

**Evaluation Report**  
**‘Innovation Springboard: Leveraging Information and Communication**  
**Technologies for Ukraine’s Prosperity’**  
**UKR/01/005/007**

8-18 February 2004  
Kyiv, Ukraine

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## **Executive Summary**

General: Direct observation and interviews point to excellent results attained by the Innovation SpringBoard Programme since inception and especially in 2003. Overall, positive feedback was received by most of the interviewed parties. The programme achieved its most intended objectives and outcomes, as identified by the project document. These were challenging and carried significant difficulties that could have potentially impaired the achievement of the intended results.

New areas: While more project focus was recognised as an important issue, the review identified three initiatives, which could be pivotal beyond 2004. These are:

Focus on the rapidly emerging area of e-Democracy and e-Governance, of much interest to the Government of Ukraine and the European Commission and could have strong financial resource potential. E-Democracy can more innovatively address difficult but fundamental issues of democratization such as transparency, anti-corruption, involvement of civil society into decision making, and public sector reform, to name a few. In this area, ICT lays a critical role in the acquisition and distribution of information.

A second strategic theme was identified in the support of the private ICT sector through opening up investment opportunities and creating better conditions through IT business and services clustering. The Internet City concept (e.g. Smart Villages, Techno-Parks) successfully implemented in countries such as Malaysia, Singapore, Dubai and Egypt, could serve not only in establishing ICT as a highly visible sector within the country, but also to improve Ukraine's image abroad. This initiative would allow Ukraine to better compete regionally and globally and become a pioneer service and knowledge hub in the CIS region. In this area, Ukraine could count on its reservoir of excellent human resources. Apart from the creation of infrastructure and related investment, an Internet City-like concept will be contributing in training, e-services international funding availability and overall country positioning in the ICT sector. In this endeavour, UNDP could assist the Department of Strategic Initiatives of the President Office, which published a short paper titled: "Territory of ICT Development." This subject was also discussed recently at a roundtable organised by the World Bank GDLN, in which ISP did not participate.

Access to schools, following the successful methodology applied by ISBP with the Ministry of Education and with the Computer Clubs Association, could be expanded to those rural schools (5,000+) outside the present reach of infrastructure, much as it has been done in Ethiopia and other developing countries. This would be a natural follow-up to the successful pilot of school-based Telecentres. Alliances here will include Ukrtelecom, the Ministry of Education and major funding agencies, such as the World Bank.

Achievements in Access. Infrastructure has been significantly improved by ISB's support to Ukrtelecom. Today, better access at the district level exists through a nation-wide fibre-optic backbone. Very good progress has been recorded over the past year in

developing and testing a model that creates Internet public access points in schools through innovative partnerships and management solutions.

Private sector and IT industry. Major progress had been accomplished in engaging the private sector in an ongoing dialogue on information society issue, preceding and following the WSIS. The partnership with Ukrtelecom has been further strengthened. Effective partnerships with the Ukrainian private sector, not only in ICT, is an important key to success. A possibility of partnership with Microsoft led to the drafting of a MOU for the provision of licenses to schools. While this is important for the intellectual property requirements of Microsoft, UNDP should add more development-oriented priorities to the agreement. One possibility includes the free use of productivity tools, such as programming software that could have a high potential of creating revenue generation skills. Strategically, it is recommended to capitalize on this obvious strength with the objective of deepening mutually beneficial public-private partnerships, an important MDG. In Ukraine, partnerships could also potentially lead to additional funding sources.

Partnership with the government remains strong with very positive feedback on the value of UNDP's assistance. UNDP assisted the government during the preparation for and participation in the World Summit on the Information Society (WSIS). The event has been a milestone achievement, and has helped the government realize the importance of ICT in Ukraine's development, with a national e-strategy having been prioritized. The drafting of a unified strategy should, however, be monitored closely for open participation and relevance to all stakeholders, as many such initiatives tend to take a substantial amount of time and become significantly diluted in effectiveness. Equally strong relations have been maintained with local authorities, especially where access points have been established in school premises.

Partnership with civil society has been successful, especially with the Soros' IRF<sup>1</sup>. A jointly created Civic Space portal has appeared to be a popular platform for NGOs to communicate and also to use ICT more effectively and efficiently in their activities. Although some questions have been raised regarding the role of the IRF as a partner more than a donor, IRF could be UNDP's ally in new initiatives such as e-Democracy, online consultation and e-participation at the local level, or in further developing the Citizen's Portal. A clearer partnership agreement is needed to ensure the partner's satisfaction in working with UNDP and to simplify cooperation operationally.

Important progress has been made in the area e-learning through the partnership with the Taras Shevchenko University. Yet, a more policy-oriented and scaling-up approach is needed to produce impacts and to this end, more cooperation with the Ministry of Education is needed.. Openness of the created e-learning platform deserves greater openness and for wider audience apart from students.

e-Strategy. UNDP should move more assertively in helping the government formulate its national information society policy and action plan. So far, this process has been driven

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<sup>1</sup> The International Renaissance Foundation

by a number of disjointed public and private entities and several documents to this effect have been generated without clear leadership and especially championship of the importance of ICT for Ukraine. There are indications that the government could be ready to accept UNDP assistance<sup>2</sup>, which would facilitate the formulation process substantively and organizationally (elaborated in detail below) while ensuring transparency and active participation of all stakeholders.

Partnership-related Project Management. Certain procedural streamlining is needed on the operational side. IRF made specific comments on the lack of timeliness of UNDP's procedures, which were deemed too complex and slow, especially when jointly funded activities are implemented. In this particular case it is suggested to review the financial and management business process of any activity that relates to funding partners. It is also strongly recommended to review the partner's participation in the decision making process (e.g. authorise or deny activities conducted under a partnership umbrella), especially when donors/partners have a substantive role (IRF, Ukrtelecom). Advances would demonstrate more trust towards the organization (coupled with increased accountability for results) and solve the problem.

Outreach and advocacy. Studies and papers produced by ISBP in 2003 have set high standards and should be maintained at that level. These papers should be made available on the Internet on a regular basis. It is recommended to redesign and upgrade the ISBP Website under its own domain, in order to make it become an interactive forum and a source of information and knowledge for the development and the distribution of ICT-related information.

Programme consolidation.

It is recommended that ISBP focus its effort down to a few key areas, such as access, policy-related initiatives and governance. The mission recommends capitalizing on the most successful achievements of the past couple of years and to start working urgently on the new promising directions such as e-Democracy. The year 2004 will be a critical year to capitalize on these achievements and lay the foundation for the continuation of programme beyond 2005.

Access to ICTs in and for community development with special emphasis on mass replication and scaling up potential (for example helping to connect thousands of schools to the internet). Support to the IT industry and deepening cooperation with the Private Sector, promoting e-Democracy as a holistic concept and public good to support democratic processes and improve public sector reform, and improve competences and skills through building capacities for modern Education (including e-learning). Creating and retaining partnerships at all levels will be key to the achievement of all the programme's targets.

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<sup>2</sup> State Committee on Informatisation

## **Introduction**

The evaluation was carried out during 8-18 February 2004 by a team of two experts in the area of ICT for Development, following a request from the UNDP country office in Kiev to evaluate the outputs of the Innovation Spring Board Programme (ISB).

The previous detailed evaluation of ISBP (by outputs and outcomes) was done in December 2002, by one of the current mission members. A summary is annexed. The results of the 2002 evaluation have served as a background, and have allowed the mission to focus more on strategic issues stemming from the two full years of the Programme implementation (2002 and 2003), as well as reflecting on the country's need to improve ICT-based competitiveness.

Another factor, which has made the evaluation more strategic and recommendation-oriented, has been a need to transition to next-generation initiatives in the programming cycle beyond 2005. UNDP's comparative advantages in fostering partnerships and emphasis on resource mobilization opportunities have strongly influenced the recommendations offered here.

## **Purpose of the evaluation**

The principal purpose of this evaluation has been fourfold, namely:

- A.** Evaluate UNDP's role and contribution as an actor in the area of ICTD in Ukraine as perceived by the partners and counterparts.
- B.** Assess how the recommendations of the previous evaluation<sup>3</sup> have been implemented during 2003.
- C.** Propose more strategic and longer-term vision of the next generation of ICTD services that the ISBP can offer, taking into account the dynamics of the Ukrainian ICT sector and the formation of the information society policy legal and other frameworks against the backdrop of the regional and global trends as highlighted by the UN World Summit on the Information Society (WSIS)<sup>4</sup>.
- D.** Assist in the preparation of the 2004 ISBP workplan for 2004 in light of 'C' and help the ISBP staff to improve performance.

The evaluation's other objectives have also been to:

- i. learn lessons of successes and failures;
- ii. analyze operational strengths and weaknesses;
- iii. identify innovative know-how with high replication and scaling up potential;
- iv. suggest ways how to better manage internal and external knowledge;
- v. assess partnership arrangements;
- vi. propose strategic resource mobilization opportunities.

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<sup>3</sup> 11-23 December 2002

<sup>4</sup> Held in Geneva on 10-12 December 2003

## Scope of the evaluation

The scope of the evaluation has revolved around the following three immediate objectives<sup>5</sup> of the ISBP:

- ***e-Policy***—*Immediate Objective (Output) 1* comprising activities aimed at building an information society (IS) in Ukraine through the integration of ICT-related policies into broader development frameworks and processes.
- ***e-Access***—*Immediate Objective (Output) 2* comprising activities aimed at expanding people's development opportunities through the creation and use of an equal country-wide access infrastructure network, with specific focus on the public access to the internet outside big urban areas.
- ***e-Services***—*Immediate Objective (Output) 3* comprising activities aimed at the use of ICT as a tool for learning and knowledge exchange, especially in education and civil society development.

In addition to the above Immediate Objectives, the evaluation assessed three more outputs associated with ***Support to Private Sector, Partnerships and Networking***, and ***Programme Management***. In addition, in generalized terms *Role of Private Sector, Partnerships and Networking* have been considered as cross-cutting issues and assessed under each of the above objectives.

All the above Outputs have been evaluated in terms of accomplishing the Programme strategic goal *to assist the process of balanced national development and poverty alleviation by supporting the appropriate and innovative use of information and communications technologies*.<sup>6</sup>

## Method of the evaluation

Analysis of documentation<sup>7</sup>, research, interviews and discussions has been a principal method of the evaluation. To validate the mission's conclusions and place them into a broader partnership and development context, especially with regard to UNDP's role and contribution in the provision of ICTD services aimed at the creation in Ukraine of an open information society, the evaluation has asked external partners and the government counterparts the same set of the following five questions:

- 1) Whether UNDP is a good partner?
- 2) Whether the cooperation with UNDP is successful?
- 3) What is the UNDP's contribution and how it can be described?
- 4) How the situation has changed as a result of the cooperation with UNDP?
- 5) Have there been any policy changes thanks to cooperation with UNDP?

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<sup>5</sup> Also serve as the Outputs in the UNDP new workplan format (to aligned with the ATLAS output budgeting principles)

<sup>6</sup> As formulated in the draft Annual Programme Report 2003 as of the evaluation date.

<sup>7</sup> Including the report on the mid-term review (outcome evaluation) of the ISBP Programme prepared in December 2002

Partnerships and knowledge management have been at the core of the evaluation's criteria. The meetings with UNDP, ISBP, the government, Ministry of Education, and the International Renaissance Foundation (IRF)<sup>8</sup> have been most important for the mission to this end. Financial data of the project budgets have been reviewed to the extent that it helps in understanding major trends.

## **Evaluation of the ISBP's outputs.**

### **e-Policy.**

#### *Objective.*

Build an information society in Ukraine through the integration of ICT-related policies into broader development frameworks and processes.

#### *Assessment.*

In the mission's view, there has been good progress in 2003 in the accomplishment of this objective. The ISBP's activities have been carried out in three main areas, specifically.

- Finalization of the e-Readiness Assessment (ERA) started in 2002 and its launch (February 2003); this paper has been distributed.
- Completion of the Green paper on ICT in Education; this paper has not been distributed yet.
- Assistance in preparation of the International Congress "Information Society: Development Strategy in 21<sup>st</sup> Century" (1-2 April 2003);
- Engagement of major stakeholders, and especially private sector, in discussing ICT issues through round tables and a first consultative meeting with IT leaders in January 2003.
- Preparations and participation in the WSIS (a Round Table "Ukraine on the way to WSIS, 12 September 2003, IT Forum "Information and Communication Technologies of Ukraine", a stand at the ICT4D Exhibition Platform, 9-13 December 2003);
- Preparation of a concept of the Benchmark Strategy for the Ukrainian Software Industry.

#### *Conclusions.*

The ERA has been the first consolidated attempt in Ukraine to describe the situation in the area of information society in general and in the ICT sector specifically. While there have been disputes over the ERA's data (little official statistics were available), its launch in February 2003 was a milestone attracting attention to a dynamically growing ICT sector in Ukraine. The launch helped to identify problems and challenges, prompting

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<sup>8</sup> Local Soros Foundation

debates, responses and practical solutions, and engaging stakeholders. Having drafted and launched the ERA report, UNDP has firmly associated itself with ICTD. Whereas UNDP is already firmly established as a government advisor, the engagement of the ICT sector has been a significant new outcome of the ERA launch.

The ERA process has been followed up by a number of round tables and culminated in the innovative Consultative Meeting with the private sector ‘Opportunities for Development of ICT in Ukraine’ organized on 16 January 2004, in which leaders of the Ukrainian IT industry openly discussed their views on the future of information society in the country.

UNDP has effectively acted as a neutral partner and unifying force providing a convenient forum for open discussion, especially engaging and giving voice to representatives of the private sector.

These accomplishments have encouraged the government pass three major long awaited milestone laws on telecommunications (in October 2003), electronic signature and electronic documents (in December 2003), the basic legal pillars of the information society.

While there has been a good progress in advocacy and partnerships, UNDP has not been facilitating, both organizationally and substantively, a formulation process of a national information society strategy (e-strategy).<sup>9</sup> UNDP’s far more pro-active involvement in e-strategy would naturally complement and strengthen its influence in ICTD policy issues. It is always easier for the government to accept and adopt a national e-strategy—and ultimately take responsibility for its implementation—with advice from UNDP, though the close involvement of civil society and private sector is a must and should be sought by all means. Moreover, UNDP being the chair of the e-Strategies Working Group under the UN ICT Task Force is well positioned to advise stakeholders drawing on the vast experience it acquired globally.

While civil society’s leadership in the formulation of the national strategy deserves applause, a lack of the government’s ownership – a key stakeholder – is disturbing. This is an equally negative example of the stakeholder approach not being fully applied. However, as it’s been made clear by the ISBP staff that the WSIS process, even the government’s limited participation in the Strategy formulation has convinced it that there is need for such a national strategy.

The problem the government should overcome now, with the adoption of the three new laws, is how a new strategy would be reconciled with the existing para-policy documents such as the Informatization Law of 1998 (and the related Informatization Programme) and an e-Ukraine Programme being presently developed by the State Committee on Communications and Informatization<sup>10</sup>. It might equally difficult to reconcile the “old” Informatization Law with the recently passed laws on telecommunications, digital

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<sup>9</sup> The Public Working Group ‘Electronic Ukraine’ has led the formulation of an e-strategy

<sup>10</sup> The second draft has been rejected by the Cabinet of Minister as recently as in December 2003

signature and electronic documents. There might be a need to update the whole spectrum of legal frameworks necessary for having an enabling legal environment for the uptake of the information society in Ukraine and adequately respond to the challenges of near future<sup>11</sup>.

The IRF's assessment of the PWG 'Electronic Ukraine' formulation process until 1 December 2003 has been generally positive though Ms. Arkhipska understands that the document is raw and requires far more work. The latest and rather negative developments around the PWG bear the risk of undermining the value of the Strategy regardless of its actual quality.

While the Strategy contains a good analysis of Ukraine's loosing competitiveness<sup>12</sup>, it lacks focus and purpose. The Strategy declares that it will serve as "a conceptual basis for the development of the relevant state Action Plan, which will ensure its practical implementation in Ukraine". Whereas the overall approach is correct, this document is too wide and unfocused to be a strategy, with many provisions that would be better associated with the Action Plan type of document. As the most ICT-successful countries demonstrate, a Strategy should be a truly strategic document which would remain valid for at least five-seven years thus avoiding some short-terms traps. Yet, many of those provisions that are better suited for Action Plan lack necessary detail in terms of baseline date, benchmarks, timeframes, responsible parties, monitoring and evaluation mechanisms, finance, implementation tools, etc.

In other words, this is a combination of both Strategy and Action Plan, which in the current form is certainly non-implementable and it is unlikely that it would be accepted by the government even with some modification. This situation is a good example of why UNDP should be deeply involved in the Strategy formulation and consolation process. Being both impartial and a trusted partner of the government, UNDP should use its comparative advantages and take a lead in helping the government show its political will to take the driver's seat while at the same time helping it listen to civil society and private sector voices.

While the ERA and other related policy papers produced in the last few years were touted by the State Committee on Informatization and other government bodies as a pivotal point in the Ukraine's ICT history, they have not yet created visible change, let alone breakthroughs. For example, the Internet penetration estimated growth in 2003 has been less than 1%. With such a slow pace, it will take over 10 years to reach a benchmark of 30%, which is generally considered as a rate when the Internet penetrates major sections of the society and economy.

The government is still tentative in the adoption of a consolidated strategy for the development of the sector, and there is presently no public figure (champion) that is

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<sup>11</sup> Judging from the official speech of Head of the Ukrainian delegation at WSIS

<sup>12</sup> References made to the data of the World Economic Forum Competitiveness Report in Annex [www.worldeconomicforum.org](http://www.worldeconomicforum.org)

willing to take the responsibility of bringing it forward<sup>13</sup>. Moreover, difficulties in communication between the public and private sector and lack of basic agreements and reciprocal support, if not downright diffidence and mistrust, make progress difficult, though UNDP's pro-active brokerage of engaging private sector support has improved the situation.

Ukraine has without doubt the capacity to establish itself as a major player at regional and perhaps global level in, for example, software production and solution provision, but the efforts are presently entirely in the hands of the private sector. The participation at the WSIS was perhaps the first instance of a joint, visible effort at a global event, thanks to the efforts of UNDP.

#### Role of private sector, partnerships and partnerships.

The review concludes that the partnership with Ukrtelecom has been positive. Wider involvement of other private sector organizations in dialogue on the future of IT industry in Ukraine has broken new ground and been a positive experience for all the parties concerned. There were interesting and important policy issues raised during the Consultative meeting in January 2004 in relation to software engineering, human resource development, export of software, links to universities. What perhaps has not been explicitly manifested is the understanding of the IT leaders of the Corporate Social Responsibility philosophy (CSR) of the private sector, especially in building an information society.

Another point that could be interesting to debate is what socially important initiative the private sector would like to support and what policies should be put in place to make public-private partnership schemes attractive and workable (both in the interest of the public and private sectors). In other words, whether the private sector considers itself not only a recipient of the government assistance, directly or indirectly, but also a contributor to the development of an information society in Ukraine. Policies in the area of access and e-government services could be good points for discussion, as well as what forms such partnership could take in order to be effective.

#### *Recommendations.*

UNDP needs to take leadership and help the government formulate its national e-strategy as required by the WSIS Plan of Action.

#### Law on Information Society

The mission suggests a framework for the formulation and implementation of the national e-strategy (see Chart 1). First, UNDP should advise the government to replace the old Informatization Law with a new law on the Principles of the Information Society in Ukraine – a national forward-looking vision. This should be a visionary document

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<sup>13</sup> In spite the fact that 20 roundtables were organized, and the general conclusion with regard to the project is one of how to build a national ICT strategy.

introducing into the national legal environment new development definitions and paradigm associated with globalization and a need for Ukraine's greater competitiveness based on ICT-enabled knowledge economy and democratic processes. The European integration and a focus on MDG could be presented as the overriding umbrella, with the list of principal priorities and implementation mechanisms, especially public-private partnerships. Officially passed by Parliament, this law will reflect the 21<sup>st</sup> century reality and will prompt revision of other legal and regulatory frameworks and norms that don't meet the requirements of the information society and globalization.

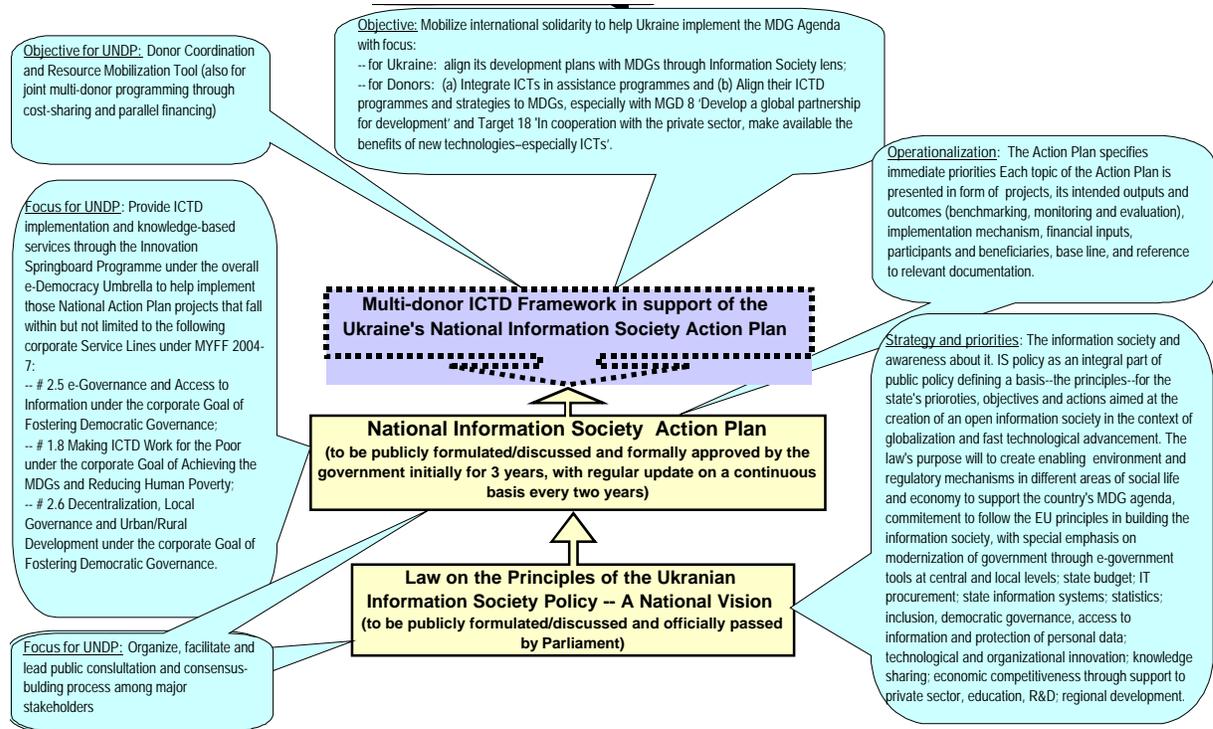


Chart 1. A Proposed Framework for the formulation and implementation of a National e-Strategy

There is little risk and plenty of benefits in passing such a law<sup>14</sup>, as Ukraine is actually building the information society foundations but in an ad-hoc manner, slowly and spontaneously without a strategy and vision, and there will be no harm in any case. What Ukraine – an important, globally and regionally, country with vast but not fully utilized potential – needs is a real breakthrough and rapid advancement. This is possible as many countries demonstrate nowadays benefiting in fully from the leapfrogging potential of ICTD. However, in order to make such a breakthrough the government should show its political will and create enabling environment for such advancement. UNDP's role is indispensable in this as a relative failure of the Strategy prepared by the PWG 'Electronic Ukraine'.

<sup>14</sup> It is also possible that the law may be in a form of a strategy depending on the local law making practice and the enforcement effectiveness

### National Information Society Action Plan

The next step should be the formulation and adoption of a state Action Plan, based on the Information Society Law. This will be time-bound not only setting priorities for the next 2-3 years but defining actions, partners and resources needed to implement it. Updated, for example, every two years, and independently evaluated annually, this Action Plan would serve as an operationalization tool of the law responding to the pressing challenges of that particular period. Given a fast technological change, it is not advisable to extend the Action Plan's time frame for a too long period in order to take full benefit of latest technologies.

### Involvement of donors.

It is recommended that the next step is to help the government prepare, on the basis of the Action Plan, a Multi-donor Information Society Assistance Framework (MISAF). This framework would serve as a donor coordination tool and at the same time, for UNDP, a resource mobilization instrument. A matrix-type document, the framework would clearly indicate the government's priorities for the next few years, with clearly defined government actions and actors in the key areas for the state intervention (such as data protection, e-government, innovation policy, IT education, legislation development, procurement, etc.) and thereby invite private sector and international community to join in the implementation of the Action Plan, including announcing and supporting investment opportunities. As a facilitator for the preparation of these documents, UNDP would pick up for its support those directions that best fit corporate mandate in ICTD reflected in the 2004-2007 MYFF through the relevant Service Lines.

UNDP, seen by others as one of the government's main partners, would take advantage not only to ensure that ICTD is aligned with MDG-based broader development goals but also benefit from more resource mobilization that would be available once the government would set its information society policy and priorities clear and demonstrate real actions. Involvement of UNDP in this strategy process would strengthen its partnership with the government, which, in addition, could result in the government cost-sharing.

### Mobilizing high-level political will

The mission advises that UNDP leverages its influence to mobilize high-level political support, preferably on the part of President or Prime Minister, in order to urgently identify a *Champion* for ICT.

Having ensured the high-level political support through a visible individual, UNDP could act on the three main fronts – (a) by facilitating consultations, (b) by advocating and raising public awareness, and (c) providing substantive input. Ideally, UNDP should be the host and venue of the preparation and formulation process, inviting for cooperation also those qualified specialists who participated in the PWG 'Electronic Ukraine', with IRF, for instance, a focal point responsible for consultation with civil society.

If such mandate is to be obtained, steps in this direction could be the preparation of a Briefing Note for the country's leadership on how Ukraine is lagging behind, what it needs to bridge this growing gap and what is the best practice of other countries that have fared better than Ukraine, especially in terms of policies and action plans. A special emphasis on the success stories of the former socialist countries, short summary of EU and OECD policies would be most helpful. UNDP can prepare such a Note, with Bratislava support. Another immediate step that should be undertaken is to send the key government and civil society figures for training at the e-Governance Academy in Tallinn, Estonia (e-Governance Policy and Practice Course)<sup>15</sup>.

### Legal frameworks

There is a need to review the entire legal base of how the use of the Internet is regulated in Ukraine from the following angles:

- Personal Data Protection law to protect the basic rights and liberties in processing personal data, in accordance with persons' rights to get public data. Personal data is normally divided into sensitive and non-sensitive. Data Protection Agency is an institution responsible for monitoring compliance of processing personal data and database management with the requirements provided by law.
- Databases law provides for the procedure for possession, use and disposal of state and local government databases, for the general principles of maintenance of databases belonging to the state, local governments and persons in private law, and for release and use of their data.
- Access to Information/Freedom of Information Law to guarantee citizens' constitutional right for information – is one of the most important regulations being prepared at the moment<sup>16</sup>. This law should regulate what information on the administrative apparatus and its activities will be offered to the public and what are the means for doing so. The law should specify the essence of information meant for internal use only and the order for gaining access to such information; attention will also be given to the distinction of passive and active information distribution, the latter also being organised through the Internet. Minister of Interior is normally responsible for the draft.

Other important laws that Ukraine may wish to consider for review and consistency with the above laws are:

- Document Management in Public Administration (passed). It will be most important to make e-government work;
- Digital Signature Law (passed but also may need a review).
- Consumer Protection Act to define the rights of the consumer in relation with the seller in purchasing and using the good, as well as the obligations of the seller,

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<sup>15</sup> An agreement on the joint financing and selection of participants has been reached with Ms. Arkhipska of IRF at the meeting on 17 February 2004.

<sup>16</sup> Confirmed by WSIS

- producer and mediator in protecting consumer rights, the liability for violating them and the organisation of consumer protection.
- The Communication Law (passed) to specifically state that all related to the message transmitted via mail or digital communications network is the secret of the sender and the receiver, which is protected by the laws of Ukraine. This is important for the operationalisation of the Digital Signature Law.

#### Internet City.

It is recommended to look at the possibility of proposing what many other countries have done successfully in the past seven years, which is to cluster together ICT companies, financial services, pertinent government units in a Smart Village or Internet City, located in a visible place and with adequate government support in terms of incentive for FDI, favourable tax and policy regime, infrastructure, training etc. The meeting at the Department of Strategic Initiative at the President Administration seemed to indicate that UNDP could provide additional information and case studies, best practices and consulting to move in that direction. In a politically sensitive year it may be possible to attach this to the election process. (The World Bank held a videoconference on Friday, February 13, where some elements of this were discussed in the context of their upcoming knowledge conference in March.) If such project is considered, it may bring together public and private sector, restore Ukraine's image, attract investment, bring together small and larger ICT companies, and will especially be a platform for the State Committee on Informatization to show progress and move the ICT agenda forward.

UNDP will have also the opportunity to package and broker this at the political level, not necessarily via the provision of funds, but rather through detailing a concept which will unlock many aspects of the present policy stalemate.

#### Role of private sector, partnerships and partnerships.

It is recommended that the partnership with Ukrtelecom should be continued and expanded as much as possible. At the same time, a partnership base should be expanded by involving the entire IT sector in the discussion of the Corporate Social Responsibility, specifically in relation to the information society topic how the Ukrainian private sector can contribute to it, what forms of such partnership the IT leaders would accept, what topics they consider most important, how the issue of PPPs should be addressed in the national e-strategy and Action Plan.

In other words, UNDP should not only support private sector but also involve it into the implementation of initiatives with high public and social value, such as support to connecting schools to the Internet and turning them into PIAPs.

IT sector aside, the mission recommends including in this dialogue, the banking sector and telecommunications operators, including cellular telephone companies. A model partnership framework agreement should be elaborated to implement various public initiatives.

In terms of support to private sector UNDP should continue providing assistance in formulating sector strategies as it was done in the area of software development. It is important to turn attention of the Ukrainian software developers to address needs of the local market, especially in e-governance; or example, in promoting Application Service Providers (ASP) using Free/Open Source Software (FOSS). More advocacy and awareness needs to be done and practical knowledge acquired in linking in at the policy level the progress made in the ICT sector with the accomplishment of broader development goals (within the framework of MDGs). The private sector should have a say in this as well, for instance at the next Consultative meeting. The mission also suggests such meetings are held regularly at UNDP premises.

One more avenue for cooperation with the Ukrainian private sector could be on policies and practices of a special training programme for a new cadre of IT project managers (business administration in ICT) capable of working in the business environment in order to increase efficiency and effectiveness of the IT projects and initiatives. Cooperation with interested Universities could be most productive in this case.

#### **e-Access.**

##### *Objective.*

The objective is to expand people's development choices through the creation and use of an equal countrywide access infrastructure digital network focusing on the deployment of a national network of the Public Internet Access Points (PIAPs) in small towns and rural areas.

##### *Assessment.*

##### Main results:

- Technical base created for wider rural access
- ICT infrastructure improved at regional and local level
- ICT infrastructure services became cheaper and more affordable
- New public-private partnerships established and operationalised
- New public access models develop and successfully piloted

There has been the most impressive progress over 2003. Firstly, the procurement and installation of the CISCO-manufactured internet connectivity equipment has been completed (the previous evaluation recommended to finish that process ASAP). Secondly, an attractive public-private partnership-based model<sup>17</sup> has been developed and successfully applied in the form of the Public Internet Access Point physically located in the school—School-Internet Club Model. Following the Hungarian expert's mission in May 2003, a general strategy and a development framework for the 'Equitable countrywide Access' have been elaborated. As a result, during a short period seven pilot

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<sup>17</sup> Involving the Ministry of Education and the All-Ukrainian Association of Computer Clubs

schools in four regions of Ukraine (Kyiv, Poltava, Chernovtsi, and Chrkassy) were connected to the Internet and Computer Clubs are being currently organized. The plan, jointly developed with Ukrtelecom, is to connect 220 schools in 18 regions. In order to ensure sustainability of these PIAPs and their network services, a Training Centre is planned. The availability of the working models and know-how provides excellent opportunities for resource mobilization.

For example, the model in the Irpina school, visited by the team, is an excellent example of cooperation between the public (school) and the private (entrepreneur). This model (entrepreneur owns and maintains computers, students use the centre for learning in the morning and the entrepreneur hires the same computers for 2.5 Hrv an hour in the afternoon, after school hours, and obtains free premises in return), and other similar adaptations of this concept, should be replicated on a national scale. While basic connectivity does not represent a problem in secondary centres such as Irpina, dial-up could be substituted with a wireless solution.

In schools, while the Microsoft tentative MOU, which proposes free licenses for the use of Windows Operating System (OS) is important, it does not quite address innovative solutions and skill training beyond the use of the OS and some productivity applications. Microsoft should consider donating licenses for visual basic-type applications, which could be in turn used by students to build basic applications for use in school. In partnership with the software producers association, programmers could be asked to volunteer time to teach students in school programming skills (see Cambodia, Bangladesh). UNDP could broker the partnership between the two and the centres in the school, Ministry of Education.

### *Recommendations.*

The mission recommends to scale up the connection of the school to the Internet using the “School-Internet Club Model”. Ukraine needs all schools to be connected to the Internet and as many PIAPs established on this or other basis. The national e-strategy should put a time target for the 100% coverage, with resources attached. Private sector should play the key role in implementing this extremely important—social, economical and even psychological? —initiative. Chernobyl-affected areas should be in focus as these areas have special information needs which can be addressed by PIAPs through ICT most effectively, including local content development, and, in addition, projects using ICT to help in local governance in vulnerable areas could be appealing for donors.

One of the next Consultative meetings with private sector could be devoted to discuss this issue, and specifically on how to scale up this initiative. As Ukraine does not have a law on Universal Access (regulation-based) Fund through which such public initiatives could be financed, a special partnership-based fund<sup>18</sup> under the UNDP’s initial management to pool resources together could be discussed. UNDP should develop and test other models of public access so as to widen choices and expand resource mobilization opportunities.

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<sup>18</sup> Also serving as a resource mobilization tool

As far as the an Irpina-type model is concerned, alternatively, a second dial-up line could be added. Connectivity is more of a problem in rural areas where a satellite solution could be proposed. Vsat xDMA technology, at national scale (see Ethiopia School Distance learning Project, IDRC Acacia), is a cost-effective solution, which delivers data and voice for dollars a day, beyond the initial investment. Ukrtelecom or Ukrsat could provide such a service, which could be financed through a loan (investment in the order of \$20M should cover 5-7,000 schools outside the reach of other solutions). VSAT service could also have added commercial value when applied to tourist destinations, post offices, railroad stations and airports, etc.

As for the usage in schools, it is recommended to look into a portfolio of applications, such as, first, a community website which will open by default in the centre's browsers. Such community website is a critical component of information distribution because points to data which is locally useful. Without it there is much less focus and incentive from adult visitors to use the centre. Here information about employment, health (e.g. anonymous HIV/AIDS question hot line) education, SME micro-financing, accounting, local governance and civil rights, to mention a few could be published.

#### Role of private sector, partnerships and networking.

As mentioned above, effective partnerships at both national and local levels with the Ministry of Education and the Association of Computer Clubs has been the key to a success of the "School-Internet Club Model". This should be continued vigorously and every effort made to involve other donors, Ukrainian first of all but also IFIs (WB, EBRD) and the Government itself. The mission also recommends going beyond the IT sector and including commercial banks and insurance sector as well. Model partnership framework agreements targeting specific issue such as connecting schools to the Internet and open for any party to join any time should serve as an instrument to operationalise partnerships and put them into practice (and also mobilize resources). The partnership with the Association of Computer Clubs has revealed that there is enough knowledge, innovative expertise, good will and financial interest available in private sector to make partnerships work.

#### **e-Services.**

##### *Assessment.*

The objective is the wider use of ICT in learning and knowledge exchange in education and civil society development.

Major accomplishments in this area are associated with the success of the

- Civic Space Portal (implemented by the IRF).
- e-Learning Platform (with Kyiv ICT University)

- Increased capacity of the Kiev Taras Shevchenko university
- Consolidated Ukrainian National Research and Education Network (UNREN)

Partnership with the leading Ukrainian Universities has helped further promote best practices in the use of ICT in support of education. For example, a booklet “Methodological recommendations for creation of distant learning courses for academies” has been prepared and published.

UNDP has not only provided assistance in developing new models for e-learning and organizing networking events such as the workshop held in Lviv in February 2003, but also addressed special needs of the people with physical disabilities. Thus, jointly with the Ukrainian Association of Deaf People, Kyiv City Training Centre for Disables People and the NGO “Disabled children and new information technologies” have developed a special model to expand e-learning opportunities for people with physical disabilities.

The success of the Civic Internet Portal has demonstrated how ICT can empower NGOs and make their work more efficient. Training conducted by the Portal team in different parts of Ukraine has both improved the skills of NGOs to manage computers, Web-based information and benefited from networking. As a result more NGOs have started using the Internet. Analysis of the issues discussed among NGOs in the forum has revealed that 60% of the discussion (of the posted feedback) the was devoted namely to the benefit of ICT for civil society. For example, the use of FOSS for civil society applications was debated in the forum specifically.

UNDP has also been instrumental in bringing together the regional NRENs and facilitating dialogue aiming them in order to benefit from being connected to the Pan-European Gigabit Research Network GEANT. Having access to the wealth of information and knowledge in this network is critical for competitiveness and progress in science and education. There have also been other successful activities carried out jointly with the Kyiv State Taras Shevchenko University such as a learning management system, known as “learning space,” which is now installed at TS and Kiev University of ICT. This software module provides students with multimedia study material (such electronic textbooks for example) and allows students to study at his or her own pace in conjunction with the faculty. The system also allows for videoconferencing, forums seminars, etc., which has enhanced the educational capacity of the TS University.

### *Recommendations.*

As the project with the IRF on the Civic Space Portal has been completed and an NGO is to be established by the IRF to manage it, UNDP may think how better to use the portal’s audience and networks for those initiatives where civil society’s involvement is important or where consultation with civil society is needed.

Establish as planned a regional Centre attached to the Taras Shevchenko University to provide professional training to the trainees from other countries. It is recommended to explore opportunities in joining efforts for providing better service to the disabled people

as well. The general recommendation is that valuable services based on the use of the latest technology should be open to other audiences, beyond the University doors, as much as possible. That will help ensure more equal access for all. The mission also recommends that the ISBP staff is more involved in shaping up enabling policies at the national level, for example by addressing this issue in the Green Book and through preparation of relevant national guidelines.

#### Role of private sector, partnerships and networking.

As clear from the above, the area of e-Services depends on the cooperation of various partners and sharper focus on policies governing national distant learning systems is needed. Whereas there is a good partnership base with civil society and the government, the mission recommends taking a closer look at opportunities that might be available for better cooperation with the private sector. For example, in working together on the training curriculum for IT project managers. A needs assessment survey could be a first step in this direction.

#### **Partnerships**

Major progress had been accomplished in engaging the private sector both in dialogue how to build an information society in Ukraine and involving it in implementing socially important initiatives such as connecting schools to the internet (with the Association of Computer Clubs). Partnership with Ukrtelecom has always been strong and has been further strengthened. These are clearly the best practices worthy replication in other countries. Effective partnerships with the Ukrainian corporate sector, not only IT, is seen by the mission as the key to the successes. Strategically, the mission recommends capitalizing on this obvious strength with the objective to deepen mutually beneficial partnership with the Ukrainian corporate sector in general and the IT industry specifically. This should also yield additional resources in order scale up successfully piloted activities for greater impacts nationwide. Many partnerships arrangements and recommended actions have been reviewed within the framework of the three major objectives (outputs)—e-Policy, e-Access, and e-Services.

Role of the IRF. The IRF should remain UNDP's key partner – and a donor to the extent possible. The interview with IRF revealed a problem in that partnership. Soros is a critical partner globally so it is important to address the issue and use it as a learning experience. In this case the partner recounted instances in which it was excluded from the decision-making process. Even if the procedures were followed, RFI complained that some decisions by the partners were ultimately rejected by UNDP management. This is related to the transfer of the equipment of the civic space portal, on ad-interim basis to them, while waiting for the NGO approval to happen. Given the importance of the partnership with Soros this should be corrected. IRF also complained of a staff hired which was not paid timely, forcing them to compensate for that. This instance was not researched further, but it may be important to look into it as well.

E-Democracy, e-participation and public online consultation could be good areas for cooperation in future and should be discussed with the IRF as soon as possible. The

mission also suggest considering that a special umbrella-type Partnership Agreement could be concluded with the IRF for one year to address streaming project management issues, with further evaluation of its effectiveness. Such partnership agreement, operational issues apart, could also serve as a basis for strategic cooperation, which would describe also thematic areas of cooperation.

Other partnerships may need more scrutiny. An MOU tabled by Microsoft, which was important in principle for them to protect their IP, could have more of a development component attached to it (for instance the donation of programming applications to schools). UNDP may use the case of a global partnership with Microsoft to mobilize additional resources by providing delivery and implementation services for Microsoft's direct financial assistance if any.

### **Outreach**

Valuable and attractive publications issued in 2003 have set standards and should be maintained at that high level. In terms of contents, the mission suggests advocating more (including the Internet) substantive issues such as strategies, models, approaches, and best practices. The more know-how and best practices that are developed and applied, the more advocacy should be done. The ISBP's web-site is recommended to be redesigned to become an interactive forum and a source of information and knowledge. In fact there is no specific Internet domain for ISB, and the web pages published are under Ukrtelecom domain. ISBP should register [www.isb.ua](http://www.isb.ua) and work at a contemporary looking, updated website. Staff should have that address on their business card together with that email address. ISBP should look at some ICT organization websites as examples. It will also help ISBP to re-brand itself. Finally it is critical to obtain and examine the website access logs to determine who is using the site, and what information is the most requested. The logs should be analyzed and made a part of the monitoring process.

In a highly competitive environment in ICTD, best knowledge coupled with efficiency in providing implementation services will be the key to the successful resource mobilization. The establishment of the ISBP's Supervisory Board to open it up and make it an authoritative body in ICTD nationwide is a move in a right direction.

Also ISBP does not seem to be connected to the wider ICT group at UNDP. Experiences like the telecenter model should be flagged in the SURF list serv and more details should be offered for this and other activities. ISBP must connect better to the rest of the organization.

### **Staff, management and operations**

The ISBP staff was found to be in most part competent and interested. It should be given at least a year contract. The performance of the ISBP Project Manager and all its personnel is viewed by the mission in positive light and successful, especially in 2003, which has been perhaps the most successful year for the ISPP team, with major breakthroughs (access, e-readiness assessment, WSIS, cooperation with private sector).

ISBP is now a powerful asset for UNDP. It should be put in the condition to operate smoothly and with minimal amount of administrative and financial delays. The telephone lines should be restored, and it would be important to consider moving the project elsewhere, to be more attractive to private sector as well (the hosting by Ukrtelecom may save with regard to rent but may have some counterproductive aspects too).

The ISBP personnel jointly with UNDP should learn the lessons of the success, as well as the lessons of what has not been achieved as planned and why through open discussion. The ISBP Project Manager, Mr. Kalinin, should have more time to focus on strategic issues, relations with UNDP, the government and partners. The mission notices that new recruitment has significantly strengthened the professional capacity of the ISBP, with the area of Access and Partnerships (Mr. Rodionov and Mr. Katernyak) yielding promising results. At the same time, with Ms. Dovga's departure from the ISBP the e-learning component has suffered, which has increased the workload on the ISP staff. Mr. Zharkikh has also demonstrated himself a competent and knowledgeable Project Manager.

Staff was not feeling particularly connected to UNDP. Also there is a need for an international staff perhaps Intern, JPO, Peace Corp or better a fully-funded UNV (for example from South Korea or Japan) who could edit, write, raise the standards, etc. There is also a need for (see several interviews) international advisory services on strategic issues. The mission recommends that the ISBP team becomes an integral part of UNDP's internal knowledge management processes. That will allow the team to not only share the Ukrainian experience but also to learn other country's best practices.

The mission recommends that the work plan be key instrument of project implementation, management and monitoring it should be discussed and agreed upon and then finalised, to ensure the items in it are all relevant to the redirected focus of 2004. This is also required by the Atlas. It is recommended to reduce ad-hoc initiative to a minimum as they may be time-consuming and produce little results. Also, activities that are not supported by the funds (both core and non-core) should not be included in the work plan.

Emphasis to hire or otherwise engage professionals should be continued as non-core resources are mobilized. The government and partners should see the ISBP programme as a dependable source of the best knowledge and innovative thinking in ICTD available in Ukraine, in addition to the implementation services. Access and Partnership with Private Sector are very good avenues to advance in terms of attractively packaging and presenting the ISBP's know-how and ultimately mobilize more resources. The latter is the more important challenge of the ISBP programme, especially is scaling up is set as a priority. Better management of the knowledge available also requires continuing doing a good job in advocacy and public relations.

### **Longer-term Strategic Recommendations**

The mission concludes that the ISBP has been made a significant progress in 2003 following the recommendations of the 2002 evaluation report, which specifically called

to ensure more focus and suggested to speed up activities in the area of Access output (including by hiring a specialist in this area). The evaluation mission considers that this recommendation was followed and successfully implemented with the impressive advancement within the Access component. The ISBP has narrowed its focus, which the missions applauds (by phasing out gradually some recommended by the 2002 evaluation activities that are less impact and have little resource mobilization potential). The mission believes that the focus on consolidation is still valid and in 2004 there should be more progress made coupled with a need for a longer-term strategy.

The chart below reflects the main building blocks of the longer-terms strategy for UNDP Ukraine in the area of ICTD.

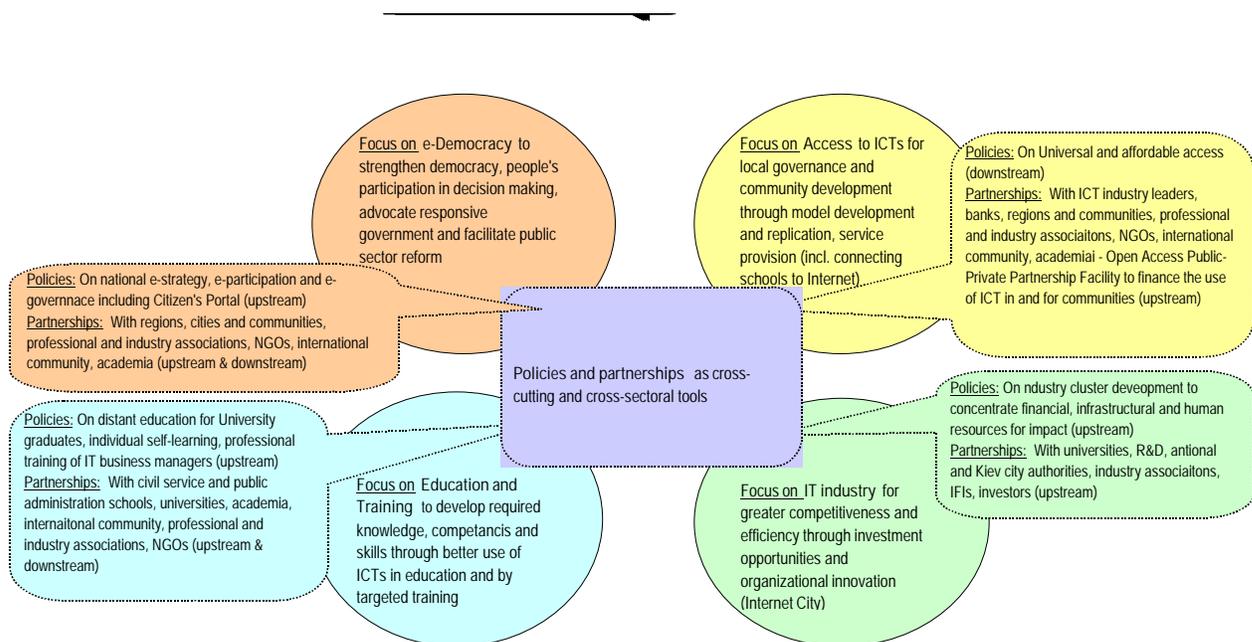


Chart 1. Strategic priorities of the UNDP Ukraine's Innovation Springboard Programme (ICTD Framework)

Four major areas should be pursued in the next years. E-Democracy, Access, Private IT Sector, and Education, with policies and partnerships working as cross-cutting issues. It means that policy and partnership dimensions will be integrated and mainstreamed into each area of focus.

## Conclusions

ISB is delivering consistent and adequate assistance to UNDP's counterparts. The programme could be strengthened by focusing on few objectives in the three main areas of activities and avoid small and unfocused ad hoc initiatives. At this stage of the Programme the strategy should become one of higher-level propositions among which as described above, assistance in the creation of a visible ICT initiative, such as Internet City, expansion of connectivity to out-of-revenue areas and emphasis in identifying a

champion for ICT and supporting him or her with the appropriate expertise. Additional efforts should be made in acquiring and retaining partnerships, while tailoring them to the achievement of MDF and national goals.

## Appendix

### Ukraine's ICTD update<sup>19</sup>

There have been three new laws passed in 2003 on:

- Telecommunications (8 October 2003)
- Electronic signature (22 May 2003)
- Electronic documents and electronic document flow (22 May 2003)

In addition, the Cabinet of Minister issued two executive decrees on:

- Distant Education Programme (23 September 2003), followed up by the Ministry of Education and Science (4 December 2003) regarding the programme implementation measures.
- Concept of the National Electronic Resources System (31 December 2003).

The following indicators confirm the steady growth of the ICT sector:

- The number of regular Internet users has reached 8% (7% in 2003)
- The number of domain names in UA zone has increased by 22%
- The number of hosts in national segment has increased by 24%
- The number of websites has increased by 4%
- The number of cellular telephone users has reached 6.5 million

It is also understood that ISPs' revenues and the value of other communication services have been steadily increasing.

On the downside only 8% of population regularly use the Internet and new users have been growing only an estimated 1% in 2003.

### World Economic Forum: Ukraine losing global ICT competitiveness

According to the 2003-3004 Global Information Technology Report, Ukraine ranks 78 out of 102 countries regarding its "network readiness," which is an index used to measure the extent to which a country has captured the benefits of ICT. In 2002-2003, Ukraine ranked 70 (and in 2001-2002 it ranked 66), which means that, at least to some degree, the country seems to be losing grounds with regard to ICT development.<sup>20</sup>

The World Economic Forum uses three components to determine a country's overall "network readiness" rank: the environment component index, the readiness component index and the usage component index, each of which are weighed equally in determining the overall network readiness rank. Of these three components, Ukraine's usage component has suffered the most since 2002-2003, dropping a total of 16 ranks.

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<sup>19</sup> Based on the daft Annual Programme Report 2003

<sup>20</sup> Based on World Economic Forum Global Information Technology Report  
[www.worldeconomicforum.org](http://www.worldeconomicforum.org)

The country's environment component has also dropped 13 ranks. The only component that has risen is Ukraine's readiness component, which moved up 4 ranks, but this is a reflection of increased readiness on behalf of individuals and not businesses and the government, which actually witnessed their readiness rank drop 10 and 8 ranks respectively since 2002-2003 (alternatively, the readiness rank on behalf of individuals rose 22 ranks during the same time period).

#### Usage Component Index:

The usage component aims to measure the degree of usage of ICT by the principal stakeholders in a country's development- individuals, businesses and the government. The most significant factors to influence Ukraine's usage component rank to drop 16 ranks was the decrease in business and government usage and of these components, the amount of online government services provided- which dropped 31 ranks- was by far the most significant drop in rank of any factor included in network readiness calculations.

#### Environment Component Index:

The environment component index is designed to measure the conduciveness of an environment that a country can provide for the development and usage of ICT. In Ukraine's case, its country's overall environment index has dropped 13 ranks, with the lack of cluster development (dropped 28 ranks), the quality of the legal system and the waiting time for a telephone line as specific examples of why Ukraine's overall environment has become less conducive to network readiness. Curiously, overall ICT infrastructure quality however, has actually moved up 9 ranks.

#### Readiness Component Index:

The readiness of a nation measures the capability of the principal agents of an economy to leverage the potential of ICT. In Ukraine's case, the nation's citizens have demonstrated that they are adapting to modern times and progressively incorporating ICT into their lives. Indeed, since 2002, the country's "individual readiness" rank has moved up 22 ranks, the third most significant change in rank of any factor included in Ukraine's network readiness calculations. Business and government readiness ranks have dropped however, 10 and 8 ranks respectively, and driving the drop in government readiness rank is a lack of government procurement of ICT (dropped 16 ranks) and a decrease in the government's online presence (dropped 13 ranks).

*In summary: As compared to other countries, Ukraine's citizens are adopting more and more ICT into their daily lives, while not necessarily growing in number. The nation's government and businesses are however utilizing less ICT, despite a modest improvement in overall infrastructure quality.*

### **Summary of Previous Evaluation Mission**

The general conclusion of the December 2002 evaluation of the ISBP program is that to date, the project has proved successful and that the overall design structure and outputs of program remain relevant with SRF intended outcomes (with the exception of the 'improved wellbeing' output which should be changed or eliminated). Moreover, there are positive opportunities for new initiatives in which UNDP can lead and mobilize non-core resources as a result of already available best practices, but there is also a need to accelerate addressing the 2002 SRF outcomes. It is also recommended that ICTD is mainstreamed into other practice areas to become a cross-cutting theme for related programmes, specifically Participatory Governance, Integrity Programme CIDP and Chernobyl Recovery Programme.

UNDP should continue to find ways of connecting to schools to internet, especially in rural communities. The meeting with ISBP programme unit staff and Green Book Team clarified best practices to continue Model UN and Distance Education. Visit to Taras Shevchenko University revealed that involvement in the GEANT activities is recommended to ensure that Europe's research and scientific info. resources are available for all, and to also help bring NATO in as a partner.

The trip to the ISPs (Bakhchisarai and Belogorsk) demonstrated that ICT is catching on in these rural communities and that there is a demand for it and that these models can be replicated. With help from CIDP, it was determined though that Bakhchisarai benefited disproportionately from Belogorsk because it received 2/3 of \$25k despite having a better start-up position, and Belogorsk was disappointed, which is why it is recommended to give Belogorsk \$3-5000 more to ensure connectivity and follow through with project promise. Both ventures have been able to turn profits however. Based on this info, initial estimates show that 200 telecenters can be opened in 2003-5 in different parts of Ukraine on a pilot basis with estimated cost of \$5-7 million including overhead for 3 years.

The general lack of technical connectivity has put a lot of pressure on NGO to create their own ISPs which may be why getting businesses to adopt and promote ICTD has been less successful. The Bakhchisarai and Belogorsk examples demonstrate that there is a serious lack of willingness and commercial incentive on behalf of national and regional ISPs to expand to remote regions, which is something UNDP could explore and bring to the attention of government and donors. For ultimate success, national corporate sector must be mobilized. In general ISBP has improved technological base for nation-wide connectivity but less progress has been made on legal matters and regulation.

Despite complex political situation that changes frequently and lacks transparency, it is clear that the most important priority should be to consolidate and sharpen the national agenda around ICTD agenda and ISBP successes and future targets. Based on ISBP project to date and looking beyond, it is recommended that the new mission's target (2002-2005) budget target be increased to \$11 million from the original \$8 million allocation. It is also recommended that more experts are recruited to transform ICTD into some sort of knowledge hub that can provide services to all sectors of society, in particular civil society which, if empowered, will spur government to address equitable growth, human rights, AIDS and poverty. It is also recognized that Ukrtelecom is aware of its social function and since it is currently leading the most dynamic sector, UNDP must continue to seek its partnership.