\$132 million – indicator (ii) is achieved. The indicators did not provide an appropriate measure of reduced costs of compliance for agribusiness. *On balance, this outcome is rated as Partially Achieved.*

39. Development of agri-insurance and access to agri-finance for IFC clients. Indicators were: (i) farmers adopt agri-insurance as a management tool with the value of premiums collected increasing to US\$3 million and the value of insurance contracts increasing to US\$40 million; and (ii) access to finance for farmers through financial institutions improves as measured by the value of loans disbursed increasing to US\$40 million and NPLs below three percent. IFC investments and advisory services supported this objective. The IFC FY13 Ukraine Investment Climate Agribusiness and Cleaner Production Project resulted in the issuance of 69 policies of index insurance coverage to cover winter wheat and corn with US\$20 million of insurance contracts – indicator (i) is partially achieved. With respect to indicator (ii), US\$78 million of loans to the agricultural sector had been provided by banks with IFC AS, but there was no information on NPLs – indicator (ii) is therefore rated as partially achieved. *This outcome is rated as Partially Achieved.*

40. **Objective #6 is rated as Partially Achieved.** Two of the three outcomes were rated as Partially Achieved while one was rated as Achieved. Most of the indicators for cost of compliance for agribusiness and improving agri-insurance and access to finance were project level results and could have been augmented by tracking sector wide performance in the areas of reduced costs of doing business and improved access to finance. This review notes that the outcomes and associated indicators are not good measures for tracking competitiveness and productivity

41. **Focus Area II is rated as Moderately Satisfactory.** Two out of three objectives in Focus Area II were rated Mostly Achieved and one was rated Partially Achieved. There were many significant achievements in this Focus Area, notably the improvements in DB rankings, the progress in stabilizing and consolidating the banking system, and the increased efficiency of the cadastral registration system. Nonetheless, this review notes the 2017 IMF Country Report for Ukraine assessment that the pace of structural reforms needs to be dramatically increased and more work needs to be done to secure financial stability.

Overall Assessment and Rating

42. IEG rates development outcomes of the CPS as *Moderately Satisfactory*. Focus Area I is rated as Moderately Unsatisfactory while Focus Area II is rated as Moderately Satisfactory. Of the six



CPS objectives, three are rated as Mostly Achieved and three are rated as Partially Achieved. The overall rating takes into account the strength of the evidence in the objectives that were rated Mostly Achieved and the lack of verifiable information in one objective that resulted in its Partially Achieved rating. The WBG program performed well in several areas, including business climate reforms, banking system stabilization and consolidation, pension reform, and energy sector governance reform. The program fell short of meeting the targets for strengthening efficiency of public financial management (PFM) in particular capital expenditures, improving efficiency of education and health expenditures, improving governance of municipal infrastructure services, and increasing access to finance for agriculture and agri-business. It should be noted that ratings were based on the CPS results framework, which did not take into account the changed country conditions and the WBG program during FY14-16. Nonetheless, the DPOs that were approved during FY14-16 contributed to several CPS objectives and outcomes, mainly in the areas of PFM, business environment, and financial sector. This review notes the important contribution of the Financial Sector Development Policy Loan series in helping the authorities navigate the banking crisis and consolidate the banking system.

Focus Areas, Objectives, and Outcomes	CLR Rating ¹	IEG Rating
Focus Area I: Improving Public Services and Public Finances		Moderately Unsatisfactory
Objective #1: Improved governance of public finances	3 outcomes achieved, 1 outcome partially achieved, and 1 outcome not verified	<i>Mostly Achieved</i>
Objective #2: Improved efficiency of social expenditures	1 outcome mostly achieved and 1 outcome partially achieved	<i>Partially Achieved</i>
Objective #3: Improved efficiency, quality, and governance of municipal infrastructure services	1 outcome achieved and 1 outcome not achieved	<i>Partially Achieved</i>
Focus Area II: Improving Policy Effectiveness and Economic Competitiveness		Moderately Satisfactory
Objective #4: Improving business regulatory environment for a more competitive and diversified economy	1 outcome achieved, 1 outcome mostly achieved, and 2 outcomes partially achieved	<i>Mostly Achieved</i>
Objective #5: Improving infrastructure for business activities	2 outcomes achieved, one outcome mostly achieved, and 1 outcome not achieved	<i>Mostly Achieved</i>
Objective #6: Improving productivity and competitiveness in agriculture	1 outcome achieved, 1 outcome mostly achieved, and 1 outcome partially achieved	<i>Partially Achieved</i>

6. WBG Performance

Lending and Investments

43. At the start of the CPS period, there were 11 ongoing projects with an approved amount of \$1.6 billion. The pre-existing portfolio was all investment project financing (IPF) operations, comprising of about 60 percent in the energy and infrastructure sectors, about 20 percent in export and rural development, and the remainder in public financial management, social assistance, and development of statistical systems. There were eight ongoing trust fund projects amounting to \$35 million of which 46 percent were for the rehabilitation of a steel mill and 38 percent complemented two ongoing energy and infrastructure operations.

44. During the CPS period, 13 lending operations were approved totaling \$4.9 billion. Seven projects – all IPFs - that comprised the original CPS program were approved during FY12-14 with a total amount of \$1.8 billion. Five of these projects scaled up ongoing and previous operations in

¹ The CLR did not rate the individual objectives. Instead, the CLR rated the individual outcomes.



energy, infrastructure, export development, and statistical capacity building with two projects using Additional Financing (AF). During FY14-16, six operations were added amounting to \$3.1 billion, of which 72 percent was accounted for by four development policy operations (DPOs) covering financial sector, business climate, public sector governance, and utility subsidies. The other unplanned operations were two IPF projects in social protection and roads. During the CPS period, a total of 17 TF projects amounting to about \$160 million were approved mainly to complement lending operations. Three TF projects accounted for 93 percent of total amount approved during the CPS period: the Second Power Transmission Project, the District Heating Energy Efficiency Project, and the Second Urban Infrastructure Project.

45. Of the eight operations that closed during the CPS period, six were rated by IEG as Moderately Satisfactory or better and two were rated as Unsatisfactory. Four of the operations were rated as Significant or High for risk to development outcomes. The performance (based on overall rating of Moderately Satisfactory or better) of closed projects (75 percent in terms of number and 91 percent in terms of amount) matched that of the ECA Region (77 percent in terms of number and 92 percent in terms of amount) and was better than Bank-wide performance (71 percent in terms of number and 83 percent in terms of amount). With respect to portfolio performance of projects that were active during the CPS period, project at risk (17 percent) and commitment at risk (17 percent) were higher than those of the ECA Region (16 percent and 13 percent, respectively) but lower than Bankwide (21 percent and 20 percent, respectively). Portfolio performance, which was doing relatively well during 2012-2014, deteriorated during 2015-2016. The disbursement ratio declined from an average of 30 percent during 2012-2014 to 14 percent during 2015-2016.

46. During the CPS period, IFC had 23 projects for a total net commitment of US\$666.3 million. About half of the IFC financing (51.2 percent or US\$341 million) was committed to the agribusiness sector in 15 projects. IFC's short-term trade finance guarantees amounted to US\$249.0 million or 37.4 percent of the total net commitments over the period. Given the difficult market situation and geopolitical concerns, IFC was cautious and had a very limited new equity investment commitment during CPS period of just US\$21.5 million or 3.2 percent of total net commitments. The total outstanding amount of IFC investment commitment in Ukraine was US\$740.3 million at the end of FY16.

47. IEG validated the development outcomes of four Expanded Project Supervision Reports (XPSR) during the CPS period. Development outcomes of three projects were rated as Unsuccessful and one was rated as Mostly Unsuccessful. In both manufacturing and mortgage finance projects, foreign exchange risk was one of the main reasons for the poor financial performance of the projects. Before the global financial crisis of 2008 and the devaluation of Ukrainian Hryvna, the significant portion of the mortgage loan was denominated in foreign currencies, including IFC's client banks.

48. MIGA underwrote five guarantees during the CPS period with a total outstanding exposure of US\$183 million. MIGA's guarantees covered both financial sector investments as well as manufacturing sector.

Advisory Services and Analytics

49. During the CPS period, WB had a program of advisory services and analytics consisting of 12 economic and sector work (ESW) and 35 technical assistance (TA) products. ESW cost \$1.8 million, of which about 40 percent covered labor and shared prosperity issues and about 30 percent were on public financial management and governance. Out of the TA cost of \$7.9 million, about 70 percent supported initiatives in public financial management, financial sector, health sector, and energy sector.

50. IFC approved 14 Advisory Service (AS) Projects with a total funding of \$36 million. Three AS projects have been terminated and eleven projects are still active. All four largest AS projects either supported agribusiness or agriculture sector. During CPS period, IEG validated development effectiveness of four Project Completion Reports (PCRs) and assigned Satisfactory rating for one project, Mostly Successful ratings for two projects, and Mostly Unsuccessful rating for one project. As a response to the financial crisis in Ukraine in 2009, IFC implemented AS project that aimed at



improving risk management system of banks, including non-performing loans. The scope of the coverage was extended to six banks from the planned two to three banks.

Results Framework

51. The CPS objectives supported the country development goals by addressing critical constraints. Given its importance following the banking crisis during the CPS period, the stabilization of the banking system should have been made a separate objective rather than part of the business environment objective. The lack of a PLR prevented the restatement of objectives as well as the modification of the results framework to reflect the contribution of the DPOs that were approved in FY14-15. Consequently, the causal chain from interventions to objectives was incomplete. In addition, there were weaknesses in the design of outcome indicators, including the numerous indicators that were not sufficiently linked to the outcomes and objectives and the lack of program level outcome indicators in several important areas. The utilization of the DPO results indicators, which were measurable and monitorable, would have strengthened the results framework. Finally, there was a lack of high level indicators to assess the contribution of project results to country outcomes in areas such as control of corruption, business environment, agricultural productivity, access to finance, and financial stability.

Partnerships and Development Partner Coordination

52. The WBG coordinated its program and activities with a large number of development partners (DP) that included the International Monetary Fund (IMF), the European Union (EU), the US Agency for International Development (USAID), and the United Nations (UN). Donor coordination intensified after 2014 to support the reforms of a new government. WB DPOs in 2014-2016 were part of an international package for Ukraine and complemented financing from the IMF, the EU, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and countries such as Japan, Norway, and Germany. The UK Department for International Development (DFID) also established a trust fund to help augment the WB's ESW resources.

Safeguards and Fiduciary Issues

53. Eight IPF operations were closed and validated during the CPS period, of which four triggered environmental and social safeguards. The CLR reported that all policies were generally complied with. It also indicated that WB oversight and capacity building activities were constantly provided. Nevertheless, the project ICRs and ICRRs noted that safeguards reporting was not always adequate, due to insufficient information on the triggered policies and lack of details on impacts and mitigation activities, especially in the transport, urban development, agriculture, and finance practices.

54. There were seven substantiated INT cases that were opened and/or closed during the CPS period involving the following projects: The Social Assistance System Modernization Project, the First and Second Urban Infrastructure Projects, the District Heating Energy Efficiency Project, the Road and Safety Improvement Project, and the Serving People, Improving Health Project. The INT cases mainly involved collusion, corruption, and fraud to influence the procurement process. There have been some serious governance challenges in Ukraine, particularly in the infrastructure and health sectors. Most of the complaints relate to the behavior of client staff and consultants involved with management of projects, especially where they have influence over key decisions on contracts and contract management. A major contributory factor may be the high turnover of high ranking personnel in some ministries, which create lack of stability and can lead to poor governance in general.

Ownership and Flexibility

55. The CPS was developed after extensive consultations with the Government and stakeholders. During the first half of the CPS period, the WB ensured government ownership by scaling up operations that had a good track record of implementation. During the second half, the WB responded to the new Government's request for support to its program in FY15-16. The CPS was designed to enable flexibility – the program covering the latter half of the CPS period was different in terms of size, scope, and instrument than the one implemented during the first half.



WBG Internal Cooperation

56. The CPS was a joint WB/IFC product with IFC activities contributing to all three objectives under Focus Area II. There were complementary WB/IFC activities, notably in the areas of business environment, agriculture, and financial sector. IFC AS contributed to the business environment pillar of the WB Development Policy Loan series. WB, IFC and MIGA products supported the financial sector development agenda with extensive AS and TA engagement from the joint WB-IFC Finance and Markets Global Practice.

Risk Identification and Mitigation

57. The CPS identified the main risks to the program at the beginning of the period, as well as measures to mitigate these risks. The calibrated approach of the CPS was in response to the risks identified. However, the changed political and economic environment introduced new risks faced by a WBG program that was more ambitious than the earlier one. In the absence of a PLR, the risk and mitigation section of the CPS was outdated. Nonetheless, the DPOs identified the main risks to the operations and considered the risks to DO to be high.

Overall Assessment and Rating

58. IEG rates WBG performance as *Good*. The CPS was appropriately designed with a FY12-14 program that was well defined and an indicative lending for FY15-16 program following the lessons from previous CPS. The FY12-14 program was well aligned with the Government's program and was selective. The program would focus on scaling up well performing IPF operations and utilize ASA to engage in policy dialogue and lay the groundwork for future operations. The program sought to incorporate governance and anti-corruption measures in projects. However, there were weaknesses in the results framework, including the numerous indicators that were not sufficiently linked to the outcomes and objectives and the lack of program level outcome indicators in several important areas. In terms of implementation, the WBG was able to deliver all of the planned FY12-14 operations and at the same time, it was able to respond promptly during FY14-16 to a different country context and additional development challenges including the emergence of a banking crisis. In the early part of the FY14-16 program the WB supported the new Government mainly with DPOs which helped ensure that institutional and structural reforms accompanied the IMF program to stabilize the economy. However, the CPS was not modified to take into account changes in the country's development challenges and the WB program, including the DPOs that were approved in FY14-15 with results to be achieved during the CPS period. In terms of performance of active projects during the CPS period, Ukraine's portfolio performed better than the regional average during 2012-2014, but experienced deterioration during 2015-2016. WBG coordinated its program and activities with a large number of development partners and the DPOs were part of an international package for Ukraine. There were seven substantiated INT cases mainly involving collusion and fraud to influence the procurement process.

7. Assessment of CLR Completion Report

59. The CLR was clear and concise and provided an assessment of the strengths and weaknesses of the WBG program. The CLR also acknowledged the shortcoming of the CPS in not taking into account the changed country circumstances and the new WBG program. The CLR provided a frank analysis of IPF operations, including the identification of sources of deterioration of portfolio performance during FY15-16. While the CLR described the changed country circumstances during the CPS period and the WBG response, the CLR did not provide an assessment of results of the WBG program during the second half of the CPS period despite the fact that the majority of the DPO results were to be achieved in 2016. In addition, given the importance placed on governance and anti-corruption as a cross cutting theme, the CLR could have provided WGI indicators to enable measurement and monitoring of progress in this area. The CLR provided information on fiduciary and safeguards issues.



8. Findings and Lessons

60. IEG concurs with the following lessons in the CLR: greater WBG impact when addressing policy and institutional issues; importance of ASA in achieving development results; maintenance of continuity in country strategies to sustain reforms; effectiveness of implementation readiness filter; importance of close coordination with development partners to avoid duplication and create synergies; and stricter application of risk management system. However, IEG disagrees with the CLR lesson that the results matrix should have been updated even if not covered in a formal PLR. IEG asserts that a PLR should have been issued, along with an updated results matrix, given the major changes in country circumstance, the increase in size and use of different instruments in the WBG program, and the emergence of new risks. In addition, IEG provides the following lessons based on this review.

- First, the use of the calibrated or phased approach, which built on lessons from the previous CPS, was appropriate given the uncertainties regarding government commitment to reform and ability to implement projects. In the case of Ukraine, the CPS was designed to support a flexible program, with a set of planned projects for the first half of the CPS period while the second phase was indicative and yet to be determined on the basis of a mid-term assessment.
- Second, IFC's role remained important and relevant in a difficult political and economic environment. In the case of Ukraine, IFC played a counter-cyclical role and helped boost investors' confidence by maintaining its exposure and making new investments in the agriculture and agribusiness sectors.

Annex Table 1: Summary of Achievements of CPS Objectives – Ukraine

Annex Table 2: Ukraine Planned and Actual Lending, FY12-FY16

Annex Table 3: Analytical and Advisory Work for Ukraine, FY12-FY16

Annex Table 4: Ukraine Grants and Trust Funds Active in FY12-16

Annex Table 5: IEG Project Ratings for Ukraine, FY12-16

Annex Table 6: IEG Project Ratings for Ukraine and Comparators, FY12-16

Annex Table 7: Portfolio Status for Ukraine and Comparators, FY12-16

Annex Table 8: Disbursement Ratio for Ukraine, FY12-16

Annex Table 9: Net Disbursement and Charges for Ukraine, FY12-16

Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid for Ukraine

Annex Table 11: Economic and Social Indicators for Ukraine, 2012 – 2015

Annex Table 12: List of IFC Investments in Ukraine

Annex Table 13: List of IFC Advisory Services in Ukraine

Annex Table 14: IFC net commitment activity in Ukraine, FY12 - FY16

Annex Table 15: List of MIGA Activities in Ukraine, 2012-2016



Annex Table 1: Summary of Achievements of CPS Objectives – Ukraine

	CPS FY12-FY16 – Focus Area 1: Improving Public Services and Public Finances: Support to Building Relations with Citizens	Actual Results	IEG Comments
Objective #1: Improved governance of public finances			
Major Outcome Measures	<p>Outcome: Strengthened operational efficiency and transparency of PFM.</p> <p>Target: reduction of at least 20% in time required to get necessary information for managerial decisions as compared with 2011</p>	<p>The CLR reports that no baseline survey was conducted at the start of the Public Finance Modernization Project (P090389, FY08) which was the basis for this outcome indicator. However, the ICRR (IEG: U) used results from four surveys on business processes to conclude that the target was not achieved, mainly because the public financial management system (PFMS) was not implemented. Not Achieved.</p>	
	<p>Outcome: Increased transparency in public procurement.</p> <p>Target: Civil society has easy and unrestricted access to public procurement information on procurement process and system performance on a regular basis</p>	<p>The Fiscal, Structure and Governance TA (P130146, FY13) supported the identification of needs in the fiscal sector and developed a framework and platform of indicators to monitor public procurement by the civil society (see presentations). The final report for the TA for Public Investment Project Appraisal and Selection System Development (P147303, FY15) reports that in 2014-2016 the Parliament has changed the Budget Code and the Government adopted a number of by-laws that reformed public investment management which included access to information about public investment projects which will be financed from the state budget. Legislation on public procurement, access to information, and fight against corruption was upgraded. The Increasing Fiscal Transparency and Accountability TA (P153935, FY15) also supported the development of the electronic public procurement system (ProZorro developed in 2014 and implemented in 2016) and a new public procurement law (adopted in December 2015), giving the possibility to the civil society to have an easy and unrestricted access to public procurement information. The PEFA 2015 found that the PFM met all the basic elements for public access to financial information. Achieved.</p>	
	<p>Outcome: Improved efficiency of capital expenditures.</p> <p>Baseline: 70% capital expenditures execution rate in 2010</p> <p>Target: Capital expenditures execution rate improved as a result of better project planning</p>	<p>The final report for the TA for Public Investment Project Appraisal and Selection System Development (P147303, FY15) reports that in 2014-2016 the Parliament has adopted changes to the Budget Code and other legal changes that improved public investment performance. The 2013 IMF Article IV Consultation for Ukraine reports that capital expenditures execution rates were 70%. The CLR reports that, because of political turbulence, capital expenditures execution rate was 54% as of 2014; 67,9% in 2015 and 71,4%</p>	



CPS FY12-FY16 – Focus Area 1: Improving Public Services and Public Finances: Support to Building Relations with Citizens	Actual Results	IEG Comments
and implementation to over 80% by the end of the CPS period	in 2016. However, IEG could not verify the CLR numbers. Not Achieved.	
<p>Outcome: Improved governance in the energy sector.</p> <p>Target: Naftogaz subsidiaries publish separate financial accounts according to international standards.</p>	<p>The Advisory Services and TA to Naftogaz and the Government on the Reform of the Natural Gas Sector, under the joint EC-World Bank Facility (P151927, FY15) supported this outcome; the final report recommends separating the accounts and operations of the different entities involved in energy production and supply. Likewise, the Prior Action 9 of the DPL 2 Program (P151479, FY16) was related to the restructuring of Naftogaz and its distribution companies. As reported in the CLR, the Government updated regulations to strengthen the independence of the regulation of the energy sector. The Gas Sector Reform and Implementation Plan was approved in March 2015 and includes the unbundling of transmission and distribution system operators. Naftogaz subsidiaries publish separate financial accounts (see financial statements for the UTG and UGV subsidiaries) according to international standards Achieved.</p>	
<p>Outcome: Implemented Pension Reform Law and sustainability of the Pension Fund improved.</p> <p>Target: Pension expenditures reduced as a share of GDP (from 18% in 2010).</p>	<p>The Fiscal, Structural and Governance TA (P130146, FY14) provided advice to the Government on measures to ensure long-term sustainability of the pension system (Policy note 4). Recent IMF data indicates that pension expenditures were reduced to about 15.4% of the GDP in 2014 and 13.4% in 2015. Achieved.</p>	
Objective #2: Improved efficiency of social expenditures		
<p>Outcome: Improved efficiency of spending in health and education</p> <p>Target A: Average length of stay (ALOS) in hospital reduced in pilot oblasts by 20% against 2011 level</p> <p>Target B: Visits to Primary Health Centers (PHCs) in pilot oblasts increased by 10% against the 2011 level</p>	<p>Partially Achieved.</p> <p>Target A: progress was supported by the Serving People, Improving Health Project (P144893, FY15). The last ISR: S reports that average in-patient length of stay in hospitals declined from 11.70 days in 2014 to 11.50 days as of April 2016 for all regions and to 11.30 days for project regions (see previous ISR: S). This reduction (3.4%) is much smaller than the 20% target and indicates minimal progress. Not Achieved.</p> <p>Target B: the CLR reports that visits to PHCs in the three oblasts and Kyiv increased by 16% between 2013 and 2015. The Support Pilot of Health Systems Reform Projects in Ukraine (P126030,</p>	<p>IEG reviewed the other health projects reported in the CLR under this objective but no other operation seems to have piloted health projects in oblasts.</p>



CPS FY12-FY16 – Focus Area 1: Improving Public Services and Public Finances: Support to Building Relations with Citizens	Actual Results	IEG Comments
<p>Target C: Improved the Government 's capacity to analyze public spending efficiency in education through hands-on training of up to 25 key specialists of the MEDT, MOF, and treasury on the use of the BOOST tool for public expenditure analysis (with manual and video describing how to use BOOST produced and provided).</p>	<p>FY11), supported this operation (see last ISR). However, the ISR does not report this indicator. Not Verified.</p> <p>Target C: Support for this outcome was provided by the Education Sector Dialogue (P118278) BOOST Project, which provided trainings to the Government. A report was prepared on the use of BOOST in Ukraine's education system. Achieved.</p>	
<p>Outcome: Improved efficiency and equity of social safety net</p> <p>Target A: Targeting accuracy of the overall Social Safety Net in Ukraine increased from 37.4% in 2011 to 50% in 2016</p> <p>Target B: By 2016, spending on categorical benefits reduced by 30% of the level in the 2011 state budget</p>	<p>The Social Assistance System Modernization Project I (P075231, FY06, IEG: U) and II (P128344, FY14), supported Ukraine' social assistance system. Not Achieved</p> <p>Target A: the CLR reports that the target was not achieved, as per 2011 and 2014 Household Budget Survey data and estimate for 2016. Not Achieved.</p> <p>Target B: the CLR reports that this target was achieved, as per the Household Budget Survey data, since in 2016 spending on categorical benefits has been reduced by 65% of the level in the 2011 state budget. However, IEG could not verify the data. Not Verified</p>	
Objective #3: Improved efficiency, quality, and governance of municipal infrastructure services		
<p>Outcome: Improved energy efficiency of targeted municipal water utilities</p> <p>Target: Increased energy efficiency in at least 12 participating water and sanitation utilities (total kWh/m³ reduced by 15% in each utility as of 2011).</p>	<p>The First (P095337, FY08) and Second Urban Infrastructure Projects (P132386, FY14) supported this outcome. IEG: MS for the first project reports that 12 utilities completed energy efficiency investments and that energy savings in the targeted utilities were on average 25%, above the CLR target. Achieved.</p>	
<p>Outcome: Increased transparency and accountability of municipal service provision</p>	<p>The First (P095337, FY08) and Second Urban Infrastructure Projects (P132386, FY14) supported this outcome. Not Achieved.</p>	



CPS FY12-FY16 – Focus Area 1: Improving Public Services and Public Finances: Support to Building Relations with Citizens	Actual Results	IEG Comments
<p>Target A: Water services and sanitation utility performance benchmarking introduced in 2014</p> <p>Target B: Performance information is reported by targeted WSS utilities to the Central Government through the new sector information system</p>	<p>Target A: IEG: MS for the first Infrastructure project reports that assistance was provided to the recently created (2012) National Commission for Regulation of Communal Services for the tariff setting methodology and benchmarking systems with support from a grant from the Swedish International Development Cooperation Agency . The CLR reports that the benchmarking system was not introduced since the Regulator was liquidated. Not Achieved.</p> <p>Target B: the CLR reports that this was not achieved, although the WBG assisted in building capacity of the newly created communal service Regulator – as reported in IEG: MS for the first Infrastructure project. However, an initial plan for the integrated water information system was developed (see Management: MS). Not Achieved.</p>	
CPS FY12-FY16 –Focus Area 2: Improving Policy Effectiveness and Economic Competitiveness: Support to Building Relations with Business	Actual Results	IEG Comments
<p>Objective #4: Improving business regulatory environment for a more competitive and diversified economy</p> <p>Outcome: Reduced regulatory burden on enterprises</p> <p>Target A: WTO commitments pertaining to certification and standardization are accomplished in line with the Law of Accession to the WTO</p>	<p>The Second and Third DPL Projects (P096389, FY08 and P107365, FY09) supported reforms related to Ukraine’s accession to the WTO, in 2008, through improvement to international integration through trade and liberalization. The IFC Ukraine Investment Climate Agri and Cleaner Production Project (584508) also supported this outcome. The FY14 First Development Policy Loan and the FY16 Second Development Policy Loan also included prior actions on reducing the regulatory burden. Mostly Achieved.</p> <p>Target A: Enacting amendments to laws and new laws for WTO accession were prior actions for the FY08 Second DPL P096389 (see Program Document). The IFC Ukraine Investment Climate Agri and Cleaner Production Project (584508) helped draft and enact laws that simplified permits (115 permits were abolished). Certification and</p>	



CPS FY12-FY16 –Focus Area 2: Improving Policy Effectiveness and Economic Competitiveness: Support to Building Relations with Business	Actual Results	IEG Comments
<p>Target B: Agreement on Conformity Assessment and Acceptance of industrial products (ACAA) with the EU is signed</p> <p>Target C: Burden on enterprises is reduced by shifting to the sample-based data collection approach (from 10 surveys elaborated in 2010 to 15 by the end of the CPS period).</p>	<p>standardization laws have been passed and came into force, such as the Law on Standardization (approved in 2014); the Law on Technical Regulations and Conformity Assessment (adopted in January 2015 and effective in February 2016); and the Law on Metrology and Metrology Activity (adopted in 2014 and effective on 2016). Achieved.</p> <p>Target B: the CLR reports that, as part of the Ukraine/EU Association Agreement, the parties agree to add an ACAA as a protocol. As reported in the CLR, Ukraine is preparing to sign an agreement on mutual recognition of electromagnetic compatibility, machinery, pressure equipment, and low voltage equipment (see Ministry of Economic Development and Trade's presentation) but this has not been achieved yet. Not Achieved.</p> <p>Target C: the CLR reports that progress for this outcome is not verified. However, according to Management: S for the project Development of the State Statistics System for Monitoring the Social and Economic Transformation (P076338, FY14), the number of surveys transferred from census to sample-based has increased from 14 to 19, as of December 2013. Achieved.</p>	
<p>Outcome: Reduced tax compliance costs</p> <p>Target A: Share of legal entities that undergo on-site audits is reduced from 16.3% in 2010 to below 12% throughout the CPS</p> <p>Target B: Share of VAT refunds under the 'automatic' refund system increases from 48% in July 2011 to above 70%.</p>	<p>Not Verified.</p> <p>Target A: Management: MS for the First State Tax Service Modernization Project (P057815, FY13) reports progress for the following indicators: share of legal entities that undergone planned audits, unplanned audits, and discretionary unplanned audits. However, it does not present specific indicator related to on-site audits and the CLR reports that the country's team is awaiting response from the Fiscal Service. Not Verified.</p> <p>Target B: The First State Tax Service Modernization Project (P057815, FY03) supported this outcome; Management: MS reports that, as of 2011, 37.1% of the VAT refunds were automated. The Fiscal, Structural and Governance TA (P130146, FY14) also supported the preparation of analytical work on VAT refunds (see the policy note). The Programmatic Development Policy Loan series supported VAT reforms and used as an indicator the</p>	



CPS FY12-FY16 –Focus Area 2: Improving Policy Effectiveness and Economic Competitiveness: Support to Building Relations with Business	Actual Results	IEG Comments
	<p>ratio of VAT refund claims older than 74 days to quarterly flow of VAT refund claims, with a targeted reduction from 153 percent in 2013 to 20 percent in 2015. The country team reports that the DPO indicator was 0.4 percent in 2015 and 0.8 percent in 2016, exceeding the DPO target. However, in the absence of an ISR or ICR for the DPO, progress could not be verified. Not Verified.</p>	
<p>Outcome: Increased access to medium and long-term finance for export</p> <p>Target: All borrowers under EDP-2 expanded their exports volumes as per targets in EDP-2</p>	<p>Progress for this indicator was supported by the Second Export Development Project (P095203, FY07). Management: S reports that the project provided 67 working capital and investment sub-loans to 50 beneficiary enterprises and that the annual volume of exports by beneficiary enterprises increased by about 7 times between 2006 and 2014, thus meeting the EDP-2 targets. However, there is no information on whether there has been increased access to medium and long term finance by the export sector, beyond the project beneficiaries. Not Achieved.</p>	
<p>Outcome: Increased stability of the financial system</p> <p>Target A: DGF capacity as bank resolution agency is strengthened, as confirmed by the World Bank’s expert assessment</p> <p>Target B: Consolidated supervision of financial institutions implemented</p>	<p>The First (P150677, FY14) and Second (P151941, FY16) Financial Sector Development Policy Loans - FSDPL supported this outcome. Mostly Achieved.</p> <p>Target A: The FSDPL1 and 2 aimed to strengthen the operational, financial and regulatory capacity of the Deposit Guarantee Fund (DGF) (Pillar 1). Although no ICR or ICRR has been prepared yet, the Program Document for the FSDPL-2 reports on results of the FSDPL-1 in relation to the strengthening of key elements of the financial and operational capacity of the DGF through the introduction of a backup funding mechanisms, the increase in DGF staffing and improved coordination between the DGF and the National Bank of Ukraine (NBU). Two other TAs have supported capacity-building of the DGF: the Ukraine Financial Sector TA (P132228, FY13, see final output) and the Planning and Implementation Bank Resolution at the DGF TA (P144089, FY13). Achieved.</p> <p>Target B: The FSDPL1 and 2 aimed to support the supervision capacity of the NBU for banking and non-banking financial institutions (Pillar 3). The Program Document for the FSDPL-2 reports that the authorities have prioritized putting in place enhanced supervisory requirements for banks, such as Basel 3 requirements. No other document</p>	



CPS FY12-FY16 –Focus Area 2: Improving Policy Effectiveness and Economic Competitiveness: Support to Building Relations with Business	Actual Results	IEG Comments
<p>Target C: The state has exited three banks recapitalized in 2009 following low-cost option</p> <p>Target D: Distressed asset market established and actively operating</p> <p>Target E: Risk management in 28 financial institutions improved (IFC clients)</p>	<p>permits to verify progress for this target, which the CLR reports as not achieved. Not Achieved.</p> <p>Target C: The 2017 IMF Country Report for Ukraine stated that over the last two years, the National Bank of Ukraine closed 88 banks accounting for about half of banking system assets in 2014. Achieved.</p> <p>Target D: The Program Document for the FSDPL-2 reports that the program has supported the strengthening of the operational capacity of the DGF with a particular focus on recovering bad assets in failed banks. The Ukraine Financial Sector TA (P132228, FY13) reported (see output) that the parliament had drafted legislation to facilitate the sale of distressed assets and that it had been adopted. However, IEG could not verify the operational status and performance of the distressed asset mechanism. Partially Achieved.</p> <p>Target E: 25 IFC client banks attended trainings on bank liquidity risk management and operational risk and financial crime. However, risk-sharing instruments have been implemented for 2 client banks only. Partially Achieved.</p>	
Objective #5: Improving infrastructure for business activities		
<p>Outcome: Improved energy efficiency in the public and private sectors</p> <p>Target A: Energy intensity of selected industrial enterprises decreased by 15% by 2014 compared to 2011</p>	<p>The Energy Efficiency Project (EEP) (P096586, FY12), as well as IFC operations supported progress for this outcome. Mostly Achieved.</p> <p>Target A: the last ISR: S of project P096586 reports that 110 energy efficiency subprojects in the industrial and municipal sectors have been approved. The ISR also reports on fuel savings (about 241.6 million of MJ); the extent of energy savings (about 553,000 toe) and energy savings for gas (about 163,000 tcm) and for electricity (about 143GWh) – these mostly achieved or exceeded the project's targets. Additional information from the country team indicates that in parallel, one Participating Bank managed to disburse all allocated funds and finance 11 industrial energy efficiency subprojects, making the total number of subprojects financed during the Project's lifetime 123 projects. However, the information does not permit to</p>	



CPS FY12-FY16 –Focus Area 2: Improving Policy Effectiveness and Economic Competitiveness: Support to Building Relations with Business	Actual Results	IEG Comments
<p>Target B: Loans granted through the credit line for energy efficiency investments generated 750,000 toe in energy savings</p>	<p>compare the actual results to the DPS target, which is measured in terms of percentage reduction. However, given that the project targets had been mostly achieved or exceeded, the CPS target is considered Mostly Achieved.</p> <p>Target B: the last ISR: S of project P096586 reports that 553,281 toe in energy savings were achieved as of December 2016. Additional information from the country team indicates that, 4 ESCO subprojects and 5 municipal subprojects were approved and the volume of energy efficiency sub-Loans reached US\$ 200 million. In addition, IFC developed a Green Finance Program for Ukgazbank. Loans granted through the credit line for energy efficiency investments generated 524,700 toe in energy savings. Mostly Achieved.</p>	
<p>Outcome: Improved performance of power sector</p> <p>Target A: 20% of power market transactions are concluded on the basis of bilateral contracts in line with the WEM Law</p> <p>Target B: Greater power system reliability</p> <p>Target C: Increased hydropower capacity by 80 MW and hydropower production by 160 GWh between 2011 and 2014</p> <p>Target D: Energy not served (ENS) reduced by at least 35 GWh/year and transmission</p>	<p>Mostly Achieved</p> <p>Target A: the First (P096207, FY08) and Second (P146788, FY15) Power Transmission Projects supported the implementation of the Wholesale Electricity Market (WEM) concept (see Management: MS). The WEM Law 4196 has been adopted (see decree) but, as reported in the CLR, will be in effect from July 2017 and the revised WEM Law is pending the parliament. Not Achieved.</p> <p>Target B: Management: MS for project P096207 reports that the target related to supporting sustainable economic development by improving the security, reliability, efficiency and quality of energy supply, through investments, has been achieved and that the project helped eliminate critical bottlenecks with the construction of a new transmission line. Achieved.</p> <p>Target C: Management: MS for the Hydropower Rehabilitation Project (P083702, FY05) reports that the generation capacity of hydropower constructed or rehabilitated under the project increased to 192.2 GWh. Achieved.</p> <p>Target D: Management: MS for project P096207 reports that, as of June 2016, ENS was reduced by at least 35 GWh/year and transmission losses were</p>	



<p>CPS FY12-FY16 –Focus Area 2: Improving Policy Effectiveness and Economic Competitiveness: Support to Building Relations with Business</p>	<p>Actual Results</p>	<p>IEG Comments</p>
<p>losses reduced to less than 2.5%.</p> <p>Target E: Greater uptake of investment in resource efficiency in agribusiness</p> <p>Target F: Cost savings of US\$30 million per year through the implementation of resource efficiency initiatives with IFC support</p> <p>Target G: 230,000 tons of CO₂ per year in emissions avoided as a result of these investments</p> <p>Target H: IFC Residential Energy Efficiency Project facilitated US\$50 million in financing, achieving 48,000 tons per year of CO₂ emission reduction</p>	<p>reduced by 14MW. Additional information from the country team indicates that the indicator for electricity losses was added in 2012 and that the target was overachieved for the four grids; by 2014, losses were reduced to 1.96% per year in the project area. After 2014, measurement carried in 2 out of the 4 grids indicates that energy losses were 1.67% and 1.7%, respectively. Achieved.</p> <p>Target E: the target is mostly achieved, with two IFC agribusiness clients investing in resource efficiency. Mostly Achieved</p> <p>Target F: resource efficiency initiatives implemented with IFC support resulted in cost savings of US\$19 million. Mostly Achieved.</p> <p>Target G: resource efficiency initiatives implemented with IFC support resulted in about 140,000 tons of CO₂ emissions per year are avoided. Mostly Achieved</p> <p>Target H: with IFC support, two state-owned banks financed residential energy efficiency projects for a total value of US\$95 million equivalent, resulting in 267,175 tons of CO₂ emission reduction. Achieved</p>	
<p>Outcome: Improved road connectivity and safety</p> <p>Target A: Riding quality along the rehabilitated road sections of the M03 road improved: International Roughness Index (IRI) reduced from over 5 m/km in 2011 to less than 2 m/km in 2015 and beyond</p> <p>Target B: Road capacity increased on 2-lane sections of the M03 between Lubny and Poltava (by widening to four lanes).</p>	<p>The First (P100580, FY09) and Second (P127156, FY12) Road and Safety Improvement (RSIP) projects supported progress to this outcome. Achieved.</p> <p>Target A: IEG: MS for project P100580 reports that road conditions on the road sections improved, as measured by the IRI that reduced to 1.16 at project closing. Achieved.</p> <p>Target B: IEG: MS for project P100580 reports that the M-03 highway was rehabilitated and upgraded from a two-lane road (one way each direction) into a four lane carriageway for most of the alignment. Achieved.</p>	



CPS FY12-FY16 –Focus Area 2: Improving Policy Effectiveness and Economic Competitiveness: Support to Building Relations with Business	Actual Results	IEG Comments
<p>Target C: Road safety along the rehabilitated sections of the M03 and high-risk corridors treated is improved as evidenced by at least 40% reduction in traffic fatalities and injuries as compared to 2011, on rehabilitated road sections on the M03 and on treated blackspots and corridors.</p>	<p>Target C: IEG: MS for project P100580 reports that the road upgrade on the M03 highway contributed to reducing the number of crashes from 248 to 10 per year in a specific section of the road. It also reports that, according to the International Road Assessment carried out as part of the activities of the road safety component, the works had a positive impact in the improvement of safety in the roads but that impact on road safety improvement at national level was limited. Achieved.</p>	
<p>Outcome: Private participation in transport sector</p> <p>Target: At least one pilot PPP project in transport was brought to a financial closure, applying best international practices</p>	<p>Not Achieved.</p> <p>The CLR reports that the target was not achieved because of the macro-economic crisis and poor PPP legislation that made impossible the structuring of a PPP transaction. Not Achieved</p>	
<p>Objective #6: Improving productivity and competitiveness in agriculture</p>		
<p>Outcome: Increased efficiency of cadastral registration</p> <p>Target: Time for cadastral registration is reduced from 3–24 months in 2011 to 14 days by 2014</p>	<p>The Rural Land Titling and Cadastre Development Project (P035777, FY03), supported progress to this outcome. IEG: MS reports that, as a result of the introduction of a new IT system and procedures, the average time for registrations fell to 21 minutes (from application acceptance in the system to issuance of the registration certificate) and required only one visit to the cadaster office. Achieved.</p>	
<p>Outcome: Reducing the cost of compliance for agribusinesses</p> <p>Target A: The system of food safety control is aligned with the EU practice as confirmed with IFC experts, in corporation with the EU</p> <p>Target B: US\$60 million in increased sales for client</p>	<p>Partially Achieved.</p> <p>Target A: The IFC Ukraine Investment Climate Agri and Cleaner Production Project (584508) was one of the key developers and advocates of the new Food Safety Law adopted in July 2014. The law overhauls the old food safety system. The Law established a single Food Safety Agency and follows the EU approach on food safety, including control. However, the CLR notes that the law on inspection was still under development. Partially Achieved.</p> <p>Target B: \$132 million (target: \$60 million) was recorded as increased sales for client companies of IFC's Ukraine Food Safety project, which closed in</p>	



	CPS FY12-FY16 –Focus Area 2: Improving Policy Effectiveness and Economic Competitiveness: Support to Building Relations with Business	Actual Results	IEG Comments
	companies of IFC's Food Safety Project	2013 (PCR for Project #561634); Evidence is currently being gathered for a follow-on regional project, which would include clients in Ukraine. Achieved.	
	<p>Outcome: Development of agri-insurance and access to agri-finance for IFC clients</p> <p>Target A: Farmers adopt agri- insurance as a risk management tool: value of premiums collected increases to US\$3 million, and value of insurance contracts issued increases to US\$40 million as per project surveys</p> <p>Target B: Access to finance for farmers through financial institutions improves: value of loans disbursed increases to US\$40 million; value of NPLs is below 3% as per project service agreements with IFC client banks</p>	<p>Partially Achieved.</p> <p>Target A: As a result of IFC Ukraine Investment Climate Agribusiness and Cleaner Production Project (584508, FY13), 69 policies of index insurance coverage have been issued to cover winter wheat and corn covering US\$20 million of sum insured. Partially Achieved.</p> <p>Target B: As a result of the ECA Agri-Financial Markets Risk Management Project (IFC project 597667, FY13), US\$ 78 million has been extended from participating banks to increase access to finance for the agriculture sector. However, there is no information on whether the NPL target was achieved. Partially Achieved.</p>	

Annex Table 2: Ukraine Planned and Actual Lending, FY12-FY16

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Approved IBRD Amount	Outcome Rating
Project Planned Under CPS/PLR 2012-2016					CPS		
P109649	Second Export Development AF	FY12	2012		150.0	150.0	NR
P131234	State Statistical System Development AF	FY13	2013		10.0	10.0	NR
P127156	Second Roads and Safety Improvement	FY13	2013	2019	450.0	450.0	LIR: MS
P144893	Social Assistance Program	FY14	2015	2020	200.0	214.7	LIR: S
P132386	Second Urban Infrastructure	FY14	2014	2021	200.0	300.0	LIR: MS
P132741	District Heating/Gas Sector Efficiency & Modernization	FY14	2014	2021	300.0	332.0	LIR: MU
P146788	Power Transmission Project 2	FY14	2015	2020	200.0	330.0	LIR: MS
Total Planned					1510	1786.7	
Unplanned Projects during the CPS and PLR Period							
P149322	Road Sector Development Project		2016	2022		560.0	LIR: MS
P151479	DPL 2		2016	2016		500.0	NR
P151941	Programmatic Financial Sector DPL2		2016	2016		500.0	NR
P128344	UA SSN MOD		2015	2021		300.0	LIR: MS
P150677	Programmatic Financial Sector DPL 1		2015	2015		500.0	NR
P150313	DPL 1		2014	2015		750.0	NR
Total Unplanned						3110.0	
On-going Projects during the CPS and PLR Period			Approval FY	Closing FY		Approved Amount	
P096586	UA - ENERGY EFFICIENCY		2011	2017		200.0	LIR: HS
P100580	ROADS & SAFETY IMPROVEMENT		2009	2015		400.0	IEG: MS
P090389	PFMP		2008	2015		50.0	IEG: U
P095337	URBAN INFRASTRUCTURE		2008	2015		140.0	IEG: MS
P096207	POWER TRANSMISSION		2008	2016		200.0	LIR: MS
P095203	UA Export Devt II		2007	2015		154.5	IEG: S
P075231	SOC ASST SYS MOD		2006	2013		99.4	IEG: U
P083702	HYDROPOWER REHAB		2005	2016		106.0	LIR: MS
P076338	DEVSTAT		2004	2014		32.0	IEG: S
P035777	RURAL LAND TITLING & CADASTRE		2003	2013		195.1	IEG: MS
P057815	ST TAX SERV MOD PROG (APL #1)		2003	2012		40.0	IEG: MS
Total On-going						1617.0	

Source: Ukraine CPS, WB Business Intelligence Table 2b.1, 2a.4 and 2a.7 as of 03/07/17

*LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately

Annex Table 3: Analytical and Advisory Work for Ukraine, FY12-FY16

Proj ID	Economic and Sector Work	Fiscal year	Output Type
P122439	LABOR MOBILITY	FY12	Other Poverty Study
P125931	PEFA Update	FY12	Public Expenditure Financial Accountability
P121315	Measuring Governance in Health and Educ	FY13	Institutional and Governance Review (IGR)
P127656	Ukraine: Municipal Demand Side Governance	FY13	Sector or Thematic Study/Note
P130691	PEFA Dissemination	FY13	Public Expenditure Financial Accountability
P133464	UA Analytical Note on PSD	FY13	Sector or Thematic Study/Note
P151664	Ukraine Policy Notes	FY15	Sector or Thematic Study/Note
P152856	Ukraine Shared Prosperity Note	FY15	Other Poverty Study
P148768	Skills for Employment and Productivity	FY16	Sector or Thematic Study/Note
P148859	Agricultural Trade, Transport, and Logis	FY16	Sector or Thematic Study/Note
P149719	Ukraine Urbanization Review	FY16	Sector or Thematic Study/Note
P151337	Ukraine Country Environmental Analysis	FY16	Country Environmental Analysis (CEA)
Proj ID	Technical Assistance	Fiscal year	Output Type
P106881	PFM TA	FY12	Technical Assistance
P112478	UA Financial Sector TA	FY12	Technical Assistance
P124709	CA-UA-Spprtng Kyiv in City Vision&Strtgy	FY12	Technical Assistance
P127442	CREDITWORTHINESS IMPROVMTS-UA UTILITIES	FY12	Technical Assistance
P128448	UA TF Seed Money	FY12	Technical Assistance
P118278	Ukraine Education BOOST	FY13	Technical Assistance
P126844	Public Investment Management Assessment	FY13	Technical Assistance
P128198	TA on Health Sector Reform in Ukraine	FY13	Technical Assistance
P132228	UA - Financial Sector TA	FY13	Technical Assistance
P133371	TA on Health Sector Reform 2	FY13	Technical Assistance
P144089	Ukraine #10323 Plnng and implmtng bank	FY13	Technical Assistance
P130146	Fiscal, Structural, and Governance TA	FY14	Technical Assistance
P133372	Effective response to AIDS epidemic	FY14	Technical Assistance
P133393	Agriculture and Land Monitoring	FY14	Technical Assistance
P145849	Ukraine-Dissemination-Personal Insolvency	FY14	Technical Assistance
P145947	Municipal SWM Sector Review	FY14	Technical Assistance
P151418	TA in legal reform rel to business reg.	FY14	Technical Assistance
P151420	TA on regulatory reform	FY14	Technical Assistance
P129900	UA-Municipal energy efficiency financing	FY15	Technical Assistance
P146049	Gas and Heating Tariffs Reform in UA	FY15	Technical Assistance
P146487	Ukraine Technical Assistance on Consumer	FY15	Technical Assistance
P146563	Programmatic FS Monitoring TA	FY15	Technical Assistance
P147517	Ukraine - Road Sector Policy Dialog	FY15	Technical Assistance
P147588	Agriculture and Land Monitoring II	FY15	Technical Assistance

Proj ID	Economic and Sector Work	Fiscal year	Output Type
P147676	Ukraine #A025 Building Capacity at Depos	FY15	Technical Assistance
P147303	Public Investment System	FY16	Technical Assistance
P149997	Improve HIV and TB Program Implementation	FY16	Technical Assistance
P150553	Ukraine: EnergyEfficien Transf in Cities	FY16	Technical Assistance
P152593	Moving Forward Energy Tariff Reforms	FY16	Technical Assistance
P153607	Social Safety Nets and Energy Reform	FY16	Technical Assistance
P153725	Modernization of Ukrzaliznytsia	FY16	Technical Assistance
P156464	Ukraine Shared Prosperity FY16	FY16	Technical Assistance
P156681	Ukraine Agriculture, Irrigation, Land TA	FY16	Technical Assistance
P156933	Ukraine Justice Policy Dialogue	FY16	Technical Assistance
P157784	Conflict and Displacement mainstreaming	FY16	Technical Assistance

Source: WB Business Intelligence 2/16/17

Annex Table 4: Ukraine Grants and Trust Funds Active in FY12-16

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount	Outcome Rating
P161312	Strengthening Evidence-Based Policymaking with Education Statistics and Analysis	TF A4096	2017	2019	340,000	
P158091	Ukraine: Conflict Response and Recovery Pilot and Capacity Building	TF A3307	2016	2019	3,200,000	
P158379	SUPPORT TO EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE COMPLIANCE PROCESS PROJECT	TF A1759	2016	2018	400,000	
P151927	Advisory services and technical assistance to Naftogaz and the Government of Ukraine on the reform of the natural gas sector	TF 18284	2015	2017	955,783	
P146788	Second Power Transmission Project	TF 17661	2015	2020	48,425,000	LIR: MS
P128405	Ukraine: EITI Implementation Support	TF 19257	2015	2016	190,000	
P151321	Assistance to the National Commission for Regulation of Communal Services: District Heating Regulatory Reform Support Program	TF 17571	2015	2018	2,149,435	
P148893	IDF Capacity Development for Evidence-Based Land & Agricultural Policy Making in Ukraine	TF 16590	2015	2018	500,260	
P144893	Serving People, Improving Health Project	TF 16160	2014	2016	470,000	
P132741	District Heating Energy Efficiency	TF 16327	2014	2021	50,000,000	LIR: MU
P132386	Second Urban Infrastructure Project	TF 17112	2014	2021	50,000,000	LIR: MS
P132386	Second Urban Infrastructure Project	TF 17382	2014	2015	460,000	
P128344	Social Safety Nets Modernization Project	TF 13623	2013	2015	456,000	
P145138	Ukraine - Smart Grid Project PPG	TF 14447	2013	2016	500,000	
P129704	CTF in Ukraine	TF 13067	2013	2014	1,000,000	
P128551	Partnership for Market Readiness in Ukraine	TF 12455	2013	2015	315,000	
P126030	Support Pilot of Health System Reform Projects in Ukraine	TF 99614	2012	2015	300,000	
P121654	Auditing Road Infrastructure Projects	TF 96928	2011	2014	476,000	
P101615	UA - ALCHEVSK STEEL MILL REVAMPING AND MODERNIZATION	TF 94197	2009	2013	2,495,685	LIR: S
	UA - ALCHEVSK STEEL MILL REVAMPING AND MODERNIZATION	TF 94196	2009	2013	1,003,539	
	UA - ALCHEVSK STEEL MILL REVAMPING AND MODERNIZATION	TF 91999	2009	2013	12,674,874	
P095337	Urban Infrastructure Project	TF 91769	2009	2014	5,860,729	IEG: MS
P094945	Hydropower Rehabilitation Proto-Carbon Finance Project	TF 57188	2007	2014	6,976,475	NR
P075231	Social Assistance System Modernization Project	TF 56178	2006	2012	3,849,427	
P094833	UA FSD/PSD Advis Services TA	TF 55212	2006	2012	1,828,500	
Total					194,826,705	

Source: Client Connection as of 2/22/17

** IEG Validates RETF that are 5M and above

Annex Table 5: IEG Project Ratings for Ukraine, FY12-16

Exit FY	Proj ID	Project name	Total Evaluated (\$M)	IEG Outcome	IEG Risk to DO
2012	P057815	ST TAX SERV MOD PROG (APL #1)	40.0	MODERATELY SATISFACTORY	SIGNIFICANT
2013	P035777	RURAL LAND TITLING & CADASTRE	82.0	MODERATELY SATISFACTORY	MODERATE
2013	P075231	SOC ASST SYS MOD	92.6	UNSATISFACTORY	HIGH
2014	P076338	DEVSTAT	41.4	SATISFACTORY	MODERATE
2015	P090389	PFMP	3.9	UNSATISFACTORY	NEGLIGIBLE TO LOW
2015	P095203	UA Export Devt II	304.5	SATISFACTORY	SIGNIFICANT
2015	P095337	URBAN INFRASTRUCTURE	137.1	MODERATELY SATISFACTORY	HIGH
2015	P100580	ROADS & SAFETY IMPROVEMENT	380.4	MODERATELY SATISFACTORY	HIGH
		Total	1,081.9		

Source: AO Key IEG Ratings as of 2/9/17

Annex Table 6: IEG Project Ratings for Ukraine and Comparators, FY12-16

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Ukraine	1,081.9	8	91.1	75.0	11.8	37.5
ECA	16,723.6	181	91.5	77.3	68.1	59.1
World	95,185.2	1,111	83.4	70.9	60.5	46.2

Source: WB AO as of 2/16/17

* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Annex Table 7: Portfolio Status for Ukraine and Comparators, FY12-16

Fiscal year	2012	2013	2014	2015	2016	Ave FY12-16
Ukraine						
# Proj	10	9	14	14	12	12
# Proj At Risk		1	1	4	2	2
% Proj At Risk	-	11.1	7.1	28.6	16.7	16.9
Net Comm Amt	1,681.6	1,953.6	3,300.6	2,502.5	2,627.3	2,413
Comm At Risk		50.0	50.0	832.2	715.5	412
% Commit at Risk		2.6	1.5	33.3	27.2	17.1
ECA						
# Proj	256	246	280	290	279	270
# Proj At Risk	47	47	37	36	47	43
% Proj At Risk	18.4	19.1	13.2	12.4	16.8	15.8
Net Comm Amt	23,091.9	24,699.7	26,927.9	26,544.5	27,637.3	25,780
Comm At Risk	2,668.4	3,844.0	2,635.4	3,533.8	4,350.5	3,406
% Commit at Risk	11.6	15.6	9.8	13.3	15.7	13.2
World						
# Proj	2,029	1,964	2,048	2,022	1,975	2,008
# Proj At Risk	387	414	412	444	422	416
% Proj At Risk	19.1	21.1	20.1	22.0	21.4	20.7
Net Comm Amt	173,706.1	176,202.6	192,610.1	201,045.2	220,331.5	192,779
Comm At Risk	24,465.0	40,805.6	40,933.5	45,987.7	44,244.9	39,287
% Commit at Risk	14.1	23.2	21.3	22.9	20.1	20.4

Source: WB BI as of 2/10/17

Annex Table 8: Disbursement Ratio for Ukraine, FY12-16

Fiscal Year	2012	2013	2014	2015	2016	Overall Result
Ukraine						
Disbursement Ratio (%)	25.7	31.2	32.4	18.0	10.6	21.6
Inv Disb in FY	292.3	309.2	364.4	249.9	202.5	1,418.2
Inv Tot Undisb Begin FY	1,136.9	990.9	1,125.3	1,390.8	1,915.3	6,559.2
ECA						
Disbursement Ratio (%)	25.9	24.2	22.8	23.5	17.5	22.7
Inv Disb in FY	3,498.4	2,925.8	2,612.0	2,664.4	2,275.6	13,976.3
Inv Tot Undisb Begin FY	13,495.7	12,113.7	11,467.5	11,342.1	13,028.9	61,447.9
World						
Disbursement Ratio (%)	20.8	20.6	20.8	21.8	19.5	20.7
Inv Disb in FY	21,048.2	20,510.7	20,757.7	21,851.3	21,149.6	105,317.6
Inv Tot Undisb Begin FY	101,234.3	99,588.3	99,854.3	100,336.7	108,594.4	509,608.0

* Calculated as IBRD/IDA Disbursements in FY / Opening Undisbursed Amount at FY. Restricted to Lending Instrument Type = Investment.
AO disbursement ratio table as of 2/16/17

Annex Table 9: Net Disbursement and Charges for Ukraine, FY12-16

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY12	293,123,266.7	280,645,463.5	12,477,803.2	27,097,884.9	1,286,757.9	(15,906,839.6)
FY13	313,691,207.3	247,197,967.7	66,493,239.6	31,242,372.1	1,353,852.4	33,897,015.1
FY14	1,115,094,170.7	255,223,700.9	859,870,469.8	20,625,490.0	1,964,907.2	837,280,072.6
FY15	752,807,205.4	232,410,308.7	520,396,896.6	24,065,660.0	4,159,104.0	492,172,132.6
FY16	1,204,283,520.8	251,103,531.1	953,179,989.8	40,169,825.9	5,785,937.6	907,224,226.3
Report Total	3,678,999,370.9	1,266,580,971.9	2,412,418,399.1	143,201,232.9	14,550,559.2	2,254,666,606.9

World Bank Client Connection 2/22/17

Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid for Ukraine

Development Partners	2012	2013	2014	2015
Australia	2	0.15	0.02	0.15
Austria	10.2	8.25	8.46	12.61
Belgium	0.12	0.06	0.13	2.45
Canada	65.59	17.83	244.13	218.65
Czech Republic	2.54	2.78	8.26	3.73
Denmark	6.73	6.41	9.69	24.42
Finland	1.66	1.57	6.84	7.71
France	14.54	13.87	14.39	21.12
Germany	82.4	68.92	143.33	372.39
Greece	2.99	2.16	2.35	1.92
Iceland	..	..	0.25	0.3
Ireland	0.01	..	0.42	0.73
Italy	0.18	0.36	0.73	8.52
Japan	8.09	2.66	108.42	12.21
Korea	0.53	0.15	0.75	1.52
Luxembourg	0.02	0.05	0.33	0.69
Netherlands	0.44	0.56	4	3.7
Norway	7.04	5.88	16.9	40.05
Poland	12.33	14.97	21.95	28.85
Portugal	..	0	0.05	0.06
Slovak Republic	0.95	1.05	1.07	2.47
Slovenia	0.16	0.2	0.13	0.31
Spain	0.15	0.39	0.21	11.87
Sweden	36.16	26.78	32.11	32.11
Switzerland	14.86	17.49	29.61	31.4
United Kingdom	4.82	3.96	12.36	43.76
United States	148.87	119.62	158.97	244.44
DAC Countries, Total	423.38	316.12	825.86	1128.14
EU Institutions	245.2	368.69	490.46	234.85
Food and Agriculture Organisation [FAO]	..	0.02	..	..
International Atomic Energy Agency [IAEA]	0.46	0.76	0.22	0.21
International Labour Organisation [ILO]	0.14	0.12	0.13	0.41
UNAIDS	1.05	1.46	0.93	1.1
UNDP	1.22	1.38	1.05	0.9
UNFPA	0.62	0.69	0.76	0.88
UNHCR	3.01	..	..	..
UNICEF	1.06	0.81	1.12	1.81
WFP	..	..	..	1.63

Development Partners	2012	2013	2014	2015
World Health Organisation [WHO]	0.03	0.16	0.46	0.75
Climate Investment Funds [CIF]	..	..	0.46	2.11
Global Environment Facility [GEF]	5.53	8.88	6.75	6.02
Global Fund	66.38	62.15	50.61	47.97
OSCE	2.95	3.27	3.19	2.96
Multilateral, Total	327.65	448.39	556.14	301.6
Bulgaria	..	..	0.07	0.12
Estonia	0.35	0.58	1.54	2.84
Hungary	4.58	7.91	1.61	2.29
Israel	8.28	10.15	9.76	9.33
Kazakhstan	..	..	0.38	1.14
Kuwait (KFAED)	0.73	0.74	..	0.58
Latvia	0.01	..	0.67	0.58
Lithuania	0.23	0.21	0.67	1.68
Romania	0.76	0.49	0.62	0.57
Russia	1.15	0.69	6.82	..
Turkey	4.94	5.42	4.81	8.82
United Arab Emirates	..	0.01	0.04	0
Non-DAC Countries, Total	21.03	26.2	26.99	27.95
Development Partners Total	772.06	790.71	1408.99	1457.69

Source: OECD Stat, [DAC2a] as of 2/22/17

Annex Table 11: Economic and Social Indicators for Ukraine, 2012 – 2015

Series Name					Ukraine	ECA	World
	2012	2013	2014	2015	Average 2012-2015		
Growth and Inflation							
GDP growth (annual %)	0.2	(0.0)	(6.6)	(9.9)	-4.1	1.0	2.6
GDP per capita growth (annual %)	0.5	0.2	(1.1)	(9.5)	-2.5	0.6	1.4
GNI per capita, PPP (current international \$)	8,330.0	8,480.0	8,580.0	7,840.0	8,307.5	29,062.5	14,878.1
GNI per capita, Atlas method (current US\$) (Millions)	3,500.0	3,800.0	3,560.0	2,640.0	3,375.0	25,121.1	10,672.7
Inflation, consumer prices (annual %)	0.6	(0.3)	12.2	48.7		1.4	2.7
Composition of GDP (%)							
Agriculture, value added (% of GDP)	9.1	10.0	11.7	14.0	11.2	2.2	3.9
Industry, value added (% of GDP)	28.4	25.8	26.2	26.3	26.7	25.6	28.1
Services, etc., value added (% of GDP)	62.5	64.2	62.2	59.7	62.1	72.1	67.9
Gross fixed capital formation (% of GDP)	19.0	16.9	14.1	13.3	15.8	19.9	23.3

Series Name					Ukraine	ECA	World
	2012	2013	2014	2015	Average 2012-2015		
Gross domestic savings (% of GDP)	0.8	9.3	9.9	13.3	8.3	23.0	24.5
External Accounts							
Exports of goods and services (% of GDP)	35.4	43.0	48.6	52.8	44.9	41.7	30.2
Imports of goods and services (% of GDP)	56.4	52.2	52.1	54.8	53.9	38.8	29.6
Current account balance (% of GDP)	(8.2)	(9.0)	(3.4)	(0.2)	-5.2		
External debt stocks (% of GNI)	76.4	82.8	100.7	137.4	99.3		
Total debt service (% of GNI)	17.0	21.0	14.9	34.0	21.7		
Total reserves in months of imports	2.7	2.3	1.2	2.9	2.2	6.8	13.2
Fiscal Accounts ¹							
General government revenue (% of GDP)	44.7	43.3	40.3	42.1	42.6		
General government total expenditure (% of GDP)	49.0	48.1	44.8	43.2	46.3		
General government net lending/borrowing (% of GDP)	(4.3)	(4.8)	(4.5)	(1.2)	-3.7		
General government gross debt (% of GDP)	37.5	40.7	70.3	80.1	57.1		
Health							
Life expectancy at birth, total (years)	70.9	71.2	71.2	..	71.1	76.7	71.2
Immunization, DPT (% of children ages 12-23 months)	76.0	76.0	23.0	23.0		94.6	85.3
Improved sanitation facilities (% of population with access)	95.8	95.8	95.9	95.9		93.0	66.7
Improved water source (% of population with access)	96.8	97.1	97.5	97.8		95.6	83.4
Mortality rate, infant (per 1,000 live births)	9.1	8.6	8.1	7.7		10.3	33.2
Education							
School enrollment, preprimary (% gross)	104.2	..	..	..		74.2	43.0
School enrollment, primary (% gross)	108.0	107.8	103.9	..		103.1	105.2
School enrollment, secondary (% gross)	97.1	98.3	99.2	..		103.4	74.7
Population							
Population, total (Millions)	45,593,300	45,489,600	45,362,900	45,198,200	45,411,000	901,961,345	7,218,239,265
Population growth (annual %)	(0.2)	(0.2)	(0.3)	(0.4)	-0.3	0.4	1.2
Urban population (% of total)	69.1	69.3	69.5	69.7		70.6	53.2

Source: DDP as of 2/1/17

*International Monetary Fund, World Economic Outlook Database, October 2016

** Data available only up to FY15

Annex Table 12: List of IFC Investments in Ukraine
Investments Committed in FY12-FY16

Project ID	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
33985	2016	Active	Chemicals	G	15,000	15,000	-	15,000	-	-	15,000	-	15,000
35536	2016	Active	Agriculture and Forestry	E	35,000	15,000	-	15,000	-	-	15,000	-	15,000
36344	2016	Active	Agriculture and Forestry	E	30,000	3,184	-	3,184	-	-	3,184	-	3,184
38058	2016	Active	Agriculture and Forestry	G	10,000	10,000	-	10,000	-	-	10,000	-	10,000
38157	2016	Active	Agriculture and Forestry	E	25,000	10,000	-	10,000	-	-	10,000	-	10,000
34421	2015	Active	Agriculture and Forestry	E	25,000	25,000	-	25,000	-	-	25,000	-	25,000
35450	2015	Active	Finance & Insurance	E	457	-	454	454	-	-	454	454	454
31711	2014	Active	Agriculture and Forestry	E	50,000	30,000	-	30,000	-	-	30,000	-	30,000
32191	2014	Active	Finance & Insurance	E	5,000	5,000	-	5,000	-	-	5,000	-	5,000
33721	2014	Active	Chemicals	G	100,000	15,000	-	15,000	5,417	-	9,583	-	9,583
33826	2014	Active	Agriculture and Forestry	E	47,079	47,043	-	47,043	-	-	47,043	-	47,043
34041	2014	Active	Agriculture and Forestry	G	250,000	100,000	-	100,000	-	-	100,000	-	100,000
34104	2014	Active	Agriculture and Forestry	G	65,000	65,000	-	65,000	-	-	65,000	-	65,000
30729	2013	Active	Wholesale and Retail Trade	E	30,600	10,000	-	10,000	-	-	10,000	-	10,000
30830	2013	Active	Agriculture and Forestry	E	50,000	40,000	-	40,000	-	-	40,000	-	40,000
31723	2013	Active	Chemicals	G	85,000	30,000	-	30,000	8,175	-	21,825	-	21,825

Project ID	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
31990	2013	Active	Agriculture and Forestry	E	110,886	-	21,087	21,087	-	-	21,087	21,087	21,087
32322	2013	Active	Agriculture and Forestry	E	16,000	16,000	-	16,000	-	-	16,000	-	16,000
32366	2013	Active	Wholesale and Retail Trade	G	75,000	30,000	-	30,000	-	-	30,000	-	30,000
32632	2013	Active	Agriculture and Forestry	G	50,000	50,000	-	50,000	30,000	-	20,000	-	20,000
30003	2012	Active	Transportation and Warehousing	G	87,600	32,000	-	32,000	10,000	-	22,000	-	22,000
31647	2012	Active	Agriculture and Forestry	G	17,500	5,000	-	5,000	-	-	5,000	-	5,000
31787	2012	Active	Agriculture and Forestry	E	5,000	5,000	-	5,000	-	-	5,000	-	5,000
Sub-Total					1,185,121	558,227	21,541	579,768	53,592	-	526,176	21,541	526,176

Investments Committed pre-FY12 but active during FY12-16

Project ID	CMT FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
29294	2011	Active	Information	G	3,500	-	3,500	3,500	-	-	3,500	3,500	3,500
30100	2011	Active	Finance & Insurance	E	10,000	10,000	-	10,000	9,000	-	1,000	-	1,000
30477	2011	Active	Chemicals	E	80,000	35,000	-	35,000	-	-	35,000	-	35,000
30798	2011	Active	Agriculture and Forestry	E	35,000	35,000	-	35,000	-	-	35,000	-	35,000
27110	2010	Active	Finance & Insurance	E	20,000	20,000	-	20,000	-	-	20,000	-	20,000
27723	2010	Active	Finance & Insurance	E	15,000	95,504	-	95,504	-	-	95,504	-	95,504
27865	2010	Active	Finance & Insurance	E	40,000	168,973	-	168,973	-	-	168,973	-	168,973

Project ID	CMT FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
28632	2010	Active	Agriculture and Forestry	E	213,700	50,000	-	50,000	25,000	-	25,000	-	25,000
29195	2010	Active	Food & Beverages	E	107,000	25,000	-	25,000	-	-	25,000	-	25,000
27044	2009	Active	Finance & Insurance	E	38,000	140,216	-	140,216	-	-	140,216	-	140,216
27059	2009	Active	Wholesale and Retail Trade	G	240,000	-	20,000	20,000	-	-	20,000	20,000	20,000
25694	2008	Active	Chemicals	E	340,200	50,000	-	50,000	-	-	50,000	-	50,000
26026	2008	Active	Finance & Insurance	G	85,000	75,000	10,000	85,000	63,000	0	22,000	10,000	22,000
26396	2008	Active	Primary Metals	G	3,037,000	100,000	-	100,000	-	-	100,000	-	100,000
21813	2007	Active	Finance & Insurance	G	7,000	7,000	-	7,000	-	-	7,000	-	7,000
25668	2007	Active	Food & Beverages	E	45,200	30,000	-	30,000	10,000	-	20,000	-	20,000
24685	2006	Active	Primary Metals	E	1,101,525	100,000	-	100,000	-	-	100,000	-	100,000
22500	2005	Active	Collective Investment Vehicles	G	7,500	-	7,500	7,500	-	-	7,500	7,500	7,500
			Sub-Total		5,425,625	941,693	41,000	982,693	107,000	0	875,693	41,000	875,693
			TOTAL		6,610,746	1,499,920	62,541	1,562,460	160,592	0	1,401,869	62,541	1,401,869

Source: IFC-MIS Extract as of end July 31, 2016



Annex Table 13: List of IFC Advisory Services in Ukraine
Advisory Services Approved in FY12-16

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
600105	Kiev Ring Road PPP	2016	2017	TERMINATED	CAS	43,234
600664	Ukraine Investment Climate Reform Project	2016	2019	ACTIVE	TAC	3,325,000
600668	ECA FM Public Outreach	2016	2018	ACTIVE	FAM	1,081,444
601044	PJSC Centrenergo Privatization AS project	2016	2017	TERMINATED	CAS	1,578,000
601079	Kyivenergo District Heating	2016	2017	ACTIVE	CAS	672,000
599789	Ukraine Crop Receipts Project	2015	2020	ACTIVE	FAM	4,887,500
600339	Europe and Central Asia Agri-Finance Project	2015	2019	ACTIVE	FAM	4,520,000
599667	Ukraine General & Administration	2014	2018	ACTIVE	CAS	1,085,230
29079	Lviv SW	2013	2014	TERMINATED	PPP	307,261
592347	ECA SME Crisis Resilience Program	2013	2017	ACTIVE	FIG	2,393,483
592348	Ukraine Agri Aggregator	2013	2019	ACTIVE	MAS	5,447,660
597667	ECA Financial Markets Risk Management Project	2013	2018	ACTIVE	FIG	3,333,141
599215	Agribusiness Standards Advisory in Europe and Central Asia	2013	2017	ACTIVE	MAS	4,556,687
584508	Ukraine Investment Climate: Agribusiness and Cleaner Production	2012	2016	ACTIVE	TAC	2,857,178
Sub-Total						36,087,818

Advisory Services Approved pre-FY12 but active during FY12-16

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
564788	Ukraine Agri-Finance Project	2011	2015	CLOSED	FAM	3,154,592
565387	Ukraine Sustainable Energy Finance	2011	2019	ACTIVE	FIG	2,519,714
561634	Ukraine Food Safety Improvement Project	2010	2013	CLOSED	SBA	1,805,499
566047	Ukraine Residential Energy Efficiency Project	2010	2018	ACTIVE	FAM	6,994,292
568089	Ukraine Cleaner Production	2010	2016	ACTIVE	CAS	3,511,549
571449	ECA Corporate Sector Crisis Management and Recovery Program	2010	2012	CLOSED	SBA	866,120
572167	Ukraine FM Crisis Management Project	2010	2013	CLOSED	A2F	1,462,652
564568	Ukraine Fresh Fruit & Vegetable Supply Chain Development Project	2009	2012	CLOSED	SBA	1,884,569
Sub-Total						22,198,987
TOTAL						58,286,805

Source: IFC AS Data as of 7-31-16



Annex Table 14: IFC net commitment activity in Ukraine, FY12 - FY16

		2012	2013	2014	2015	2016	Total
Financial Markets		15,000,000	(9,000,000)	(10,000,000)	324,907	-	(3,675,093)
Trade Finance (TF)		83,632,535	72,810,970	48,553,465	23,109,622	20,974,026	249,080,618
Agribusiness & Forestry	Primary Production & Commodity Processing	(2,500,000)	86,000,000	60,000,000	(51,546,282)	38,184,036	130,137,754
	Animal Protein	-	71,065,699	149,176,684	(9,360,699)	(1)	210,881,684
Manufacturing	Chemicals & Fertilizers	-	30,000,000	15,000,000	(8,175,000)	9,583,333	46,408,333
Tourism, Retail, Construction & Real Estates (TRP)	Retail	(16,500,000)	28,000,000	-	-	-	11,500,000
Infrastructure	Transportation & Warehousing	32,000,000	-	-	(10,000,000)	-	22,000,000
Total		111,632,535	278,876,669	262,730,150	(55,647,451)	68,741,394	666,333,296

Source: IFC MIS as of 3-10-17

Annex Table 15: List of MIGA Activities in Ukraine, 2012-2016

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
13532	Lantmännen Ukraine	2017	Active	Manufacturing	Sweden	6
11464	Porsche Mobility	2014	Active	Leasing	Austria	24
11740	Raiffeisen Bank AVAL	2013	Active	Banking	Austria	143
10398	Whirlpool Ukraine LLC	2012	Active	Services	Belgium	7
9162	ProCredit Group Central Bank Mandatory Reserves Coverage	2012	Active	Banking	Germany	4
Total						183

Source: MIGA 3-10-17