

## **Methodology of the preliminary expert evaluation of the actions included into the reform matrix**

*Authors of the Methodology and Approach: Reforms Delivery Office of the Cabinet of Ministers of Ukraine, Kyiv School of Economics, Centre for Economic Strategy.*

*Informed by the World Bank methodology on economic growth diagnostics.*

*Expert group: Kyiv School of Economics, Centre for Economic Strategy.*

### **Objectives of the study:**

- 1. Clarify how the reform actions currently in the Reform Matrix can define Ukraine's future economic landscape of Ukraine*
- 2. Provide a holistic perspective on Ukraine's reform program, viewing it as an integrated whole rather than a collection of separate indicators*
- 3. Link reform actions to critical security, economic, and social needs, and create a mechanism for prioritizing and sequencing based on actual economic requirements. Assess the current balance between measures targeting immediate needs and those focused on future growth and recovery prospects*
- 4. Spot "bundles" of reforms that need to be implemented together, or spot the reforms that require investment or regulatory preconditions*
- 5. Connect reforms and investment programs in a way that maximizes economic growth*
- 6. Identify reform actions that fall short of achieving comprehensive structural reforms, as partial measures can be less effective than thorough reforms.*

### **Stages of analytical work to reach these objectives:**

- 1) **Stage 1.** Expert Qualitative Assessment – Quick Actions, Grouping/Bundling, Expert evaluation of the importance*
- 2) **Stage 2.** Economic Quantitative Assessment – before September – macro evaluation, sequencing based on criteria, dashboard*

### **Expert Qualitative Assessment**

This methodology describes in detail the steps of the expert analysis of the policies and measures included in the reform matrix. The analysis aims to estimate the economic impact of these reforms, taking into account various macroeconomic indicators and conditions.

**Step 1:** Defining the "goal/objective" of the reform

**Step 2:** Analyzing the goal and economic content of the reform for each condition

**Step 3:** Assessing the economic impact<sup>1</sup> of the reforms

Experts evaluated each indicator on a scale from 0 to 5, where 0 indicates no impact or relevance, and 5 indicates a very high impact or relevance. The ratings are based on

---

<sup>1</sup> The overall impact that the reforms will have on the country's economic condition

professional judgment, available evidence, and clearly justified analysis. This approach ensures a standardized assessment of reforms across various dimensions, taking into account the specifics and relative importance of each aspect.

Below are the measures by which experts evaluated each category of reform on a scale from 0 to 5 points:

### **1. Economic Growth:**

#### a) Supply:

- *Labor and Human Capital:* Assessment of the impact on labor force participation, skills development, and education;
- *Investment:* Assessment of the impact on domestic and foreign investment, capital accumulation, and infrastructure development;
- *Productivity:* Assessment of the impact on efficiency, innovation, and technological development.

#### b) Demand:

- *Export:* Assessment of the impact on international competitiveness, market access, and export growth;
- *Domestic consumption:* Assessment of the impact on consumer spending, disposable income, and consumer confidence.

### **2. Fiscal impact (short-term):**

- *Impact on government revenues:* Assessment of the expected change in tax revenues and other sources of government income;
- *Impact on government expenditures:* Assessment of the change in government spending and budget allocations;
- *Impact on fiscal balance:* Assessment of the expected change in the overall fiscal position (surplus/deficit).

### **3. Social impact:**

- *Impact on income distribution and poverty:* Assessment of the impact on income inequality and poverty reduction;
- *Impact on employment and job creation:* Assessment of the impact on employment opportunities and the unemployment rate;
- *Impact on access to government services:* Assessment of the impact on healthcare, education, and social services;
- *Impact on social cohesion and integration:* Assessment of the impact on reducing discrimination and promoting diversity.

#### 4. «Cost of political capital»<sup>2</sup>:

- *Resistance from interest groups*: Assessment of the level of resistance from stakeholders;
- *Public opinion and support*: Assessment of the level of public support or resistance to the reform;
- *Institutional and legislative barriers*: Assessment of the complexity of overcoming political and legal obstacles;
- *Implementation complexity*: Assessment of the difficulties in executing and implementing the reform.

#### 5. SEAL+ factors:

- *Security*: Assessment of the impact on national security, crime prevention, and public safety;
- *Energy*: Assessment of the impact on energy security, efficiency, and sustainability;
- *Market access*: Assessment of the impact on market entry, competition, and business opportunities;
- *Workforce*: Assessment of the impact on labor market flexibility, worker protection, and talent attraction;
- *Logistics*: Assessment of the impact on facilitating trade, transportation, and supply chain efficiency.

---

<sup>2</sup> Political complexity of the measure/reform implementation