



## BUSINESS ENABLING ENVIRONMENT



A visitor browses through the one-stop shop materials  
(Photo: courtesy of USAID LINC project)

### THE CHALLENGE

Ukraine needs to shed burdensome over-regulation and make the investment environment more business friendly. The high cost of doing business and lack of a business friendly environment creates a drag on private investment.

### PROGRAM OBJECTIVES

Improve the business climate for small and medium enterprises in Ukraine through policy and regulatory reform

Reduce obstacles to developing private enterprises, such as complex business registration, licensing, and certification requirements

Assist Ukraine in fulfilling World Trade Organization (WTO) commitments and in drafting and implementing legislation that will improve the infrastructure for a stable investment environment

### OVERVIEW

USAID programs are helping improve the business climate at the national and local levels to attract both domestic and foreign investment. By streamlining laws and regulations that determine the cost of doing business, USAID enables local businesses to compete in both domestic and international markets.

### OUR PROGRAMS

#### Local Investment and National Competitiveness Program (LINC)

The USAID LINC project fosters broad-based, sustainable growth and international integration. Working together with local and national governments, local industries, and potential investors, LINC helps Ukraine compete globally. It works to accelerate national-level reforms and build models of sub-regional partnerships that attract investment and create favorable conditions for business. LINC does this through promotion of economic reform at the national level; support for economic development and competitiveness strategic planning efforts in cities and economic regions; alleviation of administrative and regulatory barriers to investment and exports; and fostering public-private partnerships. The program also assists the Autonomous Republic of Crimea to improve its business and investment environment by streamlining the work of permit-issuing one-stop shops, and enhancing the ability of key industries to integrate Crimean goods and services into higher-value markets.

#### Commercial Law Center Project

The USAID Commercial Law Reform project is helping the Government of Ukraine draft laws and secondary legislation related to public-private partnerships, taxation, bankruptcy, registration of companies, and other areas critical to the economic development. CLC was launched in 2003 as a legacy of previous USAID activities which helped the Government of Ukraine develop modern legislation and market-oriented policies to replace Soviet-style laws and outdated command economy regulations.

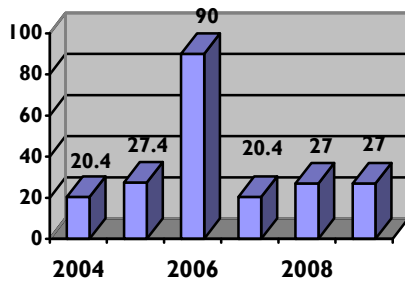
### PROGRAM HIGHLIGHTS

#### Local Investment and National Competitiveness Program

Since 2009, the project:

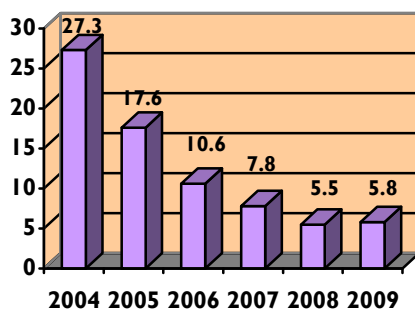
- Assisted local and regional governments to create a better business environment using strategic planning tools and building public-private partnerships to demonstrate how such improvements can increase investment;
- Helped new investment promotion and regional development agencies provide effective information and services to domestic and international investors through a series of foreign direct investment trainings and advice.

### Business Start Time, days



(Source: Doing Business 2010)

### Business Registration Cost, percentage Gross National Income per capita



(Source: Doing Business 2010)

#### Implementing Partners

**Local Investment and National Competitiveness Program:** Chemonics International

**Commercial Law Project:** Commercial Law Center

For more information, please contact **USAID/Ukraine Development Outreach & Communications**, tel. (+380-44) 537-4600 or visit <http://ukraine.usaid.gov> or <http://www.facebook.com/USAIDUkraine>

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- Helped streamline import/export processes at the Odessa Commercial Seaport and assisted the State Customs Service to implement valuation procedures consistent with international norms.
- Assisted 26 “one-stop shops” in Crimea to decrease time and cost of permit issuance for businesses by introducing simplified procedures, improving operations, and increasing access to information. Provided support to 73 “one-stop shop” throughout Ukraine.
- Promoted strong procurement legislation through legal advice and training. Helped draft the *Law on Industrial Parks*, the *Law on Land Market*, and the *Law on Food Safety*.
- Assisted the National Codex Alimentarius Commission of Ukraine in drafting and adopting HACCP system implementation guidelines, to improve food safety in Ukraine.
- Connected Crimean fruit and vegetable producers and traders with domestic and foreign buyers, which has resulted in sales of 20.2 thousand tons of produce and \$12.3 mln.
- Assisted the Crimean tourism sector to increase information available to tour operators, improve service standards, and encourage more domestic and international festivals in Crimea. These activities resulted in a 15 percent growth of sector sales, diversification of target markets and increased number of clients and new partners of tour operators and hotels by 10 percent hotels.

### Commercial Law Center Project

Since 2008, the project:

- Drafted and assisted in the implementation of the landmark corporate governance law, *On Joint-Stock Companies*.
- Helped Verkhovna Rada committees, the Cabinet of Ministers and the National Bank of Ukraine draft and promote legislation that facilitates reconciliation of the *Civil* and *Economic Codes* and liberalizes business activities.
- Helped the Ministry of Justice and the State Land Resources Committee draft and improve legislation that regulates property relations and ownership rights.
- Assisted the Ministry of Economy and Verkhovna Rada in drafting and passage of a Public Private Partnership Law that contributes to the development of the necessary legal framework for the implementation of large investment projects.
- Helped the Ministry of Regional Development and Construction assess the potential impact of legislative amendments on the construction sector’s development and proposed amendments to construction laws to improve the investment climate.
- Helped the State Agency of Ukraine for Innovation and Investment improve investment and company legislation.
- As a member of working group under the Ministry of Economy, drafted the new version of the *Law on Restoring Debtor’s Solvency or Recognizing it Bankrupt*; assisted the Government in implementation and development of supportive legislative acts.