

The Challenge

Following the Orange Revolution, the key challenge is to solidify democratic gains and build on them to improve the economic and social well-being of all Ukrainians within democratic governance. Impediments to the achievement of these goals are: pervasive corruption, a large and inefficient public sector and nascent policy development capacity; weak democratic institutions and limited nation-building experience; expensive social systems and poor contingency planning; and no public consensus on the role and direction of the government. In response to recent events, USAID has increased programming in the democracy area to promote rule of law and combat corruption; improve public policy formulation and administration; and increase effectiveness of non-governmental organizations and civil society while continuing to improve the trade and investment environment, public finance, financial and municipal services, and enhancing health care including HIV/AIDS and TB prevention and care.

Objectives, Sectors and Workforce

Mission Director: Earl Gast

MCA Status: Threshold Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Provided

Program Budget (Appropriations by Objective)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07	2005 SO Performance Score		Direct SO Admin. Cost Ratio
	(\$000)	(\$000)	(\$000)	(\$000)				
121-0132 Small and Medium Enterprise and Agriculture	16,349	12,550	8,504	6,730	-58.8%	0.93	Met	0.13
121-0141 Improved Investment Climate	4,991	11,678	4,227	6,283	25.9%	1.11	Exceeded	0.08
121-0213 Strengthening Citizen Participation	18,595	20,734	10,245	5,435	-70.8%	1.13	Exceeded	0.08
121-0224 Good Governance	7,717	24,298	7,080	12,273	59.0%	1.16	Exceeded	0.07
121-0325 Social Protection and Health	11,460	11,040	6,675	5,736	-49.9%	1.16	Exceeded	0.09
121-0328 HIV/AIDS Prevention and Care	3,392	6,186	4,114	5,244	54.6%			0.12
121-0410 Special Initiatives	8,000	13,600	0	0	N/A			0.04
121-0416 Environment	374	0	0	0	N/A	N/A		N/A
121-0427 Program Support Initiatives	2,280	3,257	2,030	2,074	-9.0%			0.05
Transfer to Other US Government Agency	26,630	40,421	42,461	43,401	63.0%			
Country Total	99,788	143,764	85,336	87,176	-12.6%			

Program Budget (Appropriations by Account)

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Child Survival and Health Programs Fund	1,750	4,663	2,176	2,176	24.3%
Economic Support Fund	985	0	0	0	N/A
FREEDOM Support Act	97,053	138,601	83,160	85,000	-12.4%
Global HIV/AIDS Initiative	0	500	0	0	N/A
Total	99,788	143,764	85,336	87,176	-12.6%

Program Budget by Sector and Account

		FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
		(\$000)	(\$000)	(\$000)	(\$000)	
Agriculture and Environment	FSA	34,116	47,517	35,118	34,311	0.6%
Higher Education & Training	FSA	0	400	0	0	N/A
Economic Growth	FSA	17,765	18,777	13,048	14,921	-16.0%
Human Rights	FSA	1,350	725	1,218	1,195	-11.5%
Democracy and Governance	FSA	32,782	57,347	24,939	25,490	-22.2%
Conflict Management / Humanitarian Assistance	FSA	1,330	2,012	990	1,012	-23.9%
Family Planning / Reproductive Health	CSH	0	2,465	0	0	N/A
	ESF	985	0	0	0	N/A
	FSA	1,976	2,691	1,235	1,250	-36.7%
HIV / AIDS	CSH	1,750	2,198	2,176	2,176	24.3%
	FSA	3,771	3,988	1,938	3,068	-18.6%
	GHA1	0	500	0	0	N/A
Child Survival and Maternal Health	FSA	2,902	1,645	3,674	2,353	-18.9%
Other Infectious Diseases	FSA	1,061	3,499	1,000	1,400	32.0%
Total		99,788	143,764	85,336	87,176	-12.6%

Workforce

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	18	17	17	17	-5.6%
US Non Direct Hires	9	9	8	7	-22.2%
Foreign Nationals	127	126	103	99	-22.0%
Total	154	152	128	123	-20.1%

Operating Expense

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	

Salaries and benefits	2,144	2,247	1,708	1,626	-24.2%
Travel	667	552	335	301	-54.9%
Transportation of things	198	97	117	114	-42.4%
Rent	1,306	1,433	846	1,042	-20.2%
Security	311	325	334	343	10.3%
Equipment	609	266	40	34	-94.4%
ICASS - Operating Expense only	199	226	185	173	-13.1%
Other Operating Expense	689	542	507	439	-36.3%
Total OE Budget	6,123	5,688	4,072	4,072	-33.5%
US direct hire salary and benefits	2,489	2,661	1,959	2,043	-17.9%
Program Funded Administrative Expenses				3,568	
Country Total Administrative Budget				9,683	
Percent of Bureau OE Total				10.5%	

Mission Summary

	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	5,544	8,457	5,020	5,128
Program per All US (\$000)	3,696	5,529	3,413	3,632
Program per Position (\$000)	648	946	667	709
Operating Expense as % of Program Funding				4.7%
Program Funded Admin Expense as % of Total Admin				36.8%
Total Admin Expense as % of Program Funding				11.1%

Other Major Donors:

Bilateral: Germany, Canada, The United Kingdom, Sweden, The Netherlands, Switzerland, France, Japan, Italy.

Multilateral: European Union; World Bank; International Monetary Fund; United Nations; European Bank for Reconstruction and Development.