

ANNEX. Marshall Plan for Ukraine. Achievements and prospects

1. In 2017–2018, the Marshal Plan/European Plan for Ukraine was **presented in the major capitals of the EU and G7**, namely, Brussels, Berlin, Warsaw, Paris, London, Luxembourg, Copenhagen, Washington and Ottawa. Six visits to Kiev were organised and a number of meetings were held with relevant ministries and financial institutions to discuss the implementation of the Plan. During the meetings, Lithuania pointed out to the importance of adequate reform implementation and investment capacity. At Lithuania's initiative, round-table discussions between Ukrainian ministries and international financial institutions were held in order to discuss the main challenges of implementing the projects. In Brussels, the European Plan for Ukraine was presented to the main Directorates-General of the European Commission and commissioner offices, representatives of the European External Action Service and the Office of the President of the European Council. In addition, the Plan was publicly presented at the Centre for European Policy Studies, one of the major Brussel's think-tanks.
2. The Discussions in Brussels and Kiev revealed that the **committed and unspent funds of the international financial institutions** had gradually accumulated in Ukraine and currently amounted to EUR 8–9 billion. The Ukraine Reform Conference, previously held in London (2017) and Copenhagen (2018) will be hosted by Canada in Toronto in June 2019. At the Conference, Canada would like to discuss the issue of investment absorption, earlier raised by Lithuania, and propose the establishment of **an investment project management office** to supervise the implementation of major investment projects and to be presented as one of the key elements of progress. Lithuania would be offered to become a partner of the office. It is also essential to include this topic in further discussions with Kiev. The initial arrangements of the office could be discussed at the first Donors' Forum in Kiev (scheduled in December 2018). Canada would prefer Lithuania to host the Ukraine Reform Conference 2020, but Kiev has to be consulted too as a co-author of the Conference.
3. In the framework of the European Plan for Ukraine, Lithuania has focussed in particular on **investment training for project managers from Ukraine**. On 26 January 2018, the Central Project Management Agency (CPMA) hosted a training session, where the CPMA, *UAB INVEGA*, Public Investment Development Agency (VIPA), and Lithuanian Private Equity and Venture Capital Association (LT VCA) shared their best practice in project management and financial engineering with Ukrainian representatives. The training was also attended by major international financial institutions in Ukraine, namely the European Investment Bank, European Bank for Reconstruction and Development, World Bank, International Finance Corporation, and KfW. On 14 September 2018, LT VCA and CPMA organised the second portion of training dedicated for presenting investment projects. The best projects were invited to the Pan-Baltic Infrastructure Summit organised in Riga. In 2020, Vilnius is going to host the Summit. The training has demonstrated that our experience is of particular relevance to Ukraine today.
4. Following our intensive debate in Brussels and Kiev, on 25 April 2018, the European Commission offered Ukraine a Reform Contract for Investment requiring that the country fulfil three initial conditions in exchange for the opportunity to attract up to EUR 500 million to Ukraine's economy through the instruments of the European Investment Bank and the EU External Investment Plan. Ukraine has started the implementation of two out of the three conditions (strengthening of Energy Regulator and Business Ombudsman institution). The condition related to withdrawing of

the requirement for NGO anti-corruption activists to submit e-declarations remains unfulfilled. The implementation of the investment part of the Reform Contact has also started. The first projects are being selected for investment from the Neighbourhood Investment Platform and the EU External Investment Plan.

5. **Regional events.** Lithuania has received an informal proposal from the German Marshall Fund (GMF) to co-organise a regional forum in Kharkiv and co-found a regional fund for democracy and investment together with WNISEF (US) and Horizon Capital (US-UA) funds. This forum could be held as one of the regional events of the Ukraine Reform Conference.
6. **Export of Lithuania's best practice to Kiev and the geopolitical agenda *Ukraine 2027*.** **Along with an investment plan and incentives for economic growth, Ukraine also needs a political agenda leading to the EU membership perspective.** Such a geopolitical agenda should transform into an EU policy instrument for the next decade. For this, we must make use of the efforts by EU policy planners and future EU presidencies (Germany, Sweden, Poland, Lithuania, Latvia, and Estonia), as well as the experience of the Western Balkans agenda. We should aim at setting an EU accession date for Ukraine and other associated Eastern partners at the Lutsk Summit in 2029, which will follow the Lithuanian Presidency of the EU Council in 2027.
7. Besides the political goals of *Ukraine 2027*, **we must also enhance Ukraine's economic potential** and growth. Lithuania's capital investment in Ukraine is relatively small. However, Lithuania has the **know-how in the use of investments**. The Lithuanian CPMA possesses donor coordination and support administration skills, *UAB INVEGA* and *VIPA* hold investment instruments of the Juncker Plan while *LT VCA* is experienced in public-private investment partnerships and cooperation with international investors. The forces could be pooled under a permanent centre of excellence *Ukraine 2027* in Kiev, following the practice of such countries as Germany or the United States (Chamber of Commerce). Lithuania's engagement in programmes of other donors could also offer a great opportunity to take over the donors' best business practice and contribute to Ukraine's success story. The EBRD's account is among the most successful instruments of technical support in operation in Ukraine, which has backed visible initiatives, such as *ProZorro*, the public administration reform (reform teams in relevant ministries), the Business Ombudsman, support to the National Investment Council, assistance to *Naftogaz*, and state owned enterprises and financial sector reform.