UKRAINE

Ukraine

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Department of Public Information
Cartographic Section

UNDP Ukraine—ICTD Country Profile

Ukraine

http://www.un.kiev.ua/

Population (millions):	47.8
Adult literacy rate (% ages 15 and over):	99.6
GNI per capita (WB Atlas method, 2002, $):	770.0
Telephone mainlines (per 1,000 people):	199
Mobile phones (per 1,000 people):	16
Personal Computers (per 1,000 people):	17.6
Internet users (thousands):	70
Human Development index rank (out of 173 countries, 2003):	75
National ICT Strategy (Y/N):	Yes
E-assessments (0,1,2...N):	2 completed

UNDP staff in ICTD

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ICTD Partners

- **International:** UNESCO, ITU, WB, International Renaissance Foundation (Soros Network), Global Internet Policy Initiative (GIPI)
- **National:** State Committee of Communications and Informatization, JSC "Ukrtelecom", Kyiv National Taras Shevchenko University, National Academy of Science, Ministry of Education and Science of Ukraine, Ukrainian Association of Computer Clubs

ICTD Activities

- E-policy development: National Round Tables process, E-Readiness Assessment, "Green Paper: ICT in education," Strategic advisory services to the Government of Ukraine and related Ukrainian institutions
- Equal country-wide access to ICT, especially in rural and depressed areas: Upgrade of the national ICT infrastructure, Network of public Internet access points, 'GEANT' connection and Ukrainian National Research and Education Network
- E-services support within the framework of strategic public-private partnership and sustainable business-driven environment: National Distance Learning Platform, Civic Internet Portal, National Electronic Network of Ukrainian Libraries, Regional Academy for Advanced Network Administration and Design (RAANAD), Regional Academy for Computer-Assisted Teaching and Learning (RACATAL)
- Total funding of the current UNDP in Ukraine ICTD projects: US$ 4,393,080

Pipeline Programmes

- Development of equal countrywide access through Public Internet Access Points: establish the PIAP on the basis of developing, testing and promoting packages, including case study, best practices, training materials, technical requirements and specifications, model budget and legal framework, as ready-to-use products for further replication; enhance increased capacity and awareness in ICT sector among the rural and low-income urban community and support increasing rural opportunities to use ICT potential (Tentative Budget: US$ 3,000,000)
- Consultation and support for "e-Ukraine": assist the Government of Ukraine to elaborate the national programme in the sphere of ICTD on the basis of the results of the "E-Readiness Assessment of Ukraine"; adjust "e-Ukraine" with the government strategy on the Millennium Development Goals approved by Ukraine at the UN Millennium Summit to be achieved by 2015; to present to the wide public the draft of this programme and to approve this document in the Parliament of Ukraine (Tentative Budget: US$ 75,000)
- Policy and social-partnership development for information society: promote the development of effective mechanisms to be used by civil society; strengthen civil society for enhancing public involvement into the decision-making and policy process (Tentative Budget: US$ 1,000,000)
- Privatization and restructuring of the biggest national telecommunication operator JSC "Ukrtelecom": provide the Government of Ukraine with the relevant expertise and support the government in a national strategy and action plan elaborating of the demonopolization of state telecommunications monopoly; enhance the modifications in legislative base to implement the liberalization process (Tentative Budget: US$ 50,000)

ICT for Economic Development: Growing Public-Private Partnerships in Ukraine

Lidia Wolanskyj [1]

Abstract

Ukraine's modern history has been one which has excluded the average citizen from both formal processes and discussions on governance affecting their well-being and daily lives. In the context of political and economic development, ICT is viewed a driver of change. However, all layers of Ukrainian infrastructure – telecoms, human capital and information technology – require broad-based support and coordination for the development and implementation of new technologies and services. The three-fold approach underlying the UNDP and Government of Ukraine's Innovations Springboard Programme illustrates deployment of an inclusive process for assessing and identifying ICT strategies at a national level. These include developing partnerships, facilitating engagement and an interactive process. This paper describes the two foundational aspects of the process, the National Roundtables and E-Readiness Assessment, and concludes with lessons learned from the project to-date.

Introduction

Ukraine, a republic with an elected, party-based system of government, is the second largest country in Europe, slightly larger than France, with a somewhat smaller population. It borders Poland, Slovakia and Hungary to the west, Romania and Moldova to the south-west, and Belarus and Russia to the north and east. It possesses two mountain ranges, the westerly Carpathians with the highest peak, Hoverla (2,061 m), and the southern Crimean coastal range. To the south and south-east, Ukraine flanks the Black and Azov seas. Together with its main river, the Dnipro, the third largest in Europe, these water routes handled most of Ukraine's trade for over 1,500 years. The first soviet republic to declare independence in 1991, Ukraine has been slowly, yet steadily, making the transition from a centralised command economy to a more market-driven one. The fact that Ukraine possesses nearly one quarter of the world's chernozem, the highest-quality black topsoil, has made the country traditionally strong in agriculture. At the same time, it is also highly industrialised, having provided cutting-edge technology in areas such as aviation and optics. In 1951, its scientists put together the first computer on the European continent. Ukraine's greatest resource is a population with a 99% literacy rate and an extremely high rate of post-secondary qualifications, especially in technical fields. But a growing gap with developed countries has led to an annual brain drain of an estimated 5,000 specialists.

This human resource has stimulated interest in using Information and Communications Technology (ICT) as a means to promote certain kinds of development, such as the devolution of power and broad-based engagement in the national decision-making process. Since Ukraine continues to lag far behind other European countries in penetration of fixed telephones, personal computers and the Internet – particularly in rural areas where 37% of the population still lives – the UNDP's Innovations Springboard is working to tap into and spur the potential that ICT can raise in this country.

ICT as a Driver for Changing Approaches to Governance – the UNDP in Ukraine

In a highly-industrialised yet highly centralised country such as Ukraine, key development issues revolve around devolution of power for economic change. When the country declared independence from the Soviet Union in 1991, it had lacked self-government for nearly four hundred years. Sovereignty allowed Ukraine to start on the path to a new political and economic paradigm.

Historically, local government in Ukraine depended greatly on the largesse of the imperial capital. Average citizens were without any access to power and with no input into the shaping of decisions that affected their lives. In addition, decades-long political repression left widespread residual fear about any form of political engagement. Today, this situation can be turned around and Ukraine's citizens more actively engaged in determining their future at all levels, with the help of appropriate tools and approaches.

ICT offers one solution to more effective, open, two-way communication, and to the exchange of information that is essential for democratic decision-making and policy-building. For the one-third of Ukraine's population that is rural, where the existing landline infrastructure is inadequate, ICT offers a springboard that, when accessible on a broad enough scale, can bring people who still plough by hand into touch with the 21st century.

Due to their all-embracing character, ICTs can play a leading role in eliminating structural disparity and reversing social decline – and in helping Ukraine renew the technical leadership it once had. The digital divide between the rich and poor, urban and rural will shrink as ICT becomes more and more a part of mainstream Ukrainian society and a powerful tool for educational, social and economic development.

Because Ukraine's telecommunications infrastructure had been routed both physically and administratively through Moscow, in the early 1990s the newly independent country had neither the human resources nor the physical plant necessary to develop ICT to the levels common in most of the developed world. Ukraine also needs to update its legislative base to adequately meet emerging international standards in balancing ICT accessibility, protecting civil liberties, and providing a regulatory framework to ensure its competitiveness in the global marketplace.

The very nature of the new technologies envisages their widespread availability, which means improving infrastructure. This, in turn, needs the broad-based support and financial resources of the private sector and input from the public in the national decision-making process. A slight initial push, wisely formulated policies, smart development strategies,

cost-friendly access – these all can contribute enormously to a good harvest of local initiatives, and to the increase of human and economic potential in Ukraine. They require close cooperation among the key development partners and the use of effective tools. It is this area of power-sharing, participation and accountability in the decision-making process that has been the cornerstone of the ICT-based thrust supported by a new UNDP and Government of Ukraine initiative known as the Innovations Springboard Programme (ISBP).

Choosing Tools: A Three-fold Approach

Developing partnerships

Developing ICT projects and carrying them through to successful completion takes the professional and financial support of many people and organisations. Thus, the mandate of the Innovations Springboard, a programme launched in October 2001 by UNDP Ukraine, includes the further mobilisation of resources, including new private and public financial partners by drawing on a pool of intellectual and financial cooperators.

In keeping with the 8th Millennium Development Goal, the Innovations Springboard Programme has encouraged demand-driven, cost-sharing, multi-sector partnership approaches to integrated implementation. This is key to building a global information society and all relevant partners, both public and private, need to be engaged in realising the socio-economic and governance benefits that ICT-enabled development can provide.

With the support of the private and non-governmental sectors, ICT can become a means of improving democratic governance – through increased ease of information exchange, in particular, by providing a widely-available medium for political dialogue and debate.

Working with the country's telecommunications body, the State Committee for Communications and Informatization, and its major, state-owned fixed-line provider, UkrTelecom, the ISBP has developed a multi-vectored series of projects. Over the last two years, new private sector partners, educational institutions and donors have also been engaged. Today, the ISBP counts among its active private sector partners both local and international computer technology companies.

One of ISBP's non-governmental partners is the Soros-funded International Renaissance Foundation, who approached the UNDP in 2000 with an initiative to develop a portal aimed at NGOs, and in 2001 for a series of national round tables on the issue of ICT development in Ukraine. The purpose was to build the third sector and facilitate cross-sector engagement in policy development.

By collaborating with a wide base of partners both public and private, the ISBP has succeeded in building the support of politicians, the national elite, the private sector, civil society and ordinary people for this overriding national interest. But most importantly, it has facilitated a dialogue based on the country's own values, conditions, needs, resources, and aspirations.

Computer Class

Facilitating engagement

In order to tackle infrastructure, a country needs a well-formulated long-term plan and access to long-term resources. The best global and regional experience demonstrates that mobilising the national corporate sector and small business in support of an ICT agenda is indispensable for ultimate success. Advocacy and public awareness, dissemination of best practices, study tours, training and so forth are some of the key means to accomplishing this task.

The first task, for the Innovations Springboard, then, was to begin working with the government to support capacity-building that would promote a pro-competition, flexible and socially-inclusive policy and regulatory environment in ICT. With the support of its partners, the ISBP set itself three main directions, two of which are well-established and have shown tangible results:

- the e-Policy component is aimed at assisting the government and related Ukrainian institutions in making informed policy choices that stimulate entrepreneurship, boost human development, strengthen democratic governance, and broaden digital opportunities. This includes two projects: the 2001-2002 National Round Tables and the 2002-2003 E-Readiness Assessment, which are helping the country develop its long-term ICT strategy, "e-Ukraine."
- the e-Services components use ICT as a catalyst in the development, dissemination and exchange of knowledge in Ukraine, improving equal access to a quality education, expanding post-secondary ICT, and developing electronic services for the non-governmental organisations. This last includes the Civic Internet Portal, which has been operating since early 2002.

This paper presents the two e-Policy components, as they are the basis upon which the future of ICT will be determined in this country.

An interactive process

With the purpose of supporting the development of the country's "e-Ukraine" strategy, the Innovations Springboard has already completed a three-fold process of multilateral engagement, information exchange, and knowledge-building for ICT. For the most part, these applied traditional approaches of engagement have affected each other interactively: the round table, a benchmarking study, and partner development. Much of the networking and information product process, however, tapped into ICTs. The process involved a number of steps:

a. Agreements were signed between a government body, an international non-governmental partner, and UNDP, to provide direction and financing. The government committed itself to facilitating the process and actively participating.

b. A series of 24 ICT round tables was held over a 16-month period, engaging participants in the public, private and NGOs from a variety of regions.
c. At the instigation of regional participants, the last four ICT round tables were moved to other cities. Participation was even higher than in the capital, bringing together local entrepreneurs and government officials for the first time.
d. Based on participant demand, an E-Readiness Assessment (ERA) was launched. This study had been included within the Innovations Springboard's plans, but the ICT Round Tables provided the mandate.
e. The E-Readiness Assessment tapped into local experts, both government and private sector specialists, many of whom had been first contacted at the National Round Tables, in a series of meetings with an international IT consultant. There, ICT concerns were raised, statistics examined and analysed, and the contents of the assessment gradually formulated. This study is now the benchmark for ICT development in Ukraine.
f. The results of the round table process and the E-Readiness Assessment led to broad-based input into the national ICT strategy, "e-Ukraine," with participation from all three sectors: public, private and non-governmental. This will make it possible for key ICT fundamentals, such as infrastructure, universal access and appropriate regulation, to be effectively developed.

National Round Tables: Engaging All Sides

On 10 July 2001, a Memorandum of Understanding was signed between three agencies: the State Committee for Communication and Informatization, the International Renaissance Foundation, and UNDP Ukraine with the aim of developing an information society in Ukraine "as an efficient means of maintaining the development of civil society and a market economy." The three agreed to organise a series of national round tables to debate and develop ICT recommendations that would provide input into the formulation of "e-Ukraine," a government strategy to foster the development of ICT across Ukraine.

A budget of USD 50,000 was organised and a plan drawn up. The decision was made not to remunerate the activities of specialists and facilitators or to subsidise participants, in order to keep the round table process transparent and to be able to hold as many events as possible.

Round Table

Round Table

To facilitate discussion and provide specific focus, several key sections were set up: e-Business, Access to e-resources, Education, e-Government, Information and the Law. Their chairs were elected and tasked, on an unpaid and non-priviledged basis, with organising round tables on relevant topics and facilitating them. Some facilitators also encouraged input from participants in terms of topics and issues to be addressed.

A plan was drawn up to hold at least 20 round tables, initially in Kyiv, at a variety of venues, including the National Academy of Science, a university, a high school, the Verkhovna Rada (legislature), the National Bank, and government offices. UNDP also provided their premises for several sessions.

Attendance quickly rose to 50-60, as interested participants brought their colleagues. Good media coverage also spurred new people to join the process.

Each forum focused on a specific topic, such as "Problems in computerising public schools," "Developing a new ICT-based economic policy within budgetary constraints," and "Electronic mass media and the development of e-commerce." A few sessions produced specific recommendations.

However, one comment that arose frequently was, "How can we discuss the situation in Ukraine today if we have nothing to measure it against? We need a benchmark study." This encouraged the Innovations Springboard to go ahead with a tentatively-planned electronic readiness assessment of Ukraine, described below.

Enthusiasm for the process of participation in the ICT issue among those who attended from the regions was so strong that, in May 2002, the round tables were moved outside of the capital. The last four, held in three regional cities, netted an average of 70 participants each.

Having had a taste in Kyiv, the regional attendees were greatly determined to bring the participatory process home – and with it the issue of ICT and regional development. The fact that the round tables were under the aegis of UNDP enabled regional participants to persuade their local officials to engage in the process. This dialogue, in turn, made it possible for them to move the ICT agenda forward, which was most important to them. And this was the ultimate purpose of the round tables.

For the first time in Ukraine, so many different interests were represented at these round tables. Private business,

academia, NGOs, and media talked with government and international organisations in one room. The government side included representatives of the Administration, the Cabinet and the Legislature, and overall, the balance of participants was very appropriate *(see figure 1)*.

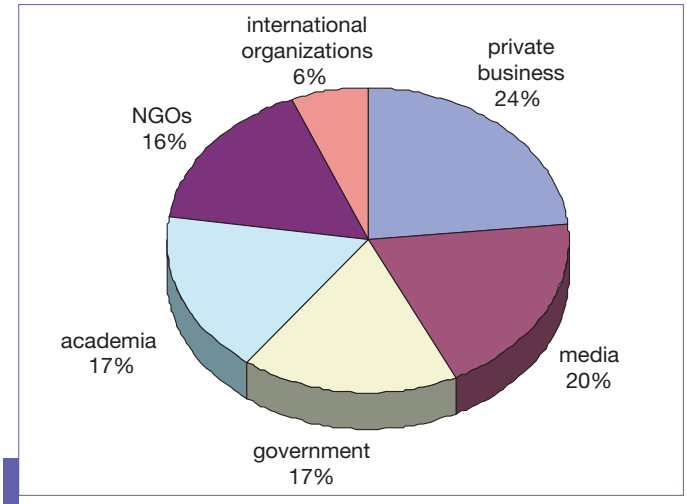

Figure 1 **Participation in National ICT Round Tables**

Although it was not possible given budgetary and other constraints to develop a concrete list of recommendations, the policy-makers heard what they needed to hear. In the end, multilateral participation in the process was the main goal in this particular project, not coming to consensus.

E-Readiness Assessment: Building an E-Foundation

During the course of the national round tables, it came out that there were actually no formalised statistics on ICT and no information about the state of the sector in Ukraine. Participants felt handicapped in terms of making recommendations because of this information gap.

Such a benchmark study had actually been part of the 2002 annual plan of the Innovations Springboard, but UNDP waited until demand had been expressed before pushing ahead with it. Indeed, the round tables provided another unexpected positive outcome: they helped tap into specialists who could be engaged in the electronic readiness assessment process. "At the end of the round table process," said one of the ERA participants, "we had a good sense of whom we could work with and whom not."

With an international IT consultant as the focus person responsible for putting all the input into a report, a contingent of IT and ICT specialists began a new series of meetings to collect, share, review and analyse data about the state of the telecoms and ICT sector in Ukraine. The information was also analysed from a policy perspective. The government, true to its promise, provided all the statistics at its disposal and its representatives took active part in the entire ERA process. There was ongoing dialogue with a number of state and Verkhovna Rada committees.

Using Harvard methodology, five aspects of ICT were examined in the assessment: e-access (infrastructure), e-learning, e-society, e-economy, and e-government. The result was an 88-page document that presents statistics, analysis and methodology for studying the ICT sector in Ukraine, with the report itself providing the basis for industry benchmarks. Moreover, the report used international standards to evaluate the situation in Ukraine. Now Ukrainians and their policy-makers have something to reference for better understanding the situation in Ukraine.

Parallel to the ERA study and based on its results, a policy directions document was published. With regard to connectivity, policy frameworks, and human and institutional capacity, this national assessment provides a baseline that can now be continuously updated. These are the first documents ever to clearly set out the state of telecoms and ICT infrastructure in Ukraine, and to indicate the directions that need to be taken so that all Ukrainians can benefit and prosper.

Publications

Lessons Learned

a. Getting people engaged in a national debate requires ongoing two-way communication. Because cultural differences make it easier or harder for different people – and

different genders – to speak up in public, it is critical to provide both formal and informal feedback mechanisms to participants of public debates to gauge their satisfaction, increase their involvement, and improve the process itself in terms of addressing vital issues.

b. While the process itself is of fundamental importance, some follow-up report and/or brief of recommendations on the results of any open debates is useful to provide a summary of the ideas and recommendations presented and to spur further debate. Such summaries should be undertaken by the participants themselves, but this needs to be planned and facilitated from the start.

c. Not subsidising participation at round tables and other open fora seems to be a good policy, as it avoids certain bureaucratic pitfalls, keeps costs down, and pre-selects those with initiative and motivation. The concept of volunteerism is critical to maintaining openness in the devolutionary process, and goes hand-in-hand with the openness of ICT models. But volunteerism need not mean amateurism. In return for their time and efforts, such people can be offered brief training in the skills needed to carry out the tasks required of them, such as facilitating a discussion, selecting topics, time-keeping, giving instructions – right up to organising events and gathering publicity.

d. In a country emerging from highly-centralised, non-transparent governance, regional inclusiveness is critical. Because of their distance from the centre and its machinations, the regions can frequently be more energised, more forward-looking, and even more entrepreneurial. Surprisingly often, they are able to find local ways of moving ahead independently of a central government. It makes sense for any development activities to make use of this "local power."

e. In more developed countries, particularly those who once had technological leadership, there are often great sensitivities about foreign participation in strategic projects. To offset such sensitivities, either the precise role – which is most often actually quite narrow – of the outside experts should be very clearly publicised, or the role of the locals given greater prominence, or both. This encourages ownership of such projects and avoids the risk that key recommendations will later be cast aside.

Since the completion of the ICT National Round Tables, greater attention has become focused on the overall urgency of ICT development in Ukraine. Derzhkomzviazok, the State Committee for Communication and Informatization, has taken upon itself to continue to organise similar round tables, and the tradition of engaging all sectors. The other successful outcome was the Innovation Springboard-supported e-readiness assessment of Ukraine spurred by the requests of participants. This study, in turn, was made possible by another small but critical by-product of the round table process: a network of actively engaged experts, many of whom were subsequently included in the e-readiness assessment process. As a result of all these events, a multi-representational national ICT council is under consideration, the Verkhovna Rada has approved the continuation of the e-readiness assessment process, and civic participation in the formulation and implementation of Ukraine's ICT policy is steadily increasing.

What People Say...

"Ukraine needs to attract foreign investments for ICT development and a program like the Innovations Springboard can help incorporate global best practices to further our own strategy of adopting ICT-based national and social economic and democratic development."

– Valeriy Pustovoitenko, ex-premier, chair of the VR Construction, Transport, Infrastructure and Telecommunications Committee

"How can we discuss the situation in Ukraine today if we have nothing to measure it against? We need a benchmark study."

– Participant at National Round Table on ICT

"At the end of the round tables, we had a good sense of whom we could work with and whom not."

– ERA participant

Box 1

[1] Canadian **Lidia Wolanskyj** *lidia@ln.ua* is a publishing consultant and writer. She has been writing and publishing in Ukraine about Ukrainian affairs since 1993. She founded the country's first English-language business weekly, *Eastern Economist* in 1994, setting standards that the best local papers soon began to emulate. In 1999, she began reviewing UNDP projects for the foreign community, starting with the Crimean Integration and Development Programme. Her publishing projects with UNDP include the 2000 yearbook, three ICT publications for the Innovations Springboard; bulletins for UNHCR; and the HDR Special Edition on HIV/AIDS