

FINAL REPORT

EVALUATION OF SELECTED INITIATIVES IMPLEMENTED WITHIN THE
FRAMEWORK OF POLISH DEVELOPMENT COOPERATION GRANTED
THROUGH THE MINISTRY OF FOREIGN AFFAIRS OF THE REPUBLIC OF
POLAND IN THE YEARS 2011-2013

PROJECTS SUPPORTING SMALL AND MEDIUM-SIZED
ENTERPRISES (SMEs) IN UKRAINE

Consortium:

EGO – Evaluation for Government Organizations, CLP

IDEA Foundation



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Summary

The evaluation was commissioned by the Ministry of Foreign Affairs (MFA) as part of Polish Development Cooperation. It was carried out from August until December 2014 by a consortium comprising two entities: IDEA Foundation and EGO – Evaluation for Government Organisations clp., a limited partnership specialising in research. The evaluation focused on selected initiatives carried out in the framework of four components of Polish Development Cooperation in 2011-13, including projects carried out in the years 2011 - 2013 in the area of small and medium sized enterprises (SMEs) in Ukraine.

General assessment of the project

The Ukrainian SME component should be appraised positively. The analysed projects were well linked to the objectives of the Multiannual Development Cooperation Programme for 2012-2015 and the Millennium Development Goals. Initiatives implemented within this priority were highly appraised by all parties involved. Most of the organizations involved in the projects have been engaged for many years in various activities in Ukraine, where they have reliable partners. However, entrepreneurship projects in general were not part of their core activity. They expressed an interest in SMEs because by adjusting their statutory activities to fit the priority, they were eligible for financing allocated to its implementation. At the same time, a competent implementation of the project's activities has made a positive contribution to Poland's image as a donor of development cooperation.

The evaluation has brought conclusions and recommendations that can lead to a more effective support for Ukraine under the Polish Development Cooperation.

General recommendations for the Ministry of Foreign Affairs (MFA)

Due to limited financial resources, insufficient for the needs of Ukrainian SMEs, and taking into account the nature of the activities undertaken by organizations which were the main applicants, it is recommended to reconsider the choice of the SME sector as a priority. We recommend that the potential decision to continue this kind of support should be accompanied by its concentration (e.g. on the organization of business environment institutions, creating an investment offer, development of agrotourism, micro-entrepreneurship in rural areas). Another possibility is to change the name of the priority to one that would better reflect the measures actually taken (e.g. education in the field of entrepreneurship development).

Providing basic information about organised competitions in the Ukrainian and Russian languages through online media popular in the NGO sector and on the websites of the Polish Embassy in Kyiv would make the Polish Aid program more effective.

Key recommendations for potential beneficiaries

Providing that support for the SME sector is continued it would be worthwhile to extend the group of potential beneficiaries to include organizations specialising in measures dedicated to SMEs. It should be noted that these organizations are often not interested in activities in the international area. In such case, one of the methods of implementing the recommendations would be to engage these entities in cooperation as partners in projects implemented by NGOs that have worked in Ukraine in the past.

In order to ensure efficient monitoring and evaluation, potential beneficiaries should collect contact information of final beneficiaries and project partners. The Personal Data Protection Act should be complied with in collecting and storing such data.

Content

- Summary3**
- 1. Introduction5**
 - General information on the research.....5
 - Methodology6
- 2. Projects implemented in Ukraine8**
 - 2.1. General assessment of implemented projects.....9
 - 2.2. The results of the study - answers to the evaluation questions16
 - Did the implemented projects have a systemic character (if so, then in what aspect) i.e. to which strategic documents they referred and in what aspects were they adequate to identified needs of beneficiaries?.....16*
 - Whether and how the competencies acquired/developed in course of project activities are applied, developed or/and multiplied by particular target groups?20*
 - What type of activity and why proved the most long-lasting and contributed the most to developing beneficiaries’ potential or to strengthening of institutions/partner organizations?23*
 - Do Polish interventions take into account activities supported by other donors?25*
 - Which actions have helped the most to improve the image of Poland as a donor of development cooperation?.....26*
 - What changes in development cooperation addressed to Ukrainian SMEs should be introduced in the context of the Ukraine–European Union Association Agreement?28*
 - Are recommendations of evaluators adjusted to problems and needs of the target groups?29*
 - 2.3. Case studies30
 - 2.4. Conclusions and recommendations33

1. Introduction

General information on the research

The survey entitled *Evaluation of selected initiatives implemented as part of Polish Development Cooperation provided through the Ministry of Foreign Affairs of the Republic of Poland in 2011-2013 (...)*; ref. no.: BDG.741.11.2014 was commissioned by the Ministry of Foreign Affairs as part of Polish Development Cooperation, defined in **Article 2 of the Development Cooperation Act of 16 September, 2011**, and provided through this institution for the purpose of increasing the social and economic potential of partner countries and of supporting democratization processes. The obligation to conduct surveys on the effectiveness of the implemented development cooperation goals and the related requirement to evaluate projects by the MFA arise from the aforementioned law.

The evaluation was carried out by a consortium comprising two entities: IDEA of Development Foundation and EGO – Evaluation for Government Organisations s.c., a research company. The evaluation was carried out in August-December, 2014.

The key objective of the research carried out in accordance with the Terms of Reference was to facilitate the identification of the main factors impacting the efficiency of selected development cooperation projects and to arrive at conclusions and recommendations for annual planning and multiannual programming of Polish aid. The report's conclusions and recommendations:

- are aimed at increasing Polish Aid's influence, i.e. the impact of the implemented projects on the beneficiaries' situation;
- will enhance Poland's positive image as a country actively pursuing activities contributing to sustainable development in the world;
- will support decision-making processes concerning development cooperation related matters financed with MFA administered funds.

The subject matter of the evaluation research were selected initiatives implemented within four components of Polish development cooperation over 2011-2013, i.e.:

- **Component 1**, within which the project '**Scholarship Programme for Students of Specialised Eastern Studies at the University of Warsaw**' was examined;
- **Component 2**, within which projects completed over 2011-2013 in the field of **small and medium-sized entrepreneurship (SME) in Georgia** were examined;
- **Component 3**, within which projects completed over 2011-2013 in the field of **small and medium-sized entrepreneurship (SME) in Ukraine** were examined;
- **Component 4**, within which **the execution of the coproduction agreement with the MFA for 2013 by the Belarusian Radio Racja** was examined.

This report presents the results of a survey conducted in the component that included **projects concerning small and medium-sized enterprises (SMEs) in Ukraine in the context of the impact of Polish aid on the development of small and medium-sized entrepreneurship in this country.**

Methodology

In performing the evaluation, we adhered to key norms and standards developed by the OECD-DAC (Development Assistance Committee) - NETWORK ON DEVELOPMENT EVALUATION¹. Taking into account the requirements set out in the Terms of Reference and the overall objective of delivering high quality results, the contractor decided to employ multiple research methods and techniques. By adopting this approach, the contractor was able to triangulate methods and techniques both with respect to data collection and analysis and to forming conclusions. Below is a brief description of the research tools applied.

Desk Research

The Desk Research method applied to the project was based on the following three groups of materials:

1. documents (project applications, data from monitoring, reports, etc. made available by the contracting authority and the applicants);
2. media materials concerning the implemented projects;
3. products created as a result of the project's implementation: web pages, brochures, publications, post-conference materials, textbooks, etc.

To sum up, thanks to the application of the desk research method, it was possible to examine the issue from many angles, using different information sources, and to improve the planning of future activities by studying the area under survey.

IDI (Individual In-Depth Interview)

The selection of respondents was deliberate and followed from the qualitative nature of individual in-depth interviews. Individual in-depth interviews were conducted with people representing every category of stakeholders: project authors, coordinators, beneficiaries, other people involved in the implementation of the projects. Forty five in-depth interviews were carried out during the evaluation of the SME's in Ukraine.

The interviews represented one of the most valuable sources of information about the effects of the evaluated projects.

CAWI (Computer Assisted Web Interview) – an online questionnaire filled out directly by the respondent

It is one of the most often applied survey methods. This way of conducting activities enables quick access to collected data and their quick analysis.

In the case of projects implemented in Ukraine, it was possible to collect the largest address database of the participants. Contact data for 873 persons, who participated in 12 different projects, were collected. After letters with invitations to take part in the survey were mailed, it turned out that at least 327 mailing addresses were wrong (the emails “bounced” off the server). Ultimately the online questionnaire was filled out by 192 respondents (the response rate was around 35 % compared to the number of likely correct addresses).

Expert Panel

Expert panel is a technique that consists of gathering a group of experts, who arrive at an opinion on a specific subject in the course of a discussion. An expert panel was organized as part of the survey for the purpose of summing up survey results and to discuss the conclusions and recommendations that were developed.

¹ *Evaluating Development Co-operation: Summary of key norms and standards*, OECD
<http://www.oecd.org/development/evaluation/dcdndep/41612905.pdf>

SWOT/TOWS analysis

SWOT analysis is one of the most popular heuristic analytical techniques used to categorise and analyse information. For the purposes of this survey, the SWOT analysis was extended to include the TOWS analysis, which consists in two-directional analysis of the studied phenomenon. The aforementioned analyses were conducted by a research team for each of the components of the surveyed intervention.

Case studies

The following research was carried out for each case study:

- an analysis of the project documentation (including project applications, reports, monitoring data, evaluation reports),
- individual interview with the project coordinator,
- individual interviews with persons who received support under the project.

Projects were selected to fit the survey's qualitative research criteria. Hence, two case studies for Ukraine (projects) were carried out to reflect the different nature of the activities undertaken.

Supplementary survey methods and techniques

The contractor suggested a number of additional survey methods suitable for specific survey components, including focus group interviews and strategic workshops. The methods applied allowed supplementing the surveyed material and verifying preliminary conclusions and recommendations. The detailed survey methodology including tools was developed and agreed on with the Contracting Authority in the methodological report.

2. Projects implemented in Ukraine

Fourteen² projects implemented in 2011-2013 were selected for analysis. The selected projects are presented in the table below.

Project number	Project title	Project author
2011.171	Generating heat from renewable sources of energy	Tadeusz Kosciuszko Cracow University of Technology, Section of Fundamental Processes and Environment Protection Devices
2012.91	Young people with initiative – regional system of training entrepreneurship trainers in the Ukrainian educational system	FRDL Małopolska Institute of Local Government and Administration
2012.170	Vinnitsa Region in Ukraine – the region of active women	The Koneckie Association of Entrepreneurship Support (KAES)
2012.221	Support for SME development on Ukrainian real estate management market	Polish-Ukrainian Cooperation Foundation PAUCI
2012.373	ECO-OPERATION. Polish - Ukrainian partnership for waste recycling in the Vinnytsia and Khmelnytsky regions	Association Integration Europe-East (Kielce)
2012.518	University Centre of Career as a way of professional activation of men and women on the eve of their entry in the labour market.	Małopolska Regional Agency for Energy and Environmental Management (Krakow)
2012.773	School Academy of Entrepreneurship	Ministry of National Education, Department of International Cooperation
2013.30	Development of guidance for the implementation of the Small Business Act in Ukraine and adapting Ukrainian SME legislation to EU standards	Ministry of the Economy, Department of Promotion and Bilateral Cooperation
2013.40	School Academy of Entrepreneurship 2	Ministry of National Education, Department of International Cooperation
2013.105	Constructing modern heating installation with renewable energy sources in Lviv Polytechnic National University as a teaching and practical training base for a group of SMEs from western Ukraine. Acronym: RSE for SMEs.	Tadeusz Kosciuszko Cracow University of Technology, Section of Fundamental Processes and Environmental Protection Devices
2013.137	Young people with initiative 2 – regional system of training entrepreneurship trainers in the Ukrainian educational system	FRDL Małopolska Institute of Local Government and Administration
2013.178	Development of academic business incubators in Ukraine	Higher School of Public Administration in Szczecin
2013.322	Kharkov business incubator – an opportunity for graduates of vocational courses at local higher schools.	Polish-Ukrainian Cooperation Foundation PAUCI (Warsaw)
2013.392	Business for the environment. Improving the competitiveness of Ukrainian enterprises through development of modern systems of hazardous waste collection in Vinnitsa	Association Integration Europe-East (Kielce)

² The CAWI survey accounted for 12 projects because of the lack of access to contact information about the other two.

2.1. General assessment of implemented projects

Almost all the beneficiaries (Polish organizations and institutions) have cooperated with Ukraine before and have benefitted from Polish development cooperation. Many of the beneficiary organizations were not engaged in supporting small and medium-sized entrepreneurship on a day-to-day basis, but have been active in supporting the Ukrainian society. These institutions have performed their statutory activities within their expertise and experience. Their interest shown in SME-related issues resulted, to some extent, from their determination to adjust their activities to the "Small and medium-sized enterprises and the creation of new jobs" priority.

The Multiannual Development Cooperation Programme for 2012-2015 provides that "activities undertaken in the framework of this programme will serve in particular to support and develop entrepreneurship, economic education - including in the area of innovation and alternative energy, incorporating elements of business education into the education system, supporting job creation and helping women become vocationally empowered."

The choice of SMEs as a priority area of support for Ukraine in the framework of Polish development cooperation seems to meet the needs of the Ukrainian state and society. First of all, because SMEs in Ukraine need support - after more than twenty years of political transformation their share in Ukraine's GDP is still very low and amounts to approx. 10-15%³, even though SMEs make up approximately 95% of the total number of enterprises in Ukraine. In comparison, the indicator of the number of companies per 10.000 inhabitants in Poland is around three times as high as in Ukraine, while the share of this sector's GDP production is almost five times higher (47% in 2011). In many countries with a longer history of market economy, the latter indicator exceeds 50%⁴. Secondly, support for small business is important for changing people's mentality. Small business encourages people to think locally, to act on a small scale, and to look at the individual customer and to try to achieve a spill-over effect in the local community. This issue is of major importance for building democracy in Ukraine.

On the other hand, taking into account the available statistical data, it is worthwhile to take a different look at this development cooperation priority. In 2013 Ukraine had over 1.2 million small and medium-sized enterprises, almost all them needing support, as evidenced by their low share in the country's GDP. The scale of financial assistance that Poland can offer (PLN 2.56 million in 2013.) is a drop in the ocean of needs. Therefore, this assistance can hardly be thought to produce a visible change in the SME sector.

In view of the above, it might be reasonable to modify Priority 3 of development cooperation directed to Ukraine in a way that would, on the one hand, account for the scale of available funds and, on the other, better use the potential of beneficiaries cooperating with Ukraine. This can be done, for example, by scrapping measure b. "Developing innovative technologies based on alternative energy sources and energy efficient technologies in SMEs." The implementation of technologies requires significant funding to produce effects that are visible beyond the local level.

³ Information given by Maxim Kunchenko who was appointed Chairman of the National Regulation Service in August 2014. The service is responsible for the adjustment of law to the development needs of the SMEs sector (<http://e-finance.com.ua/show/184745.html>, accessed on 27.10.2014).

⁴ Report on small and medium-sized enterprises in Poland in 2011-2012 (<http://badania.parp.gov.pl/files/74/81/626/18670.pdf> - access from 27.10.2014).

Project activities

All the issues mentioned in the Multiannual Development Cooperation Programme were reflected in the activities carried out in the analysed projects. However, the projects' emphasis on some issues appears to be different from the emphasis placed in the Multiannual Programme and the annual plans.

Looking from the perspective of target groups and types of results that the beneficiaries aimed to achieve, the analysed projects can be divided into two groups or two general activity areas.

- projects based on work with and for entrepreneurs (this group of projects would be under point a. "Boosting micro-enterprises and increasing the competitiveness of small enterprises" and b. "Developing innovative technologies based on alternative energy sources and energy-efficient technologies in SMEs"⁵);
- projects aimed at "working at the grassroots level", i.e. creating a social base for future small and medium-sized businesses – mainly addressed to young people (projects addressing point b. of Priority no. 3 "Introducing business education as a school subject and stimulating the development of academic business incubators").

There were also projects that could be classified to both groups and even one project, which did not fit into this classification and was dedicated to creating a legal environment that would be friendlier to small and medium-sized enterprises in Ukraine (Project no. 2013/30 implemented by Polish Agency for Regional Development (PARP)). The different categories of projects are presented in the chart below.

Chart 1. Types of projects implemented as SMEs support in Ukraine



Source: MFA analysis

Important: the figures represent the number – not the percentage – of projects belonging to one of the categories.

Most of the attention was focused on creating a social base for future development of entrepreneurship – that is working with young people. This is grassroots work, which will certainly yield results that will not be visible overnight and not easy to measure. Projects addressed to young people were primarily intended to develop their entrepreneurship skills and to impart concrete skills and knowledge needed to start a business.

Methods of achieving results

Projects under review can be analysed from the point of view of accepted ways of achieving planned results. Under the project application evaluation system, project authors are obligated to identify long-term results of their project activities. The question what can be considered a long-lasting effect and what are the possible ways to guarantee this long-lasting effect has generated many different responses.

Trainings and study visits were the most common ways of achieving the planned results.

⁵ Development Cooperation Plan for 2013.

The results of CAWI conducted on a sample of projects' participants showed that nearly 90% of respondents have benefited from training, nearly 60% declared their participation in a visit to Poland, in workshops and counselling. Every fourth participant said that he/she took part in an internship in Poland. Around 10% of people mentioned other forms of support, which included, for example, participation in pilot classes or in distance training courses.

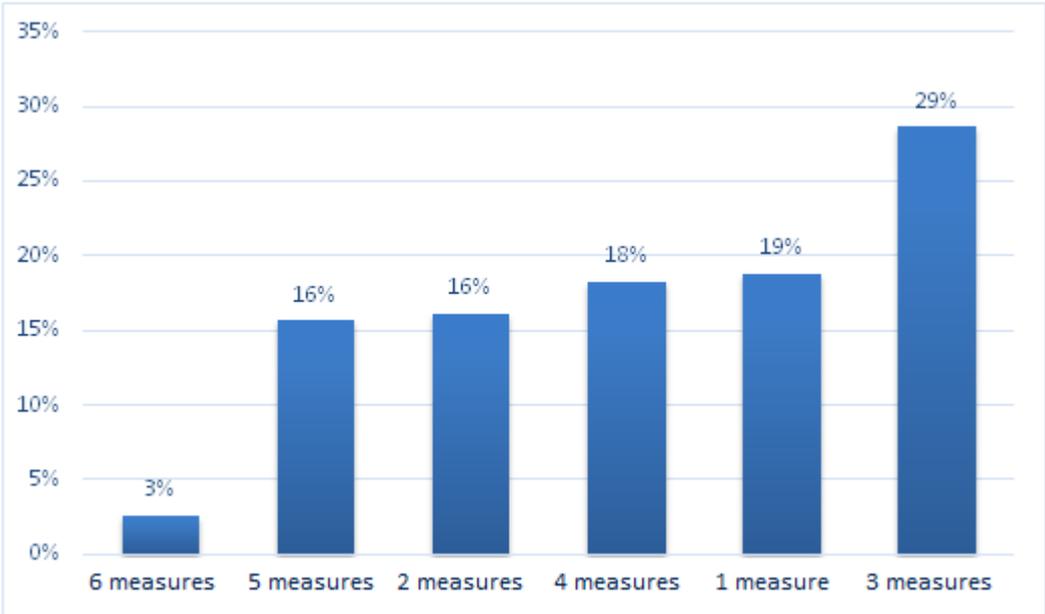
Chart 2. Types of activities in which project participants in Ukraine took part



Source: CAWI survey [N=192]
 Important: Percentages do not add up to 100 because respondents could chose more than one answer.

Support provided to participants was complementary in most cases. More than 80% of participants benefitted from more than one project activity. Twenty-nine percent of participants benefitted from three activities implemented as part of one project.

Chart 3. Types of measures in which project participants from Ukraine took part

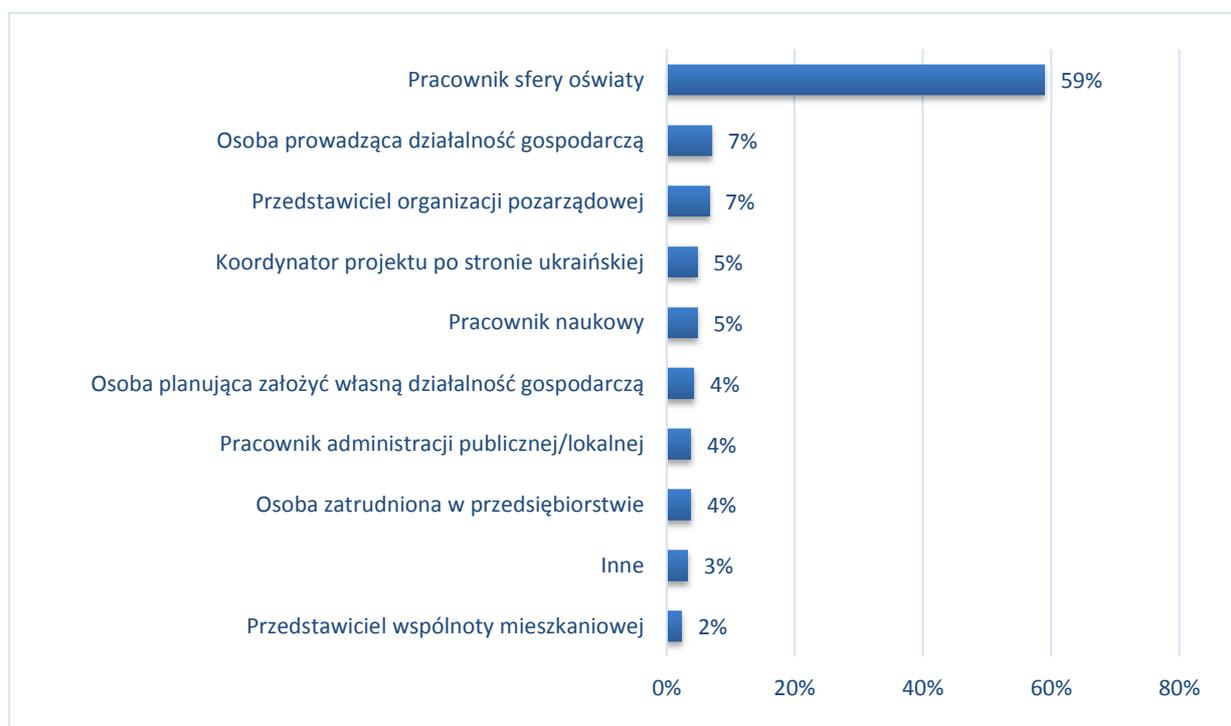


Source: CAWI survey [N=192]

It is difficult to guarantee long-lasting effects of training, because they depend on several factors, in particular, on the commitment of all participants of the training process. The project authors focused on selecting the right participants for the training. They were chosen for their ability to share the acquired knowledge and skills with others, also after the project was completed: training was offered to trainers, teachers, community leaders, consultants and others who were reasonably expected to share their knowledge with their co-workers, students or customers and thus ensure the project's long-lasting effect.

This observation is supported by a CAWI survey showing that the main beneficiaries of projects implemented in Ukraine were education workers. This group's high participation can be attributed to two⁶ projects: School Academy of Enterprise 2 and Young People with Initiative..." (both editions). A relatively large number of people, most of them teachers, participated in both projects.

Chart 4. Project participants in Ukraine



Data: CAWI survey [N=192]

Pracownik sfery oświaty – Education employee

Osoba prowadząca działalność gospodarczą – Entrepreneur

Przedstawiciel organizacji pozarządowej – NGO representative

Koordinator projektu po stronie ukraińskiej – Project coordinator from Ukraine

Pracownik naukowy – Scholar

Osoba planująca założyć własną działalność gospodarczą – Person planning to set up a business

Pracownik administracji publicznej/lokalnej – Public/local administration employee

Osoba zatrudniona w przedsiębiorstwie – Company employee

Inne – Other

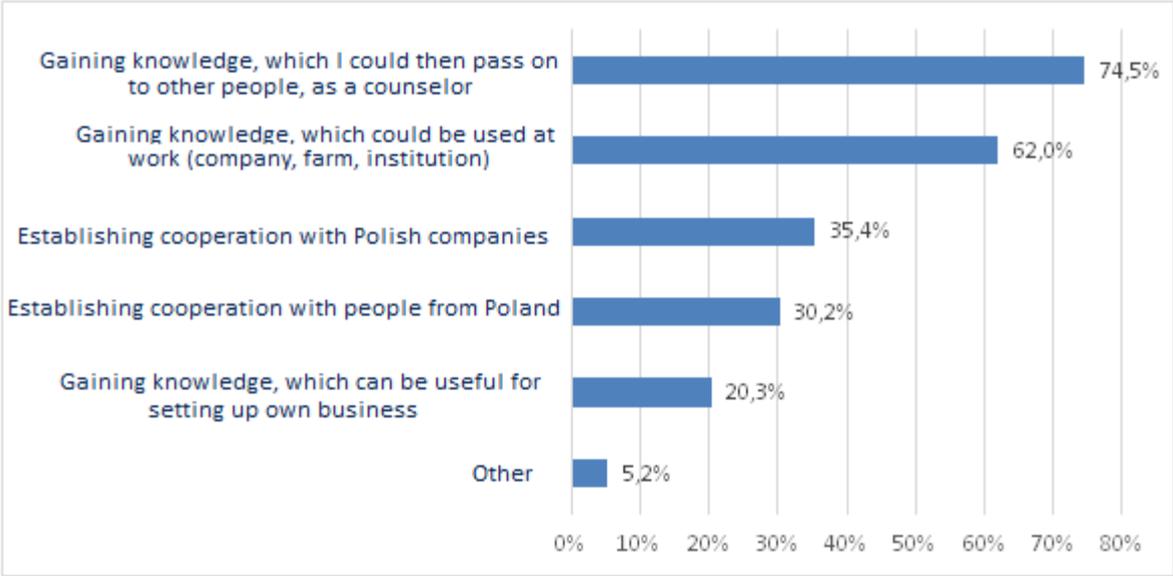
Przedstawiciel wspólnoty mieszkaniowej – Condominium representative

As expected, approximately 75% of the people who benefitted from this support wanted to gain knowledge which they could pass on to others as advisors. Approximately 62% of those polled said their goal was to

⁶ Three, if we count separately the successive editions of the “Young people with initiative” project.

gain knowledge which they could later apply to their jobs. The respondents mentioned their wish to establish cooperation, either with Polish companies (35%) or with people from Poland (30%) as one of the expected outcomes of the project. Every fifth participant (20%) declared that by joining the project, he/she expected to gain knowledge that would be useful in starting a business. The other expectations (grouped under “Other”) included willingness to learn from the Polish experience, the desire to gain knowledge that could prove useful in their professional development, or to acquire knowledge that could be useful for Ukrainian business people.

Chart 5. Project participants in Ukraine



Source: CAWI survey [N=192]

Note: The percentages do not add up to 100 because respondents could chose more than one answer.

Another group of projects led to the creation of institutions (e.g. business incubators, university laboratories for renewable energy sources etc.) whose functioning sometimes requires major funding and good management experts. To address this, beneficiaries dedicated parts of their project activities to getting the newly created institutions ready to operate on their own without the financial support from Polish partners. A business plan was drawn up and the management team was trained to take full responsibility for the projects. University laboratories specialising in renewable energy sources support themselves by reducing significantly school buildings’ heating bills.

In many cases, the final beneficiaries received ready-made solutions that they could apply without incurring any additional costs, e.g. scripts for entrepreneurship lessons or other subjects developed to shape entrepreneurial attitudes among young people were published in book form. These books were presented to beneficiaries while their electronic versions are still available on websites, which is another effect of the implemented projects.

To sum up, the majority of analysed projects in Ukraine fulfilled or exceeded almost all of the indicators set by the project authors in their applications. Their effectiveness was evaluated on the basis of verified indicators for the planned products and results.

Project results were grouped into the following subject categories:

MATERIAL RESULTS (information and promotion materials e.g. books, brochures, films, radio programmes, infrastructure – e.g. information points, multimedia equipment, distribution centres). The values for the objectives in this group were set in the case of 15 projects. The majority of projects **have fulfilled or slightly exceeded** the set values. In the group of analysed projects, e.g. installations and elements necessary to construct a modern heating system with renewable energy sources were delivered from Poland to Poltava State Agrarian Academy (PSAA) and the Lviv Polytechnic National University. Ten basic scenarios and five scenarios for decision-making games about entrepreneurship for 1-3-degree schools. Two Academic Business Incubators (the one in Dnipropetrovsk unfortunately stopped operating at the start of the armed conflict with Russia and emergence of other financing priorities as a result) were created and equipped. Many project authors also conducted active information and promotion activities that led to the creation of materials relating directly to the implementation of the projects (brochures, posters, webpages), as well as materials intended for future use (publications, a guide to self-implementation of modern education technology, etc.).

“SOFT” RESULTS (e.g. organisation of training sessions, seminars, study visits, conferences). The agreed on values of the indicators for “soft” results were included in six of the analysed projects. In one of them (40/2013/ADM2013), the generated indicator’s value was **significantly higher than planned** (instead of 100 hours of training sessions for persons in charge of School Enterprise Clubs in Ukraine, 544 hours of training was organised for 420 School Leaders – psychologists and economy teachers in Ukraine’s 24 regions to support school students in developing their enterprise and innovation skills).

RESULTS THROUGH PEOPLE (number of people/organisations participating in training sessions, internships, conferences, study visits, number of persons/organisations members of producers’ cooperatives/groups). This is by far the most popular type of indicator, selected by all project authors in the projects under evaluation. Most of the planned results have **been achieved or exceeded**. The fact that indicators in certain projects implemented in 2013 could not be achieved was due to protests that began around that time (e.g. in the case of project 30/2013/ADM2013).

Forty-two Ukrainian entrepreneurship trainers have been trained in the framework of the implemented projects. They were trained to apply innovative instruments to business education of young people; forty women have attended entrepreneurship development trainings, 15 advisors have been trained in running Academic Business Incubators, 50 students have been trained to draw up business plans, 17 SMEs have been trained in the economic aspects of implementing waste recycling installations in enterprises. Five hundred and sixty Ukrainian citizens have also raised their environmental awareness.

INSTITUTIONAL RESULTS (e.g. cooperatives, tourist information centres, one-stop shops for businesses). The values of indicators for institutional purposes were set in two projects. Both projects **have achieved or exceeded** the projected results. The activities that were implemented led to the creation of 210 School Enterprise Clubs and of a Bureau for Business Activity in the Vinnytsia region.

In analysing the effectiveness of project results, one should also note **the lack of data** for some projects – both of input data and (although much less frequently) output values (e.g. 105/2013/PPR2013, 171/2011/PR2011, 57/2012/PPR2012), which made the verification of the projected and realised values impossible. In some cases there were problems with monitoring such indicators as the number of web page visits (e.g. 91/2012/PPR2012).

Projects implemented in Ukraine were analysed on the basis of the SWOT/TOWS methodology. Five of the most important strengths and weaknesses and four opportunities and threats of Poland’s development cooperation programme addressed to Ukraine under the “Support for small and medium-sized enterprises and job creation” priority were identified.

Strengths	Weaknesses
Building and strengthening sustainable Polish-Ukrainian partnerships (organizations from both countries cooperate on many projects, learning from each other)	Among the applicants there are no organizations specialising in working with business and for business. There were practically no projects "Boosting micro-enterprises and increasing the competitiveness of small enterprises"
Products of projects are used after they are finished (especially educational materials and methodological papers in the field of business education)	Visa procedures applied by Polish posts in Ukraine often distort the positive perception of Poland formed by project participants. Participants are not aware of the split of competences between Poland and the EU with respect to visa regulations.
Projects allow Ukrainian leaders to establish international contacts	Lack of databases with contact details of project participants makes it impossible to verify project results on a wider scale
Very effective projects, especially those dealing with business education	Polish organizations wanting to participate in Poland's development cooperation program are under the impression that preferences are given to experienced organisations, i.e. the beneficiaries are a group that is difficult to join
Creating an image of Poland as a country supportive of and friendly towards Ukraine	
Opportunities	Threats
Current change of government in Ukraine could lead to legislative amendments that are beneficial from the point of view of supporting business	Continued and/or stepped up armed conflict between Ukraine and Russia can seriously disturb or block political reforms in Ukraine.
There are plans to decentralize government in Ukraine. The planned devolution will change the meaning of local government, which is usually willing to cooperate with Poland.	Effective transfer of grant money to Ukrainian partners is practically impossible due to the procedure applied to financing public institutions in Ukraine (e.g. schools, offices) ⁷
Ensuring the participation of representatives of the Ukrainian administration increases the projects' chances of success	Ukraine's economic crisis limits the effectiveness of development measures aimed at boosting entrepreneurship
	The depth of social divisions in Ukraine and the perception of Poland as an ally of one of the sides of these divisions could hinder the implementation of Polish-Ukrainian projects

⁷Public institutions in Ukraine (e.g. schools, universities, etc.) do not have their own, separate bank accounts. All funds are transferred to a joint account of the State Treasury but there are no defined procedures to access these funds. As a result, there might be serious delays in payments for which Ukrainian partners are responsible.

2.2. The results of the study - answers to the evaluation questions

Did the implemented projects have a systemic character (if so, then in what aspect) i.e. to which strategic documents they referred and in what aspects were they adequate to identified needs of beneficiaries?

Besides addressing current issues, the projects attempted to take a broader view of Ukraine's economic development and its directions. Beneficiaries were aware that their actions supporting entrepreneurship in Ukraine are helping the Ukrainian society to "stand on its feet" faster. Most partnerships that implemented projects have a long history of cooperation which sometimes exceeds 10 years. This fact has a positive influence on the quality of projects and the selection of issues they address. Experienced partners know quite well the needs of Ukrainians and are aware of the possible support offered by development programmes and way Polish organizations operate. Noteworthy is the fact that supporting SMEs is not the main area of activity for most applicants, who were not well briefed about the current needs of Ukraine's entrepreneurs.

Hence, it is difficult to draw a general conclusion about the systemic character of implemented projects. One of them (2013/30) concerned systemic issues directly – it was dedicated to supporting the implementation of the Small Business Act in Ukraine. Unfortunately not all the activities planned under the project were implemented because of the outbreak of protests at the end of 2013 (the seminar planned to be organised in Kyiv at the beginning of December 2013 was scrapped).

When planning cooperation for the years ahead, beneficiaries and their partners studied different strategic documents. For Ukrainian partners the most important document was titled "Development strategies for Oblasts until 2015" concerning oblasts in which they planned to implement projects. The development strategy of the Dnepropetrovsk Oblast is particularly relevant because it calls for the creation of business incubators⁸. In addition, one of the participants of the academic business incubator project (178/2013) implemented in Dnepropetrovsk was a civil servant of the Dnepropetrovsk regional administration (a middle-level administration between a town/village and the oblast). She drew up the documents necessary to create such an incubator in the region which she oversees. The incubator project became part of the Dnepropetrovsk Regional Development Plan until 2018 and was later included in the Dnepropetrovsk Oblast Development Plan until 2020. The outbreak of the conflict with Russia suspended the implementation of the project due to a change in financing priorities.

Another important document, useful for applicants and their partners, was Ukraine's "National Programme for the Development of Small and Medium-sized Enterprises in the years 2014-2024." The programme's assumptions were discussed long before it was adopted. Today, the situation of small and medium-sized enterprises in Ukraine is regulated by the Act on Development and State Support for Small and Medium-sized Entrepreneurship in Ukraine, dated 22 March 2012⁹. The law came into force in 2013, when the implementation of some of the analysed projects had already started. These documents were taken into account, among others, at the planning stage of the above-mentioned project 30/2013; the Act was also mentioned by the applicants and project partners associated with business incubators (PAUCI and WSAP).

Recommendations of the Institute for National Security Problems in Kyiv were taken into account in the Eco-operation project (2012/392) and the Business for the environment (2013/392) project. According to the Institute's recommendations, waste recycling should be the main direction of Ukraine's environmental protection policy. The Ukrainian authorities see waste recycling as an opportunity for economic development and job creation.

⁸ Development strategy of Dnipropetrovsk oblast was created in the framework of the project "Local Economic Development of Cities of Ukraine", which is an international technical assistance project financed by the Government of Canada.

⁹ <http://zakon4.rada.gov.ua/laws/show/4618-17>

Looking at the projects implemented in Ukraine under the priority “Development of Small and Medium-sized Enterprises,” it is worth noting that for many of the beneficiaries this program creates opportunities for pursuing activities for which there is demand in Polish-Ukrainian cooperation. These organisations usually do not specialise in supporting entrepreneurship or in work for small and medium-sized business. This situation has many advantages, because it introduces an element of “freshness” and shows the Ukrainians a wider perspective from which they can look at supporting small and medium-sized business. It also focuses the attention of Ukrainian partners of Polish applicants on business, seeing in it an interesting and prospective target group of their activities. On the other hand, the outcome of such attitude on the part of beneficiaries for whom enterprise development is just one of many areas of interest was the relatively few projects that were implemented in the area of strictly speaking work with entrepreneurs and supporting them with new knowledge and skills.

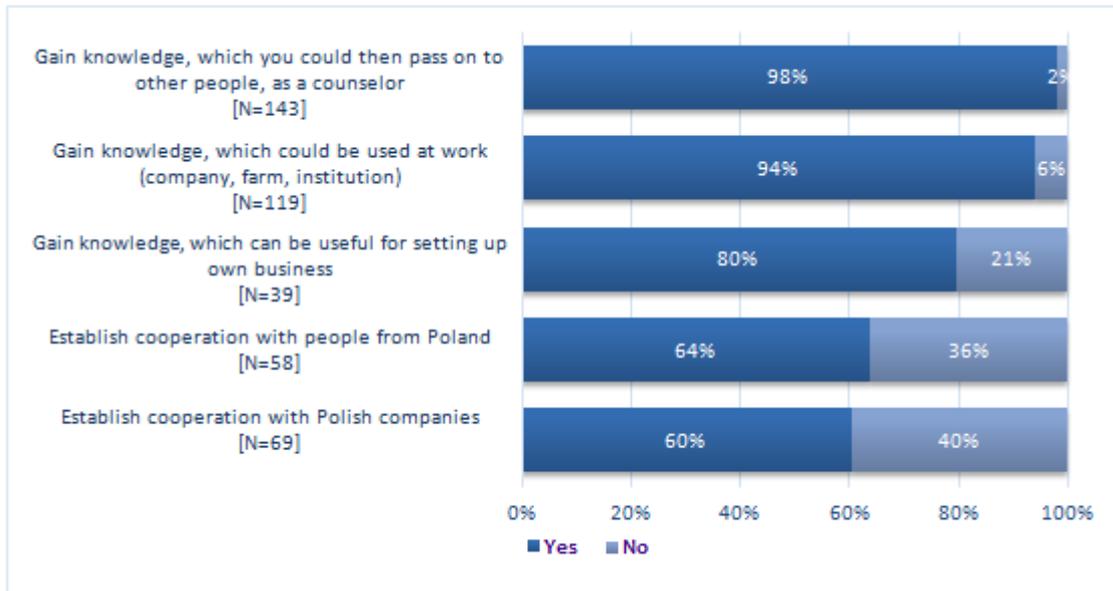
Perhaps one of the reasons for this situation is that the Polish Aid programme mostly financed projects in the period under review that had to be concluded before the end of the calendar year. Not all long-term plans can be implemented within this time frame. The limitations imposed by the financial perspective were mentioned, for example, by beneficiaries and Ukrainian partners of the following projects: “Supporting the development of academic business incubators in Ukraine,” or “Vinnitsya – the region of active women.” Some of them dealt with the situation by planning multi-stage projects, which from the donor’s point of view were stand-alone projects. In the period under review, such projects concerned school enterprise academies (which were continued in 2014 and were not covered by this survey) and SMEs support on the real estate management market. The last project continues the activities undertaken by the partners themselves four years ago when they dealt with energy-saving issues.

The history of these cyclical projects also illustrates the way in which the needs of target groups in Ukraine are identified. This is usually not done through regular surveys or activities directly aimed at identifying the beneficiaries’ needs. Information about such needs is a “side-effect” of the implementation of successive projects. Hence, it would be worthwhile to encourage the applicants to engage in more regular and planned work in order to identify the needs of the beneficiaries.

All the analysed projects yielded much desired results from the point of view of the final beneficiaries and led to effective cooperation between partner organizations and between local authorities and activists from Ukrainian organizations who participated in the project. Polish applicants were highly praised by their Ukrainian partners for their merit-based knowledge, with which they shared, and their understanding of Ukraine’s reality. Projects were seen as getting to the bottom of the problem which they were meant to solve.

The CAWI used in the survey of project participants shows that the implemented activities were highly effective. Almost all participants (98%) whose objective was to acquire knowledge they could impart to others acknowledged that the project served this purpose. Also the majority (94%) of those who wished to gain knowledge that would prove useful in their work confirmed that this objective was achieved through their participation in a project. About 80% of those who had expected to gain knowledge needed to start a business declared that the project fulfilled their expectations in this regard. Less often, although in over half of all cases (60-64%) the expectations of persons who wanted to establish cooperation with people or firms from Poland were fulfilled.

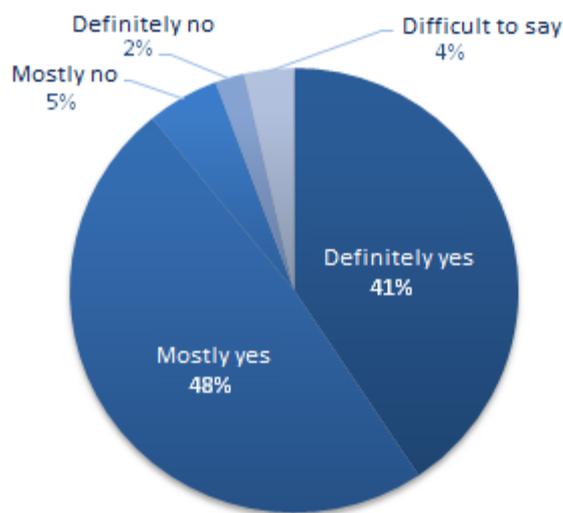
Chart 6. Meeting the expectations of participants - answer to the question: As a result of your participation in the project, did you manage to...



Source: CAWI survey

The next chart presents general declarations by participants on how their expectations connected with participation in the project were fulfilled. The majority of respondents (89%), of which 41% definitely, declared that the results of participation in the project met their expectations.

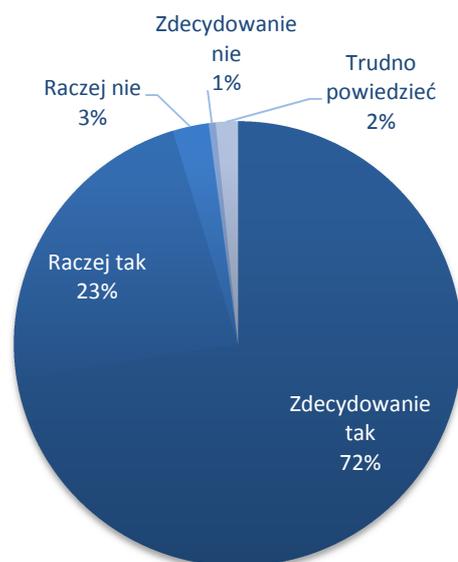
Chart 7. Meeting the expectations of participants - the answer to question: Did the project results meet your expectations?



Source: CAWI survey [N=192]

Participants' declarations were even more positive when they were asked, if their participation in project made sense. Ninety-five percent of the respondents, of which 72% definitely, said that taking part in the project was worth their while.

Chart 5. Meeting the expectations of participants - the answer to question: *In your opinion, was your participation in the project worthwhile?*



Data: CAWI survey [N=192]

Zdecydowanie nie – Definitely no

Raczej nie – Mostly no

Raczej tak – Mostly yes

Trudno powiedzieć – Difficult to say

Zdecydowanie tak – Definitely yes

Good practices and ready-made solutions met with the greatest interest. This was especially true of situations when a Polish partner could offer his/her Ukrainian counterpart an evidence-based solution – e.g. on working with school youth or running a business. Many regional authorities were interested in all projects on how to integrate school children and students and how to engage small and medium-sized business to this cooperation. Through the implemented projects we have learned that the authorities of the following oblasts: Dnipropetrovskaya, Vinnitskaya, Ivano-Frankivskaya, Transcarpathian, Kharkovskaya, Poltavskaya and Lvivskaya are willing to engage in joint Polish-Ukrainian projects and to work with entrepreneurs.

Creating and supporting business environment institutions, which are practically non-existent in Ukraine or whose importance is marginal also generated some interest. The development of small business in rural areas is another issue that beneficiaries deemed important. The idea is to diversify the rural economy by supplementing traditional farming production and food processing with services, for example agrotourism and related services. The analysed projects implemented in 2011-2013 clearly lacked this component. The projects' Ukrainian participants, being well aware that Poland has extensive experience in developing rural entrepreneurship, said they were willing to benefit from these experiences.

Summary: Most of the project activities resulted, on the one hand, from identifying the needs of the beneficiaries on the basis of the applicants' experiences and, on the other, from their areas of expertise. Project authors and their Ukrainian partners could reasonably expect their activities to succeed. The expectations of the beneficiaries were in most part fulfilled. According to project participants, their expectations were best fulfilled by education projects rather than those whose aim was to establish business contacts. Ukrainian strategic documents were accounted for in the planning of activities.

Although the quality of the projects and the results they helped to achieve were evaluated positively, effects strictly linked to the development of small and medium-sized entrepreneurship were not the main focus of the majority of projects, while entrepreneurship was not the most important area of the applicants' activities.

Whether and how the competencies acquired/developed in course of project activities are applied, developed or/and multiplied by particular target groups?

Both applicants and their Ukrainian partners have put a lot of effort to ensure that the projects have a long-lasting effect. Activities that were to contribute to the long-lasting effect of the projects included:

- right selection of participants of project activities and meticulous recruitment of people, who will use acquired skills in future - in business, in the process of teaching young people, when working with teachers and NGOs' activists and local governments;
- preparation of long-lasting training materials (e.g. publication of textbooks and posting materials on websites) to be used directly. In the case of textbooks their distribution was also an important issue;
- creation or support for existing institutions, which will be capable of functioning on their own, even after the project is over and to provide these institutions with adequate competencies (e.g. business incubators, School Entrepreneurship Clubs);
- providing equipment which can be operated without generating direct costs and leads to savings on heating costs (university laboratories of renewable energy sources).

The above-mentioned approaches were not contradictory and several of the above activities were carried out under many projects. For example, under the project titled "Supporting academic business incubators in Ukraine," its participants together with the lecturers from the Project Management Chair and the Economic Policy Chair wrote and published a textbook titled "Academic business-incubator: organisation and methodical support for implementing innovation."¹⁰

The example of academic business incubator is used in the teaching practice of the university – the project's partner. The incubator itself is not in operation now for lack of external funding of its activities. An additional result of the project was the promotion of academic incubators during the planned study tour whose purpose was to present the idea of the incubators to Regional Management Institutes in Odessa and Lviv. The Innovation Agency in Lviv asked the project manager to make a presentation on academic business incubators to the employees of its institute. The event took place and was documented in photographs and covered by the regional media. The project has not fulfilled its objective to support the development of academic entrepreneurship, create new jobs and provide financial support to young scientists. The incubator could not generate enough money to support itself, while its sponsors withdrew their initial declarations of support because of the war and the ensuing uncertainty about the future.

Solar panels which have been installed at the Lviv Polytechnic National University, in the framework of the project "Construction of a modern heating system with renewable energy sources in the Lviv Polytechnic, as a base for teaching and practical training for a group of SMEs in the area of Western Ukraine" function well and to this day are the pride of the Polytechnic. They are presented as environmentally friendly measures that generate real savings¹¹.

¹⁰ Recommendations from the implemented projects were also included in a report from a conference organised by Dnepropetrovsk Regional Institute of Management (DRIDU) http://www.dbuapa.dp.ua/konf/konf_dridu/2013_11_22_mup_material.pdf (access from 27.10.2014).

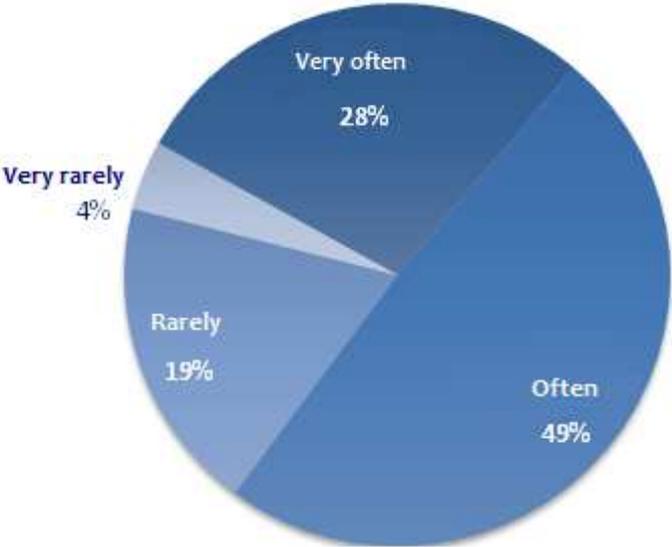
¹¹ At the time of the survey, an international congress on environmentally-friendly technologies EPESSEM 2014 was organised in Lviv (17-19 September, 2014), during which Polish and Ukrainian project partners presented the installations operating at the Lviv Polytechnic National University.

Different methods of running entrepreneurship classes were demonstrated in the framework of the project "Youth with Initiative 2 - innovative methods of teaching entrepreneurship in the Ukrainian education system". One of the teaching methods involved using computer games translated into Ukrainian and adapted to Ukrainian reality. Teachers received an attractive ready-to-use tool and were shown how to use it. The project participants came to the conclusion that their experiences from working on this project including the games that were used should be published in the form of a collection – textbook on how to use computer games in teaching. As yet, this idea has not come to fruition. Instead textbook-scenarios that can be used to teach entrepreneurship were published as a result of the "School Academy of Enterprise" project. This project had two editions, but the idea behind the project is a continuation of earlier activities implemented under different projects. These handbook-scenarios are written by Ukrainian teachers and methodologists with Polish experts playing only a supportive role. Thus the project's results are long-lasting. In this way a team of experts is built and an emotional attitude to the work done together is formed. Such an attitude guarantees that the work results will most certainly be applied to future activities.

A network of participants created during a project is an important element contributing to its long-lasting effect. This is particularly important when working with groups that experience some form of exclusion. This was the case with "Vinnitsya – the region of active women." Thanks to the project women learned how to start their own business. Their work on the project helped them to overcome all kinds of social barriers and by sharing their experiences they created a "support group" - a network of contacts that helped them find their way in the world of business, long after the project was over.

Results of the CAWI have shed light on the usefulness of knowledge gained during the project. All participants who held a job at the time of the interview said that they used knowledge gained during the project, some less and some more often ("never" answers were not given).

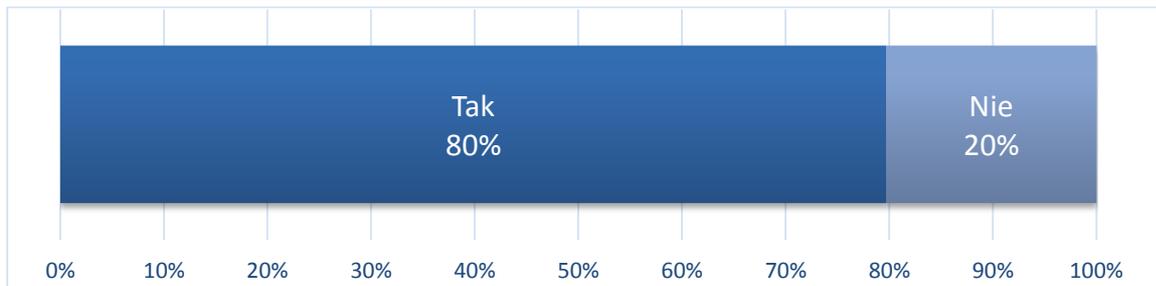
Chart 9. How often do you use the knowledge gained during the project in your current job?



Source: CAWI survey [N=123]

Around 80% of the persons who declared using the knowledge they gained during the project in their current job said they applied it during the past month. Looking at it from this perspective, one can conclude that the projects were very useful and their results proved long-lasting.

Chart 6. Have you used knowledge gained during the project during the past month?

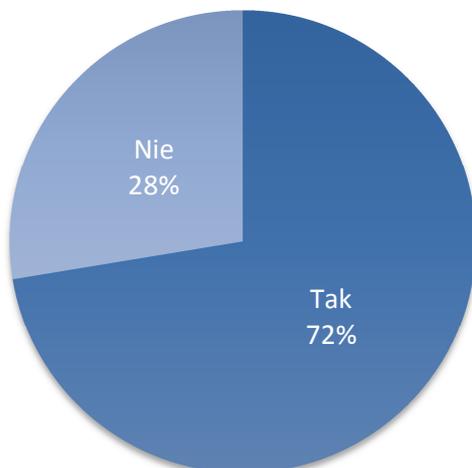


Data: CAWI survey [N=123]

Tak- Yes
Nie – No

In the case of people who held jobs at the time of the interview, 72% declared that they were advising other entities and persons.

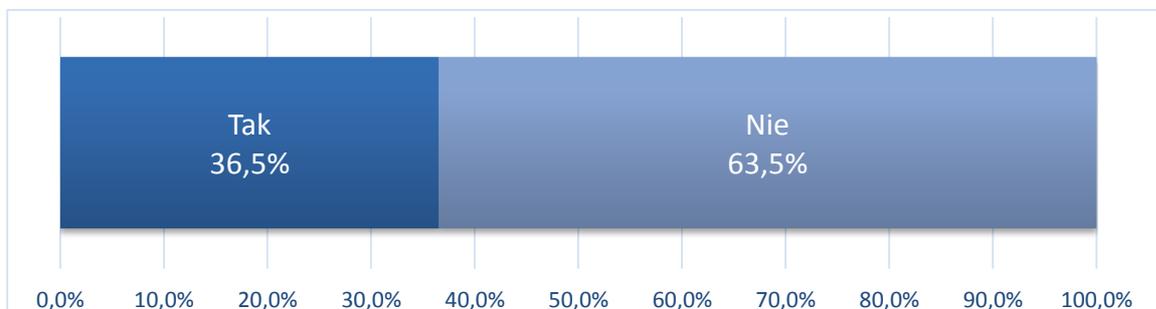
Chart 7. Are you advising other entities or persons right now?



Data: CAWI survey [N=123]

Finally it is worth noting that over 1/3 of participants who took part in a Polish Aid project, decided to participate in other projects that broadened their knowledge. This provides grounds to believe that assistance from Poland will have long-lasting effects.

Chart 8. After taking part in the project, have you taken part in other projects that helped you expand the knowledge you gained during the project?



Data: CAWI survey [N=192]

Tak – Yes
Nie - No

Summary: The competences acquired in the course of the projects are used and multiplied by beneficiaries. Both the contents and the methods used to convey them were in many respects “out of the box” and innovative, making them very attractive to recipients. An important element that ensures a multiplier effect was the right selection of participants who gained knowledge that they really needed.

What type of activity and why proved the most long-lasting and contributed the most to developing beneficiaries' potential or to strengthening of institutions/partner organizations?

Projects selected for analysis were generally recognizable and all participants considered them an important experience. Regardless of the content of particular projects, it is important that their participants have learned new ways of transferring knowledge and building partnerships between trainers and learners, recipients and those who give etc.

At the same time, barriers encountered when trying to apply the newly acquired skills were often mentioned for which the economic crisis, among others, was blamed. The acquired knowledge was sometimes treated as future investment that will pay off when it is needed. This was the attitude demonstrated by participants of projects to set up renewable energy laboratories (2011/171 and 2013/105). These projects were highly appraised. They included the installation of equipment, which is still running well (after several years). However, the practical significance of the knowledge about how this equipment operates and how it can be applied more widely in Ukraine is rated low. One of the participants summed it up as follows: "When electricity prices increase, then we will know where to look for help but right now energy is cheap."

Assessing the importance of projects from the perspective of the end of 2014, many participants stressed that the situation of the country, particularly the war in the east and the open conflict with Russia, create serious problems for business. These difficulties also affect the Polish-Ukrainian cooperation, because getting a Polish visa has become more of a problem after procedures were changed (visa applicants wait longer, documents have to be presented not required before). Visas are now more expensive (20 euro per visa for the services of a visa centre). This situation has affected the cooperation of partner organizations. Poles are afraid of going to Ukraine and Ukrainians had to limit their visits because they are time-consuming and costly.

Beneficiaries can successfully develop their potential through activities most often undertaken in the surveyed projects, i.e. all kinds of study visits and sharing of personal experiences. This observation may seem surprising, but one should bear in mind that the Ukrainian society is not very mobile. The average Ukrainian does not move outside his home for months¹², does not meet new people and learns about the world around him from the media (mainly television). Study visits and meeting new people - not necessarily Poles – shape the attitudes and behaviour of participants of these activities.

This argument is supported by answers provided by project participants to the question about which element they found most useful in their professional work. It turns out that 49% of participants i.e. the biggest number, found workshops in which they participated to be the most useful element, followed by visits to Poland (including internships - 30%) chosen by almost the same number (48%).

¹² Research of Institute of Public Affairs show that in 2013 36% of Ukrainians claimed that the last time they left their oblast was more than a year before the survey. For comparison, in Poland a similar declaration was given by less than 22% of respondents. The most mobile Poles constituted 53% of respondents, while most mobile Ukrainians - 32% of respondents.

Chart 13. Which element of the project was most useful in your work?



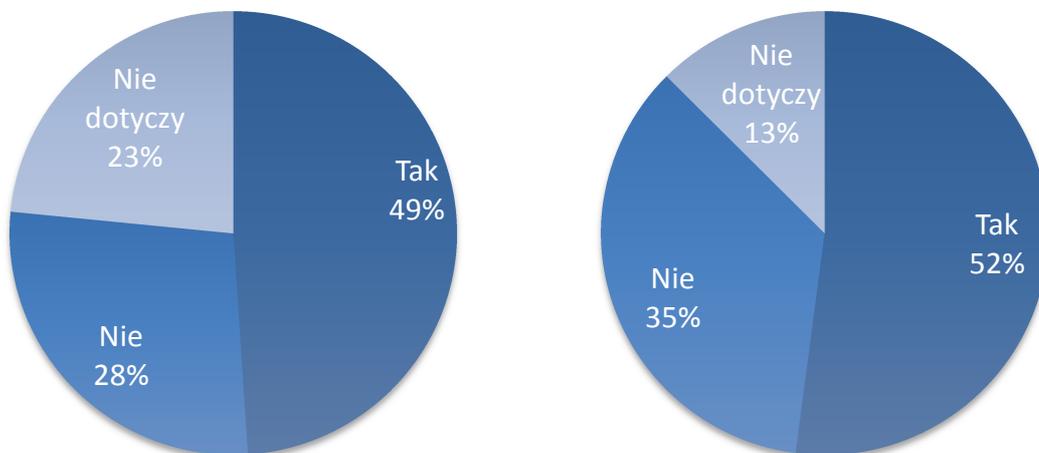
Source: CAWI survey [N=160]

One of the long-lasting effects of the projects is the continuation of cooperation established in the course of a project. Almost half of all participants declare that they are continuing such cooperation with institutions (49% of participants) and individuals (52% of participants).

Chart 9. Post-project Cooperation:

Lefts-side panel: Are you currently cooperating with the institutions you established cooperation with during the Project?

Right-side panel: Are you currently cooperating with the persons you have established cooperation with during the Project?



Source: CAWI survey [N=192]

Nie dotyczy – Does not apply
 Tak – Yes
 Nie – No

Materials published in paper form or on websites create a long-lasting effect. The organisation of the institution in the form of academic business incubators also reinvigorated the academic community and laid down the groundwork for creating a new business culture, which was its goal.

The results of the "Youth with Initiative" project proved to be long-lasting because of the publication of the drafted materials. However, project partners are not sure whether the methodologies they developed can be used in schools because their curricula do not include entrepreneurship classes. It is not yet clear how the Ministry of Education will react to these proposals. At the time of the survey these materials received a positive opinion from teacher training centres and non-governmental organizations working in the field of education.

The long-lasting effect of successive educational projects was ensured thanks to the creation of institutions - School Entrepreneurship Clubs, which organize extracurricular classes for young people, using materials developed during the project.

Also the project "Vinnitsya - region of active women" turned out to be an effective initiative. At the time of the survey, 55% of project participants were running their own businesses¹³ while at the start of the project almost all of them were unemployed. It is also important that participants are not only from Vinnitsya, where finding a job is relatively easy, but also from smaller towns nearby. Support for the development of entrepreneurship mainly by providing information proved effective.

Summary: the majority of projects have provided the participants with important experiences. Educational projects turned out to be very effective. Their main participants were teachers and other people involved in education, who are accustomed to continuing their education and improving their qualifications. Educational materials developed within the framework of these projects will be used by many people long after the projects are over. Beneficiaries' potential is effectively developed by activities within which Ukrainian teachers, entrepreneurs and young people have the opportunity to travel around Ukraine or visit Poland. Such visits strongly affect the imagination of people and help to make new contacts.

Do Polish interventions take into account activities supported by other donors?

The most important donors in Ukraine are USAID (US Agency for International Development), which has increased funds for the support of Ukraine over the last two years and the European Union (in particular programmes like ENPI, EIDHR). A Canada-Ukraine technical assistance programme has been in place since 2010. In 2011, the European Union launched a thematic programme called Civil Society Facility whose one half of budget (26 million euro) in 2011 was allocated to the eastern neighbourhood countries¹⁴. Other important donors include some EU countries like Poland (Polish Aid), the Netherlands (MATRA programme), Germany and Sweden (SIDA programme).

USAID interventions focus on:

- good governance, with particular emphasis on transparency, accountability and participatory approach to governance;
- economic development;
- improving the health of Ukraine's citizens.

Civil Society Facility is a programme supporting partner actions of organizations from EU Member States implemented together with organizations outside the Union. Its main focus is on promoting democracy and human rights by supporting civil society development in countries outside the EU¹⁵.

¹³ Information provided by the project coordinator during an interview.

¹⁴ Source: Orysia Lurseyvych, How to Finish a Revolution: Civil Society and Democracy in Georgia, Moldova and Ukraine. Russia and Eurasia, January 2013.

¹⁵ http://ec.europa.eu/enlargement/tenders/support-for-civil-society/civil-society-facility/index_en.htm - accessed on 30.10.2014

The Dutch programme called MATRA has the following thematic priorities¹⁶:

- Legislation and the rule of law;
- Public order / good governance / anti-corruption measures;
- Human rights and minorities;
- Information and the media.

SIDA programme focuses on supporting Ukraine's adaptation to the European Union, especially in terms of democracy, human rights and environmental protection¹⁷.

As evidenced by the above list, actions to support SMEs and education in the field of entrepreneurial attitudes can also be found in priorities of other Western donors, especially USAID and MATRA (in terms of relations of business-public authorities). Strategic support for the development of small and medium-sized enterprises is provided by the "Local Economic Development of Cities of Ukraine" project¹⁸, implemented under the support of the government of Canada, with the participation of the Federation of Canadian Municipalities.

Projects whose primary objective was to support specific small and medium-sized enterprises used the local Ukrainian grant programmes – e.g. for thermal modernization (PAUCI project for energy efficiency - 2012/221). Activities under another PAUCI project (2013/322) complemented the activities of the Kharkiv municipal authorities, which organise two-week training at the Beketov National University of Urban Economy for heads of housing cooperatives each year.

Summary: The scale of Polish development aid cannot be compared with the programmes financed by the biggest donors. Its importance lies in building strong Polish-Ukrainian partnerships, which have successfully operated for many years, and the fact that Polish aid complements actions by other donors, as it supports areas where they are not so active (e.g. education that develops entrepreneurial attitudes).

Which actions have helped the most to improve the image of Poland as a donor of development cooperation?

As mentioned earlier in the answer to the question about the long-lasting effect of project activities, Ukrainian participants of the projects are almost always satisfied with their participation and appreciate the fact that Polish organizations are ready to provide this assistance to them. The fact that there is little diversification in the educational experiences of Ukrainians and that their cooperation with people and organisations is usually limited to the local level increases the impact.

Ukrainian partners and project participants understand that Polish organizations are trying to share with them experiences that brought Poland success and they appreciate the value of such exchanges. Adapting Polish experiences to Ukrainian reality is considered difficult but feasible. The projects were always rated highly for their significance and for responding to the needs of the beneficiaries. Therefore, one can safely conclude that each successful project helps to build Poland's image as a donor of development cooperation.

Project participants in the field of business education stressed that in Ukraine there has always been a gap between scientific studies, business ideas and their implementation in real life. Both the social and institutional gap between the business sector and the education sphere in Ukraine was and is very wide. In this respect, projects which engaged representatives of both spheres were very well received. The projects have demonstrated that schools and entrepreneurs can work together in the process of transferring

¹⁶ <http://www.minbuza.nl/> - accessed on 30.10.2014.

¹⁷ <http://www.sida.se/English/where-we-work/Europe/Ukraine-/> - accessed on 30.10.2014.

¹⁸ <http://www.mled.org.ua/ukr/information/newsletter1> - accessed on 17.11.2014.

knowledge and youth education and that such cooperation is important and interesting for everyone. Every group has gained something from this cooperation. Such opinions were expressed specifically by the participants of two projects carried out by the Association Integration Europe-East (2012/373 and 2013/392).

In many projects, the educational role of their organization was stressed, namely the opportunity to observe the planning process and the implementation of projects, which were important for Ukrainian partners and project participants. Project participants were glad that they could observe how the emerging problems were solved. They had the impression that they could learn something about Poland and Poles, namely about the Polish education system or their approach to doing business, etc. We know very little about each other, even though we are neighbours¹⁹, and this education and information aspect needs to be strongly emphasized.

Study visits to Poland provided an opportunity not only to acquire additional knowledge, but also to meet people, like representatives of authorities of different levels or entrepreneurs. Apart from that, it was possible to observe people-to-people contacts, e.g. see how civil servants or entrepreneurs conduct themselves. Here, there are great differences between Poland and Ukraine and Ukrainian participants always pay attention to these aspects and remember them well. On the occasion of visits to various institutions (e.g. schools, offices) project participants noticed signs on many buildings which said that the European Union co-financed their construction or renovation. This was yet another argument for supporters of the "European choice" for Ukraine. All the participants were aware that their visits and, in general, the whole project were made possible thanks to MFA financing. All these positive impressions have helped to build Poland's image as a donor of development cooperation.

Unfortunately, there are also elements which seriously disturb this generally positive image of Poland short of destroying it. They are related to do with the whole procedure of applying for visas for project participants and the situation at road and rail border crossings.

Both partner organizations in Ukraine and project participants recalled many examples of situations when they felt humiliated by the Polish visa application procedures. Although visas are issued free of charge, the applicant has to pay 20 euros for the services of a visa centre which is a significant amount for most working citizens of Ukraine (bearing in mind that the average salary in Ukraine is several times lower than in Poland)²⁰. It also happens that an applicant is rejected on the grounds that he/she has provided unconvincing documents used to prove the purpose of the journey, financial status, etc. Another place where project participants experienced humiliating treatment by representatives of the Polish state was the border, especially when they were crossing individually or in small groups for study tours which were part of projects.

Summary: Ukrainians' perception of Poland is exceptionally good as confirmed by many studies. Polish development aid reinforces this positive image of our country. 1) According to beneficiaries, Poland is an example of successful reforms - Ukrainians are aware that the starting points of our countries were similar but today the differences in development levels are clearly visible. 2) Project offers made by Polish applicants are considered attractive; they are tailored to the needs of beneficiaries and valid at the time and at a particular place. 3) Project participants can see the methodological and organizational aspects, the style of work and ways of solving emerging problems. The participants feel that they are

¹⁹ The fact that Ukrainians know about Poles and Poland even less than Poles know about Ukraine (although the level of knowledge in Poland is not high) is proven by results of surveys published by the Institute of Public Affairs "Poland-Ukraine, Poles-Ukrainians. A look across the border" Warsaw 2013. (available in paper form and online on the Institute's website – www.isp.org.pl).

²⁰ In September 2014, a salary was around 3.5 thousand hryvnias, which is approximately 184 euro (according to the central bank rate from 17.11.2014 (http://www.nibu.factor.ua/ukr/info/socposobiya/sred-zarp-reg/sred-zarp-reg_14/ accessed on 17.11.2014). In Kyiv salaries are higher – around 6 thousand hryvnias.

finding out very positive things about Poland and Poles. 4) The negative aspects of participation in the projects are related to visa procedures. There were complains about the way Ukrainians were sometimes treated, the documents they were required to produce and the amount they had to pay for processing their visa applications.

What changes in development cooperation addressed to Ukrainian SMEs should be introduced in the context of the Ukraine–European Union Association Agreement?

The developments of 2013 and 2014 have shown that NGOs should have the possibility to effectively respond to the changing situation in the partner country. The Polish development cooperation programme is currently realised on the basis of multiannual plans, which in general are assessed positively by the applicants. There is no action plan in case of emergencies.

The signing of the EU-Ukraine Association Agreement has caught many institutions unprepared. SMEs in particular didn't know how they can benefit from this agreement. This also applies to local authority officials. According to the recently approved multiannual plan there is no place for such programmes with Ukraine (while it is possible to realise such programmes with Moldova).

Poland could provide support to Ukrainian SMEs in 3 areas:

1. Organization of business environment institutions (BEI) - in Ukraine there are different local development agencies, but they lack experienced staff that could support the development and creation of businesses. Moreover, these local agencies are very often under political influence. Newly created institutions, after proper training, could also provide support in terms of opportunities resulting from the Association Agreement.
2. Training young people in the field of entrepreneurial attitudes – assistance in reforming the education system to permit the development of entrepreneurship attitudes among young people in secondary schools at the least. This type of activity has been carried out on a rather wide scale, but the needs are enormous. It would be important to take the relevant action at the ministerial level, because in the long-term perspective, changes in the core curriculum will be required
3. Creating an investment offer.

Under the current system, local authorities may not levy local taxes, so they are not interested in developing entrepreneurship because there is no financial gain for them (which doesn't exclude other motivations e.g. the reduction of unemployment). This situation could change when administrative reform that will decentralise the State's finances is implemented.

Corruption and bureaucracy are the two biggest problems entrepreneurs in Ukraine face (the authorities often make it difficult to run businesses to encourage corruptive behaviour²¹). Assistance is also required in the area of uniform interpretation of the law, because to large extent it depends on the situation. Moreover, the fact that certain regulations are adopted on central level does not always lead to their functioning on lower levels. It is for these reasons, that small businesses, especially start-ups, desperately need legal assistance. These issues could be addressed by well-functioning business environment institutions.

Summary: Ukraine–EU Association Agreement may have a very strong impact on business environment in Ukraine. Without a doubt, opportunities resulting from accessing EU markets are very important. Obviously, these opportunities will also generate costs connected with the need to adapt to Western legal and sanitation standards. It seems, however, that SME's in Ukraine have other problems to deal with than European expansion. Own business for many Ukrainians is not so much a development tool

²¹ When transporting solar collectors across the border, beneficiaries had to deal with "difficulties" mounted artificially by Ukrainian officials who followed them up with a proposal to "settle the matter informally."

but, at first place, rather a way to survive the surrounding poverty. Therefore, if Polish development cooperation programme for Ukraine will consider supporting SME's, this support should be oriented to the development of business environment, as well as issues related to fighting corruption and creating legal conditions for functioning of SMEs.

Are recommendations of evaluators adjusted to problems and needs of the target groups?

The answer to this question was obtained thanks to the outcomes of a discussion on already developed recommendations, held during the strategic workshops with experts.

The most important recommendation, which is not only compatible with the needs of the target groups, but also results from the demands of both, Polish and Ukrainian partners, is a wider use of multi-annual projects (module projects) and it seems to be particularly important from the point of view of SMEs support. Projects in this field require the cooperation of many institutions, sometimes generate a lot of official paperwork, which are time-consuming and thus question the possibility to implement such a project within one year. It is worth noting that a project planned for one year actually means less than half a year of the project activities.

Proposal of amendment or reformulation of priorities of Polish development cooperation addressed to Ukraine caused controversy due to the fact that projects implemented under current development cooperation plan are very high rated, both in terms of quality of implementation, as well as their adequacy to the needs of beneficiaries. In particular, projects that included a business education component - and these were the majority of the evaluated projects - were considered as the most promising and universal, as they were independent from the current economic or political situation. The participants of the workshop discussion were afraid that reformulation of priorities might lead to loss of positive effects that have already been achieved through the implementation of educational projects. The importance and value of projects in this area could, however, be appreciated by defining the priority in such a way, that business education would remain in the scope of interest of the Polish development cooperation. However, it seems that there is a need to rethink the structure of support oriented to SME's development in Ukraine, so it would lead to noticeable changes in this area.

In addition to the areas of support for SMEs that were mentioned earlier, Ukrainian partners and project participants indicated the following three fields:

1. Transfer of good practices of running a business and in relations between businesses and local authorities,
2. Development of small business in rural areas, especially in "deprived regions." The idea is to boost the diversification of the rural economy and its partial reorientation from production (and, to a limited extent, processing) toward services. This includes the development of agrotourism, the so-called eco-tourism and everything associated with it. Ukrainians are aware that this area has been developing increasingly well in Poland and that many ideas have been successfully implemented. Both the oblast and the city authorities of Vinnitsya are very much interested in widespread cooperation in this field.
3. Cooperation in the area of energy efficiency, thermal modernization and all aspects of managing housing communities and management as such.

These changes could be brought about by demonstrating greater openness to new applicants, which can be done in two ways. One way is to encourage the greatest possible number of business organizations to seek partners in Ukraine and to apply for Polish development cooperation. Even though such efforts have been made the results are meagre. Perhaps business organizations are not interested in international cooperation of this kind. Then the second way is to become more open to Ukrainian organizations by creating

Ukrainian or Russian-language versions of the Polish development cooperation website. Perhaps it would suffice to post information about the calls for proposals (including a description of the terms of reference of these calls) on embassy websites and on Ukrainian NGO portals, for example GURT (www.gurt.org.ua), Hromads'kyj Prostir (www.civicua.org) etc. Thanks to the latter solution organizations in Ukraine could easily find out about the priorities of cooperation and seek partners in Poland for the implementation of projects in line with their vision of the needs of the target groups with which they are cooperating.

Summary: The majority of recommendations are consistent with both the needs of target groups and the demands presented by Polish and Ukrainian project partners. The recommendation to reformulate a development cooperation priority dedicated to supporting entrepreneurship raised controversies based out of/due to concern that access to financing very useful and highly appraised educational projects may be hindered. Ukrainian partners exceptionally highly value those projects that lead to sharing good practices. In particular, the need for sharing experiences from development of agrotourism and diversification of rural economy was identified.

2.3. Case studies

Project 2013/137: Young people with initiative 2 – innovative methods of teaching entrepreneurship in the Ukrainian education system

PROJECT DESCRIPTION: The project was a continuation of a project implemented a year ago called “Young people with initiative – the regional system of training entrepreneurship trainers in the Ukrainian education system” and was a sort of acknowledgement of the earlier project’s success. In 2014, another module of “Young people with initiative” was carried out. Experts, i.e. teachers, methodologists from the Ministry of Education and university lecturers participated in the project. The main participants were comprehensive school students and teachers, directors of these schools, methodologists from local education boards, representatives of the Teacher Training Institute and local governments from 8 oblasts in western Ukraine.

PROJECT RESULTS

- Developing Ukrainian instruments of innovative teaching of young people in the scope of entrepreneurship in the form of competitions, individually developed programmes, etc.
- Training of a group of Ukrainian entrepreneurship trainers to work with young people using such instruments.

The project has contributed to raising economic knowledge among students and their closest community. It encouraged young people to become active in civic matters (thanks to a competition requiring young people to become involved in extramural activities).

SUCCESS FACTORS

The best indicator of the project’s success is its continuation in the form of successive modules. These modules do not repeat the same activities, representing instead successive “stages of initiation.” The main factors that guarantee success are:

- **commitment of and excellent cooperation between the Polish and Ukrainian project partners.** The two organisations have been cooperating since 2012, but the Ukrainian coordinator began to implement projects with partners from Poland in 2005.
- **the project responds to the actual need of both direct beneficiaries and the social environment.** Not only students, but also people in their immediate surroundings have increased their economic/commercial knowledge. Some teachers involved in the project said that it was a pity that it was directed only to 9-11th grade students. In their opinion the basics of economic education should be taught at a much earlier age
- **ensuring the effect of multiplication.** Teachers and educators are used to continuous learning and improving their qualifications. They are interested in new approaches and in all innovative methods.
- **benefitting from Polish experiences.** It was important for all persons participating in the implementation of the instruments developed during the project that they were based on Polish experiences; have been tested and have been successfully operating in Poland. It is also important that Ukraine is a neighbouring and culturally close country. This makes one hopeful that successful economic reforms are possible there.

The “Young People with Initiative” project has led to several new initiatives:

- students took a draft of the “Map of the night city” to the city council and were given the possibility to use a part of the town’s official website and run it themselves,
- cooperation was established with a school in Poland and talks are now in progress about the details of this cooperation. Mutual visits of students have already taken place,
- lower secondary school teachers and students had the opportunity to visit different schools in Poland and to learn about their work methods and different ideas – this has had a very strong impact on their teaching methods and on their future professional development, in general,
- lower secondary school authorities are now drafting agreements to be signed with Polish education institutions under which students could continue their education in Poland.

Project 2013/40 Ministry of National Education and Lviv Oblast Institute for Post-graduate Training “School Academy of Enterprise 2”

PROJECT DESCRIPTION: School Academy of Enterprise is a multi-stage project. Project numbered 2013/40 is the second or “middle” stage of a multi-annual initiative whose final objective is to develop young people’s attitudes of entrepreneurship and skills needed to function in a competitive environment. The next stage was implemented in 2014. It involved different initiatives: preparation of teachers, introduction of changes to the core curriculum of comprehensive schools to include teaching of entrepreneurship and work with young people consisting mainly of organising School Entrepreneurship Clubs.

The project is also a continuation on a larger scale of earlier activities by the same partners who started their cooperation in 2005 by setting up School European Clubs. A total of 20 teacher training centres from 20 Ukrainian oblasts (10 of which continue their work began in the previous project – 2012/773, and 10 joined at the second stage). Therefore the project’s impact was felt across the country. A competition for School Entrepreneurship Club was run as part of the project.

PROJECT RESULTS:

- substantive results include: a) preparation of a network of trainers to provide systematic support to schools in vocational activation, innovation and entrepreneurship in Ukraine’s 20 regions; b) preparing school leaders – psychologists, economic teachers in the same 20 regions of Ukraine to be ready to provide support to students in the development of entrepreneurship and innovation

and c) implementation of instruments that support business education (an Internet platform, an e-learning course, a web page, a CD publication).

- the project also produced an important social effect by creating a network of community leaders – trainers and enterprise teachers from all over the country, who have excellent contact with each other, trust each other and are engaged in joint activities. This result cannot be overestimated in Ukraine where social divisions run deep.

SUCCESS FACTORS

The most important success factor was **an excellent identification and a correct diagnosis of beneficiaries' needs**. This was made possible thanks to long acquaintance and professional cooperation of the project leaders. They have cooperated earlier, also in a different institutional framework and are very well informed about the needs and shortages of Ukraine's education.

The results could not have been achieved without **the merit-based knowledge and professional experience of the project's Polish partner** (the Centre for Education Development was the direct partner). All project activities were based to a lesser or greater extent on Polish experiences in teacher training.

The **Ukrainian coordinator** is a very important person because he has contributed to the success of the project. Since he is well known and has great authority among education activists. People from all over Ukraine responded without hesitation to his invitations to cooperation during successive editions of the project. This was the case even though under "normal" conditions, the inhabitants of Ukraine's eastern Russian-speaking oblasts were reluctant to go to Lviv, a city "crazy" about the Ukrainian language²².

Project 2012/373 of the Association Integration Europe-East and Vinnytsia Regional Information Centre "Creative": ECO-OPERATION. Polish - Ukrainian partnership for waste recycling in the Vinnytsia and Khmelnytsky regions.

PROJECT DESCRIPTION

The project involved training 15 entrepreneurs from Vinnytsia and Khmelnytskyi Oblasts in waste recycling. This is one of the few projects covered by the evaluation study that concerned the promotion of entrepreneurship as such. Seminars and workshops in Ukraine and study visits to Ukraine and Poland were organised. Contacts were established between Polish and Ukrainian entrepreneurs thanks to these visits. Some of the entrepreneurs in the group represented medium-sized companies, which were getting ready to invest in waste treatment.

PROJECT RESULTS

- Entrepreneurs from Ukraine were trained in the field of waste treatment technologies²³. They realized that this is an area where much can be done in Ukraine (because so far almost nothing was done) and that support can be obtained from the outside, both in the form of advice and real cooperation between entrepreneurs;
- Business contacts between Polish and Ukrainian entrepreneurs were established;

²² "Lviv inhabitants are crazy about the Ukrainian language" is a stereotype that has little to do with reality which until recently was widely shared by people living east of the Zbruch River. It is hard to believe that this stereotype could actually hinder contacts between the inhabitants of the different regions of Ukraine. The events around Maidan partially changed the situation. This change was also made possible by activities such as the ones consistently carried out under the project discussed here.

²³ The training seminar can be watched on YouTube: <https://www.youtube.com/watch?v=JRbaZxNO15U> accessed from 17.11.2014

- The issues of waste treatment, as well as cooperation between entrepreneurs from Ukraine and Poland were discussed in the local press in Vinnytsia²⁴. This contributed to the promotion of the idea of organic waste management and had a positive impact on Poland's image;
- Website <http://ekooperacja.eu> was created and is still running, although the last thread is from the beginning of 2014;
- The success of the project ECO-OPERATION encouraged partners to continue their work in another project - Business for ecology, which includes the organization of a collection system for used batteries on a local level.

SUCCESS FACTORS

The Association Integration Europe-East and Vinnytsia Regional Information Centre "Kreatyw" have been cooperating for quite a long time, thanks to which Polish organizations are very well informed about the needs of Ukrainian beneficiaries. The Ukrainian partners are an active organization that is well known in the local community and was able to establish effective contacts with local entrepreneurs.

In addition, the project made references to recommendations of the Institute for National Security Problems in Kyiv and implemented environmental protection tasks that were important for Ukraine and the European Union. The project was favoured by Ukrainian and Polish local authorities on account of this.

2.4. Conclusions and recommendations

Recommendation	Method of execution	Problem addressed	Addressee
<p>The purpose of supporting the SME sector is worth considering</p> <p>If the support for the SME sector in Ukraine is continued, we recommend introducing the following changes:</p> <ul style="list-style-type: none"> - support should be more specifically focused (e.g. on the organization of business environment institutions, the development of investment offers, agrotourism, micro-entrepreneurship in rural areas) <p>or</p> <ul style="list-style-type: none"> - changing the name of the priority to better correspond to the actual measures being implemented (e.g. education in the sphere of entrepreneurship development) <p>pp. 11, 18-19, 21, 31-32</p>	Introducing changes to multiannual development cooperation plans	<p>There are approx. 1.2 million SMEs in Ukraine, almost all of which urgently need support.</p> <p>Considering the fact that the majority of projects now underway in this field provided indirect support to the SME sector, while direct support consisted mainly of business education (at school and student levels), it would be advisable if the names of the priorities reflected the actual activities implemented in their framework.</p>	Department of Development Cooperation, the MFA
<p>Encourage business organisations, institutions whose mission is to support the SME sector in Poland to</p>	One way to make business organisations more interested in getting involved in Ukraine is by organising a conference devoted to	Projects by organisations familiar with the problems of the SME community and which set themselves long-	Department of Development Cooperation, the MFA/ Polish business organizations and institutions active in the

²⁴ <http://www.myvin.com.ua/ua/news/region/16952.html> - accessed from 17.11.2014

Recommendation	Method of execution	Problem addressed	Addressee
<p>demonstrate interest in cooperating with Ukraine and to submit project applications.</p> <p>Pp. 12, 18-19, 21, 31 and 33</p>	<p>the needs of Ukrainian SMEs coupled with a presentation of good practices of supporting SMEs in the Eastern Partnership countries.</p> <p>Another possibility is to publish an “applicant’s guidebook” (in paper and/or electronic form), which would identify priorities. Such guidebook could be distributed among business organisations and institutions active in the business community</p>	<p>term goals connected with the development of this community were lacking. A strategic action to support the SME sector is lacking. There are actions that support this sector, but there are few initiatives that draw Ukrainian SMEs into cooperation and that try to resolve their problems.</p>	<p>business community</p>
<p>Online dissemination of information in the Ukrainian and/or Russian language about competitions (possibly including a guidebook for applicants) and dissemination of such information via the website of the Polish Embassy in Ukraine and/or portals run by Ukrainian NGOs (e.g. www.gurt.org.ua, www.civicua.org)</p> <p>pp. 18 and 33</p>	<p>Adding a Ukrainian and/or Russian language version to the existing portal www.polskapomoc.gov.pl. This language version does not necessarily have to be a faithful translation of the Polish language version – it could present some basic information about competitions, priorities for each country and the deadlines for submission of applications.</p>	<p>The scope of the subject matter of submitted project applications is limited by the imagination and knowledge of Polish organisations and institutions about what Ukraine needs. Reaching out with information about competitions to more Ukrainian organisations could help expand the list of Ukrainian partners involved in projects.</p>	<p>Department of Development Cooperation, the MFA</p> <p>Polish Embassy in Ukraine</p>
<p>More extensive use of module projects</p> <p>p. 32</p>	<p>The existing pool of module projects should be expanded to include the SME development priority to enable more projects to be carried out.</p>	<p>Institution-building requires time. In Ukrainian reality, a long time is needed to solve atypical problems of bureaucratic nature. Limiting the duration of projects to one calendar year eliminates some of them – those which require more time to do the groundwork and to properly implement planned activities.</p> <p>Measures addressed to SMEs are much more difficult to implement and carry a much greater risk that social projects, for instance. In order to achieve the desired results actions have to be phased-in over time. Comprehensive forms of support prove to be the most effective. The respective actions (project promotion, study visits, trainings to reinforce skills) should be implemented in the right order. This prolongs the project cycle.</p>	<p>Department of Development Cooperation, the MFA</p>
<p>Systematic collection of contact information about beneficiaries and project partners in compliance with the Personal Data Protection Act</p>	<p>Project authors should be obligated to collect contact information (residence addresses, telephone numbers and, if possible, e-mail addresses). To facilitate data collection, a form in the xls format or another generally applied format should be created.</p>	<p>In the course of the project’s implementation, access to contact information turned out to be very difficult. This was especially true in the case of beneficiaries. It was a serious limitation that hindered access to respondents.</p>	<p>Department of Development Cooperation, the MFA</p>