

The Ukraine case study

In Ukraine a relatively difficult institutional environment was characterised by poor motivation and significant disorientation of both institution and staff. This situation was the consequence of contradictory political guidance, a destabilising administrative set-up and general institutional marginalisation. The institutional stakeholders were shy and reluctant to comment on the situation beyond a few concerns about the actual individual and organisational dysfunctions. The work emphasised the individual discussions and search for facts and causal connections during the recent history of the institution. The validation was done again at individual level, sometimes through a second short meeting. The workshop focused on presentation and discussion of the conclusions, with the aim of finding a common understanding and possible grounds for action.

BRIEF PRESENTATION OF THE PROJECT AND THE RAC

Objectives and expected results

The Project was financed within the Tacis Action Program 2006 for Ukraine. It aims at supporting the application of a Sector Wide Approach (SWAp) in Agriculture and Rural Development (ARD) within the context of WTO accession and the ENP Action Plan. The strategy supported by the project focused on a strong Europeanization of the agriculture and rural development policies, on the basis of the models applied in the pre-accession countries, and in accordance with the strong pro-European political orientations of the government since 2005.

The Project started in October 2009 and ended in December 2011, when an extension until September 2012 was approved. Apart from the Ministry of Agrarian Policy and Food (MAPF), its counterparts are the State Committee for Veterinary Medicine and the Ministry of Health which are responsible for the implementation of the food safety component, other ministries and the farmers, wholesalers and consumers organisations. In the food safety area it is complemented by a twinning project covering the legal and technical aspects of the system, and by a separate EU supply contract for delivery of laboratory equipment.

Project Objectives and results expected¹

Objective

The objective of the Project, as set out in the Terms of Reference, is to support the application of a Sector Wide Approach (SWAp) for agriculture and rural development within the context of WTO accession and the ENP Action Plan.

Results expected

The Project is structured in four components, the expected results of which are stated in the TOR:

Component 1: Institutional Development:

- Improved policy capacity and professional skills in MAP
- EU-Ukraine agriculture and rural development policy dialogue promoted
- Enhanced MAP donor co-ordination in the agricultural sector
- MARS crop yield forecasting system made operational
- Improved visibility and public image of MAP

Component 2: Food Safety

- Harmonized food and veterinary Ukrainian legislation in place
- Food safety institutional framework analysed, recommendations for improvement made
- Animal Identification & Registration System and movement control system improved and staff of the Agency for Animal Identification & Registration trained
- Tender dossier provided for the establishment of key operational and efficient laboratories in pilot regions according to international standards, to ensure that any trade restrictions based on residue concerns be removed for meat, milk and honey and related products.
- Laboratory staff, inspectors and vets trained on food safety issues.
- Access to veterinary databases ensured and DG SANCO newsletters translated and disseminated three food standards validated.

¹ This synoptic table is taken from the Progress report of April 2011, the terminology used has been reviewed

Component 3: Market Infrastructure Development

- Implementation of the National Programme for Wholesale Markets Development supported.
- Improved framework for agricultural professional organisations.
- At least one wholesale market assisted with preparation of the feasibility study in a pilot region.
- At least six assembly markets are assisted with preparation of pre-feasibility studies and action plans in pilot regions.
- At least six producer organisations supported in pilot regions.
- At least ten storage/packing facilities supported to service farmers in pilot regions.

Component 4: Rural Development

- Rural Development Strategy drafted and publicly discussed.
- Two operational programmes drafted and prepared for approval.
- Medium term expenditure programme agreed with stakeholders and Project Partner.
- Lessons learnt from EU LEADER+ programme.
- Rural development website/portal developed on the Internet.
- Training in rural development provided to MAP and to pilot oblasts.

Project Team

- Key Expert 1 and Team Leader – Senior Expert in Institutional Development
- Key Expert 2 – Senior Expert in Food Safety
- Key Expert 3 – Senior Expert in Market Development
- Key Expert 4 – Senior Expert in Rural Development

Project Budget: 2 M Euros

The execution of the RAC

All components of the project have strong and largely explicit capacity development implications. The RAC has been carried out in accordance with the standard procedure, and with engagement of fifteen days (split between two missions) of an international consultant and thirty days of an Ukrainian consultant. The consultants have carried out the assessment of the enabling factors, the structured interviews, and the restitution workshop. Close collaboration with the EUD has been maintained throughout the work. The individual structured interviews were preferred to the group meetings, coaching sessions and workshops. This mainly reflects the low level of institutional mobilisation and specific interest (including the institutional segmentation). Eleven interviews have been carried out, in the following categories: four of the responsible persons of the key departments in the MAPF, three of key staff of the food safety service, three of decentralised “demand institutions” including a wholesalers’ association and two NGOs involved in rural development programmes, and two of high-level independent resource persons.

ASSESSMENT

ENABLING FACTORS

The RAC started with an assessment of the enabling factors, which included meetings with EUD staff and with informed persons, and general meetings with ministry staff; and study of the country strategies, NIPs and project documents. As a result of such analyses the following preliminary conclusions have been formulated.

Opportunity framework

Europeanization of the agricultural policies. This had a strong political support in the country (government and citizens) at the conception of the project, which correctly influenced the project design, but during execution the political backcloth was radically reversed.

The new government had very different priorities: at international level the new focus was on the partnership with Russia, while Europeanization (of policies and institutions) was no longer an objective; in the domestic market the weight of the large grain producers weakened any attempt to support small and medium enterprises, and agricultural and non-agricultural diversification in the rural areas.

The new government maintained the establishment of a free trade area (including agriculture) as a priority, given its interest for the EU market. The related institutional and technical activities were supported. The lack of interest in the MAPF as a policy development institution, however, also undermined the creation of new structures, functions and capacities in this sector.

The need to restore political control of the administration impelled the government to a politically-driven, long and chaotic administrative restructuring which also affected the MAPF, creating uncertainties and volatility among staff, instability of structures and inadequate resourcing.

Faced with such a situation, the parties had no tool for adjusting the objectives and work plans with a view to reorientation, radical change or cancellation of the programme. In particular the political and sectoral policy dialogue excluded agriculture and rural development from its agenda from the outset, as was generally the case in the ENP countries. Only the phytosanitary standards, in view of the FTA, were and are the subject of dialogue and negotiation.

QUALITY CRITERIA

Fits to context, demand and commitment. These two criteria were fulfilled at the time of the design. When the project started both the context and demand had changed and the project had no built-in mechanism for adjusting to the new conditions. The low priority given to the agricultural sector in the ENP strategy is another weakness in the project strategy.

Link to results. The results targeted by the project design were realistic, clear and easy to monitor at both institutional and policy levels. They became unrealistic when the conditions changed.

Harmonisation. The strong prospect of integration into the EU in the early stages, which was not discussed, also facilitated cooperation with non-EU partners. Later, when such a prospect was no longer supported by the government, even other donors (especially the US) pursued different priorities.

Implementation arrangements. The transfer of knowhow within the Project has mostly followed classical methods. Peer-to-peer and learning-by-doing methods were not prioritized, although they were partially applied through intensive programs of study tours to sister institutions, allowing trainees to learn from peers abroad.

CAPACITY OUTPUTS

Capacities of staff. The project provided much 'vertical' and 'horizontal' training at both national and local levels within the public services involved and their external partners. 'Horizontal' training was provided in policy analysis, strategic planning, project management, presentations, negotiations, English, and so on. 'Vertical' training focused on food safety, rural development, marketing policies and institution-building. Most interviewees noted that training contributed to the personal career advancement of the participants, but the weak policy initiative of the MAPF in the relevant areas and the organisational destabilisation of the MAPF hampered any significant evolution of such training into new institutional strength.

New procedures and approaches. The project made substantial efforts to introduce new procedures and approaches and to highlight several new policy issues in the Ministry. The relevant achievements and their limits, as perceived in the interviews, are presented below for each project component:

Capacity outputs (new procedures and approaches)			
Institutional Development	Food Safety	Market Infrastructure	Rural Development
Database of donors (no more in use)	Approach 'from the field to the table' (approved, but far from application)	Approach to market infrastructure development (included in some new laws)	Dissemination of the European RD concept (included in law, but then cancelled by the new govt)
Regular donor consultations (no longer effective)	Support to animal registration (effective)	Model for business-plans in wholesale marketing (there is no strategy yet)	Decentralised pilot experiences with local communities (effective, albeit marginally)
	Functioning of some laboratories (effective)		

General comment: important outputs, but which partially evaporated	General comment: significant technical progress	The US Aid has taken the lead in the sector and in working at the strategy	General comment: the project has responded well but the room for manoeuvre is limited
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New organisations/ structures/ functions. The project has operated in a context of instability, cut of staff and other resources, due to the politically driven administrative reform. The relevant changes, as from the interviews, are shown in the table below.

Capacity outputs (new structures and functions)			
Institutional Development	Food Safety	Market Infrastructure	Rural Development
Unit for WTO cooperation (standard)	Contribution to the creation of the new State Veterinary and Phytosanitary Service (very important achievement, but remains to be implemented at decentralised level and start to operate)	The administrative reform has weakened this sector (cuts in staff and functions)	The administrative reform has merged the Dpt of Rural Development with the Dpt of Science. Even in pilot regions, there is no institutional change
Unit for cooperation with EU on FTA (effective negotiations)			
Unit for International Coordination (see above)	General comment: here the institutional reform has been implemented, it being a govt priority. The resources and the policy framework to operate it are still lacking	General comment: a competitive domestic market in agriculture does not seem a priority for the govt	General comment: in this area the govt has backed away from previous achievements
General comment: these are mostly standard administrative / technical units			

Conclusion on capacity outputs. As a partial conclusion, the interviewees tended to say that the project has produced significant capacity outputs in accordance with its intervention logic and its different components, but the response of the beneficiaries has been weakened by either a lack of political motivation and support, or by general institutional instability. This is true also in the areas prioritised by the government, such as Food Safety.

Capacity outcomes

For each of the standard CD outcomes identified by the methodology, the interviewees – helped by the evaluators – have tended to concentrate their attention on one (in one case two) main indicator(s) fitting the specific context. The indicators considered are specified when addressing the following five expected general CD outcomes.

Initiative of the institution

Key indicator: autonomous policy development capacity (e.g.: proposals for strategies and laws, resistance to policy (and political) marginalisation, etc.). In the case of the Ministry and its partner institutions, there is clear evidence of the low level of this capacity. The declared goal of the administrative reform in the sector was to introduce an institutional separation of the policy development functions concentrated in the ministries from the policy implementation functions (administration, control, regulation, etc.) which were to be transferred to other executive bodies (agencies, inspections, commissions, etc.). However in reality the reform has led to the centralization of power within the Presidential cabinet, where key policy decisions are formulated (as for instance the dropping of RD from the policy priorities, the practical suppression of the RD Dpt, and the low priority given to the marketing policies). Under such political conditions the Ministry and its partners do not find themselves in an appropriate position to promote, elaborate, propose and monitor policies.

Link with the capacity outputs. The link between the institutional initiative and the capacity outputs is now broken and the new skills, procedures and organisations created are not transforming themselves into new institutional strength. Indeed, the institutions involved seem weaker, in comparison with the beginning of the project, in terms of autonomous policy initiative.

Results based decision making

Key indicator: the institutions' capacity to monitor the performance of the sector and sub-sectors and develop strategic thinking and decision-making processes in response to the actual results. Indeed the capacity of the institutions involved (namely the MAPF and the Food Safety Service) to establish monitoring systems and data collection in the various subsectors is very low, as it is hampered by the organisational uncertainty and instability, the bureaucratic overload of the staff, the low level of interest of the government, and the difficulty of identifying strategic indicators for monitoring and analysis.

Link with the capacity outputs. The linkage between such a capacity outcome and the training provided by the project in this area has not been established, as the latter had no adequate institutional appropriation. In addition the evidence indicates that most policy decisions made by the Government are politically-driven rather than evidence-based. In such a situation the role of the Ministry and other institutions shifts from monitoring the results to complying with government priorities. As an example, the decision of the Government to introduce quotas on the export of grains in the autumn of 2011 has been implemented, albeit widely criticized and in contradiction with the declared strategies of trade liberalization and Ukrainian commitments to WTO.

Institutional networking

Key indicator: coordination with the other relevant government institutions and the participation of the various non-government actors has been identified as a key indicator.

Considering the inter-institutional coordination, during the most recent years quite a variety of networking and consultation tools has been established in the Ministry. They include inter-departmental and inter-institutional working groups and five councils under the Ministry. Such a range of inter-institutional networking tools, however, seems rather ritual and highly inefficient owing to the fact that any given issue can be discussed in all such councils and committees by the same people several times over, with no practical benefits.

The same applies to the attempts to establish regular stakeholders consultations. Significant relationships with non-state actors instead occur at decentralised level, but they are at a pilot stage and need to be consolidated prior to any generalisation. Positive initial examples have been mentioned in the areas of community development and wholesale promotion.

With respect to international relationships with sister institutions, they are still at the level of project outputs and have not been appropriated by the institution(s). Indeed in the ENP area there are no opportunities for inter-institutional exchange beyond support for single projects.

Link with the capacity outputs. The experience (capacity output) to which the project has contributed in terms of promoting decentralised pilot experience in Rural Development and Agricultural Marketing is the basis of the new local cooperation between MAPF and various non-government actors, although it is too early to see any real transformation of such experience into institutional capacity. On the other hand the project has actively promoted a more inclusive approach with stronger involvement of stakeholders. However according to the evidence it has not succeeded in reducing duplication and overlapping (e.g. the Civic Council promoted by the project under the Ministry is a duplication of a coordination council created in 2000 and still operational). The project has invested in developing connections between the Ministry and sister institutions abroad: while these activities were useful in terms of awareness-raising and capacity outputs, the sustainability of such links is rather low owing to a number of factors: the lack of resources to maintain and update such relationships, the poor local grasp of English, and above all the very low autonomy of the Ministry in deciding its policy priorities.

Adaptation to the context

Key indicators. Two indicators have been considered: adjustment of the relevant institutions to the administrative reform, and donor coordination. The second indicators has been included under this capacity outcome to emphasise the fact that donors are partners which may help or condition the beneficiary institutions, which need to develop specific strategies for optimising their support for shared priorities.

On the first indicator the Ministry did not make any reaction to the reduction of staff and resources and the suppression (or limitation) of several functions. There was no attempt to try to optimise the means available or concentrate efforts on some of the priorities confirmed by the new government (e.g.: veterinary and phytosanitary controls, and trade related issues). The reaction was instead inspired by an attempt to minimise the shocks and put in place a survival strategy.

On the second indicator, the MAPF has made some efforts. Better coordination and management of donor inputs has been an objective of the Ministry and some improvements (with the help of the project) have been achieved in terms of procedures and tools. Donor support however has not been used to integrate or compensate for the scarce resources provided by the government in key sectors. At a time of heavy cuts donor support could have alleviated the policy and operational consequences. Instead the position of Deputy Minister in charge of the international cooperation has been suppressed and the coordination meetings have been suspended. In general the international partners have been downgraded as policy partners.

Link with the capacity outputs. In terms of adaptation to the political and organisational shocks, the project could not help, since it did not adapt to the changed situation beyond the positive individual initiatives of its staff. Even. In terms of donor coordination, the capacity outputs produced (or promoted with others) by the project have so far been frozen – if not thwarted – by the political and administrative changes.

Institutional coherence

According to the responses of the interviewees, a synthesised indicator has been considered in this area. Assessment of the indicator is based on the combination of the responses given in relation to the four outcomes assessed so far.

The conclusion of the interviewees is that there has been no significant progress in terms of institutional coherence and that the Ministry and the other institutional bodies involved have if anything gone backwards in terms of institutional coherence and strength, given that they are in the middle of an institutional transition, the outcome of which is not yet identifiable.

It is relatively clear that institutional improvements have been attained, but so far they have been either frozen or dispersed, as they did not find a conducive environment or a sustainable response in the targeted institutions. The latter have not yet been able to translate the single improvements (capacity outputs) into autonomous institutional orientation and action in any of the specific fields considered (policy; results; networking; adaptation to the context), so as to ensure progress in terms of global coherence and institutional strength.

GENERAL CONCLUSION

The opportunity framework, namely the radical change in the political priorities of the government, has strongly affected the capacity development process in the area of agricultural and rural development. The EC cooperation did not have adequate political and policy instruments to facilitate re-discussion and re-negotiation of the policy framework of the project. The ENP does not consider agriculture and rural development as a priority area and does not envisage any political and policy dialogue on sectoral issues, apart from those relating to trade and food standards. On the other hand, the project – as conceived and managed – did not include any mechanism for adjusting or even stopping its plans and operations in the context of a modified context.

The project has put in place significant skills for capacity development and has created a number of impressive capacity outputs in the different areas involved. Most of such outputs, however, have been frozen and sometimes dispersed or even thwarted; and in many cases they are being used at a merely

individual level (for career purposes), often in other institutions. In most cases they have not evolved into institutional capacities.

