

SUPPORT TO EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE COMPLIANCE PROCESS
PROJECT (P158379)

EUROPE AND CENTRAL ASIA | Ukraine | Energy & Extractives Global Practice |
Recipient Executed Activities | Investment Project Financing | FY 2016 | Seq No: 1 | ARCHIVED on 30-Jun-2016 | ISR24392 |

Implementing Agencies: Ministry of Energy and Coal Industry

Key Dates

Key Project Dates

Bank Approval Date: 24-Dec-2015

Effectiveness Date: 14-Jan-2016

Original Closing Date: 31-Dec-2017

Revised Closing Date: 31-Dec-2017

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to assist Ukraine in implementing its EITI agenda

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Moderately Satisfactory
Overall Implementation Progress (IP)	--	● Moderately Satisfactory

Implementation Status and Key Decisions

Grant Effectiveness. In December 2015, the Bank approved the Ukraine Support to EITI Compliance Process Project (P158379). The newly established EGPS Multi-Donor Trust Fund (MDTF) provided funding for US\$ 400,000 in the form of a grant. The grant became effective in January 2016. Subject to the successful implementation of the grant, an additional \$1.1 million in support has been provisionally approved, pending the availability of additional funds.

Project Management and Fiduciary Aspects. As soon as the grant became effective, the short-term priority was to hire key National Secretariat staff



including a Financial Management Specialist (FM), Procurement Specialist, and Public Relations Officer (PR) as well as executing a new contract for the Head of the National Secretariat. Current commitments under the grant stand at approximately 52,000 USD (13%) based on executed contracts for the National Coordinator, FM Specialist, and PR Officer. Contract negotiations for the Procurement Specialist have concluded and the contract is currently with MOECI's Legal Department for review and clearance. The commitments will stand at approximately 18% upon finalization of the Procurement Specialist contract. Currently, the disbursement rate stands at 1.67%. MoECI must urgently prioritize the clearance of the Procurement Specialist's contract. Further, the Bank recommends that MoECI's Department of Accounting work with the National Secretariat to address clearance for payment requests efficiently throughout grant implementation in order to avoid delays in payment of salaries and the potential risk of diminished fiduciary capacity and project performance due to staff turnover.

Recruitment of the Independent Administrator (IA). The procurement of the IA for the preparation of the second EITI report is underway. The timeframe for the production of Ukraine's second EITI report will again be tight, with the report being due no later than December 31, 2017. With the inclusion of the mining sector and potentially two fiscal years' coverage (2014 and 2015), preparation of the second report is expected to be more challenging and more time consuming. On this basis, it is critical that the scoping work necessary for the inclusion of the mining sector in the next report (and potentially to inform a request to the EITI Board for an exemption for companies operating in Ukraine's occupied territories) commence as soon as possible. The National Secretariat must urgently finalize the IA procurement.

Risks

Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	● Moderate	--	● Moderate

Results

Project Development Objective Indicators

► Inclusion of Coal and Iron Ore in EITI REporting (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	Y	Y
Date	01-Jan-2016	--	20-Jun-2016	31-Dec-2018

► Increased total percentage of revenues reconciled compared to the previous year (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	80.00	--	80.00	85.00



Date	01-Jan-2016	--	20-Jun-2016	31-Dec-2018
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►Increased reporting in the media by journalists on EITI and the extractive industries compared to the previous year (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	01-Jan-2016	--	20-Jun-2016	31-Dec-2018

Overall Comments

The mining sector is included for the 2014 and 2015 EITI report.
Other grant activities are not yet in implementation.

Intermediate Results Indicators

►Completion of the scoping study (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	01-Jan-2016	--	20-Jun-2016	31-Dec-2018

►Ukraine EITI Reports completed and published in a timely manner (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	--	1.00	3.00
Date	01-Jan-2016	--	20-Jun-2016	31-Dec-2018



►EITI training plan for MSG members, Secretariat staff, and stakeholders adopted and implemented (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	01-Jan-2016	--	20-Jun-2016	31-Dec-2018

►Follow up action plans and strategies to address EITI reports recommendations are developed and agreed by MSG annually (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	N	Y
Date	01-Jan-2016	--	20-Jun-2016	31-Dec-2018

►Percentage of female representation on the MSG (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	31.50	20.00
Date	01-Jan-2016	--	20-Jun-2016	31-Dec-2018

►Number of activities targeted at MSG, CSOs, media and/or parliamentarians. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	6.00
Date	01-Jan-2016	--	20-Jun-2016	31-Dec-2018

Overall Comments

As soon as the grant became effective, the short-term priority was to hire key National Secretariat staff including a Financial Management Specialist (FM), Procurement Specialist, and Public Relations Officer (PR) as well as executing a new contract for the Head of the National Secretariat. Once the full team is in place and the Independent Administrator is hired for the second report, the National Secretariat will focus on other grant activities. Due to the lack of a Procurement Specialist on the team, commitments and disbursements have been slow in this early phase of implementation in addition to the procedural delays within the Ministry.



Data on Financial Performance

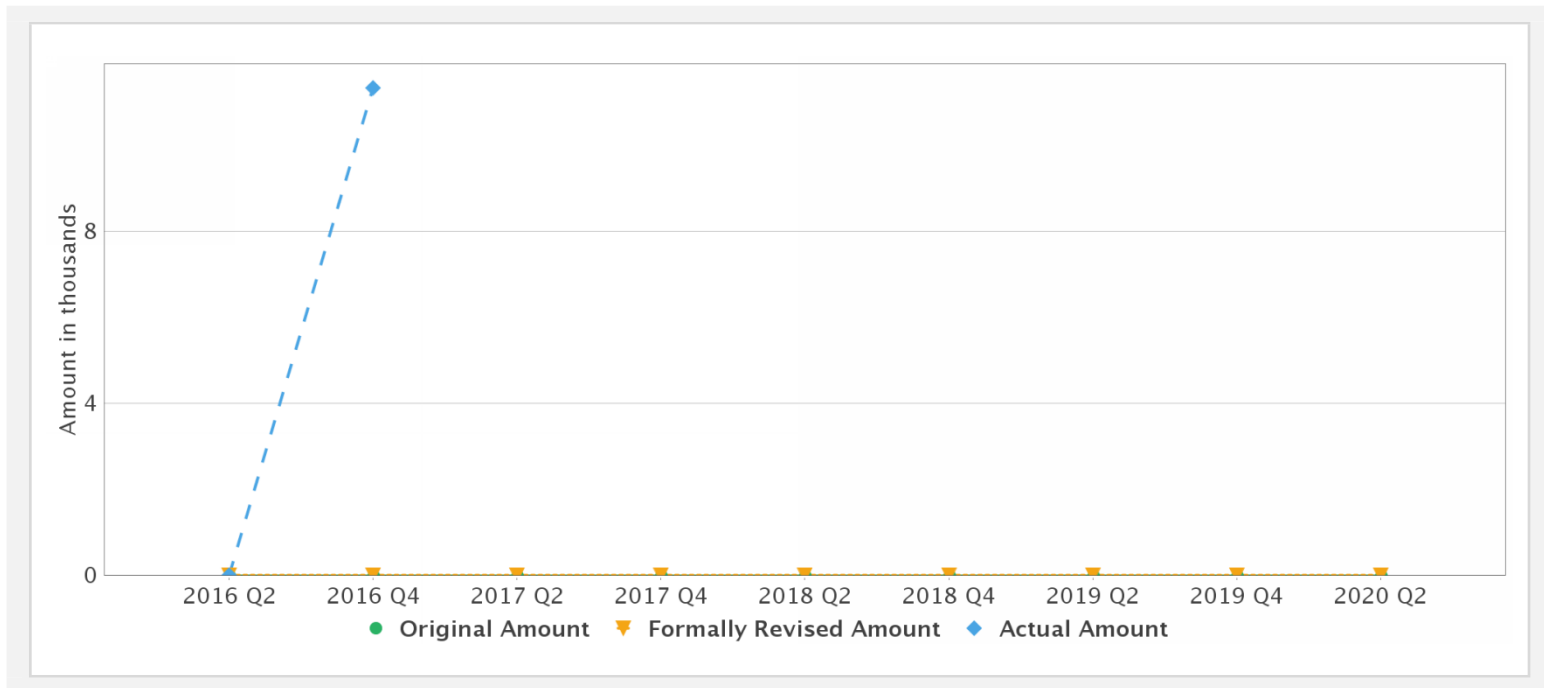
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P158379	TF-A1759	Effective	USD	0.40	0.40	0.00	0.01	0.39	3%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P158379	TF-A1759	Effective	24-Dec-2015	14-Jan-2016	14-Jan-2016	31-Dec-2017	31-Dec-2017

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.



Related Project(s)

There are no related projects.
