

ANNEX 7: RESULTS MATRIX

Country Strategic Goals/ Outcomes	Obstacles	CPS outcomes	Milestones	CPS Instruments & Partners
<i>Pillar 1: Sustaining Economic Growth and Improving Competitiveness</i>				
Strategic Goal 1: Improving competitiveness through promotion of innovation and development of knowledge economy				
<p>Sustained economic growth due to improved competitiveness:</p> <p>Economic growth above 5.5% on average 2006-2010</p> <p>Labor productivity growth in industry above 8% on average 2006-2010</p> <p>Export diversification, as measured by geographic orientation of trade and Hausmann index of export sophistication</p>	<p>Ukraine production and export structure dominated by low value products</p> <p>Weak level of economy's technology absorption (associated with internet use by firms, computer use by workers, firm-level technology upgrading)</p> <p>While research potential is high, Ukraine's national innovation system is not producing commercially viable research</p> <p>WTO accession is close but other indicators point to persistently high costs of trading across borders, and significant behind the border obstacles to trade</p> <p>SMEs face difficulty in accessing export financing</p>	<p>1.1 Improved technology absorption in the private sector</p> <p>Share of firms using internet to interact with clients increases from 57% (2005) to 75% (2010)</p> <p>Increase by 15% of companies holding at least one certificate for quality management (ISO 9001 etc.) baseline (2005 = 10.7% of all companies -BEEPS)</p> <p>1.2 Increased diversification of exports as a result of reduced costs of trade</p> <p>Reduction in the share of exports and imports undergoing physical inspections from 11% at borders to 5% and from 80% inland to 50%</p> <p>Share of SMEs (up to 250 employees) involved in export operations increases from 25% to 30% (BEEPS)</p>	<p>Growth in volume of lending committed to Ukrainian companies for modernization of production</p> <p>Map of technology absorption constraints at firm level developed</p> <p>Government innovation concept adopted, specific reform programs designed, no. of officials trained</p> <p>WTO accession completed</p> <p>Export Credit Guarantee Agency set up</p> <p>Harmonization of customs legislation with revised Kyoto Convention completed</p> <p>Share of IFC investment in higher value added sectors, including agri-business increases (baseline to be determined)</p>	<p>Lending IBRD:</p> <p>DPL II, DPL III, future development policy loans</p> <p>Export Development Project II</p> <p>Equal Access to Quality Education (EAQE) APL</p> <p>Lending IFC:</p> <p>IFC direct investments in higher value added sectors, energy-intensive sectors, and sectors requiring overall modernization</p> <p>AAA</p> <p>Knowledge Economy & Competitiveness dialogue</p> <p>Competitiveness Capacity Building (PF, IFC, MIGA, FIAS, WBI-GDLN)</p> <p>Country Economic Memorandum</p> <p>Labor Demand and Skills relevance (ESW)</p> <p>IFC advisory services</p>

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	<p>Critical bottlenecks in the agriculture value chain hinders Ukraine's capacity to profit from its agricultural potential</p> <p>Skills shortages and tightening labor market at the high end could constrain future growth and competitiveness</p>	<p>1.3 Improved agricultural competitiveness</p> <p>Increased productivity in selected agri-businesses (sales/employee, export performance)</p> <p>Increased farm level productivity in selected supply chains: (i) yields, (ii) quality of produce and (iii) farm gate prices</p> <p>1.4 Improved employability of graduates</p> <p>10 % increase in graduates that find suitable job (Transition from Employment to Work survey, baseline to be established in 2007; EMIS data)</p> <p>55 % of the population has a positive opinion about the replacement of the traditional system of transition to the next level of education (by means of in-school graduation exam followed by the entrance exam to the university) with the National External Assessment (2005 baseline is 38%).</p>	<p>Credit line for agri-business investments set up (banks accredited, no. of projects committed)</p> <p>Framework for agro-insurance established:</p> <ul style="list-style-type: none"> - proper legal basis for agro-insurance - adequate actuarial system - appropriate supervisory body and overall framework <p>Education Management Information System (EMIS) is launched and provides a platform for more comprehensive data on education skills supply</p> <p>National External Assessment system fully functional</p> <p>In-service teacher training curricula has been revised in accordance with European standards</p>	<p>IFC advisory services on agricultural insurance, agribusiness supply chains;</p> <p>Partners: EBRD (PSD, energy efficiency), British Council and ETF (training), WEF and IMD (competitiveness), WIPO (intellectual property rights), GTZ (management training) EC Delegation, ETF, Confederation of Employers, BEST (on skills for growth), WCO (reform of customs)</p>

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Strategic Goal 2: Improvement in the business climate				
<p>Increased private investment due to reduced cost of doing business: Doing Business ranking improves from 128/175 to below 100</p> <p>Investment/GDP ratio increases above 25% of GDP</p> <p>FDI per capita increases from US\$110 (2006) to US\$150 (2010)</p>	<p>The burden of public inspections is high on business since there is no risk-based approach</p> <p>Permits and licenses are cumbersome and time-consuming to obtain</p> <p>Standardization system not yet in line with European standards</p> <p>High tax rates and tax compliance costs lead to evasion and reduce investment in the formal economy</p>	<p>2.1 Move towards risk based and simplified inspections, licensing and standards system Share of enterprises that underwent at least one inspection during the year decreased from 95% (2006) to under 60% (2010) Decrease in time spent to obtain all permits to operate during one year from 60 days (2006) to less than 35 days (2010) Reduction to 30% in the share of enterprises that have to comply with compulsory standards from 60% in 2007 Government policy recognizes need to reduce implementation gap in business environment</p> <p>2.2 Tax compliance costs are reduced Indicator and baseline to be defined following FIAS survey on tax compliance</p> <p>2.3 Tax policy favors even playing field and provides growth incentives: Reduction in CIT rate (from</p>	<p>Risk based frequency of inspections and check lists in use in all major inspectorates</p> <p>Official list of valid permits established by Law and no illegal permits issued</p> <p>Unified 'default' procedure in place for permit issuance, with implementation of the 'silence is consent' principle Technical procedures and standards fully in line with WTO and EU Independent tax compliance survey is carried out</p> <p>Call centers for STA established Integrated tax processing systems developed Tax legislation improved to allow for a reduction in compliance costs Tax legislation limits new tax expenditures</p>	<p>Lending: DPL II, III, future DPLs</p> <p>State Tax Administration Modernization Project (STAMP)</p> <p>Rural Land Titling and Cadastre Project</p> <p>AAA: IFC Business Enabling Environment (SME Policy) FIAS survey of tax compliance costs Doing Business Report BEEPS (next round in 2009) CEM (2008)</p> <p>Partners: USAID, EBRD, GTZ, EU</p>

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Rural land market is established (number of trades in registered land titles)	Lack of tradable land titles hampers rural land market and reduces access of farm enterprises to credit	25%) and rate of social security contribution (from 37.5% for employers) Tax expenditures fall below 3% of GDP (3.3% in 2006) 2.4 Market in land titles established Number of individual rural land titles issued increased from around 6.5 million in 2006 to 7 million by 2010. No. of land title transactions reached 5% of all titles issued by 2010 from zero to date.	Land surveys carried out in 20 oblasts Moratorium on agricultural land sales lifted	
Strategic goal 3: Deepening of financial markets and reduced financial risks				
Financial markets mobilize and allocate savings efficiently to promote investment: Credit/GDP ratio increases from 48% (2006) to above 70% (2010) – or 75% of EU8 average Capitalization and volume traded on Ukrainian capital market reaches level comparable to EU8 (above 50% of GDP for both) Fitch rating of banking sector risks (BSI) improves from category D to category C (scale from E- worst to A-	Poor corporate governance practices of Ukrainian banks and companies restrict access to finance Weak accounting practices increase investor risk and reduce market transparency Absence of government yield curve limits range of financial instruments on offer Absence of risk based and consolidated supervision in banking sector may lead to under-estimation of banking sector risks Absence of legal framework and weak capacity of non-bank	3.1 The financial markets deepen PFTS volume traded as % of GDP increases from 5.3% in 2006 to at least 10% in 2010. Mortgage lending reaches 10% of GDP (5% in 2006) 3.2 Financial risks are contained Regulatory capital in the banking sector increases from 7.6% of GDP (2006) to 8.5% of GDP	JSC law adopted, Law on Accounting amended Yield curve for domestic government securities established for up to 7 years Improvement in corporate governance practices of selected IFC clients Amendments to the banking law on consolidated and risk based supervision adopted Consolidation of system of registrars	IBRD Lending Access to Financial Services Project DPL II, DPL III, future DPLs IFC investments IFC Investments in local companies IFC investment in the financial sector, including medium and small business, housing and consumer financing AAA Pension reform and capital markets TA (PTAP) Corporate Governance and Accounting and Auditing ROSC + follow up

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best)	<p>regulators (SSCMC and SCRFM) for proper supervision of securities issuers and non-bank financial institutions increases governance and financial risk and discourages investment</p> <p>Financial services infrastructure is under-developed (payments & settlements, trading platform, registries, auditing and accounting)</p>		<p>Amendments to the Law of Financial Services adopted to establish independent and financially autonomous non-bank regulators</p>	<p>F-SAP Update</p> <p>Dutch Grant to NBU and Financial Sector Dialogue</p> <p>IFC advisory services IFC advisory services on company internal controls and on corporate governance to investment clients</p> <p>IFC advisory services to financial sector clients</p> <p>Partners: USAID (PTAP), EBRD, EU</p>
Strategic Goal 4: Ensuring Energy Security and Improving Energy Efficiency				
<p>Ukraine's competitiveness improves thanks to improved energy efficiency: Energy intensity of economy (toe/ thousand US\$ of GDP) reduces by 15%</p>	<p>Lack of investments and deferred maintenance in aging energy infrastructure.</p> <p>Poor financial condition of energy enterprises.</p> <p>Monopoly abuses and distortions arising from market concentration and political interference in NERC's tariff setting decisions limit private investments in the sector and delay implementation of energy efficiency measures.</p> <p>Lack of competition among energy generation companies reduces incentives for cost savings</p>	<p>4.1 Increased financial sustainability of energy sector</p> <p>Quasi fiscal deficit in gas sector below 0.5% of GDP (by 2010) from over 1% of GDP (2006)</p> <p>Share of inherited power sector debts restructured above 30% by 2010 (from 5% in 2006)</p> <p>4.2 Power sector improves operational performance due to increased investment and greater competition</p> <p>20% of power market supplied competitively by 2010</p>	<p>Law on State regulation of energy to strengthen administrative and financial independence of NERC enacted.</p> <p>Energy sector tariffs continue to adjust towards cost recovery levels</p> <p>New power market rules introduced</p>	<p>IBRD Lending Hydropower Rehabilitation</p> <p>Power Transmission Project</p> <p>Second energy project</p> <p>DPL II, DPL III</p> <p>IFC lending IFC investments in power sector (subject to transparent privatizations)</p> <p>IFC credit lines for energy efficiency</p> <p>AAA: TA to NERC on market regulation and opening Coal Policy Note update</p>

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<p>Ukraine's energy security improves: Reduced net imports (imports-exports) of natural gas as a share of total primary energy consumption by 15%</p> <p>Increases electricity trade with the EU by 20% and meets UCTE standards for secure and reliable supply of electricity</p>	<p>Reliability of power supply suffers from insufficient peak and regulatory capacity – to be provided by hydropower</p> <p>High dependence on energy imports from single source creates security risk.</p> <p>Declining attractiveness as the preferred route for future increases in Russian gas deliveries to Europe</p> <p>Reliability of power supply is limited due to lack of peaking capacity</p> <p>Insufficient institutional readiness may lead to lost opportunities to benefit from sale of emission reductions under Kyoto protocol and thereby encourage greater energy efficiency</p>	<p>4.3 Greater power system reliability and improved export potential Volume of electricity exports increases from 10 TWh in 2006 to 15 TWh in 2011.</p> <p>Increase in hydropower capacity by 250 MW and increase of hydropower production by 360 GWh between 2007-2011.</p> <p>4.5 Improved energy efficiency in the public and private sector In selected municipalities: reduced energy consumption by m3 of water pumped Assigned Amount Units sold at 75% of average world price (sales in 2006=0) In selected private companies: reduction in energy consumption/sales</p>	<p>Implementation of concept for legal, regulatory and technical harmonization with the EU Energy Market completed for power sector by 2009</p> <p>Rehabilitation of hydropower plants on the Dnipro river and improvements of dam safety.</p> <p>% of pumps in selected municipal water utilities renewed</p> <p>% of water pipes rehabilitated</p> <p>Eligibility to participate under Art 17 of Kyoto established and Green Investment Scheme set up</p> <p>IFC credit lines for energy efficiency disburse</p>	<p>Gas Market Development note</p> <p>Kyoto TA</p> <p>IFC advisory services IFC advisory work with municipalities</p> <p>Partners: EU (budget support tied to energy), MCC (possible investment in infrastructure),</p>
Strategic Goal 5: Making use of Ukraine's transit potential and improving transport infrastructure				
<p>Ukraine is further integrated into global economy thanks to reduced transport and transit costs Index of logistic costs rank</p>	<p>High transport costs hamper Ukraine's competitiveness</p> <p>Deteriorating infrastructure creates delivery risks</p>	<p>5.1 Improved connectivity to key markets Transit time reduced on selected transit routes (Kyiv-</p>	<p>Km of main network roads rehabilitated and upgraded</p>	<p>IBRD lending Road improvement and safety</p> <p>Second transportation project</p>

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<p>improves from 75 to below 65 (PREMTR)</p> <p>Overall transit traffic by rail, road, ship in tons</p>	<p>Poor road infrastructure increases trade and transit costs</p> <p>Very little private investment in transport infrastructure</p>	<p>Kharkiv).</p> <p>5.2 Increased private investment in transport infrastructure</p> <p>Successful conclusion of at least 2 pilot PPPs in transport sector</p>	<p>Performance measurement system on main transit links introduced</p> <p>Legislative framework for PPPs revised</p>	<p>DPL II, DPL III</p> <p>IFC lending: IFC investments in private sector transport and infrastructure/ logistics companies</p> <p>IFC investment in PPPs in transport sector</p> <p>AAA: Trade and Transport Facilitation Audit (performance measurement system)</p> <p>Country Economic Memorandum</p> <p>Partners: EBRD (transport investments), EIB (investment loans), EC (transport regulation), Dutch grant (TTF)</p>
Pillar 2: Public Finance and Public Sector Reform and Improved Service Delivery				
Strategic Goal 6: Strengthened Public Finances				
<p>Fiscal space is created for greater public investment through improved revenue mobilization and more effective and transparent spending</p> <p>Productivity of main taxes increase by 10%</p> <p>PEFA ratings improve</p> <p>Capital spending in % of</p>	<p>High informal economy (income and wage underreporting) leads to high tax rates to generate the needed revenue flows</p> <p>Despite high level of budget revenues the lack of alignment between allocations and national priorities reduce effectiveness</p>	<p>6.1 Increased efficiency of public resource mobilization as a basis to lower tax burden</p> <p>Share of revenue that companies under-declare to reduce tax burden falls to 15% by 2010 from 25% (2005), BEEPS</p> <p>6.2 Improved alignment between national priorities</p>	<p>Tax legislation adopted with improved tax administration procedures</p> <p>Unification of social insurance functions law is passed</p> <p>Costing pilot is completed successfully in Health and Education Ministries</p>	<p>IBRD Lending: State Tax Administration Modernization Project</p> <p>Statistical Capacity Building Project</p> <p>Public Finance Modernization project</p> <p>Social Assistance Modernization Project</p>

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<p>GDP increases to EU8 average (5% of GDP)</p>	<p>Capital allocations in the budget have been decreasing and the percentage of unfinished projects remains high</p> <p>Procurement system is biased towards insider interests and completely out of line with European standards</p> <p>Internal and external audit system is not performance based and thus fails to create appropriate incentives for improved efficiency</p> <p>Social insurance and transfer system is inefficient and costly</p>	<p>and budgetary allocations</p> <p>PEFA rating on strategic alignment of budget improves</p> <p>Share of unfinished capital budget projects is reduced below 30% from 45% (PFR)</p> <p>Public sector capital spending % of GDP increases to 3.5% in 2010 from 2.2% (2005)</p> <p>6.3 Increased transparency in the utilization of public finances</p> <p>PEFA rating on public procurement improves from D+ to B</p> <p>PEFA rating predictability in the availability of funds improves from D+ to B</p> <p>6.4 Increased accountability of public institutions</p> <p>PEFA ratings on scope, nature and follow up of external audit improves from D+ to C+</p> <p>6.5 Improved administrative efficiency of social insurance and transfer system</p> <p>Reduction in application processing time for social assistance payments from 4.1</p>	<p>Training of MoF and MoE and Ministry of Education and Science (MES) officials in capital budgeting is completed</p> <p>The MoF is reorganized to integrate public financial management functions</p> <p>Strategy for integrated public financial management is adopted and implemented.</p> <p>Coverage of single Treasury Account expanded.</p> <p>New procurement law (or amendments to existing law) is adopted</p> <p>New business process for servicing clients introduced in 100% of local welfare office</p> <p>Pension fund of Ukraine assumed 100% of social insurance contribution collection and related</p>	<p>Social Insurance Administration Project</p> <p>Equal Access to Quality Education Project</p> <p>DPL II, DPL III, future development policy loans</p> <p>AAA: PFR II</p> <p>Social Sector Financing AAA</p> <p>Dutch TF on capital budgeting and PFM (including training and capacity building through WBI)</p> <p>Partners: ADETEF, EU (policy conditionality and budget support), SIGMA-OECD, IMF (tax reform), US Gov (tax reform)</p>

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		<p>hours in 2007 to 1.5 hours in 2010</p> <p>Number of benefits processed per month per staff in social assistance offices increased from 290 in 2007 to 530 in 2010</p> <p>Reductions of social insurance administrative costs from 2.2. percent of total social insurance outlays in 2007 to 1.9 in 2010</p> <p>6.6 Improved efficiency of public resource use in education and health</p> <p>Pupil/Teacher ratio in general secondary schools of pilot rural rayons increases (from 8 in 2006 to 10 in 2010)</p> <p>Ratio of capital spending to total local spending on health and education increased by 50% (to 6%) and 30% (to 6.5%) respectively</p>	<p>administrative functions</p> <p>Input norms are revised for Health and Education systems in line with PFR II recommendations</p> <p>The pilot rayons changed the way of financing social sectors and new strategy for social sector financing adopted incorporating lessons learned</p>	
Strategic Goal 7: Improved quality of public health, health services and reduced environmental health risks				
<p>Improved health outcomes due to reduced health risks and greater public awareness</p> <p>Life expectancy for men increases to 68 years (from 62.2)and for women to 77 years (from 73.9)</p>	<p>Poor quality of health services</p> <p>Harm reduction programs cover only 15% of injecting drug users, a key vector of HIV epidemic, against a country target of 60%</p> <p>Multiple public agencies involved</p>	<p>7.1 Increased provision of preventive HIV/AIDS services to high-risk groups (e.g., IDUs and CSWs)</p> <p>HIV prevalence according to surveillance data among injecting drug users decreases from 49%(2005) to 29%</p>	<p>Government HIV/AIDS strategy is fully funded</p> <p>Procurement of retroviral drugs is completed cost-effectively</p>	<p>IBRD Lending:</p> <p>TB/AIDS Project (including possible additional funding through the budget)</p> <p>DPL II, DPL III, possible future DPLs</p>

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<p>HIV/AIDS new infection rates drop to EU levels</p> <p>Air and water quality is improved</p>	<p>in health related issues increases the difficulty of coordinating and implementing policies.</p> <p>Low awareness of health risks (cardiovascular diseases, traffic accidents, etc.)</p> <p>High health environmental risks especially in dense industrial centers operating with old technologies</p>	<p>(2010) among commercial sex workers decreases from 21% (revised target for 2008) to 19% in 2010.</p> <p>7.2 Increased coverage of treatment of HIV/AIDS-infected patients</p> <p>Percentage of women and men with advanced HIV infection receiving antiretroviral combination therapy increases from 33.5% in 2005 to 80% in 2010</p> <p>7.3 Increased awareness of lifelong health risks and causes of premature adult mortality</p> <p>100% increase of public awareness of key health risks (baseline to be established through survey).</p> <p>30% decrease in risky behavior by men and women of reproductive age (baseline to be established through survey)</p> <p>7.4 Reduced industrial pollution</p> <p>Volume of emissions reduction units (in tons) sold under Art 6 of Kyoto protocol (JI projects) – 2006 = 0</p> <p>Industrial enterprises participating in PRIDE</p>	<p>Progress is made in moving towards funding pilot for HIV/AIDS through budget</p> <p>Public relations and advocacy campaign on health risks launched.</p> <p>Cabinet of Ministers resolution on environmental permitting passed.</p> <p>No of JI implementation projects concluded</p> <p>Introduction of Performance Rating and</p>	<p>Road Safety Project</p> <p>JI projects under Kyoto protocol</p> <p>AAA : PFR II + follow-up</p> <p>Social Sector Financing AAA</p> <p>Health and Demography advocacy (a) Sector work analyzing factors that contributed to high and persistent adult mortality including both provider and consumer side factors and (b) public awareness campaign.</p> <p>Zaporizhzhia Environmental TA and follow up</p> <p>IDF Grant for Legal Framework and Enhancing Institutional Capacity for Environmental Permitting</p> <p>Partners: USAID, UNICEF, UNDP, WHO, IAPSO (all on health)</p> <p>USAID, SIDA (environment)</p>

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	Limited capacity at the local level to address environmental health risk, and little interest at the central level to address local environmental issues	scheme implementation increased from 0 in 2006 to 15 in 2010. 7.5 Increased capacity of public sector to manage environmental health risks Number of municipalities using risk assessment methodology to inform public policy increased from 1 in 2001 to at least 3 in 2010.	Information Disclosure on Environment (PRIDE) scheme Risk assessment methodology introduced to municipalities with high level of industrial activity. Environmental-health risk TA projects launched in at least 2 additional cities	
Strategic Goal 8: Improved Quality of Education				
Quality of education services improves due to greater transparency and reallocation of resources towards quality enhancing investments Ukraine's ranking on national and international standardized assessments (TIMMS, PISA, National External Assessments) improves	Lack of standardized tests reduces accountability of educational institutions and teachers and promotes non-transparency Ukraine invests large amounts into education but does not receive an adequate economic return from this investment	8.1 Modernization of education policy framework in line with European standards 40 percent of teacher trainers conduct training with competence based approach using modern practices External assessment instruments are carried out regularly and accepted by education stakeholders 8.2 Resources are reallocated towards improved quality Student/teacher ratios in pilot rural schools rise from 8 to 10 students/teacher Expenses for repairs are	Competence-based National Curriculum Framework of primary and basic education (grades 1-9) adopted and aligned with European standards Adoption of mandatory National External Assessments TIMMS completed and PISA piloted New in-service teacher training curricula has been introduced in all 26 in-service teacher training institutes Access to the new generation of teaching aids improved in general secondary schools Rehabilitation of school	IBRD Lending: Equal Access to Quality Secondary Education Project DPL II, DPL III, future development policy loans AAA: PFR II + follow-up Social Sector Financing AAA Labor demand and skills relevance ESW Training on Education Reform issues (WBI) Partners: ETF, EU, BEST

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		reduced and savings reallocated towards quality enhancing inputs in pilot rural schools	premises and optimization of the school network in pilot rayons of 6 oblasts of Ukraine completed	
Strategic Goal 9: Improving Quality of Housing and Municipal Services				
<p>The quality of municipal and housing services improves due to better management and increased private investment Commercial and technical losses in municipal utilities are reduced (water, sanitation, heat)</p> <p>No. and volume of private sector investments in housing and municipal sector increases</p> <p>Citizens' satisfaction with the quality of municipal services increases</p>	<p>Poor quality of municipal services Housing stock remains in municipal ownership, leading to lack of maintenance and significant technical losses in supply of water and heat</p> <p>Surveys report a high level of dissatisfaction with the quality of service of public agencies</p> <p>Inadequate operation and maintenance budgets for municipal infrastructure cause safety and delivery risks</p> <p>High levels of energy inefficiency lead to high delivery costs of municipal services</p> <p>The water supply, sanitation and solid waste sectors lack of financial revenue yet require significant investment to achieve international service standards</p>	<p>9.1 Improved management of multi-apartment houses Response times to undertake repairs in target cities improve from 3 days in 2006 to 1 day by 2010 % citizen satisfaction with local Government services (as expressed in report cards in target cities) – no baseline available yet</p> <p>9.2 Improved financial sustainability of municipal services in selected municipalities Reduction in water losses in target cities by an average of 10% from 55%% in 2006 To 45% in 2010 Improvement of energy efficiency of municipal services by 15% in target cities by 2011 Percent of billings not collected in target cities reduced from 30% (2006) to 11% in 2011. Collection ratio of solid waste</p>	<p>Improved institutional capacity within the Ministry of Construction, Planning and Housing and Communal Services through training in financial appraisal, cost-benefit analysis, and human resources.</p> <p>Housing Code adopted in line with WB recommendations</p> <p>Citizen report cards are introduced in X new cities focusing on housing and municipal services</p> <p>No. of Housing Associations set up in target cities</p> <p>No. of housing maintenance services contracted out to private contractors in target cities</p> <p>Financial performance of selected utilities improves due to reduced operating expenses</p> <p>Improved tariff collection</p>	<p>IBRD Lending: Lviv Water</p> <p>Urban Infrastructure Project I, Additional Municipal Investment project</p> <p>IFC Lending: IFC PPP investments in utility sector</p> <p>IFC sub-national and housing finance</p> <p>AAA: People's Voice Project</p> <p>Housing and Municipal TA (at local level + national dialogue)</p> <p>IFC Advisory Services: IFC advisory work with municipal governments</p> <p>Partners: USAID (district heating), KfW (energy saving in housing sector), EBRD (energy saving credit line), UNDP (CDD approaches), CIDA (PVP)</p>

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		improves and share of waste treated increases (Baseline data to be collected during first phase of UIP implementation)	followed by increased tariff levels	
Strategic Goal 10: Improved Targeting and Financial Sustainability of Social Transfers				
<p>Poverty and inequality are reduced due to better targeting of social assistance Poverty rate reduced to below 6% (WB HB measure)</p> <p>GINI coefficient kept below 0.3</p>	<p>Only 25% of poor household receive social assistance benefits</p> <p>Only about 40 % of the benefits go to the poor households</p> <p>Fragmented social assistance administration system</p>	<p>10.1 Improved targeting of social assistance benefits Share of non poor families among beneficiaries decreased from 55% in 2006 to 45% by 2010 The system for providing housing privileges shifted from in-kind to cash with means testing introduced</p> <p>10.2 Fiscal sustainability of the pension system is improved. PAYG pension system expenditures decline by 1.5 pp from 2006 to 2010 (gross of any budget transfers to cover introduction of second pillar) Contribution compliance improved as measured by ratio of covered wage bill to actual wage bill (according to State Statistics Office) from 79% in 2006 to 85 % by 2010.</p>	<p>Parametric changes to PAYG system introduced from the following list of options: (i) lengthened contribution rate to receive full pension, (ii) suspend increases in pensions to subsistence min for working pensioners, (iii) inflation indexation for subsistence minimum and pensions, (iv) replace minimum pension increases with means tested benefits)</p> <p>Single central database of insured individuals and employers servicing all four social insurance funds established; Pension Fund regularly publicizes statistical data on pensions and pension system. Law on 2nd Pillar Introduction is adopted</p>	<p>IBRD Lending: Social Assistance Modernization Social Insurance Administration Project DPL II, DPL III, future development policy loans</p> <p>AAA: Pension Reform and Capital Market Development TA (PTAP)</p> <p>Poverty Update</p> <p>Social Sector Financing Reform AAA Partners: USAID (pension reform), UNDP (poverty reduction, social security modernization),</p>