

EVALUATION ROADMAP			
TITLE OF THE EVALUATION/FC	Ex-post evaluation of macro-financial assistance to Ukraine		
LEAD DG RESPONSIBLE UNIT	ECFIN	DATE OF THIS ROADMAP	08/2016
TYPE OF EVALUATION	Evaluation	PLANNED START DATE	Q4/2016
	Ex-post	PLANNED COMPLETION DATE	Q3/2017
	Mixed	PLANNING CALENDAR	http://ec.europa.eu/smart-regulation/evaluation/index_en.htm
This indicative roadmap is provided for information purposes only and is subject to change.			

A. Purpose
(A.1) Purpose
<p>The purpose of this evaluation is to assess the two macro-financial assistance (MFA) programmes for Ukraine ('MFA I' and 'MFA II') worth a combined EUR 1.61 billion that were initiated in 2014 and disbursed in 2014 and 2015, in order to draw lessons for future decision-making and identify areas of improvement for similar on-going or future possible interventions. It will also ensure transparency and accountability by comprehensively assessing the intervention and publishing the final evaluation.</p> <p>The evaluation consists of an ex post assessment of the objectives, content and results of the MFA operations. The evaluation is included in the 2016-2020 DG ECFIN multi-annual evaluation plan: http://ec.europa.eu/dgs/economy_finance/evaluation/pdf/maep_en.pdf</p> <p>The evaluation will be supported by a study that will be undertaken by an independent external evaluator.</p>
(A.2) Justification
<p>The evaluation will assess the MFA operation to Ukraine detailed in Decision 388/2010/EU of the European Parliament and the Council and Council Decision 215/2014/EU.</p> <p>Article 7 of Decision 388/2010/EU stipulates:</p> <p><i>"No later than two years after the expiry of the availability period referred to in Article 1(4), the Commission shall submit to the European Parliament and to the Council an ex post evaluation report."</i></p> <p>Article 8(2) of Decision 215/2014/EU stipulates:</p> <p><i>"Not later than two years after the expiry of the availability period referred to in Article 1(5), the Commission shall submit to the European Parliament and to the Council an ex post evaluation report, assessing the results and efficiency of the completed Union's macro-financial assistance and the extent to which it has contributed to the aims of the assistance."</i></p>

B. Content and subject of the evaluation

(B.1) Subject area

MFA is a policy-based financial instrument of untied and undesignated balance-of-payments support to partner third countries. It takes the form of medium/long-term loans or grants, or a combination of these, and generally complements financing provided in the context of an International Monetary Fund's reform programme.

The Council adopted the decision to grant EUR 110 million of MFA to Ukraine on 12 July 2002¹, the European Parliament and the Council adopted the decision to grant EUR 500 million of MFA to Ukraine on 7 July 2010² and the Council adopted the decision to grant EUR 1 billion of MFA to Ukraine on 14 April 2014³. The Memorandum of Understanding under Decisions 639/2002/EC and 388/2010/EU entered into force on 14 April 2014⁴ and the loan agreement under these decisions on 23 May 2014. This operation was fully disbursed in 2014 and 2015 in three instalments, the first instalment of EUR 100 million was released in May 2014, the second instalment of EUR 260 million in November 2014 and the third disbursement of EUR 250 million in March 2015. The Memorandum of Understanding under Decision 215/2014/EU entered into force on 22 May 2014⁵ and the loan agreement under this decision on 23 May 2014. This operation was fully disbursed in 2014 in two instalments of EUR 500 million, of which the first was released in June 2014 and the second in November 2014.

(B.2) Original objectives of the intervention

The financial assistance provided under MFA operations and the policy measures attached to them aim at supporting the EU agenda vis-à-vis the recipient countries, notably by promoting macroeconomic and political stability in the EU's neighbourhood.

The MFA to Ukraine was provided with a view to contributing to a more sustainable balance-of-payments situation, helping the country overcome the economic and social hardships endured as a result of the domestic and regional unrest and promoting structural reforms aimed at raising sustainable economic growth and improving public finance management (PFM).

(B.3) How the objectives were to be achieved

Intervention logic for MFA operations:

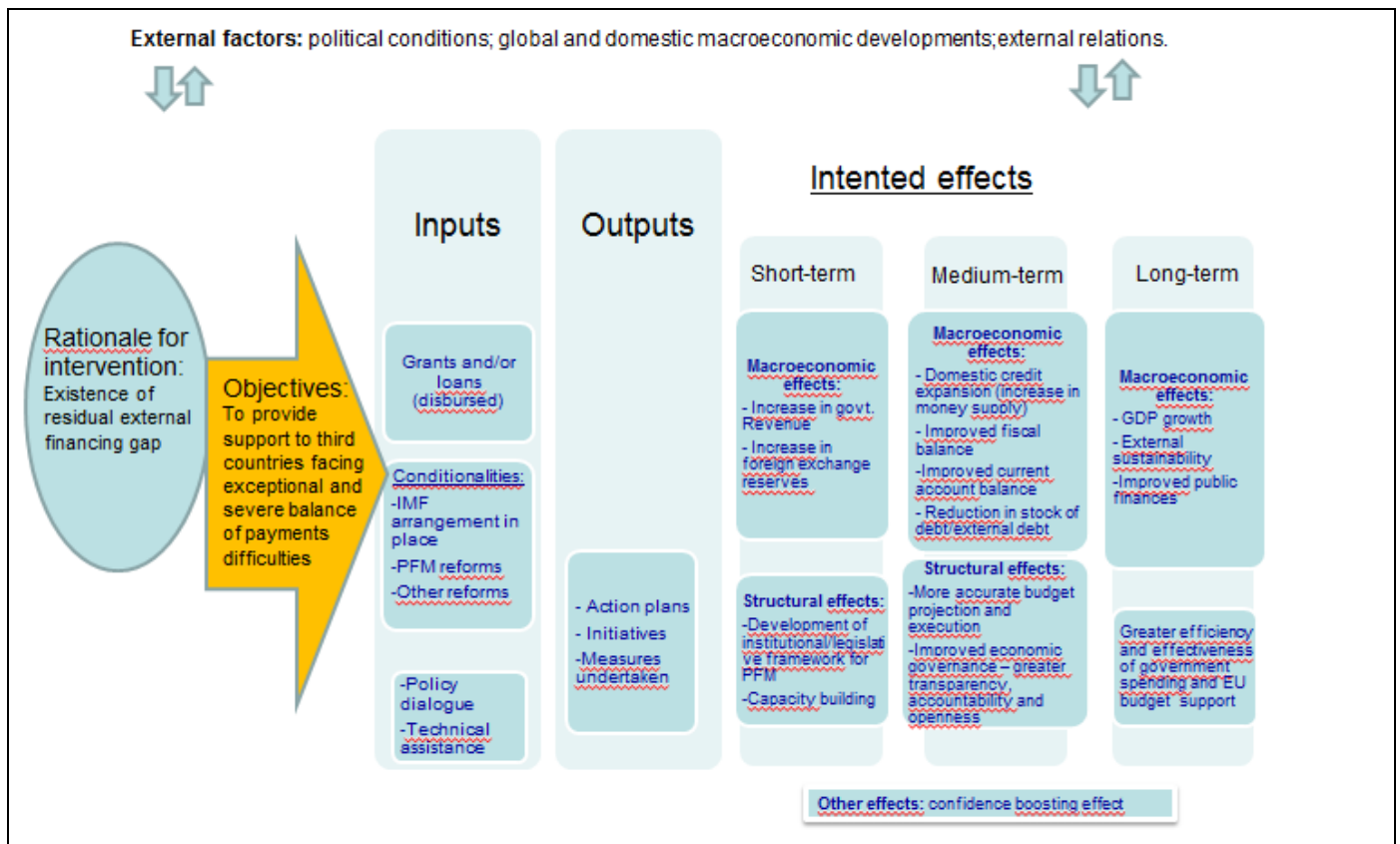
¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32002D0639&qid=1474468598594&from=EN>

² <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010D0388&rid=1>

³ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0215&qid=1474468698978&from=EN>

⁴ http://ec.europa.eu/economy_finance/eu_borrower/mou/mou_eu_ukraine1_en.pdf

⁵ http://ec.europa.eu/economy_finance/eu_borrower/mou/mfa_2mou_eu_ukraine_signed_en.pdf



C. Scope of the evaluation/FC

(C.1) Topics covered

The objective of the ex-post evaluation of MFA Ukraine is twofold: (i) to analyse the impact of MFA on the economy of the beneficiary country and in particular on the sustainability of its external position; (ii) to assess the added value of the EU intervention. In general terms, the evaluation should aim to draw lessons with respect to the EU's financial assistance:

- whether the ex-ante considerations determining the design and terms of the operation were appropriate, taking due account of the economic, political and institutional context;
- and whether the outcome of the programme met the objectives.

(C.2) Issues to be examined

The ex-post evaluation of MFA to Ukraine is expected to assess:

- To what extent was the MFA operation design (including adequateness of financing envelope, focus of conditionality) appropriate in relation to the outputs to be produced and the objectives to be achieved? This question mainly aims at assessing the **relevance** of the intervention;
- To what extent have the objectives of the MFA operation been achieved? This question aims at assessing the **effectiveness** of the intervention and considers the global picture (macroeconomic developments, fiscal policy, structural reforms, other sector reforms, etc.) from a quantitative and qualitative point of view;
- In what way has the design of the MFA assistance conditioned the performance of the operation in respect to its cost and its objectives? Was the disbursement of the financial assistance appropriate in the context of the prevailing economic and financial conditions in the beneficiary country? To what extent did the MFA operation design enable the intervention to be carried out **efficiently**?
- What was the rationale for an intervention at EU level? To what extent did the MFA operation add value compared to other interventions by other international donors? This question aims to assess the **EU added-value** of the intervention;
- Were the measures of the MFA operation in line with key principles, objectives and measures taken in other EU external actions towards Ukraine? This question aims to assess the **coherence** of the

intervention with other EU policies.
(C.3) Other tasks
NA

D. Evidence base
(D.1) Evidence from monitoring
This assistance is of macroeconomic nature and its design is consistent with the International Monetary Fund (IMF) supported economic programme. The monitoring of the action by the Commission services takes place on the basis of progress in the implementation of the IMF arrangement and specific reform measures agreed with the Ukrainian authorities in a Memorandum of Understanding. Before each disbursement, Commission services assessed the progress made with the policy measures under the MFA programme and reported to the Council and the European Parliament on the findings and conclusions.
(D.2) Previous evaluations and other reports
Previous ex-post evaluations of MFA operations can be found at: http://ec.europa.eu/dgs/economy_finance/evaluation/completed/index_en.htm
(D.3) Evidence from assessing the implementation and application of legislation (complaints, infringement procedures)
NA
(D.4) Consultation
<p>A targeted stakeholder consultation will be undertaken to provide economically informed programme specific input and context to the economic analysis. It will focus on the key economic questions that will arise during the evaluation process. The programme consisted of a set of reform measures developed in a crisis scenario to address macroeconomic conditions. Therefore, given the precise economic and financial nature of the intervention, the stakeholder consultation element of the evaluation will be targeted towards bodies with an informed economic understanding of the Ukraine I and II MFA operations and the context in which it was implemented. To collect a broad, multi-dimensional and triangulated picture of the economic and financial issues surrounding the programme, a wide range of the main Ukrainian organisations representing civil society and different points of view will be involved. The main target groups are broadly industry/business/employers, workers, banking sector, consumers, and charitable organisations. The targeted stakeholder consultation will also include all relevant officials from the European Commission and EU Member States (through the Economic and Financial Committee) and IFIs (IMF, World Bank, EIB, EBRD, etc) and also from Ukrainian authorities who were involved in designing or implementing the programme.</p> <p>This targeted stakeholder consultation will take place early in the evaluation process and will be elaborated further in a consultation strategy prepared by an external contractor appointed to conduct the evaluation. The consultation strategy will include stakeholder questionnaires. These will contain specific questions on economic policy. This will enable data to be captured that is structured and quantifiable. Stakeholders will be approached in advance to explain the nature of the evaluation and increase the response rate.</p> <p>Once the report is nearing completion, a workshop with stakeholders will be considered as it may provide an opportunity to stress test and validate the analysis and provisional findings of the evaluation.</p> <p>Given that the consultation strategy will include a range of appropriate tools to reach relevant stakeholders and that the evaluation will, at a later stage, feed into a wider meta-evaluation of EU MFA operations which will include an open public consultation, no open public consultation will be conducted for this evaluation.</p>
(D.5) Further evidence to be gathered
Inputs into the analytical work will also include publically available data, Commission, IMF and World Bank reports, documents published by the Ukrainian authorities and other international organisations as well as private sector and academic research.

E. Other relevant information/ remarks
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NA
