

International Centre for Policy Studies

Strategic Plan 2013–2015

Mapping reforms

Kyiv 2012

CONTENT

Introduction	3
Our vision	5
Our mission	5
Our business concept	6
The path forward: Our strategic priorities for 2012–2015	9
Strategic priority 1: Build ICPS capacity to implement its mission, vision and goals	10
Objective 1. Enhancing organizational capacity	10
Objective 2. Improving human resources and internal communication	11
Objective 3. Boosting institutional sustainability	11
Strategic Priority 2: Contribute to enabling Ukraine’s implementation of the EU-Ukraine Association Agreement	12
Objective 1. Supporting actual reforms in key areas according to AA commitments	12
Objective 2. Preparing manual and organizing the School of Reform for potential reform leaders	13
Conclusion	15

ANNEXES

Logframe 1.1: Enhancing organizational capacity: Internal Governance and Financial Management	18
Logframe 1.2: Improving Human Resources and Internal Communication	21
Logframe 1.3.1: Boosting nstitutional sustainability: Fundraising	24
LogFrame 1.3.2: Boosting our institutional sustainability: External Communications and Marketing	28
Logframe 2.1.1/2.1.2: Supporting actual reforms in key areas according to AA commitments: Energy and Technical Regulation	31
Logframe 2.1.3: Supporting actual reforms in key areas according to AA commitments: Democratic Governance – Public Consultations	34
Logframe 2.2: Preparing manual and organizing the School of Reform for potential reform leaders	38

INTRODUCTION

The International Centre for Policy Studies was started in 1994 as an independent policy think-tank – a new type of organization unimaginable in the Soviet Union, where government decisions could not be questioned. The founder's idea was to provide Ukraine with one of the instruments it needs to transform itself and establish, for the first time in its history, an open society.

Over 18 years, we have evolved from studying the approaches and methods of leading think-tanks and governments in the West to applying the principles and tools of public policy in Ukraine, before then going on to train others. Constantly importing the key elements that make successful reforms, ICPS ultimately helped change the understanding of why reforms fail and how to make them work in Ukraine.

We are now convinced that we must consolidate our knowledge and skills in each component of policy-making and implementation into an effective reform cycle. Being confined by the scope and timelines of specific projects, we never had the opportunity to implement the entire cycle of a particular reform to demonstrate its advantages over the outdated approach still widespread in Ukraine. The prospect of renewed financial support will enable us to carry this work out, to make a significant contribution to overcoming Ukraine's long-standing problems, to successfully move the country towards integration with the European Union, and improve transformation processes in the whole region.

This Strategic Plan presents our vision of ICPS activities and development for the next three years. We hope to contribute to creating an environment that enables Ukraine to implement the future Association Agreement with the EU. We are prepared to support the complete reform cycle in areas according to Ukraine's AA commitments:

- ✦ Energy – implementing the Energy Community Treaty;
- ✦ Technical regulation – building a new regulatory system in line with the *Acquis Communautaire* and European practice;
- ✦ Democratic governance – ensuring public participation in policy-making by institutionalizing European standards of public consultations established by the European Commission.

We will disseminate and promote this approach, methodology and experience by preparing a comprehensive manual for reform and providing training for such reforms.

To achieve these goals, we intend to strengthen our organization, including its governance, human resource and financial management, internal and external communication, fundraising, and cooperation with other organizations.

This cooperation will require ICPS to establish dynamic new partnerships that will enable it to dramatically increase its influence on public policy in Ukraine. One priority area for ICPS will be synergy with leading advocacy groups in Ukraine. Another important partnership for ICPS will be with the Kyiv School of Economics (KSE), a leader in Ukraine in western-style economics education and economic theory in Ukraine. With the KSE as our partner, ICPS will be able to further strengthen its policy analysis and policy-making capacity to the highest of western standards.

The details of ICPS future activities are elaborated in logical frameworks and a 3-year calendar plan that will make it possible to evaluate our performance and track our progress in achieving our stated goals.

OUR VISION

By 2015, ICPS will become a leading resource center and respected advocate for reforms in Ukraine.

OUR MISSION

Our mission is to advance reforms and social transformation in Ukraine and to promote European principles of governance through our high quality products. ICPS aims to make a sustainable impact by building effective partnerships, applying international practice, and providing innovative solutions.

OUR BUSINESS CONCEPT

ICPS as a resource center

We understand that our role as a resource center for reforms means being able to combine all the essential forms of work:

- + Implementing projects and activities for our partners and clients according to their request;
- + Implementing projects and activities together with our partners and clients;
- + Providing access to knowledge, expertise and capacity-building for our partners and clients.

What we have to offer

The substance of our activities will be based on the consolidating all of ICPS varied experience into an effective reform cycle that will cover the full spectrum of indispensable components:

Issue Analysis	Analyzing all aspects of a policy issue with the goal of policy formulation
Stakeholder Engagement	Identifying and analyzing the positions of all parties interested in or affected by a particular issue; involving them in building a constituency for the policy in question
Public Consultations	Providing all stakeholders with an opportunity to express their opinions on a given policy in a structured way; analyzing and incorporating their feedback
Legal & Institutional Audit	Identifying and planning the exact legislative and institutional changes necessary to implement the given policy
Monitoring & Control	Following the progress of policy implementation to ensure results, accountability and transparency
Training & Capacity-Building	Developing the skills and resources and providing the consultations needed to undertake reforms

Our products and services include, among others:

- + Analytical public policy papers;
- + Expert evaluations and impact assessments of legal and administrative acts, projects and programs;
- + Proposals for legislative and institutional changes and draft legal acts;
- + Short- and long-term forecasts and trend analyses for Ukraine's economy and its various components;
- + Ongoing analytical support for decision-making processes;
- + Basic and in-depth workshops on public policy fundamentals and analysis;
- + Expert commentary, presentations, briefings, and consultations on social, political and economic issues.

ICPS has been a pioneer in introducing many of these concepts and techniques in Ukraine, gaining unmatched experience in successfully applying these approaches and methods in different policy areas at various levels.

From our activities and products, decision-makers will gain a clear vision of what changes need to be implemented and why, as well as the specific direction needed and how exactly to implement them. Stakeholders and the general public will be able to understand a particular reform and how it affects them, for the first time having an opportunity to offer their input – and have their input heard.

We will reinforce our outreach and influence through synergy with advocacy groups representing stakeholders on particular policy issues, employing both traditional and new media. We will disseminate our reform products, principles and methodology by preparing and publicizing handbooks, policy papers and regular publications, as well as organizing practical in-depth workshops on all aspects of the reform process.

Our partners and clients

We see our partners and clients as organizations and individuals whose interest in reforms ranges from understanding and conceptualization to implementation and monitoring. ICPS is accountable to them for the quality of our products. These organizations represent all sectors, including:

- ✦ Government at all levels;
- ✦ Business and civil society;
- ✦ Political parties, academia and the expert community;
- ✦ National and international donors and development partners.

We will maintain our already extensive base of partners and clients and attract new ones through high quality products that serve their needs, while also constantly improving our communication and forms of cooperation.

Our operational plan

ICPS bases its activities on three mainstays:

- ✦ A limited group of key personnel working full-time, including analysts, support staff, administration and the Board;
- ✦ Outside experts, both domestic and international who deliver the necessary information and expertise in different forms of engagement;
- ✦ Our partners and clients, who provide input and feedback.

We will apply the most advanced economic information and communication technology (ICT) solutions available in Ukraine to make our work as effective and sustainable as possible. We will continuously assure the high quality and relevance of our products through effective internal and external communication and peer reviews.

The potential hazards along the way

ICPS faces possible risks from four sources.

1. Government hostility and/or indifference. The Ukrainian government is key to implementing reforms; yet, its officials are unable to translate political decisions into administrative procedures. Even more so, many authorities are either uninterested or even openly hostile to enacting reforms that will change the status quo.
2. Donor fatigue and ever-changing priorities. Donor organizations provide not just funding but, more importantly, the basic principles of how to establish and manage democratic institutions. Limited in scope, those principles are not always conducive to successful transformation in Ukraine.

3. Institutional instability and resource uncertainties. Without an extensive financial base, we could occasionally lack the means to attract and keep the best staff, which could hinder us from sustainable operation or significantly deepening the scope of our activities.
4. Competitors. The competitive environment has changed since ICPS' inception, when there was a handful NGOs, to a myriad of private corporate think-tanks today.

These challenges are those that we have the power to change and those that have the power to change us. The content of our strategic priorities is designed to have the broadest impact and address these challenges in particular.

Monitoring our progress

ICPS will report to the Supervisory Board on the progress of implementing the Strategic Plan in regards to activities specified in the Calendar Plan, as well as to outputs specified in the logframes, on a quarterly basis.

ICPS will also prepare annual reports on the implementation of the Strategic Plan and related annual plans, focusing on achieving the planned outcomes, objectives and goals, as well as the planned budget. Annual reports will be the basis for evaluations of ICPS performance and possible revisions of the Strategic Plan by the Supervisory Board and the General Meeting.

Specific procedures will be developed and introduced in accordance with the Strategic Plan.

THE PATH FORWARD: OUR STRATEGIC PRIORITIES FOR 2012–2015

We have identified two strategic priorities that will help us work towards building a progressive, democratic Ukraine and broaden the capabilities that will keep us in the forefront of Ukrainian reforms.

STRATEGIC PRIORITY 1: BUILD ICPS CAPACITY TO IMPLEMENT ITS MISSION, VISION AND GOALS

We realize that we need to be a stronger organization in order to implement the vision, mission and goals we set for ourselves. With this rationale, ICPS will commit itself fully to our own institutional development – internal regulations, structure, procedures, staff and resources – so that we are better equipped to adapt and thrive.

In 2011, the Swedish International Development Agency (SIDA) conducted an audit of our institution, making recommendations for improving our operation. We have enacted many of those recommendations already and over the next 12 months we will implement the rest, as well as additional changes that we have identified ourselves.

Implementing institutional changes will enable us to improve our performance, increase our sustainability, and absorb and effectively use major funding.

The ICPS envisioned in this plan will be both flexible and stable – flexible enough to react to changing situations and stable enough to survive in a fast-changing world.

This strategic priority includes three objectives.

Objective 1.

Enhancing organizational capacity

1. *Internal governance*

We will modernize our governing structure and regulations to approximate western standards of governance. The crux of these changes will involve establishing clearly outlined responsibilities and authorities for the President, Chief Executive Officer (CEO), Chief Program Development Officer (CPO), Chief Research Officer (CRO), Chief Financial Officer (CFO) and Supervisory Board, while also updating internal planning, monitoring and evaluation processes, based on our Strategic Plan.

As a result, ICPS should have an active, responsible Board, President, CEO, CPO, CRO and CFO who work together effectively to lead the organization and manage its daily activities.

2. *Financial management*

ICPS already has well-functioning internal financial procedures. However, to assure the highest level of efficiency and accountability, we will:

- ✦ Fine-tune our methods for handling all financial transactions;
- ✦ Establish an annual cycle of budget planning, reporting, and auditing that adheres to international accounting principles.

With these structures in place, ICPS will operate to the highest international standards of financial management.

Objective 2.

Improving human resources and internal communication

We are only as strong as our staff. As such, to have and keep the best people, we should have the best working conditions. This means we must – and will – develop and administer progressive professional development programs as well as performance evaluations, reward and promotion programs. We will also update our HR policies to include clear job descriptions, hiring and dismissal procedures, and internal communication. In addition, we will develop our international fellowship and internship program so as to remain a primary destination for highly qualified researchers eager to learn from, and contribute to, ICPS.

In this way, our staff will not only be better able to support ICPS in achieving its strategic priorities, but they will also grow stronger professionally and personally.

Objective 3.

Boosting institutional sustainability

1. *Fundraising*

We will implement a detailed fundraising initiative and train our staff and Board in how to undertake intense marketing and fundraising campaigns. In general, we will reorient office procedures to respond to donor needs, which may include recruiting new fundraising staff and volunteers.

Our donor base should grow as we actively and successfully raise funds and ICPS will become a financially sustainable organization.

2. *External communication and marketing*

We cannot achieve our strategic priorities if the public is unaware of our work, products and events. To raise awareness, we will improve our media profile, provide information that better suits the needs and interests of our target audience, launch a new user-friendly website, and engage in other activities focused on enhancing external communication.

Through these actions, ICPS should become recognized as one of the most influential Ukrainian think-tanks for public policy analysis.

STRATEGIC PRIORITY 2: CONTRIBUTE TO ENABLING UKRAINE'S IMPLEMENTATION OF THE EU-UKRAINE ASSOCIATION AGREEMENT

We believe that the European Union, especially its new member states, gives Ukraine an inspiring and practical example of successful transformation. For this reason, ICPS has long focused on promoting European integration and helping Ukraine move in this direction.

The EU and Ukraine completed negotiations on a very ambitious Association Agreement (AA) but political factors are hampering its enactment. Regardless, Ukraine has been presented with very clearly stated reform objectives under its AA commitments. The scope and range of these tasks is very challenging, and their successful implementation will make Ukraine a much more democratic and progressive country.

In this three-year planning cycle, ICPS will build on its knowledge and experience in the areas of reforms necessary for European integration to provide stakeholders with the information and tools needed, as well as the conviction that only a complete policy cycle can make the reforms possible.

We will focus on two objectives.

Objective 1.

Supporting actual reforms in key areas according to AA commitments

We will support implementation of full policy cycles in three areas of the AA:

- + Energy
- + Technical regulation
- + Civil society participation in policy making (public consultations)

1. *Energy*

In 2011, Ukraine acceded to the European Energy Community Treaty (ECT), a binding document which also covers much of the energy sector reform required by the AA. Through these two agreements, the country has the opportunity to compete on the European energy market, attract investments to modernize and become more efficient, and ultimately reduce gas imports. Yet the speed of reforms is so slow that they are in danger of becoming merely declarative.

ICPS and its partner(s) will implement an action plan that coordinates the work of all organizations to support the implementation of energy reform and, when necessary, apply concerted pressure to ensure government accountability.

2. *Technical regulation*

The EU is Ukraine's second largest regional trade partner. As such, Ukraine can foster a stronger trade and investment environment by reforming its regulatory system in line with European norms and standards. We consider this sector to be a major priority, as it directly relates to assuring quality, innovation and economic efficiency – important components of a healthy business environment.

Ukraine has recently initiated some key reforms in this area. In support of this progress, ICPS will build upon our own achievements to consider all options for transformation, study European experience, an-

alyze the positions of key stakeholders in Ukraine, inform them, and establish active public dialog with them. We will also provide support for properly organizing and planning the establishment and later operation of such a new system.

3. *Democratic governance – public consultations*

Entering its third decade of democratic development, Ukraine is still missing the key element of good governance: the participation of civil society and interest groups in policy-making. The government has no idea of understanding stakeholder positions or mobilizing a constituency for reforms. State officials commission research exclusively from academic institutions and consult primarily with other government institutions. There is no place in government procedures for consulting with non-state interest groups. The government regulations that provide for public consultations were developed and enacted with ICPS support quite a while ago, but they are steadily ignored, regardless of the political colors of those in power.

On the other hand, there remains little cooperation among civil society representatives, particularly think-tanks and advocacy groups. Instead of one voice, there are many – resulting in a cacophony of background noise.

We will join efforts with active groups that want to be equal participants in policy-making – to establish a dialog with the government aimed at instituting European principles and standards of public policy consultations in Ukraine. These standards are laid down in great detail in the EC's 2001 White Paper on European governance, the Commission's 2002 Communication on General Principles and Minimum Standards for Consultation of Interested Parties, and the 2006 White Paper on a European communication policy.

ICPS will provide all parties to the dialog with knowledge about the best European practices and arguments for their adoption in Ukraine, identify and plan the necessary legal and institutional changes, and develop guidelines for cooperation between think-tanks and advocacy groups that should make Ukraine's civil society mature and influential.

In each of these policy cycles, we will work to provide the government with the analysis that policy-makers and administrators need, to organize, plan and implement systems modeled on European standards.

We will address these policy areas using techniques that are universal and adaptable to other sectors, specifically the six key activities outlined in our Business Concept: Issue Analysis, Stakeholder Engagement, Public Consultations, Institutional Audits, Control & Monitoring, and Training & Capacity-Building.

As a result, ICPS and its partners will exert sustained pressure on the government to enact reforms through the use of media, public dialogs and joint advocacy, and through our policy papers, reports and forecasts. Such pressure will give us an opportunity to overcome the risk of government hostility and indifference.

Objective 2.

Preparing manual and organizing the School of Reform for potential reform leaders

1. *Manual for reforms*

We will compile our knowledge and experience on how to manage reforms into a practical document. It will encompass our principles, methodologies and practical examples on every aspect of the reform process. The manual will be tested in ICPS policy cycle work on AA commitments and revised accordingly.

2. *School of Reform*

ICPS will cultivate individuals who will now or in the future undertake reforms. We will consolidate our experience into a teachable legacy so that we can offer a full spectrum of indispensable skills to government officials, NGO and business leaders, and community activists. Training will consist of modular workshops covering the essentials of the reform process, combining classes and individual practicum on actual policy issues.

Over the course of 3 years, we will train and lead several groups of people through the complete process of strategic reforms using our manual, templates and standards. At the end of the training, these graduates will have the skills needed to successfully implement reforms and monitor their progress.

CONCLUSION

Both ICPS and Ukraine have made a great deal of progress since 1994. Our current Board and staff understand this is not the time to rest on the organization's laurels. Just like Ukraine, ICPS faces a period where reform must be the keystone underlying our decisions and organizing our further actions. We are confident that, by working towards our priorities, we will drive the reform process in Ukraine. This will be our objective over the next three years and beyond.