

## Annex 1 - Description of the Action

**EU Support to the East of Ukraine – Recovery, Peacebuilding and Governance** (€25 Million of Action ENI/2017/040-554 implemented through indirect management by UNDP in partnership with UNFPA, FAO and UN Women)

ARD	Agricultural and Rural Development
ATCs	Amalgamated Territorial Communities (“hromadas”)
CoE	Council of Europe
CRSV	Conflict Related Sexual Violence
DANIDA	Danish International Development Agency
ECHO	European Commission Humanitarian Office
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ENI	European Neighbourhood Instrument
EU	European Union
FAO	Food and Agriculture Organisation
GBV	Gender Based Violence
GCA	Government Controlled Areas
GDP	Gross Domestic Product
GIZ	German Development Agency
GoU	Government of Ukraine
HCT	Humanitarian Country Team
IDPs	Internally Displaced Persons
KfW	German Development Bank
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
MinRegion	Ministry of Regional Development and Communal Services
MinSoc	Ministry of Social Policy
MoAPF	Ministry of Agrarian Policy and Food
MoTOTI	Ministry of Temporarily Occupied Territories and IDPs
MSMEs	Micro, Small and Medium Enterprises
NAP	National Action Plan
NGCA	Non-Government Controlled Areas
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OHCHR	United Nations Office of the High Commissioner for Human Rights
OSCE	Organisation for Security and Co-operation in Europe
PWDs	People with Disabilities
RC	Resident Coordinator (of the United Nations)
RPP	Recovery and Peacebuilding Programme
SDGs	Sustainable Development Goals
SIDA	Swedish International Development Cooperation Agency
TA	Technical Assistance
ULEAD	Ukraine Local Empowerment, Accountability and Development (GIZ/SIDA)
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children’s Fund
UNSCR	United Nations Security Council Resolution
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
USAID	United States Agency for International Development
VET	Vocational Education and Training

## Contents

1.	Description .....	3
2.	Context .....	4
3.	Lessons Learned .....	8
4.	Policy .....	9
5.	Stakeholders .....	13
6.	Intervention Logic .....	14
7.	Implementation Arrangement .....	14
8.	Management Arrangements .....	17
9.	Cross-cutting Issues and Quality Control .....	18
10.	Scope of the Action .....	20
11.	Expected results.....	24
12.	Multi-Annual <i>Indicative</i> Work Plan of Activities by Quarter.....	35
13.	Budget .....	45
APPENDIX 1 - Indicative Log frame matrix (from the EU's Action Document).....		46
APPENDIX 2 – Project Management .....		56

## 1. Description

**Title of the Action: EU Support to the East of Ukraine – Recovery, Peacebuilding and Governance (Decentralization and Governance; Economic Recovery and MSME Development; Community Security and Social Cohesion; Public Health)**

(€25 million of €50.5 million allocation for Action ENI/2017/040-554 implemented through indirect management by UNDP in partnership with UNFPA, FAO and UN Women)

**Budget: €25 million**

**Implementation Period: 48 months after signature of the agreement**

### **Sustainable Development Goals:**

- 1) End poverty in all its forms everywhere
- 2) End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
- 3) Ensure healthy lives and promote wellbeing for all at all ages
- 5) Achieve gender equality and empower all women and girls
- 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all
- 9) Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation
- 10) Reduce inequality within and among countries
- 11) Make cities and human settlements inclusive, safe, resilient and sustainable
- 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

**Partner Government:** Government of Ukraine, Oblasts of Donetsk and Luhansk

### **Government of Ukraine Priorities:**

- Responsive, efficient and accountable governance institutions are able to respond to citizens' needs and provide high-quality public services;
- Creating a favourable business environment, support development of small and medium enterprises, attract investments, facilitate international trade and enhance labour market efficiency;
- Recovery and peacebuilding in eastern Ukraine, which involves facilitation of socio-economic development of local communities to improve quality of life by strengthening their capacities and stability.

### **UN-Ukraine Partnership Framework 2018–2022 Outcomes:**

- By 2022, women and men, girls and boys participate in decision-making and enjoy human rights, gender equality, effective, transparent and non-discriminatory public services;
- By 2022, women and men, girls and boys, equitably benefit from integrated social protection, universal health services and quality education
- By 2022, all women and men, especially young people, equally benefit from an enabling environment that includes labour market, access to decent jobs and economic opportunities;
- By 2022, communities, including vulnerable people and IDPs, are more resilient and equitably benefit from greater social cohesion, quality services and recovery support.

### **European Union Strategic Documents (reference)**

- **EU Global Strategy, Council Conclusions, October 2016**
- **New European Consensus on Development - 'Our world, our dignity, our future', June, 2017**
- **EU Action Plan on Human Rights and Democracy (2015-2019)**

## **2. Context**

Four years after the beginning of armed conflict in eastern Ukraine, Donetsk and Luhansk oblasts (with an estimated combined population of around 6.6 million in 2013 and an area of about 43.000 km<sup>2</sup>) remain effectively divided between areas controlled by the Ukrainian government and non-government controlled areas, with an almost 500km long “contact line” separating the local population.<sup>1</sup> While most of Donetsk and Luhansk oblasts was at some point affected by military conflict, and anti-government elements had taken control of many cities and towns, the Government of Ukraine regained much of the territory by August 2014. Roughly a third of the region, mostly urban and industrial areas, remains controlled by non-state actors. The remaining two-thirds, mostly rural hinterland and smaller industrial towns, remains under the control of the Government of Ukraine.

Although a ceasefire and an outline for a political settlement were agreed in the Minsk Memorandum in September 2014 and a Package of Measures for its implementation was agreed in February 2015 (later endorsed by United Nations Security Council Resolution 2202 of 17 February 2015), no effective ceasefire has taken hold for any significant period. The parameters for a political settlement include the creation of a special status for certain areas of Donetsk and Luhansk oblasts, anchored in constitutional law, and the return of the entire area to Ukraine’s sovereign control and legislative supremacy. While the original target date of the end of 2015 for the required legislation and special local elections was not met, the parties agree that the Minsk process remains the only available option for finding a lasting settlement to the conflict.

The persistent ceasefire violations and related trade boycotts have only exacerbated the pressure on the productive and public sectors in Donetsk and Luhansk oblasts, which were hit disproportionately hard by the recent years of economic crisis. A large part of heavy industry and the mining sector are not operating, wiping out much of the economic activities in the oblasts and aggravating the overall decline of the country’s socio-economic situation. Real GDP fell by 6.8 per cent in 2014 and by 10 per cent in 2015: there has been a slight recovery in 2016 following this sudden loss of almost a fifth of GDP.

The reorientation to a competitive market economy has put significant pressure on Ukraine’s social fabric: protection mechanisms have failed to keep up with structural changes, while external and rural-urban migration have only exacerbated the challenges faced by state institutions. Accordingly, there is growing public scepticism that state institutions are able to protect the vulnerable or to provide compelling vision of how Ukraine’s largely poor population will be able to generate incomes and sustain families in the new economic order. These problems have been exacerbated by slow progress in the reform of public sector institutions, many of which have failed to modernize and often do not enjoy high levels of trust from citizens and are seen as being corrupt or mismanaged.

Two thirds (3.9 million) of the estimated 6.6 million residents of the two oblasts have been affected directly by the conflict, with most now in need of humanitarian and emergency assistance. By the end of 2017 there had been an estimated 10,000 deaths, more than 20,000

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<sup>1</sup> See UNSCR 2202 (2015) and UN General Assembly Resolutions for official UN positions.

wounded, more than 1.5 million persons internally displaced, and at least a million have moved abroad. Most of those displaced are elderly and women with children (78 per cent and 63 per cent respectively). Significant numbers of displaced and often vulnerable populations, such as pensioners, have returned to their homes in separatist-controlled areas. However, to keep receiving their pensions and other social benefits many continue to be registered in the government controlled area (GCA).<sup>2</sup> The Government's protection services do not extend to the non-government controlled area (NGCA), and in the GCA capacity and resourcing remain a challenge. Women's traditional gender role as carers is increasing the burden on women because of the growing challenges of caring for the elderly and disabled, the most vulnerable groups affected by the conflict who are largely unable to relocate. Social support services have collapsed or significantly eroded, thus limiting women's employment opportunities. The inability of men to meet their societal obligations as 'providers' and 'protectors' is associated with harmful behaviours (e.g. alcohol consumption, drug addiction and high-risk sexual activities) and an escalation in incidence of domestic violence. Other challenges in the militarized areas include sexual violence, transactional sex and unsafe sexual practices. A UNFPA survey (2015) confirmed the increased vulnerability in the conflict setting to various forms of violence – the proportion of internally displaced women reporting at least one instance of violence outside the family before their displacement was three times higher than that of local women during the entire conflict (15.2 per cent against 5.3 per cent of respondents). The situation is only aggravated by the shock rendered to the private sector, with many being more preoccupied with survival than with creating much-needed jobs and new economic opportunities.

While social fragmentation, prejudices, regional divides, and low levels of trust in local authorities and institutions existed prior to the crisis, these have been significantly aggravated as a result, particularly in Donetsk and Luhansk oblasts, and this has magnified Ukraine's pre-conflict fragility. Under conflict conditions, law enforcement agencies, security services, and justice institutions are ill-equipped to ensure the respect of human rights and the rule of law, mitigate disputes and tensions, and address crime and violence. Exposure to conflict-related violence has also caused widespread trauma that existing medical and mental health services are unable to address.

Recognizing the need to urgently address reconstruction, economic recovery and peacebuilding needs in areas affected both directly and indirectly by the conflict, in late 2014 the Government of Ukraine requested technical assistance and financial support from the international community to assess priority recovery needs. In late 2014, the United Nations, the World Bank and the European Union (EU) conducted a Recovery and Peacebuilding Assessment (RPA). The RPA looked beyond the immediate humanitarian needs to identify key priorities for recovery and building peace, and provided an initial framework for initiatives that focus on short to medium-term results. The EU, the World Bank and the United Nations thus agreed that programming priorities for the East of Ukraine should be: 1. Restoration of infrastructure and critical services; 2. Promotion of economic recovery; and 3. Social cohesion and peacebuilding. The RPA was endorsed by the Cabinet of Ministers in mid-2015, and formed the basis for the development of a State Targeted Programme for Recovery. The RPA's analysis and framework remain valid and have been used as the foundation for UNDP's *Recovery and Peacebuilding Programme*, including for the implementation of the 'Restoration of Governance and Reconciliation in Crisis-Affected

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<sup>2</sup> Reference UN OCHA Humanitarian Needs Overview, ECHO reports and reports of the OHCHR Human Rights Monitoring Mission.

Communities of Ukraine' Action (2016-18) programme, funded by the EU's Instrument contributing to Stability and Peace (IcSP), upon which this proposal builds.

The European Investment Bank (EIB) is providing financing for an Early Recovery Programme (ERP) multi-sector framework loan (EUR 200 million) targeting early recovery investments on critical infrastructure in affected areas and basic needs, to ensure decent living conditions for displaced people and host communities. Due to the complexity of planning and implementation, EIB has been working with UNDP to serve as a competence resource for successful management of the ERP at regional level and to support the preparation and implementation of sub-projects at local government levels.

### **Reforming local government**

On the government-controlled sides of both Donetsk and Luhansk oblasts, there has been a consolidation of governance structures since 2015, which has provided the basis for socio-economic recovery, and allowed the areas to participate in national administrative reforms, and in particular the decentralization process, one of the Government's main reform priorities. While the strains on local governance institutions in Donetsk and Luhansk oblasts are already enormous because of the conflict, they are not exempt from following the demanding schedule of the national reform process, including the territorial-administrative reform to consolidate units of local governance into Amalgamated Territorial Communities (ATCs or *hromadas*). To date, 9 ATCs have been established in Donetsk region, and 8 in Luhansk, with 30 and 17 respectively still to be created. No inter-municipal co-operation agreements have been put in place so far.

With continuing access to government resources and international assistance, the government-controlled sides of both oblasts have been showing signs of stabilizing. This allows governance structures to consolidate, and provide a basis for socio-economic recovery, including for the population displaced from the NGCA. However, the implications of national reforms on sectoral policies and administrations, such as the social, health and education sectors, have yet to be fully understood or appreciated by the wider population. After initial delays, the reform of local government through amalgamation and decentralization is slowly picking up momentum. Its success is expected to have major effects on the financial and administrative aspects of local governance, as well as service delivery and representation, and should boost the overall recovery effort.

The Ukraine Local Empowerment, Accountability and Development (U-LEAD) programme, supported by the EU and several of its member states, and implemented by GIZ and SIDA, is designed to support Ukraine's decentralization reforms and to emphasize "local empowerment, accountability and development." The EU/UNDP Community-Based Approach to Local Development (CBA) programme and the Restoration of Governance and Reconciliation Action funded by EU-IcSP have already made substantial and tangible contributions in this direction. The decentralization and local development activities included in this project, including gender-responsive budgeting, will be linked up more closely with U-LEAD, in particular its components focusing on policy development, capacity building and administrative services.

While implementation of these far-reaching governance reforms has begun, to date the results have fallen short of expectations. Strengthening the capacity of local governments by improving transparency, accountability and responsiveness to community needs, as well as gender equality and non-discrimination, are fundamental if decentralization and other reforms are to have a meaningful impact, especially in these two conflict-affected regions.

This entails improving service delivery, community security and social cohesion for the local population, particularly women affected by conflict and other groups at risk of exclusion and discrimination.

### **Promoting inclusive economic growth**

Failure to address the socio-economic development concerns related to the conflict will have serious implications in terms of increasing vulnerability and lost confidence in the state, and risk a renewed humanitarian crisis. The need to provide new employment opportunities for people formerly employed in heavy industry and mining in the region, including in agriculture and related businesses, is urgent. At the same time, the conflict has meant that bank lending, leasing, and other credits (including trade credit), has completely stopped in the region, and businesses are struggling to get access to finance and connect to markets in the rest of Ukraine and beyond. Inclusive economic growth needs to be advanced through support for micro, small and medium enterprises (MSMEs) and trade development.

### **Improving social cohesion**

The conflict has also significantly deteriorated social cohesion, which was already weak following years of divergent and politically charged narratives, and widened pre-existing divides between elites and the population. Accordingly, advocacy and investment in a narrative that gives the local population hopes of a brighter future are essential for mobilizing the public and ensuring support for the reforms from affected communities.

The conflict and profound security, social, economic and political crises have also deepened gender inequalities, created new protection challenges and undermined women's rights. Gender-specific aspects of particular concern include, but are not limited to: entrenched gender stereotypes and discrimination, which have deepened as a result of the armed conflict; and obstacles to fuller participation of women in decision-making with regard to community security, recovery, local development, service delivery, reconciliation and peacebuilding.

### **Supporting the localization of healthcare reform**

On 19 October 2017, Ukraine's Parliament approved Law 6327 "On state financial guarantees for the provision of medical services and medicines", which signalled the start of rigorous reform of the health care system in Ukraine. However, the success of healthcare reform depends on the regions that are responsible for the implementation of the new policies, regulations and by-laws, as well as implementation of the e-Health system strategy (still under development and being piloted). It is planned that Ukraine's National Health Service (NHS), which should be established in mid-2018, will have representatives in all oblasts that request additional support and promotion at the local levels.

The abovementioned healthcare reform brings new challenges to Donetsk and Lugansk oblasts, in addition to already existing issues, such as low access to healthcare services, limited access to specialized treatment and care, damaged medical infrastructure, an outdated governance system, lack of human resources, and high levels of corruption. Large inflows of internally displaced persons are stretching the already scarce resources in the healthcare sector. The forced relocation of hospitals has rendered significant medical equipment and facilities inaccessible, as they are now located in the NGCA. In addition, medical facilities are severely under-funded and the available resources are often deployed sub-optimally and inefficiently. Anecdotal evidence suggests that even financially secure

patients are forced to seek health care outside the region. This situation is further aggravated by the fact that most facilities also report a very significant shortage of staff. On the other hand, reforms in the health care sector are not effectively communicated to physicians and health officials in the eastern part of Ukraine, and some resistance will persist from the side of the healthcare professional community.

A significant part of the healthcare reform refers to a complete restructuring of emergency medical services (EMSs). EMSs in eastern Ukraine face significant problems with outdated equipment and lack of personnel, especially in the regions where the consequences of the armed conflict are visible on a daily basis and have negative effects on ambulance staff in terms of stress and emotional harm, often resulting in burnout. At the same time, both oblasts have existing educational institutions for nurses (including three medical colleges from which more than 200 students graduate annually in each region) and medical universities to prepare physicians (two universities have been displaced from the cities of Luhansk and Donetsk), which could address some of the shortages of staff in EMSs.

### 3. Lessons Learned

The EU's *Action Document for EU Support to the East of Ukraine* (from which this component is financed) cites important lessons learned. These lessons are incorporated into the proposed approach and intervention logic below. The lessons learned also inform the specific activities supported and are the primary motivations to programme these resources through the *Recovery and Peacebuilding Programme (RPP)* in a four-way partnership between UNDP, UN Women, FAO and UNFPA, as well as an increasing number of international partners financially supporting different components.

A **coordinated and integrated approach** is essential to avoid overlap between different interventions and to ensure consistency with national policies. Effective coordination, division of labour and information sharing is vital to avoid duplication and improve complementarity. The RPP is funded by eight donors and coordinated with the entire United Nations family through the Resident Coordinator's office and the Humanitarian Country Team (HCT), and has built a very close working partnership with regional and local authorities operating under the current legislation for a military-civil administration. It is therefore used as a coordination and single delivery mechanism that reduces the risk of duplication at regional and local levels. Coordination through the United Nations mechanisms also ensures that the effectiveness of interventions will be maximized in view of the humanitarian-development nexus.

In addition, as part of the project, RPP will further support the coordination capacity of Luhansk and Donetsk oblast administrations, establishing an effective donor coordination platform in each region to ensure complementarity and strategic oversight of all interventions, supported by the international development partners. The platforms will provide an avenue to link up individual interventions by donors towards comprehensive implementation of the Donetsk and Luhansk regional development strategies, supporting an integrated and consistent approach aimed at restoring the social and economic pillars of further sustainable development in the region.

The RPP is an effective tool for responding to the lessons learned regarding the role of **local governance and its relationship to the decentralization process**. One of the key strengths of the RPP, and the former EU-funded Community-based Approach to Local Development Programme (CBA) in the two oblasts, is the strong relationship built over the past few years with local government authorities and local communities in using **bottom-up**



**approaches.** This has been identified by the EU as a lesson learned and a contributor to effective implementation, and one that has gone a long way towards nurturing the emergence of a multitude of civil society groups in Ukraine.

**Access to finance** is an almost universal challenge for MSMEs. This is made significantly more difficult in a high-risk environment such as that in which businesses operate in eastern Ukraine. A technical assistance and grant scheme therefore will aim to reduce the risk and improve access to lending and investment by entrepreneurs. This is complemented by a close working relationship with KfW which will manage a technical assistance and loan guarantee scheme.

## **Policy Context, Stakeholders, Decision Makers and Beneficiaries**

### **4. Policy**

The proposal enjoys high-level support, as it is a direct response to the call by EU Foreign Ministers (Council Meeting meeting of September 2016) to increase EU support for the recovery, both immediately where possible and at a larger scale once the Minsk Agreement is implemented. The broad range of activities included in the proposed Action also responds to the multifaceted policies that converge in Donetsk and Luhansk oblasts, from responding to immediate post-humanitarian recovery needs to rolling out the complex reforms of governance and institutions, as part of Ukraine's overall reform process and the implementation of the EU-Ukraine Association Agreement. The proposed Action is ultimately intended to rebuild social cohesion and a higher degree of trust between state and society, which in itself is a prerequisite for lasting peace and long-term sustainable development in eastern Ukraine.

High-level policy support is vital for programme effectiveness and the sustainability of the programme interventions because the economic development components require conducive national policy and services. while the protection components require sustained support from governmental authorities.

The Action will **support and reinforce regional-national linkages in rolling out reforms and supporting recovery efforts.** Activities need to consider regional specificities but also to inform a comprehensive national approach that strengthens the capacity and authority of both regional and national authorities. Accordingly, programming focuses on activities at regional level that improve the capacity of regional and local authorities to participate in and benefit from national reform processes.

Activities respond to and support the following government sector policies:

- The State Targeted Programme for Recovery;
- The National Regional Development Strategy of Ukraine and the Regional Development Strategies of Donetsk and Luhansk Oblasts until 2020;
- The Sustainable Development Strategy and Agenda 2030; and
- The Human Rights Strategy and Action Plan.
- State Social Programme to Ensure Equal Rights and Opportunities of Women and Men
- National Action Plan for Implementation of UN Security Council Resolution 1325 on Women, Peace and Security

The project stems from a nexus of national and regional level strategic outcomes and objectives and is fully consistent with the targets included in the National Regional Development Strategy, the State Targeted Programme for Recovery and the regional development strategies until 2020 for Donetsk and Luhansk oblasts, among other strategic documents.

The Action directly corresponds to the main strategic elements of the *State Targeted Programme for Recovery*:

- 1 *Rehabilitation of critical infrastructure and social services*: the Action's various components and interventions are intended to contribute to recovery in the areas of education, healthcare, social protection, and social infrastructure.
- 2 *Economic recovery*: the Action will directly contribute to a) capacity-building in local economic planning, improving incomes and ensuring expanded reproduction of human potential; b) structural changes and support for micro, small and medium-sized businesses; c) increased access to financial services, in particular in the area of loans and micro-loans; d) promoting innovation and modern technological platforms; and e) creation of new high-tech jobs and raising the level of employment.
- 3 *Social resilience, peacebuilding and public security*: the Action will directly contribute to a) enhancing social cohesion and peacebuilding; b) promotion of civil society development; c) promotion of local self-governance in the context of decentralization; and d) protection of vulnerable groups, public security and access to justice.

With regard to the regional strategies for development, the Action, through its four interlinked components on decentralization, economic recovery, community security and healthcare reform, is directly promoting attainment of an end-state strategic vision foreseen in the Luhansk and Donetsk oblast strategies until 2020.

**For the Luhansk Oblast Development Strategy, the Action will contribute to achieving each of the four strategic goals as follows:**

1. *Resumption of access to critical infrastructure and services*: activities foreseen under Components 1, 3 and 4 will develop social services and healthcare infrastructure, and improve access to quality healthcare, education and social services
2. *Strengthening local authorities' capacity in the context of decentralization*: activities foreseen under Components 1, 2 and 3 will support the establishment of amalgamated communities and promote their further development, reinforce the capacity of communities to provide quality social and education services, and strengthen their capacity to ensure public safety
3. *Economic recovery and transition to sustainable development*: activities under Component 2 will support the development of local SMEs and improve their competitiveness, facilitate an increase in the productivity and efficiency of agriculture, and contribute to expanding its sales markets.
4. *Creation of favourable conditions for living and peacebuilding*: activities under Component 3 will create conditions for safer living, improve social cohesion in local communities and support open social dialogue at regional and local levels, strengthen the capacity of local communities for integration and ensuring equal opportunities for internally displaced persons and other vulnerable groups, including women and youth, and implement effective mechanisms to protect human rights, taking into account the consequences of the armed conflict and their impact on the local population.

## Donetsk Oblast Development Strategy

1. *Economic development and boosting employment*: activities envisaged under Component 2 of the Action will promote a favourable business environment, and promote structural changes in the region's economy.
2. *Building the capacity of local municipalities*: activities foreseen under Component 1 of the Action will support the implementation of efficient management systems at local level, promote and support the decentralization process, and enhance capability through the provision of quality public services.
3. *Human development, provision of quality social service and addressing IDP issues*: activities envisaged under Components 1, 3 and 4 will support local authorities to provide quality social services, support the development of a competitive market for social service providers, enhance measures of social support for internally displaced persons and the population affected by the conflict, develop healthcare infrastructure, empower youth, and promote sports and cultural programmes, among other interventions.
4. *Building a safer society*: activities foreseen under Component 3 of the Action will support the rule of law, access to justice and better protection of human rights; strengthen regional and local media institutions; and support the creation of modern systems for emergency warning, monitoring and response.

The Action's component supporting **decentralisation and local governance** (Component 1) stems from the successful completion of the first phase of EU-funded programming (2016-2018), which concentrated its support on 20 hromadas in both Luhansk and Donetsk oblast.

While maintaining its work with the previous pool of hromadas, to ensure sustainability of prior results, the current EU's contribution is intended to support the remaining 30 hromadas in Donetsk oblast and 17 hromadas in Luhansk oblast that are part of the relevant prospective plan but are yet to be amalgamated. The project will thus directly contribute to the completion of the amalgamation process in eastern Ukraine, provided that operational and security limitations in the area of military conflict do not prevent the holding of elections for the potential ATCs, and do not become a chronic hindrance to operational access for programmatic interventions. The new phase of EU-funded programming will focus on supporting gender-responsive local development with an active participation of women and men from vulnerable groups, creating sustainable local governments through amalgamation, developing the capacity of local authorities in the areas of strategic planning, local finances, gender-responsive evidence-based planning and budgeting, community mobilization for empowerment initiatives and provision of services to the population.

In addition, as part of Component 4 of the project, special attention will be paid to the **quality of healthcare services in the context of the healthcare system reform and decentralization process**. This component will directly contribute to strategic outcomes related to the reconstruction of critical infrastructure and social service provision. The project will thus support the capacity development of medical professionals, and pilot a new approach to health service delivery in at least three district hospitals, covering Luhansk oblast, the north and centre of Donetsk oblast and south of Donetsk oblast.

Issues related to **economic development and employment** will be addressed under Component 2 of the Action. Building on the current baseline of over 620 start-ups supported by the RPP, this programmatic component will create a network of service providers, improve market access for MSMEs, provide support to MSME investments and increase the quality of technical and vocational training in the region.

As a contribution to the above-mentioned national and regional strategic outcomes, it is expected that the Action will create an effective and widely accessible network of advisory, machinery and other service providers in both eastern oblasts, while access to markets for MSMEs in agriculture, business and manufacturing will be significantly improved. The network of supported institutions will be able to provide consulting support to MSMEs on business development, which is a driver of recovery and economic growth of the region. In addition, the project will ensure that access to credit and financing for self-employment and MSME development in the region is improved and became more flexible, in full coordination with other stakeholders supporting economic recovery in eastern Ukraine (including USAID and KfW).

Relevant strategic targets aimed at **enhancing social resilience, local initiative, peacebuilding and public security**, will be covered by Component 3 of the project. The new phase of the EU-funded programmatic interventions in this thematic field will focus on active members of community groups and civil society with an interest in promoting social cohesion, tolerance and inclusion. The new phase will build on a previous wave of community engagement in the grey zone, which resulted in community driven projects (smart security cameras, street lights installation and refurbishment of water pipes after shelling) in three locations in Donetsk oblast (Novhorodske, Sartana and Pavlopil), covering over 24,000 beneficiaries, as well as three locations in Luhansk oblast (Stanitsa Luhanska, Schastye and Popasna), covering approximately 48,000 beneficiaries.

While the project will remain open for supporting a wide array of community-driven initiatives, it will focus on in-depth interventions in at least two locations per oblast (Luhansk and Donetsk), where assessments show strong signs of social disconnect and lack of propensity for reconciliation. The selection will be based on the results of ongoing research under the United Nations Social Cohesion and Reconciliation Index for Eastern Ukraine (USE), which quantifies levels of social cohesion (both between communities, and between communities and state authorities) as well as propensity for reconciliation, including readiness for dialogue and peacebuilding. The project will continue working in the locations close to the 'contact line', building on the networks and partnerships supported through the creation of Community Security Working Groups (CSWGs) in nine locations (villages and small towns) in Donetsk oblast during the first phase. It is planned that at least five new locations in Luhansk oblast close to the 'contact line' will also be covered.

The project and its thematic components will preserve a flexible approach to contributing to national and regional strategic goals, stemming from potential future adjustments and the results of a mid-term review of the regional strategies until 2020, as well as the process of creating new 2020-2025 development strategies for Luhansk and Donetsk oblasts. Successful implementation of the regional strategies will also largely depend on political and security developments in the area of conflict, which will inter alia determine the EU-funded project's access and overall ability to support reform and attainment of the abovementioned targets.

Several other strategic policy documents are relevant for the context of project implementation:

- On **SME development**, the Ukraine-EU Association Agreement emphasizes strategies to support SME development. The Government has developed a 'National Programme for Small and Medium Entrepreneurship 2015-2020'. Both eastern regions have developed SME Development Strategies and have allocated funding to support MSMEs.

- The **Agricultural and Rural Development Strategy 2020** includes specific references to the development of value chains, particularly in the dairy and fruit and vegetables sectors, and confirms that SME agro-enterprises are the foundation of agricultural development. The Ministry of Agrarian Policy and Food (MoAPF) has also adopted agricultural development as a priority as have Regional Development Strategies in Luhansk and Donetsk oblasts, which were elaborated with EU/UNDP support in an earlier phase of the RPP.
- Two new laws “On **education**” and “On **vocational education**” focus on pivoting education policy more towards vocational skills and delivering the skills needed for economic growth.
- Laws of Ukraine on **gender equality and women’s empowerment**: The Law on Equal Opportunities for Women and Men (2005); The recent Laws on Amending the Criminal Code of Ukraine and Criminal Procedure Code of Ukraine and the Law on Preventing and Combating Domestic Violence (2017).

## 5. Stakeholders

The following stakeholders have been identified as being important for successful implementation and for enabling national ownership of the project deliverables.

### Stakeholders that Contribute to Implementation at Institutional Level and Ensure the Relevance of Programming:

- Regional administrations of Donetsk and Luhansk oblasts
- Local governments at municipal and hromada levels.
- Central government ministries (together with their branches at regional level) such as the Ministry for Temporarily Occupied Territories and Internally Displaced Persons; the Ministry of Regional Development, Construction, and Communal Living; the Ministry of Economic Development and Trade; the Ministry of Agrarian Policy and Food; the Ministry of Health; the Ministry of Social Policy; the Ministry of Education and Science; and the Ministry of Internal Affairs; along with the Parliamentary Commissioner for Human Rights (Ombudsperson Office) and the Office of the Commissioner on Gender Equality Policy.
- MSMEs and business intermediary organizations, such as Chambers of Commerce, at national and regional levels.
- Farmers' and other business organizations, input suppliers and various service providers (machinery, extension, business development, laboratories and so on).
- Banks (together with their branches at regional and local levels), leasing and possibly insurance companies.
- Institutions involved in the provision of professional education (vocational education and training (VET) institutions, State Employment Services, Regional Councils on VET).
- Local communities and their community organizations, citizens’ groups, women’s organizations and women’s self-help groups, and youth groups and organizations.
- Civil society organizations and NGOs
- Regional and local media
- Displaced universities from the non-government controlled area, their administrations, teaching staff and students, as well as affected tertiary institutions in the government controlled area.

### Institutional Beneficiaries:

- National, regional and local administrations, including Regional Development Agencies;

- Amalgamated Territorial Communities (ATCs) including their Administrative Service Centres (newly established and to-be-formed);
- Private sector institutions, such as partner banks and businesses;
- Institutions engaged in providing professional education.
- Community organizations, citizen interest groups, youth and women's self-help groups.
- Hospitals and clinics.
- Displaced universities.
- Local (radio or television) broadcasters.

**The final beneficiaries** are the whole population of Luhansk and Donetsk oblasts, including internally displaced persons, women and youth and residents of the areas closest to the 'contact line'.

## **6. Intervention Logic**

The general lack of belief in the capacity of public institutions to deliver a better future for citizens of the region is a sustained risk to stability in eastern Ukraine. If this risk is to be mitigated, decision-making in Donetsk and Luhansk oblasts needs to become more responsive to diverse citizens' groups and private sector needs, and contribute to a public-private partnership that brings jobs and wealth creation to residents of the region and to those displaced. This inevitably means that urgent attention is required to modernize and reform public organizations to make them citizen-centred and responsive to the differentiated needs of women, men, girls and boys.

After four years of conflict, citizens in eastern Ukraine are eager to look beyond humanitarian and emergency responses that, while essential, do not by their very nature invest in institutions that build confidence in the likelihood of a better future. Accordingly, transition to a recovery phase will require greater focus on the factors that drive ongoing instability in the region – even as violent conflict continues along the 'contact line' and the prospects for full reintegration and restoration of territorial integrity remain uncertain.

The Action therefore focuses on stimulating economic growth whilst improving protection of vulnerable populations, and particularly of women facing multiple forms of discrimination, whilst also investing in reform and institution building. The logic is that economic growth and job creation will create public support for programming and the Government in the region. However, such support will not be enjoyed unless there are visible signs that the Government and its donor partners are doing more to protect vulnerable populations. To deliver economic growth and protection, the cornerstone is reforming local public institutions so that they are responsive to both the needs of citizens and those of the private sector.

The Action consists of a comprehensive package of measures aimed at social and economic recovery of the GCA in Donetsk and Luhansk oblasts in Eastern Ukraine. This will be addressed through the provision of financial resources and technical assistance to both the public and private sector at national, regional and community levels. Recovery and development needs identified in this region are prioritized in the following sectors: decentralization and governance; economic recovery; social cohesion; structural adjustments; and information flows.

## **7. Implementation Arrangement**

The "Action" as described henceforth will be implemented by UNDP. The EU contribution will be entrusted to UNDP through a Delegation Agreement based on a indirect management

modality, attributed in accordance with Article 58(1)c of Regulation (EU, Euratom) No 966/2012.<sup>3</sup> UNDP may work in partnership with other UN agencies, international or local NGOs and civil society on the following components:

- Support for decentralization and local governance in both Donetsk and Luhansk oblasts under **Component 1**.
- Under **Component 2**, support for the establishment of a functioning network of service providers and the improvement of market access for MSMEs, as well as increased quality of provision of technical and vocational training in the region (Results 2.1 and 2.3); and support to MSME investments through a grant scheme (Result 2.2).
- Under **Component 3**, further support to local communities and citizen interest groups through a community-based approach emphasizing the empowerment of the most vulnerable women and men, engaging youth, allocating grants, and community security interventions.
- Under **Component 4**, support for the regional health care system and addressing the specific needs of the local population (Result 4.1).

The “Action” is built upon UNDP’s Recovery and Peacebuilding Programme (RPP), which is a jointly implemented project that has been supported (so far) by eight donors and the United Nations system. Successful implementation of the project vitally requires the trust of local and regional authorities as well as specialized skills to be in place at the local and regional levels, built by UNDP during implementation of ongoing development projects in eastern Ukraine. Implementing the project under the umbrella of the RPP means that the project benefits from established and well-respected relationships and capacities.

Additionally, it is also recognized that UN Women and UNFPA have developed significant comparative advantages in Ukraine in recent years, most notably in relation to advancement of gender equality and women’s empowerment, combatting and preventing gender-based violence and strengthening certain aspects of public health systems. Accordingly, UN Women will play a prominent role in implementing Component 1 with its in-depth expertise and experience of gender-responsive planning and budgeting and networks of women’s and gender equality groups and organizations. Together with UNFPA, UN Women will implement parts of Component 3 focusing on preventing and responding to gender-based violence, as well as supporting and ensuring quality control of activities under the other components. The FAO will play a prominent role in implementing Component 2, given its deep knowledge, networks and effective partnerships for promoting and strengthening agriculture value chains, including in eastern Ukraine.

The RPP also benefits from high-level links to United Nations humanitarian actors, making use of the United Nations Country Team and humanitarian coordination systems, and ensuring that programming is relevant to the humanitarian-development nexus. This is equally of benefit for building a bridge between activities on the ground and national-level responses. Finally, using the RPP for implementation will allow a smooth continuation of existing programme components and a rapid start-up of new elements, both because the technical resources are already in place and because the RPP has well-functioning and compliant procurement capacities, which are vital for implementation.

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<sup>3</sup> REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002

The diagram below shows how the different actors work in partnership to ensure effective implementation. Project management is performed by UNDP through the RPP structure. The RPP Programme Manager reports to the RPP board comprising the EU, other participating donors and United Nations agencies and oblast administrators. Central government representatives will participate as required. Implementation is integrated with each of the other three United Nations agencies through direct implementation, contracting, grant agreements or agreements with governmental authorities and CSOs. Other donors contribute to the RPP through direct contributions to the participating agencies and participate in the RPP Programme Board.

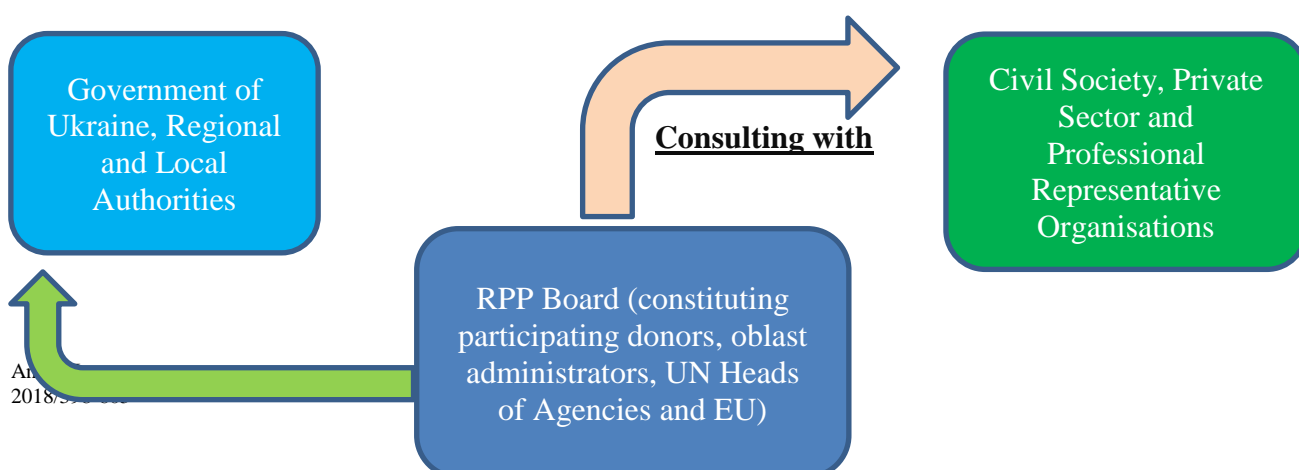
The RPP will lead efforts aimed at supporting the decentralization reform and the process of amalgamation of communities in Donetsk and Luhansk oblasts, complementing and reinforcing national-level efforts by the U-LEAD programme, funded by the EU and EU Member States, and implemented by GIZ and SIDA.

For almost a decade, the EU-funded, UNDP-implemented CBA Programme has acted as a 'pioneering' mechanism in both rural and semi-urban disenfranchised areas of Ukraine to engage citizens in participatory governance, improving the social and technical infrastructure of their communities.

Integrating these capacities into the broader framework is a logical continuation of what the EU and UNDP have managed to build up over the past decade across Ukraine, and in Donetsk and Luhansk oblasts in particular, and can add an essential component to developing a new system for delivering regional and local development. It is expected that the ATCs will generate new local government revenues and provide funding mechanisms for local infrastructure and social projects. Through RPP, UNDP has core competencies to contribute to efforts to provide ATCs with technical capacity for resource mobilization, and it can assist non-amalgamated communities on best practices at their current level.

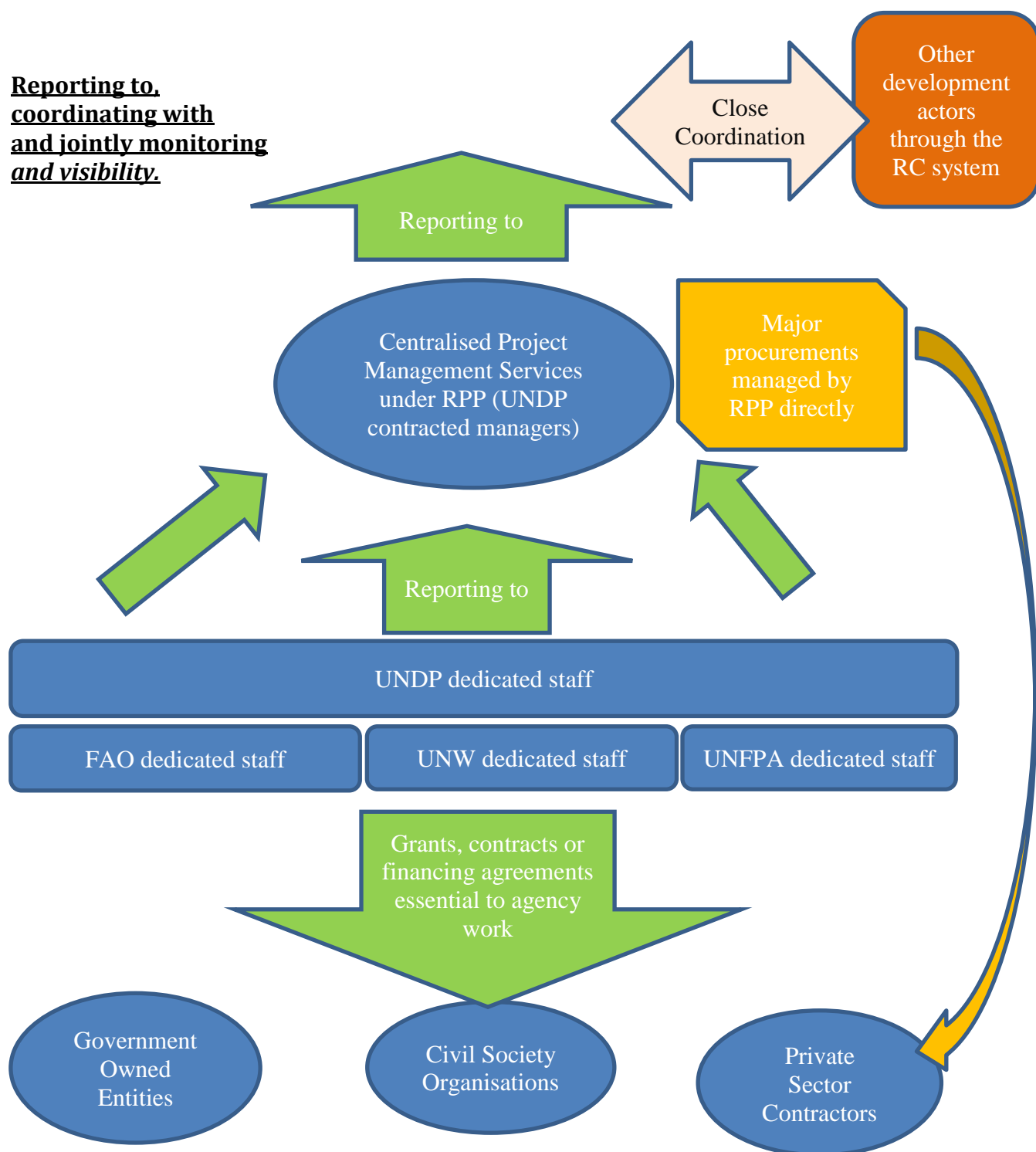
In order to achieve full integration of local governance reform and local development efforts in Donetsk and Luhansk, and to maximize potential for exchange of good practice with other U-LEAD departments and regions, a full alignment between the expanded RPP with U-LEAD will provide closer linkages to SIDA and GIZ through the Central Reforms Office (CRO)/House of Decentralization in Kyiv, and much closer collaboration with U-LEAD at the field level, in particular with the U-LEAD-supported Local Governance Development Centres (LGDCs) in Kramatorsk and Sieverodonetsk. UN Women will contribute to strengthening synergies with U-LEAD, through its on-going tri-lateral partnership on gender-responsive budgeting (GRB) at the national, oblast and hromadas level with the SIDA-funded GRB project and the National Democratic Institute.

Figure 1 Management and Implementation structure.





**Reporting to,  
coordinating with  
and jointly monitoring  
and visibility.**



## 8. Management Arrangements

The above diagram shows the lines of reporting and accountability for delivery. The RPP board is the governing body of the project and RPP's management team reports directly to the board on delivery. A designated RPP Programme Manager, supervising dedicated programme component leads, will be responsible for the components financed under this agreement. Major procurements, grants and financing arrangements are launched and implemented by the RPP management team directly. However, UNDP, UN Women, FAO and UNFPA also provide specialized technical resources that are contracted directly to the responsible agency. To ensure a single line of reporting and management, project staff and

technical assistants financed under this component will have their Terms of Reference adjusted such that they report directly to the head of agency and the RPP programme manager. Accordingly, performance will be jointly measured by the RPP programme manager and the respective agency head. Where possible the staff from the respective agencies will be housed in the same office as the RPP management team.

The standard approach is for all grants, procurements and financing agreements to be launched, managed and monitored by the RPP procurement unit directly.

Monitoring will be facilitated by the RPP management services. Monitoring terms of reference will also be required to consider inputs from the Government of Ukraine. A monitoring and evaluation officer is placed in the RPP management unit and will develop a detailed monitoring and evaluation plan, including elaboration of more detailed results, a baseline and means of verification based on the logical framework (in the annex) in the first quarter of implementation.

The RPP board will approve the visibility, advocacy and communication plans with the intention that these activities are coordinated with the senior management of participating donors and implementing partners.

The RPP board consists of participating donors, representatives of participating United Nations agencies and Luhansk and Donetsk oblast administrations. The board is responsible for governing the RPP, including approval of integrated work plans, monitoring, financial and performance reports. The board may include donors that finance recovery activities in eastern Ukraine as observers. This is considered to be an important step towards strengthening coordination and complementarity especially with other large donors not yet participating in the RPP (e.g. the USA and Canada). In addition, central government representatives will participate as required.

Components			
Local Governance	Economic Recovery	Community Security/Cohesion	Health
UNDP UN Women	UNDP FAO	UNDP UN Women UNFPA	UNDP

## 9. Cross-cutting Issues and Quality Control

Cross-cutting issues will be mainstreamed at the management level so that they can be addressed and incorporated throughout implementation. The high-level priority of ensuring that activities enjoy **national ownership and contribute to capacity development** will be implemented through a dedicated focal point, the RPP Programme Manager, reporting directly to the RPP board and coordinating with the service provider contracted by the EU under Component 4 of the Action.

The RPP Programme Manager will also ensure that programming challenges are raised with the UNDP Country Director and other Heads of Agency and participating donor Heads of Mission to contribute an evidence base to policy dialogue with national authorities. This focal point will also play a vital quality assurance role to ensure that activities at the local and regional levels are coherent with national policy and strategy, and in service to the overarching reform agenda.

The RPP is aligned with the United Nations Partnership Framework and forms an integral part of UNDP's Country Programme for Ukraine. It therefore closely interrelates with the Democratic Governance and Sustainable Development (Energy and Environment) programme components. The RPP will cooperate with the Democratic Governance portfolio on issues related to decentralization, public administration reform, access to justice, human rights, civic engagement etc. Health reform-related interventions will be closely linked to the overall support for national policy reform in this area and will be co-ordinated with the Ministry of Health.

A focal point from UN Women will be identified to ensure **gender mainstreaming** in all activities. The UN Women focal point will report directly to the RPP management on coherence, risks and challenges, particularly in the post-conflict environment.

A focal point from UNFPA will be identified to ensure **youth engagement as well as the needs of GBV survivors for protection and access to specialized services** feature in all relevant activities. The focal point will also ensure close coordination with other EU-funded youth-related activities implemented by other United Nations agencies (in particular UNICEF through an IcSP-funded Action). The UNFPA focal point will report directly to the RPP management on coherence, risks and challenges, particularly in the post-conflict environment.

A focal point from UNDP will be identified to ensure **community engagement and social cohesion** features in all relevant activities. This will also include a focus on maintaining a human rights based approach, promoting conflict-sensitive programming and compliance with the do-no-harm principles. The UNDP focal point will report directly to the RPP management on coherence, risks and challenges, particularly in the post-conflict environment.

Focal points will participate in and provide brief status reports on their respective priorities at monthly RPP management meetings. The focal point on national ownership will participate in all RPP governance meetings. The other focal points will report on progress and risks to the RPP governing board at least twice a year.

Representatives of the **private sector** and **civil society** will both be invited to participate in programming monitoring and feature in a dedicated section of all monitoring reports. The effectiveness of activities will thus be enhanced by civil society and private sector perspectives on the effectiveness of programming. Representatives from these non-state actors will also be progressively included in measuring success to improve dialogue and to engender a shared understanding of the challenges at hand and how best to address them. Raising the profile and strengthening the voices of these actors is essential for demonstrating national ownership of development outcomes and processes.

The **UN SCORE for Eastern Ukraine (USE)**, based on the Social Cohesion and Reconciliation Index (SCORE) methodology, will be utilized to enhance and complement monitoring and evaluation (M&E) tools by providing annual data and measuring impact at both the outcome and output level, primarily for Component 3 (Community Security and Social Cohesion) of the Action but also to inform programme design and M&E for the other components. USE provides both descriptive and predictive analysis by using statistical modelling techniques and a robust participatory methodology to: a) measure levels both of social cohesion (the extent to which co-existence between individuals in a society and the institutions that

surround them is harmonious) and of reconciliation (the propensity for groups in conflict to come closer); b) track the levels of these two indicators over time; and c) on the basis of the data generated, formulate evidenced-based policy and targeted programmes that respond more precisely to strengthen levels of social cohesion by addressing the root causes of conflict and preventing emergence and/or relapse of conflict in affected communities. The key indicators of social cohesion used to formulate the USE conceptual model are trust in institutions, their representativeness, economic security, political security, freedom from corruption, satisfaction with civic life, and human security. These factors will be measured annually through data collected through face-to-face surveys and validated in a series of stakeholder consultations.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be **monitored** on a quarterly basis, and a quality assessment shall record progress towards completion of the key results, based on quality criteria and cross-cutting issues detailed above. An Annual Review Report shall be prepared by the RPP Programme Manager and presented to the RPP Board.

A mid-term project review and final evaluation will be conducted during the fourth quarter of the second year and fourth quarter of the final year to assess the performance of the project, propose any necessary changes during implementation and contribute evidence to policy making. The cost of the review and evaluation will be financed directly by the EU through direct procurement.

## **10. Scope of the Action**

### **Strategic Approach**

The “Action” will be implemented as part of the the Recovery and Peacebuilding Programme (RPP). RPP is the unifying implementation framework, funded by eight international partners and implemented in eastern Ukraine as a partnership among several United Nations agencies. The Programme addresses priority needs in eastern Ukraine since armed conflict erupted in spring 2014, the opportunities derived from the Minsk Protocol of September 2014 and the renewal of its cease-fire provisions in February 2015. The RPP’s outputs are aligned with the United Nations Development Assistance Framework (UNDAF) 2018-2022, which in turn is aligned with national priorities and the 2030 Sustainable Development Agenda.

The RPP’s three thematic components (1. Economic Recovery and Restoration of Critical Infrastructure; 2. Local Governance and Decentralization Reform; and 3. Community Security and Social Cohesion) have been designed to be complementary and strategically aligned. The Programme includes a series of interventions to meet short- and medium-term recovery objectives while addressing the constraints and challenges that existed prior to the conflict. The continual volatility and fluidity of the conflict precludes a comprehensive recovery plan in the traditional sense. Programme implementation thus remains flexible, requiring a review of the scale and scope of recovery interventions to take into consideration the changing humanitarian, political, and security efforts. The programme team is taking these challenges into consideration and has integrated the following approaches into project design, implementation, monitoring and evaluation:

### **Programme-Based approach**

Interventions are devised that are consistent with the methodologies and guidelines identified within the programme-based approach and are multi-sectoral in nature, with a number of funding partners. National ownership must be ensured at all levels of the programme, from outcomes and outputs to activities and sub-activities. To this end, RPP has supported strategic planning exercises led by local, regional, and national government.

Analysis has also been conducted of the role of other international partners, geographically as well as thematically, with particular attention being paid to how the decentralization process is unfolding across the country. To avoid potential overlap and/or duplication, the RPP team coordinates its activities with the United Nations and bilateral development agencies through the United Nations Eastern Country Team (UNET).

### **Area-Based approach**

The RPP is being implemented through an area-based development approach, according to the following principles: (1) the areas affected most by the ongoing crisis are prioritized; and (2) recovery activities are tailored to meet the specific needs of target populations, with respect to the unique recovery and development challenges they face.

An area-based approach lends itself to the challenges of recovery. Context-specific practices are developed to aid recovery of conflict-affected communities, addressing their multi-dimensional needs and rights in terms of local governance, service delivery, livelihoods, civic engagement, infrastructure, energy, legal, justice, security, transitional justice and reconciliation.

### **Gender Mainstreaming**

A gender analysis is being conducted for each project within the RPP, with gender equality concerns fully and consistently reflected in project rationale and implementation. Gender mainstreaming is reflected in the design of activities and disaggregated reporting, monitoring and evaluation of impact and results is ensured.

In addition, the joint programming with UN Women, brings an even greater depth of expertise and targeted activities for gender-responsive budgeting and planning, advancing human rights and gender equality through community mobilization for empowerment and women's leadership and participation in local government; and significant synergies with UNDP activities on community security and social cohesion.

### **Key challenges**

The Action will contribute to addressing the following key challenges facing eastern Ukraine:

- Development of accountable and participatory local governance with fiscal and territorial decentralization is important, but communities are sceptical about the benefits of amalgamation, and are not well informed about how to access and develop local governance.
- People, especially women, do not feel safe and are not confident that peace can be achieved and sustained.
- Internally displaced persons, conflict-affected host communities and combatants and victims have suffered social and personal stress, and reconciliation will require effort and time.

### **Assumptions**

To work towards more resilient communities (including internally displaced persons), the theory of change is based on a number of external assumptions:

- There is sustained political willingness to seek solutions in the conflict-affected area;
- Ukraine's political leadership is committed to national reforms, conducive for economic recovery and regional development;
- Inclusive local governance under government decentralization policies is developed and seen as legitimate by communities;
- Sustained financial resources and endorsement by international community and government are available in a timely and consistent manner.

### **Risks**

In addition, there are a number of risks that may delay or prevent achievement of planned results:

- Significant escalation of conflict, which could undermine the willingness to move towards democratic governance;
- Amalgamation of communities under decentralization process is further slowed;
- Persisting corruption undermines trust in public institutions and leads to fiduciary risks;
- Lack of interest in reconciliation and recovery on the part of key players;
- Politicization by the Government and other actors of activities in the conflict-affected areas.

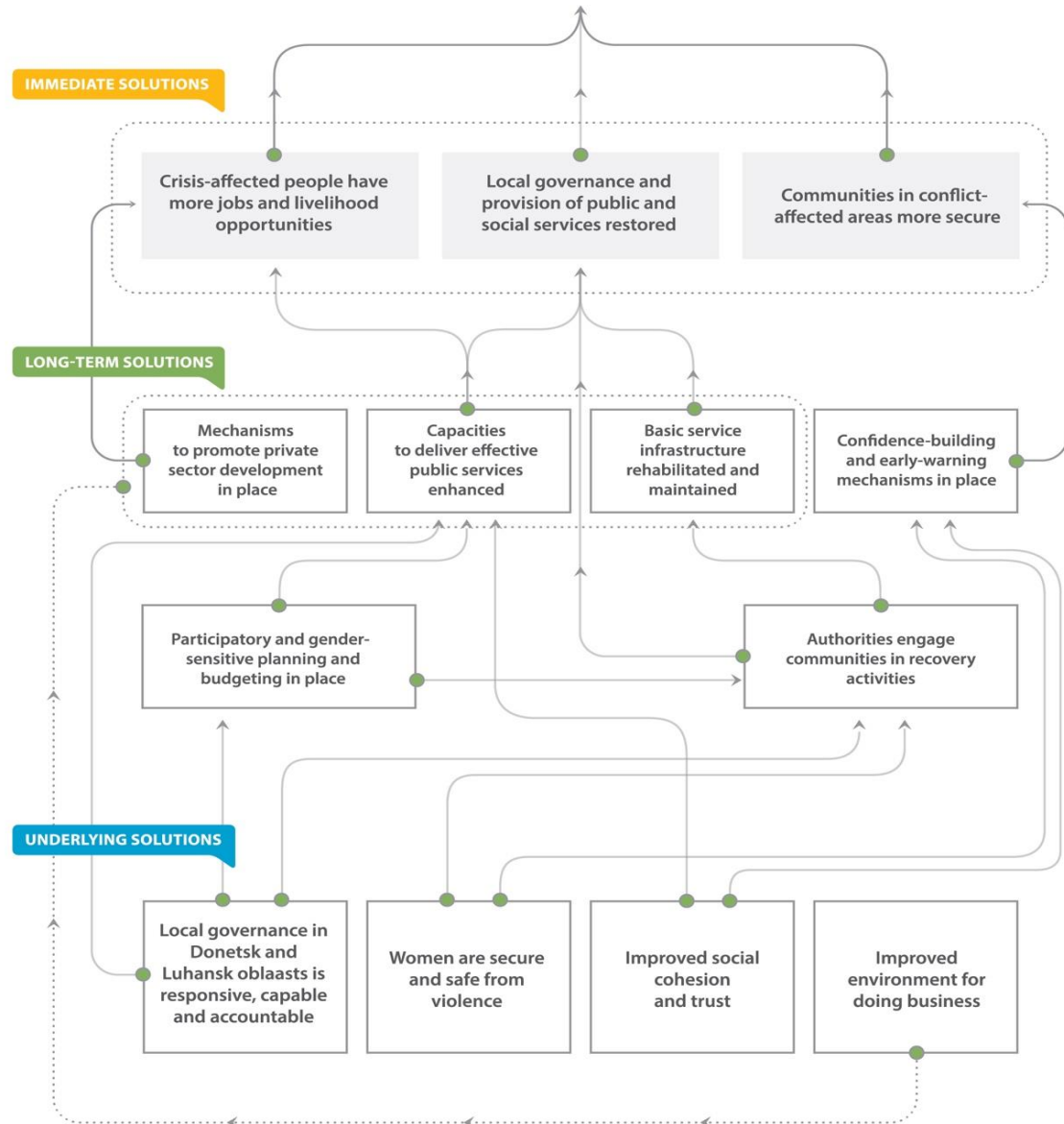
### **Theory of Change**

The long-term goal for eastern Ukraine is economic prosperity and lasting peace. To recover from conflict and the deep-rooted economic and governance problems and build a foundation for lasting peace, a number of underlying causes of the conflict must be addressed and reconciliation must be achieved among conflict-affected people and communities. The overall framework for the project's theory of change is presented in Figure 2 below.

As intermediate goals to address the causes, a) inclusive, responsive and participatory local governance needs development; b) social and productive infrastructure must be rebuilt and the economy redeveloped so that people's livelihoods and wellbeing will improve; and c) conflict-affected communities must regain the safety and social cohesion that has been lost over the past several years.

At the same time, the Government and communities need to continue to respond to the immediate needs of conflict-affected people and communities. This response, in addition to humanitarian assistance, involves reconstruction of critical infrastructure, contributing to the recovery of livelihoods, especially for internally displaced persons, and the rebuilding of social cohesion.

## Conflict-affected communities are more resilient



**Fig.2 Theory of Change Framework**

## **Overall Objective of the Action**

To contribute to peace, economic revitalization and reconciliation in Eastern Ukraine through social and economic recovery, with special focus on the Government Controlled Areas (GCAs) of Donetsk and Luhansk oblasts.

### **Specific objectives**

- 1) To enhance local capacity for gender-responsive decentralization and administrative reforms to improve governance, local development and the delivery of services.
- 2) To stimulate employment and economic growth by providing assistance to micro, small and medium enterprise (MSME) development through demand-driven business development services and professional skills training.
- 3) To enhance social cohesion and reconciliation through promotion of civic initiatives.
- 4) To support sector reforms and structural adjustments in health, education and critical public infrastructure to mitigate the direct impacts of the conflict.

## **11. Expected results**

### **COMPONENT 1 – DECENTRALIZATION AND GOVERNANCE**

The successful completion of the first phase of EU-funded programming, the “Restoration of Governance and Reconciliation in Crisis-affected Communities of Ukraine” project, jointly implemented by UNDP and UN Women, will directly contribute to the good implementation of the upcoming next phase. The EU’s contribution focuses on fledgling local government reforms in Donetsk and Luhansk oblasts. The programme aims at creating sustainable local governments through amalgamation, developing the capacity of local authorities in the areas of strategic planning, local finances, gender-responsive evidence-based planning and budgeting, community mobilization for empowerment initiatives and provision of services to the population. This positive momentum needs to be complemented and supported under the second phase of the programme through activities included under Component 1 “Local governance and decentralization”.

All activities under Component 1 will be implemented in co-ordination with the two Local Governance Development Centres (LGDCs) opened under the U-LEAD programme, funded by the EU. RPP has established a framework to align work-plans and activities with LGDCs and the U-LEAD head office in Kyiv, to avoid duplication or fragmentation of efforts. An MoU has been signed between UNDP Ukraine and U-LEAD (GIZ) to ensure co-ordination and sharing of best practices in developing local governance capacity and implementing decentralization reform. The stated purpose of the MoU “is to facilitate and strengthen collaboration between the Parties, on a non-exclusive basis, in areas of common interest, providing comprehensive and unbiased information on the decentralization reform agenda, increasing the awareness and the understanding of the objectives of the decentralization reform and thus promoting ownership and responsibility for the reform among the Ukrainian public.”

In addition, the participating United Nations agencies, following on from the experience of the RPP donor board as a coordination mechanism, will support, as part of the project and Component 1, the coordination capacity of Luhansk and Donetsk oblast administrations, establishing a donor coordination platform in each region, to ensure complementarity and strategic oversight of all interventions, supported by the international development



partners. The platforms will provide an avenue for linking up individual interventions by donors towards comprehensive implementation of the Donetsk and Luhansk regional development strategies, supporting an integrated and consistent approach aimed at restoring the social and economic pillars of further sustainable development in the region.

The main **goal** of Component 1 is to enhance local capacity for gender-responsive decentralization and administrative reforms to improve governance, local development and the delivery of services. Activities are aimed at achieving: nationwide decentralization reform processes; improved access to quality administrative and social services; and enhanced government capacity for participatory strategic planning and transparent implementation.

**Result 1.1** The nationwide **decentralization reform process** is fully implemented in newly established Amalgamated Territorial Communities (ATCs) in areas of Donetsk and Luhansk oblasts under the control of the Government.

The expected result is that hromadas' elected and appointed officials will have knowledge about human-rights-based and gender-responsive decentralization; hromada administrations will be well structured and functioning; and hromada administrations will have sufficient numbers of qualified staff. The local authorities targeted are communities in which hromadas are advancing and/or going through the amalgamation process.

This module is related to the creation of initial capacity for the newly created hromadas. Therefore, the measures are directed towards the orientation of newly elected leaders and increasing their knowledge of decentralization and the legal and institutional framework of local self-government, national policy and legal frameworks on gender equality and women's empowerment. Expert assistance will be provided to create an effective gender-sensitive administrative structure and optimal allocation of functions within local administrations. Training on organizational skills for administration employees is also planned. A methodology to be used in Donetsk and Luhansk oblasts will be developed to determine the number and functions of staff needed. A training event on gender equality in local government will provide opportunities to involve more women in government.

**Result 1.2** Better access to quality **administrative and social services** for all resident and displaced populations, including in the zone adjacent to the 'contact line', and for marginalized groups.

The expected result is that amalgamated hromadas will pilot models of Social Public Service Centres and models for mobile administrative service provision for small and remote settlements; Civil servants at local level will be acquainted with the knowledge and skills needed for effective service provision.

The sub-component envisages measures to solve the problems and difficulties in structuring the social services system at local level. The aim is to increase the number and diversity of social services, to find new models of service provision, to increase the number and capacity of institutions providing services at local level, and to actively involve consumers in planning, delivery and evaluation of services. Models will be piloted to create social service centres, service standards, the implementation of mobile administrative offices for small settlements, and to examine opportunities for provision of services by local NGOs. The training of employees of TsNAPs (Administrative Service Centres) will continue. Special focus will be placed on development and further implementation of e-Governance tools.

**Result 1.3** Government authorities' capacity for participatory **strategic planning, gender-responsive budgeting and policy making, transparent project implementation and policy making aimed at social cohesion** at regional and local levels is enhanced to increase public and private investments and promote inclusive economic growth.

The expected result is that in amalgamated hromadas, local authorities from Donetsk and Luhansk oblasts possess all the disaggregated data, analysis and tools needed to attract investors for local economic development

This sub-component of the programme is related to strategic planning of hromadas' future, stemming from available local resources. It involves identifying available resources and determining complementary development factors. Measures are envisaged to elaborate strategic planning documents, which play an important role in the development of the hromadas: not only when seeking to attract new investments, but also to develop the necessary infrastructure, to create conditions for efficient land use and to help resolve environmental problems.

## **COMPONENT 2 – ECONOMIC RECOVERY AND MSME DEVELOPMENT**

The main objective under Component 2 of the action is to foster economic revitalization in eastern Ukraine and, specifically, to stimulate employment and economic growth. The activities will include assistance to develop Micro, Small and Medium Enterprise (MSME) through demand-driven business development services and professional skills training, as well as restoration and strengthening of the institutional and educational infrastructure needed for effective functioning of agriculture and non-agricultural sectors of the regional economy. MSMEs in Donetsk and Luhansk oblasts are at risk of losing market share because of attrition of market competitiveness due to the lack of active networks and associations to conduct advocacy, lobby business interests and facilitate joint procurement practices and product shipment, all available to competitors in other regions of Ukraine and to competitors in external markets. Historically, this region has been dominated by heavy industry and large enterprises which had been independently lobbying their interests at the national and international levels. Therefore, the MSME sector does not have experience of coordinating joint efforts or implementing common projects. The conflict in eastern Ukraine has further weakened links between MSMEs due to the loss of the consumer market in the Russian Federation and the decreased economic and operational capabilities of the companies relocated from the non-government-controlled areas. To maintain the sustainability of the process, it is needed to ensure effective coordination of association creation, to strengthen their role in the region's business community and to facilitate their development of work plans and implementation of pilot initiatives.

**Result 2.1** Establishment of an effective and widely **accessible network of advisory, machinery** and other **service providers** and improved market access for MSMEs in agriculture, business and manufacturing.

The expected result is that an effective and widely accessible network of advisory, machinery and other service providers will be established, and access to markets for MSMEs in agriculture, business and manufacturing will be improved. The network of supported institutions will be able to provide consulting support to MSMEs on business development, which is a driver of recovery and economic growth of the region.

The lack of market appropriate business services and training has been a sustained challenge in eastern Ukraine. This problem has only exacerbated by the seismic shock to the local economy wrought on it by the (conflict-related) interruption of supply and value chains, and outward migration of skilled labour and knowhow. In the past few years, private sector organizations have engaged in sustained consultation with entrepreneurs, local and international development partners and a consensus has emerged on the need to urgently improve MSME access to training and business services that are relevant to the current context. Access to markets and expertise that are now in the NGCAs has been severely limited. This means that the survival of existing MSMEs depends on their ability to access non-traditional markets and source expertise from other areas. What this activity focuses on is strengthening the capacity of local private sector organizations to assist MSMEs to identify new markets and expertise, and develop and refine their products and services so that they can access new revenue streams.

**Result 2.2 Access to credit and financing** for self-employment and MSME development in the region is improved and more flexible to complement a loan guarantee scheme implemented by KfW.

The expected **result** is that access to credit and financing for self-employment and MSME development in the region is improved and becomes more flexible.

The MSMEs in eastern Ukraine are severely affected by a lack of financial resources for business development. The main cause of this is the status of conflict-affected territory and limited number of loan tools which could be used by MSMEs to fund development activities.

The small grants programme implemented by UNDP in the region revealed the existence of successful business ideas for MSMEs which cannot be implemented because of the lack of loans for the purchasing of equipment and materials. An assessment of barriers to MSME development conducted by UNDP in 2016 highlighted the problem of access to financial resources: more than 50 per cent of respondents prioritized it. Generally, limited access to financial resources and credit are typical for the region's economic sectors throughout the whole value-added chain.

The grant funds for businesses will be provided by KfW in partnership with Ukrainian banks active in the target regions. SMEs' access to finance in Donetsk and Luhansk oblasts could be significantly improved by encouraging banks to extend loans in Donetsk and Luhansk regions and by increasing the capacity and financial literacy of SMEs. Technical assistance from UNDP will enable the KfW component to deliver more effectively: participating banks will be supported by the technical assistance mostly in form of training of loan officers working in Donetsk and Luhansk oblasts, which will be elaborated in close cooperation with UNDP.

**Result 2.3 Provision of technical and vocational training**, including skill development for adults' re-deployment, is of increasing quality and adjusted to local labour market demands.

Since 2011 the Ministry of Education and Science of Ukraine has transferred powers and funds for initial vocational training of workers to the regional level. However, a mechanism to monitor the needs of the regional labour market has not been created in any oblast of Ukraine. Thus, vocational schools now provide training without any information about the estimated number of workers in different professions required by regional employers. Research on employers' needs (the regional labour market) is widely used in developed

economies. Such studies can provide a validation base for the allocation of funds for training from the state (regional) budget.

In Donetsk and Luhansk oblasts this problem has become even more critical due to the conflict in eastern Ukraine and the related severance of links between educational institutions and employers who are currently in the NGCAs. In addition, a significant number of educational institutions are also now “displaced” and are not equipped properly. Given the change in the structure of industry in Donetsk and Luhansk oblasts, regional employers face a lack of qualified personnel. In turn, regional VET institutions cannot meet this need because of the shortage in foreseen demand on the labour market and capacity for its fulfilment.

Under this activity methodological support will be provided to vocational education institutions to ensure that they are able to deliver revised education standards and corresponding courses in skills and competencies responding to local labour demands; and to increase the quality of services provided by the state employment service at national and local level to jobseekers.

At the same time, to put the VET development and investment plans in place, there is a need to build an efficient network of regional enterprises and MSMEs which will further provide employment opportunities for VET graduates. Such links would enable a rapid exchange of information on new technologies and modern equipment that should be included on training programmes to make VET graduates competitive and wanted by employers. It is important to ensure on-the-job training under the VET programmes, using the facilities of the regional enterprises and MSMEs. The selection of types and brands of equipment used during the training process should be discussed with the potential employers. Advanced training and development of Master of Vocational Training is also critical.

### **COMPONENT 3 – COMMUNITY SECURITY & SOCIAL COHESION**

The third component of the Action will concentrate on the following key transformations:

- Enhancing civil society contribution to local development with focus on security and justice service provision, making sure that people in the conflict-affected areas (including internal displaced persons) have capacities for and access to participatory decision-making and budgeting mechanisms for community security and access to justice at the local and oblast levels; and
- Improved access to security and justice providers, resulting in effective and streamlined services provided by capable institutions at the local, oblast and national levels.

UNDP and UN Women have been investing for some time in social cohesion and community building in partnership with the EU and other donors by implementing the Recovery and Peacebuilding Programme in eastern Ukraine. Experience and feedback received during implementation that has been validated in various studies (e.g. the USE and Security and Justice surveys) have revealed the following factors that now largely define the approaches towards promoting social cohesion and community building programming in the region: a) poor incentives and a paucity of good practices to replicate, b) lack of availability and accessibility of information, c) need for streamlining and improving of effectiveness of mechanisms for citizen engagement, and d) lack of ‘safe’ space for dialogue.

Analysis and other empirical studies have shown that trust in local/societal institutions is significantly higher than trust in central institutions. It also shows that improving service delivery requires a local approach, as the types of services that are in most need of improvement differ considerably from one territorial cluster to another.

Women and men in communities in Donetsk and Luhansk oblasts still do not trust the police. Local authorities, police and service providers lack effective coordination and interaction and do not consistently engage/consult with women and men from the communities. The local authorities and law enforcement bodies do not apply gender analysis in assessing community security concerns, and the local concerns of women and girls remain unaddressed.

The advancement of gender equality and women's empowerment is impeded by the patriarchal culture, discriminatory attitudes and gender norms, which impede the acceptance of women as legitimate and effective leaders. The needs and priorities of women and men, especially from vulnerable groups, are perceived as being neglected in decision-making processes related to community security and social cohesion. Regional and local decision makers lack skills and knowledge for participatory design, implementation, monitoring and evaluation of the recovery, peace, and community security measures.

The women, peace and security agenda has not been localized in the conflict-affected regions, and women's gender-specific and conflict-related needs are not effectively addressed through regional and local planning and budgeting. GBV (including sexual harassment and violence in public spaces) and conflict-related sexual violence (CRSV) are serious security concerns that have been on the rise since the onset of the crisis. Awareness, skills and knowledge of the law enforcement and local authorities to respond to GBV and CRSV are particularly low in the eastern regions.

On the youth side, very low involvement of younger generations in political and social life was noted. There are 14 million youth in Ukraine (aged 14-35 years) making up 30 per cent of the population, yet their active participation in politics at local, regional and national levels is lower than in other European countries. Young people are key drivers of social change. To ensure their participation in the future of their country, they must be empowered and given the ability to actively participate in governance processes at various levels, be politically literate, able to make sound judgement and understand global issues. It is hard to underestimate the long-term effects of their political engagement, particularly given the large differences between the younger and older generations in terms of their views on democracy, human rights, and peaceful co-existence.

Ukraine, with its protracted armed conflict, is in great need of peacebuilding and reconciliation. According to United Nations Security Council Resolution 2250 on Youth, Peace, and Security, it is not possible to build long-lasting security and stability without protecting the lives and dignity of young people, and meaningfully engaging them in issues of peace and security. To translate this approach into practice this global policy framework provides a set of guidelines to create policies for youth that would positively contribute to peacebuilding efforts, including for their social and economic development. It also calls on all relevant actors to establish mechanisms to promote a culture of peace and discourage youth from all acts of violence.

Programming under this component addresses the issues of scarcity of universally available and widely accessible security and justice services that reflect people's actual needs, and especially those of vulnerable groups of women and men (hampered by limited democratic space to enable voices to be heard and to ensure the accountability of decision makers).

**Result 3.1 A network of citizen groups** is established to promote social cohesion and sustainable socio-economic development, with a special focus on poor people, women, youth, elderly, marginalized ethnic and societal groups, and persons affected by violence and deprivations related to the conflict.

This activity will effectively identify target voluntary communities (with emphasis placed on communities in the 'grey zone' closest to the 'conflict line' or most directly affected by the conflict) so that these communities can be comprehensively engaged by the implementers (especially UNDP, UN Women and UNFPA for this component). The project will analyse data collected from community security networks of citizens in areas close to the 'contact line' in Donetsk Oblast that were supported during the first phase. A roll-out plan (based on initial collection of data) for newly identified locations in Luhansk Oblast will be prepared as part of this activity. This plan may include, inter alia, the following actions: 1) full-fledged work on community security and social cohesion with local stakeholders, 2) long term support to specific stakeholders to accomplish specific tasks, and 3) short-term support to specific stakeholders to address specific urgent needs.

**Result 3.2 Citizen groups' initiatives are financially supported.**

Activities will seek to operationalize a small grants fund (for community development and security initiatives, social cohesion, social integration, conflict prevention and peacebuilding, gender equality and GBV) with a particular focus on joint initiatives by local authorities and vulnerable groups such as: persons with disabilities (PWDs); women and girls facing multiple forms of discrimination, such as displaced women and women with disabilities; youth; older persons; internally displaced persons; and ex-combatants. The group will be guided by local working groups at hromada level and advisory councils at oblast level.

Work to achieve this result will also concentrate on boosting the sustainability of community-based and civil society organizations at local level, as those are still heavily dependent on continuous external financial support. At the same time, financial sustainability does not only depend on the diversification of funding sources, but also on the quality of work provided by CBOs. CBOs and CSOs are required to use reliable M&E and management frameworks for quality assurance, which in its turn will ensure that their services remain in demand.

Selected CBOs will be supported to prioritize and develop their own strategies based on strengths, weaknesses and opportunities, availability of resources and so on. By improving the quality of proposals, through better advocacy strategies and increased outreach, CBOs will be supported to gain resources from local budgets, national foundations and local businesses, but also to generate income (eco-tourism, micro-businesses, fundraising events and so on), mobilize volunteers and build partnership and networks with other similar organizations.

## **COMPONENT 4 – SECTORAL REFORMS AND STRUCTURAL ADJUSTMENTS**

### **Public Health Reform**

On 19 October 2017, Ukraine's Parliament approved Law 6327 "On state financial guarantees for the provision of medical services and medicines," which initiated the important and long-awaited process of health reform in Ukraine. The law introduces changes to the entire financing model of the healthcare system, switching to payments for services provided by individual doctors or medical facilities and replacing the old, input-based financing system (for infrastructure, number of beds and so on). It also aims at provision of higher quality care for patients, stronger emphasis on prevention and primary care rather than specialized treatment, and adequate salaries for doctors and nurses.

The first task of Ukraine's NHS under the health financing reform is to sign contracts with primary healthcare facilities or individual doctors (registered as private entrepreneurs) to purchase services at a fixed rate per patient. As a result, the annual payment from NHS for services provided will depend on the number of patients that have signed declarations with individual doctors (with minimum and maximum number of patients per doctor being fixed through secondary legislation). This financing model will provide opportunities for those who work more, provide quality service and manage well their own or their institutions' activities, to earn more. In addition, Ukrainians for the first time will have the opportunity to choose their family doctor irrespective of their official place of residence.

The success of healthcare reform depends largely on the preparation and initiative of regional and medical facilities' administrations, which are directly responsible for implementation of new national policies, regulations and by-laws at regional level. Implementation of a number of important elements of the new financing model will require new knowledge and capacity to ensure proper healthcare system functioning and service delivery. One of those elements, important already for the first stage of reform, will be implementation of the e-Health system strategy, which is a completely new way of collecting and handling medical information.

A transparent and clear communication campaign to explain the meaning and advantages of the reform will be crucial to overcome resistance and distrust from both medical professionals and patients who are used to the old routine. Improved quality and accessibility of services, especially in rural and disadvantaged areas, will require diligent planning, preparation and practical support to ensure successful roll out of this reform.

### **Implementing health system reform in Donetsk and Lugansk oblasts**

Recently adopted healthcare financing reform also brings new challenges and opportunities to Donetsk and Luhansk oblasts. This region not only suffers from generally low access to all types of public healthcare services, an outdated governance system and high levels of corruption, but also from very limited access to specialized treatment and care (tertiary healthcare), damaged medical infrastructure and shortages of medical personnel caused by the on-going conflict. The forced relocation of hospitals rendered significant volumes of medical equipment and specialists inaccessible, as the vast majority of highly specialized healthcare facilities remained in the NGCAs. As a result, often patients have to seek certain healthcare services outside the region. In addition, a large inflow of internally displaced persons, whose public expenses for healthcare are not properly accounted for in the regional budgets, is stretching the already very scarce resources available through the old financing system.

A significant shortage of medical staff is being reported not only among specialists, but also at primary care level. For example, there are only 520 family doctors in Donetsk Oblast (40

per cent of the number of doctors reportedly needed) and 160 family doctors in Luhansk Oblast (33 per cent of those reportedly needed). This suggests a need for specific measures to motivate other physicians (paediatric doctors or internal medicine doctors) to fill the current gap. In fact, there are 108 internal medicine doctors and 72 paediatricians in Luhansk Oblast and 222 internal medicine doctors and 168 paediatricians in Donetsk Oblast who potentially could be (re)trained as family doctors.

***Detailed implementation steps of healthcare sector reform lack an effective communication strategy*** for reaching out to physicians, health officials and civil society in the regions, especially in eastern Ukraine, where resistance to proposed changes is noted among the local administrators and medical community. A 2016 Public Expenditure Tracking Survey revealed that 64 per cent of rayon/city officials and over a third (38 per cent) of physician-managers could not answer questions about the planned reforms in the health care sector. However, with more information and official notes on reform coming out of the Ministry of Health, the situation is improving.

The healthcare financing reform is a very important sectoral reform also in the context of the successfully progressing decentralization process. Newly created and empowered local communities are expected to decide on certain aspects of healthcare service provision and accessibility at community level, so their active engagement in better understanding and supporting the proper reform roll-out in its first stage (primary care level) is desirable.

Reform of public procurement of medicines and healthcare products, including establishment of a new Central Procurement Agency (CPA) for medicines, is another important and urgent task for the Government of Ukraine to address. An earlier Public Expenditure Tracking Survey in Donetsk and Luhansk oblasts noted that **currently local hospitals are directly responsible for most medical procurement**, but the scarce resources available are used ineffectively and the procedures applied are too rigid.

### **Emergency Medical Service (EMS) Reform**

An additional element of healthcare reform is reform of emergency medical services (EMS). Free provision of EMS is included in the guaranteed benefit package<sup>4</sup> of medical services, introduced by the abovementioned Law in October 2017. The Law guarantees state financial coverage of EMS costs for all Ukrainian citizens, permanent residents and refugees. Currently, EMS are funded through two sources: pre-hospital services (dispatch centres and ambulances) are funded from oblast budgets; and in-hospital emergency care is funded from local budgets (depending on the type of hospital). According to the newly adopted Law, from 2020 all EMS services will be purchased centrally by the NHS. In February 2018, the MoH proposed a draft EMS Reform Concept, outlining how provision of EMS could be fundamentally restructured in the context of the introduced healthcare reform. The reform aims to improve cost-effectiveness and quality of EMS via better organization, smarter financial incentives and stronger links with primary and secondary healthcare.

### **EMS in Donetsk and Luhansk oblasts**

The emergency medicine in eastern Ukraine faces significant problems due to limited and outdated equipment and the lack of personnel, especially in the areas where the consequences of the armed conflict are visible every day. Ambulance personnel are

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<sup>4</sup> Emergency services, primary health care services (including essential medicines), child delivery services



negatively affected by the high level of stress and emotional load, often resulting in burn out and alcoholism. Capacity building and qualification improvement for healthcare professionals working in ambulances provided by international community in Donetsk and Luhansk oblasts could improve the quality of services delivered. At the same time, both oblasts have existing undergraduate and postgraduate educational systems for nurses and medical universities to train physicians (two universities have been displaced from the cities of Luhansk and Donetsk), which should be able to address some of the shortages of EMS staff (as well as family doctors).

### **UNDP expertise in health governance and reform promotion**

Capacity building activities are planned to support regional and local authorities in strategic planning and resource mobilization, as well as on transparency, integrity, anticorruption and best procurement practices. In addition, a health promotion campaign will be carried out to tackle post-traumatic disorders and reduce risk factors of non-communicable diseases that influence life expectancy, especially of the most vulnerable.

Based on its experience and capacities, and at the request of the Ministry of Health of Ukraine, UNDP has been mandated to conduct public procurement of medicines and medical products since 2015, applying the best practices in transparency, efficiency and accountability. Continuous support will be provided by UNDP to the Ministry of Health until 2019, when UNDP will progressively hand over the procurement of medicines to the Ministry of Health or the assigned state entity. The programme builds the capacity of government officials to support a transparent and cost-effective procurement system, which should also be rolled out to the local level. The lessons learned, and best international and national UNDP expertise and models of work will be introduced at the local level. Workshops and webinars on transparency in public procurement, sustainable procurement, supply chain management and public procurement legislation will be provided within the project.

Building on its ongoing work in the region, UNDP will deploy and adapt best international experience and practices to enhance the capacity of government officials. As a result, all the activities are directly targeted at improving quality of life and reducing mortality rates in eastern Ukraine. The project will have a bottom-up approach to developing and piloting the new models of work, referral system and good governance in healthcare at local level, and will be a pilot site for the ongoing transitions and newly developed policies and procedures of work with healthcare service decentralization. Close cooperation will be ensured with the Ministry of Health and oblast health authorities on healthcare reform promotion and roll out, as well as other relevant international projects, medical and patients communities and local counterparts.

**Result 4.1 The regional health care system** in both oblasts is effectively functioning in line with national reforms and addresses the specific needs of persons directly affected by the conflict, persons with disabilities and survivors of sexual and gender-based violence (SGBV). The health referral system/emergency medicine/ambulance services have been reinforced, including those for other marginalized groups.

The expected result of this activity is to roll out, promote and scale up the use of recently introduced financial mechanisms and good governance in implementation of healthcare system reform. The project will ensure that the methodologies and tools developed and approved by the MoH will be fully utilized during roll out of healthcare reform in Donetsk and Luhansk oblasts, while avoiding duplication and strengthening collaboration with the

ongoing projects of USAID, the EU, the World Bank and other organizations working in the two oblasts.

The project will also strengthen the capacity of local authorities for strategic planning and effective use of available resources; promote transparency, integrity and anticorruption practices; and introduce the best international practice in public procurement.

Patients' NGOs will play an important role in oversight and monitoring of the quality and accessibility of health services after the reform starts officially in July 2018. Public monitoring of the availability and accessibility of the essential medicines and primary health services will play a significant role in good governance, support rational use of medicines and improve access to treatment. The project will develop a tool kit on public monitoring from the beginning of the second year, which will be rolled out nationwide.

Activities will also concentrate on strengthening the capacity of health care providers to improve health services at all levels (medical doctors, para-medics, nurses) through training to update their professional knowledge, improve and develop new skills that are required to implement the health care reforms. The focus is on strengthening capacity to deliver better pre-hospital and emergency health care services; establish an effective (modernized) patient referral system; and improve capacity to address mental health and psychosocial factors to improve the health system's response to special needs, particularly of patients affected by the conflict. In addition, the project will seek to promote healthy life styles by raising awareness and introducing behavioural change communication among the most affected and vulnerable population, addressing prevention or early diagnosis of non-communicable diseases (cancer or diabetes).

**Complementary Result 4.2** Re-enforcement of the quality of the education system and of **universities and colleges displaced** from NGCAs, supported through a competitive fund managed directly by the EU. UNDP will aim to support this initiative through information dissemination, as well as, where applicable, training and capacity building of potential future applicant universities.

**Result 4.3** Improved capacity of government authorities for national coordination to cope with emergencies and issues related to the **structural disconnect in public infrastructure** between the Government and NGCAs, supported through competitive procurement managed directly by the EU.

### **Visibility and Communication:**

UNDP recognizes the need and commits to take all appropriate measures to publicize the fact that the Action has received funding from the European Union (and from other sources as may be the case). The Action's appropriate communication and visibility strategy is laid down in the "Communication and Visibility Plan" constituting Annex VI of the Agreement. UNDP will report on implementation of the Plan in its annual and final reports submitted to the Contracting Authority.

12. Multi-Annual <i>Indicative</i> Work Plan of Activities by Quarter																	
	2018			2019				2020				2021				22	
Activity	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Indicative Allocation of Activities' Budgets by Agency UNDP € 4,886,554 UN Women € 930,772
COMPONENT 1 – DECENTRALIZATION AND GOVERNANCE																	
1.1 <i>Nationwide decentralization reform</i>																	
1.1.1 Capacity development and technical assistance for local authorities in <b>administrative and fiscal decentralization</b> .																	
1.1.2 Capacity development support and technical assistance to manage territorial amalgamation and support the <b>establishment of new Amalgamated Territorial Communities (ATCs)</b> in government-controlled areas of Donetsk and Luhansk oblasts																	
1.1.3 <b>Assistance to local authorities and communities</b> in cities and towns as well as to the administrative centres of the newly amalgamated <i>hromadas</i> in <b>various fields</b> including: financial management and transparent budgeting and procurement, gender-responsive budgeting, key general administration functions and so on.																	
1.1.4 Identify <b>opportunities for interaction with other oblasts</b> which have already registered some successes and support the provision of policy-relevant feedback, methodologies and good practices which can be used nationally.																	
1.2 <i>Access to quality administrative and social services is improved</i>																	

1.2.1 <b>Capacity assessment, capacity building</b> and technical assistance to improve local public service provision (administrative, social, education, health and communal services) and support to internally displaced persons by local authorities and communities from cities and towns as well as the administrative centres of the (newly) amalgamated <i>hromadas</i> .																		
1.2.2 Design <b>organizational development plans</b> , provision of small <b>grants</b> for local service delivery improvement and <b>exchange programmes</b> for strengthening the institutional capacities of the city/town/ <i>hromada</i> local authorities.																		
1.2.3 Pioneer <b>innovative approaches and technologies</b> through an assessment of applicability, identification and development of e-tools for improving local services and increasing transparency.																		
<b>1.3 Government capacity is enhanced for participatory strategic planning and transparent project implementation</b>																		
1.3.1 Undertake <b>data analysis</b> for Luhansk and Donetsk oblasts to serve as a baseline, disaggregating data by gender wherever relevant; identify potential business development opportunities and value chains to be supported.																		
1.3.2 Build local government <b>capacity to plan local economic development</b> and investment based on participatory, inclusive and transparent processes.																		
1.3.3 <b>Ease legal, regulatory and tax framework</b> to encourage business start-ups and employment, and ease bankruptcy proceedings.																		
1.3.4 Technical support for the <b>Regional Development Agencies</b> of Donetsk and Luhansk for capacity development and procurement for public infrastructure projects using the ProZorro e-procurement system.																		
1.3.5 Support for the development of strengthened <b>anti-corruption measures</b> by local government in relation to public procurement at regional level, promote government transparency, and support civil society monitoring of government decision making and implementation of public policies.																		

1.3.6. <b>Capacity building</b> for local authorities to coordinate and support various institutional and non-governmental actors involved in recovery interventions; support for local NGOs and civil society.																	
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COMPONENT 2 – ECONOMIC RECOVERY AND MSME DEVELOPMENT																	
	2018			2019				2020				2021				22	
Activity	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Indicative Allocation of Activities' Budgets by Agency UNDP 6,397,095 FAO € 1,851,900
2.1 Network of service providers is established and market access improved																	
2.1.1 Train local service providers from various organizations (Chamber of Commerce, NGOs, State and private extension service, machinery service providers, social service providers) and provide practical advice and tailored training to MSMEs, including farms, agro-businesses and internally displaced persons. Emphasis could be on legal and tax requirements, preparation of business plans, energy efficiency, innovation and women in business. Skills assessment would be undertaken, including for the target value chains, to ensure that training meets requirements.																	
2.1.2 In target value chains, co-operation between MSMEs, farmers and other stakeholders is improved through the establishment of cooperation/service contracting schemes (including for machinery services) and, when feasible, assist the establishment and strengthening of producers' associations / groups / cooperatives to ensure their empowerment and participation in rural clusters. Focus would also be on womens' groups and women-owned business.																	
2.1.3 Ensure quality of locally produced products through investment (storage and packing), technical assistance and innovation. Support the marketing and promotion of local products through branding and potentially geographical indicator registration (if appropriate).																	
2.1.4 Investigate need for laboratory support, including the relationship between public and private actors, make recommendations for re-establishment of functioning food laboratory services (shared between the two oblasts), and strengthen local capacity through extensive training and provision of equipment.																	

2.1.5 Support the development of <b>trade links</b> between Donetsk- and Luhansk-based businesses and businesses in other regions of Ukraine by organizing and participating in business and investment fairs in eastern Ukraine and other regions of the country.																	
<b>2.2 Access to credit and financing is improved and more flexible as complement to KfW</b>																	
2.2.1 <b>Identify and assess opportunities</b> and needs for further investment among MSMEs, including in target value chains, and establish eligibility criteria for various investment projects and beneficiaries.																	
2.2.2 Set up a <b>grant fund</b> for businesses to facilitate their access to financial institutions' loan products to enable: machinery leasing; equipment purchase; on-farm activities; business and logistics' investments, seasonal trade credit, and so on.																	KfW Component
2.2.3 Provide <b>technical assistance</b> to elaborate credit appraisal process in partner banks, further build local capacities and ensure tailored training for MSMEs on financial literacy.																	KfW Component
2.2.4 Establish a <b>grant scheme</b> for seasonal trade finance (inputs), small investments in machinery, equipment and infrastructure through potential investment channels (grants, project co-financing and so on), based on pre-defined criteria.																	
<b>2.3 The technical and vocational training provide is of increasing quality</b>																	
2.3.1 <b>Analyse the vocational education and training (VET) system</b> , state employment service and local business stakeholders in terms of enhancing employability, disaggregating data by gender where relevant.																	
2.3.2 Based on the outcome of activities 1.3.1 and 2.3.1, <b>design curricula and develop capacity of staff</b> to deliver revised education standards and corresponding VET courses in skills and competencies responding to local labour demands.																	
2.3.3 <b>Capacity building</b> for state employment service at national and local level to increase the quality of service provision to jobseekers.																	

2.3.4 Conduct a survey of existing <b>VET</b> institutions in the region and propose <b>development</b> and <b>investment plan</b> aligned to the recommendations from activity 1.3.1.																	
2.3.5 Develop <b>links</b> between public institutions and the private sector to enhance employability.																	
2.3.6 Support <b>targeted rehabilitation</b> , including provision of necessary equipment, for a limited number of <b>VET institutions</b> and their accommodation facilities.																	



COMPONENT 3 – COMMUNITY SECURITY AND SOCIAL COHESION																	
	2018			2019				2020				2021				22	
Activity	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Indicative Allocation of Activities' Budgets by Agency UNDP € 3,169,345 UNFPA € 473,037 UN Women € 1,087,984
<b>3.1. A network of citizen groups is established to promote social cohesion and sustainable socio-economic development</b>																	
3.1.1 Identify target voluntary communities, with an emphasis placed on those communities in the 'grey zone' closest to the 'contact line' or most directly affected by the conflict.																	
3.1.2 Support target (amalgamated or non-amalgamated) communities to establish <b>community organizations</b> , which will be legally registered, organized in networks, and trained and mentored in determining and prioritizing local needs to be addressed by local budgets, including the regional development budget.																	
3.1.3 Provide technical support for <b>effective coordination and dialogue between law enforcement bodies and local authorities and communities</b> and support and build capacities and practices of local justice institutions to be more accessible and adaptable to the needs of the different groups, including the most vulnerable (internally displaced persons; women; survivors of SGBV; lesbian, gay, bisexual, transgender and intersex persons (LGBTI), Roma, persons with disabilities, and elderly persons).																	
3.1.4 Advocate for and promote civic voice and accountability initiatives, focusing on needs and rights of at-risk, vulnerable groups, including internally displaced persons, especially women, youth and elderly; LGBTI persons; including through a community mobilization for empowerment approach.																	
3.1.5 Support initiatives for intra- and inter-communal <b>dialogue on peacebuilding and reconciliation, reintegration of internally</b>																	

displaced persons, local governance and development of local media through a conflict-sensitive approach.																		
3.1.6 Increase awareness of <b>gender equality and women's rights</b> and build capacity for gender-responsive planning, budgeting and community security. Strengthen the capacity of women's groups to meaningfully participate in local recovery planning, development and community security decision-making/coordination, including in line with UNSCR 1325 on Women, Peace, and Security																		
3.1.7 Promote an <b>inclusive approach</b> to minorities and marginalized groups. Strengthen the capacities of civil society organizations advocating for these groups to meaningfully participate in local recovery planning, development and community security decision-making/coordination.																		
3.1.8 Support the development and broadcasting of quality television and radio programmes through local stations in order to relay reliable information in the region, and in particular along the 'contact line' (and preferably across it).																		
<b>3.2. Citizens' group initiatives receive financial support</b>																		
3.2.1 Establishment of a <b>small grant fund</b> aimed at providing financial support for citizens' groups and their initiatives, <b>including for integration of internally displaced persons.</b>																		
3.2.2. Support the <b>development of micro-project proposals</b> and resource mobilization in the community, sources of public funding and the private sector.																		
3.2.3 <b>Mentor micro-project implementation</b> and monitor use of small grants by beneficiary citizen groups.																		

COMPONENT 4 – SECTORAL REFORMS AND STRUCTURAL ADJUSTMENTS (HEALTH)																	
	2018			2019				2020				2021				22	
Activity	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Activities: € 1,689,799 Implemented by UNDP
<b>4.1 The regional health care system is functioning effectively at the regional and local levels and the specific needs of the local population are being addressed</b>																	
4.1.1 Provide support to local authorities and communities to <b>implement healthcare system reform</b> through informational, educational and capacity development activities for regional and local authorities, hospital staff and population (i.e. patients).																	
4.1.2 Build the capacity of regional and local authorities for <b>strategic planning</b> , effective use of available resources and resource mobilization for health care.																	
4.1.3 Build the capacity of regional and local authorities and healthcare providers for <b>transparency, integrity, anticorruption and best procurement practices</b> .																	
4.1.4 Ensure <b>patient oversight and monitoring</b> of transparency utilizing the public resources in the health sector, support their "watch dog" actions to defend health rights.																	
4.1.5 <b>Train</b> health care providers at all levels (doctors, para-medics and nurses) to ensure they have up-to-date professional knowledge and improved skills, and develop the new skills required to implement on-going medical and public health care reforms, in particular at the level of the pre-hospital and emergency health care, so a well-functioning modern patient referral system is created, training on mental health and psychosocial factors for responding to the special needs of people that took part in the armed conflict, and so on.																	
4.1.6 <b>Health promotion, awareness raising, and behavioural change</b> stimulation (especially among the youth), addressing the specific needs of the local population including: personal and close environment stress, psychosocial support to overcome the consequences of post-traumatic stress disorder, healthy lifestyle promotion and reduction of risk factors of non-communicable diseases,																	

fight against negative coping mechanisms (alcoholism, transactional sex, ...), and so on.																	
4.1.7. Continuation of support to <b>primary health care</b> : reinforcement of the health referral system through mobile clinics, supplying medical equipment and capacity building of medical staff and reinforcing the patient referral system. Further support for epidemiological surveillance, early warning system, and psychosocial care.																	

### 13. Budget

#### Indicative Budget Breakdown by Component and by Agency Split: Activity Costs, Management and Indirect Costs EUR

	Component 1	Component 2	Component 3	Component 4	Management Staff	Indirect 7%	TOTAL
FAO		€ 1,851,900			€ 178,045	€ 142,096	€ 2,172,040
UNDP	€ 4,886,554	€ 6,397,095	€ 3,169,345	€ 1,689,799	€ 2,295,283	€ 1,290,665	€ 19,728,741
UNFPA			€ 473,037		€ 109,697	€ 40,792	€ 623,526
UN WOMEN	€ 930,772		€ 1,087,984		€ 294,975	€ 161,961	€ 2,475,692
	€ 5,817,326	€ 8,248,995	€ 4,730,366	€ 1,689,799	€ 2,878,000	€ 1,635,514	€ 25,000,000

#### Indicative Budget Breakdown by Component and by Agency Split: Activity Costs, Management and Indirect Costs USD<sup>5</sup>

	Component 1	Component 2	Component 3	Component 4	Management Staff	Indirect 7%	TOTAL
FAO	\$ -	\$ 2,145,055	\$ -	\$ -	\$ 206,229	\$ 164,590	\$ 2,515,874
UNDP	\$ 5,660,095	\$ 7,409,755	\$ 3,671,052	\$ 1,957,294	\$ 2,658,626	\$ 1,494,978	\$ 22,851,801
UNFPA	\$ -	\$ -	\$ 547,919	\$ -	\$ 127,062	\$ 47,249	\$ 722,230
UN WOMEN	\$ 1,078,113	\$ -	\$ 1,260,212	\$ -	\$ 341,670	\$ 187,600	\$ 2,867,594
	\$ 6,738,208	\$ 9,554,811	\$ 5,479,183	\$ 1,957,294	\$ 3,333,587	\$ 1,894,416	\$ 28,957,500

<sup>5</sup> Exchange rate used EUR/USD, July 2018: 1.1583

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro/index\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/index_en.cfm)

## APPENDIX 1 - Indicative Log frame matrix (from the EU's Action Document)

The activities, the expected outputs and all the indicators, targets and baselines included in the log frame matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative log frame matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To contribute to peace and reconciliation in Eastern Ukraine through social and economic recovery, with special focus on Government Controlled Areas (GCA) of Donetsk and Luhansk oblasts.	<ul style="list-style-type: none"> <li>Real growth of Gross Regional Product (GRP) regional economies.</li> <li>Unemployment rates.</li> <li>Proportion of population below national poverty line (by sex / age / disability / population group including vulnerable groups such as internally displaced persons, LGBTI individuals and minorities).</li> </ul>	<ul style="list-style-type: none"> <li>2.3% in 2016, estimated 2.0% in 2017</li> <li>National and regional statistics.</li> <li>Employment statistics.</li> </ul>	<ul style="list-style-type: none"> <li>real growth year-to-year until 2025.</li> <li>decrease in unemployment rates year-to-year.</li> <li>vulnerable population reduced by 20 percentage points between 2017 and 2025.</li> </ul>	National statistics disaggregated for the region / two oblasts.  IMF/World Bank reports	

Specific objective(s): Outcome(s)	1. Enhanced local capacity for gender-responsive decentralization and administrative reforms to improve governance, local development and the delivery of services.	1.1. Proportion of population that expresses satisfaction with the quality and results of decentralization reform (by sex / age / disability / population group). 1.2. Proportion of population who believe decision making is inclusive and responsive (by sex / age / disability and population group).	1.1. 0% of people [2017]  1.2. TBD	1.1. 50% of people (at least 50% of women)  1.2. TBD	National and regional authorities' reports, plans and programmes  Statistical data  Sociological surveys  Project reports  Media report  Perception surveys	<ul style="list-style-type: none"> <li>• Region remains politically stable, current (May 2017), 'contact line' remains unchanged, and ceasefire agreement broadly respected.</li> <li>• Government of Ukraine continues reforms to improve governance and the business enabling environment.</li> <li>• Macroeconomic stability.</li> <li>• Prices, including agriculture output prices, adjusted for unusual seasonal price fluctuations.</li> <li>• The institutional and legal framework for agricultural products under geographical indicators requirements is operational by 2019.</li> </ul>
	2. Stimulation of employment and economic growth by providing assistance for Micro, Small and Medium Enterprise (MSME) development through demand-driven business development services and professional skills training.	2.1. Proportion of population employed by MSME (by sex / age / disability / population group) <ul style="list-style-type: none"> <li>• in Donetsk oblast</li> <li>• in Luhansk oblast</li> </ul> 2.2. MSME contribution to local economy (value added)  2.3. Proportion of agriculture in the GRP.	2.1. <ul style="list-style-type: none"> <li>• 10.4% of people in Donetsk [2017]</li> <li>• 3% of people in Luhansk [2017]</li> </ul> 2.2. TBC [2017]  2.3. TBC [2017]	2.1. <ul style="list-style-type: none"> <li>• 17% people in Donetsk (by sex and age)</li> <li>• 7% people in Luhansk (by sex and age)</li> </ul> 2.2. TBC  2.3. TBC.		

	<p>3. To enhance social cohesion and reconciliation through promotion of civic initiatives.</p> <p>4. To support sector reforms and structural adjustments in health, education and critical public infrastructure to mitigate direct impacts of the conflict.</p>	<p>3.1. Number of community organizations (COs), united into a network of citizen groups that demonstrate satisfactory social cohesion and sustainable socio-economic development.</p> <p>3.2. Proportion of population (by sex/age/disability/population group) that feel safe walking alone around the area they live in.</p> <p>4.1. Level of implementation of the healthcare reforms resulting in provision of better healthcare services for conflict-affected population ([Scale 0-4]: 1-Low, 2-Very Partially, 3-Partially, 4-Fully)</p> <ul style="list-style-type: none"> <li>in Donetsk oblast</li> <li>in Luhansk oblast</li> </ul>	<p>3.1. 0 COs [2017]</p> <p>3.2. TBC [2018]</p> <p>4.1.</p> <ul style="list-style-type: none"> <li>0 in Donetsk [2017]</li> <li>0 in Luhansk [2017]</li> </ul>	<p>3.1. 100 COs [2022]</p> <p>3.2. TBC [2022]</p> <p>4.1.</p> <ul style="list-style-type: none"> <li>4 in Donetsk [2022]</li> <li>4 in Luhansk [2022]</li> </ul>		<ul style="list-style-type: none"> <li>Gender equality national / regional / local priorities within reform implementation.</li> </ul>
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#### COMPONENT 1 – DECENTRALIZATION AND GOVERNANCE

<b>Output 1.1</b>	<p>The nationwide decentralization reform process is fully implemented in the newly established Amalgamated Territorial Communities (ATCs) in areas of Donetsk and Luhansk oblasts under government control.</p>	<p>1.1.1. Number of ATCs that have completed amalgamation process:</p> <ul style="list-style-type: none"> <li>in Donetsk Oblast</li> <li>in Luhansk Oblast</li> </ul> <p>1.1.2. Percentage coverage of the territory with capable ATCs with full volume of “new” competencies showing completion of formation of the basic LSG level.</p>	<p>1.1.1.</p> <ul style="list-style-type: none"> <li>7 ATCs in Donetsk [2017]</li> <li>4 ATCs in Luhansk [2017]</li> </ul> <p>1.1.2. 0% [2017]</p>	<p>1.1.1.</p> <ul style="list-style-type: none"> <li>39 ATCs in Donetsk [2022]</li> <li>24 ATCs in Luhansk [2022]</li> </ul> <p>1.1.2. 100% [2022]</p>	<ul style="list-style-type: none"> <li>Coordinated monitoring of decentralization reforms through Common Results Framework under Donor Board (MinRegion).</li> <li>Project monitoring and activity reports.</li> <li>Local authorities and communities reports;</li> <li>Media reports</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration of central, regional and local authorities to support the voluntary amalgamation process outlined in Prospective Plan and relevant MinRegion policies and guidance.</li> </ul>
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<b>Output 1.2</b>	Better access to quality administrative and social services for all residential and displaced population including in the zone adjacent to the 'contact line'.	<p>1.2.1. Proportion of ATCs that have Administrative Service Centres established and fully functioning;</p> <p>1.2.2. Proportion of citizens (by age/sex/disability/population group) satisfied with the quality of public services;</p> <p>1.2.3. Proportion of population (by age/sex) in conflict-affected areas close to 'contact line' with adequate access to public services.</p>	<p>1.2.1. 0% [2017]</p> <p>1.2.2. 0% [2017]</p> <p>1.2.3. 0% [2017]</p>	<p>1.2.1. 100% [2021]</p> <p>1.2.2. 80% (by age/sex) [2021]</p> <p>1.2.3. 50% (by age/sex) [2021]</p>	<ul style="list-style-type: none"> <li>• Project Monitoring reports.</li> <li>• Annual activity reports</li> <li>• Local authority and community reports, including statistical and budgetary data.</li> <li>• SCORE.</li> <li>• Media reports.</li> </ul>	
<b>Output 1.3</b>	Government authorities' capacity for participatory strategic planning and transparent project implementation at regional and local levels is enhanced to increase public and private investments and promote inclusive economic growth.	<p>1.3.1. Proportion of targets of Action Plan that Regional Development Agencies (RDAs) meet on annual basis</p> <ul style="list-style-type: none"> <li>• in Donetsk Oblast</li> <li>• in Luhansk Oblast</li> </ul> <p>1.3.2. Proportion of members of working groups that are representatives of local population groups, including vulnerable groups, (by sex/age);</p>	<p>1.3.1. Both RDAs established but not operational</p> <ul style="list-style-type: none"> <li>• 0% in Donetsk [2017]</li> <li>• 0% in Luhansk [2017]</li> </ul> <p>1.3.2. 0% [2017]</p>	<p>1.3.1.</p> <ul style="list-style-type: none"> <li>• 80% of targets in Donetsk [2020]</li> <li>• 80% of targets in Luhansk [2020]</li> </ul> <p>1.3.2. 50% [2021]</p>	<ul style="list-style-type: none"> <li>• Project Monitoring reports.</li> <li>• Annual activity reports.</li> <li>• Local authorities and communities reports, including statistical and budgetary data;</li> <li>• RDA reports.</li> </ul>	<ul style="list-style-type: none"> <li>• RDA-related legislation is adopted and RDAs are fully staffed.</li> <li>• Anti-corruption measures are rigorously applied.</li> <li>• Staffing of local authorities remains stable.</li> </ul>

		1.3.3. Proportion of funding allocated by the state to implement the adopted strategies and action plans;	1.3.3. 0% [2017]	1.3.3. 80% [2021]	<ul style="list-style-type: none"> <li>Media reports.</li> </ul>	
		1.3.4. Number of ATCs that adopt gender-responsive strategies/practices.	1.3.4. 1: Lyman ATC Statute and programme on social-economic development [2017]	1.3.4. TBD by 2018		
<b>COMPONENT 2 – ECONOMIC RECOVERY &amp; MSMEs DEVELOPMENT</b>						
<b>Output 2.1</b>	Establishment of an effective and widely accessible network of advisory, machinery and other service providers and improved market access for MSMEs in agriculture, business and manufacturing.	<p>2.1.1. Number of business development and extension service providers that strengthened their capacities and provide services to MSMEs (incl. % of women-owned MSMEs and such owned by particularly vulnerable groups).</p> <p>2.1.2. Number of MSME which scaled-up their businesses.</p> <p>2.1.3. Proportion of change in number of contracts between Donetsk and Luhansk oblasts and other Ukrainian and international businesses.</p> <p>2.1.4. Proportion of change of agricultural output index.</p> <p>2.1.5. Number of functioning agricultural cooperatives.</p>	<p>2.1.1. 0 business development services [2017]</p> <p>2.1.2. 0 MSMEs [2017]</p> <p>2.1.3. 0 % [2017]</p> <p>2.1.4. TBC [2017]</p> <p>2.1.5. 20 [2017]</p>	<p>2.1.1. 20 [2021]</p> <p>2.1.2. 500 MSMEs</p> <p>2.1.3. +20% [2022]</p> <p>2.1.4. +20% [2022]</p> <p>2.1.5. 50+ cooperatives [2021]</p>	<ul style="list-style-type: none"> <li>Monitoring and activity reports.</li> <li>BDS market assessment and surveys.</li> <li>MSME surveys.</li> <li>Investment fairs and commercial contracts.</li> <li>Agricultural statistics.</li> <li>Media reports.</li> </ul>	<ul style="list-style-type: none"> <li>BDS and machinery providers are interested in operating in the region.</li> <li>A few existing SME and farms ready to provide machinery services to other farmers.</li> <li>Number of machinery contract service providers from other oblasts ready to provide machinery services in the Luhansk and Donetsk oblasts.</li> <li>Safe (unmined) areas accurately mapped.</li> </ul>

Output 2.2	Access to credit and financing for self-employment and MSME development in the region is improved and more flexible.	2.2.1. Amount of new investment in business, including in agriculture and agribusiness, by MSMEs (including women-owned businesses, businesses owned by persons from vulnerable population groups) through a combination of loans (including leasing) and grants. 2.2.2. Volume of commercial loans and credit provided to MSMEs.  2.2.3. Volume of trade credit for input supplies provided by distributors.	2.2.1. EUR 0 [2017].  2.2.2. UAH 0 [2017]  2.2.3. UAH 0 [2017]	2.2.1. At least EUR 10 million, incl. EUR 6 million in agriculture and agri-businesses.  2.2.2. TBC  2.2.3. TBC	<ul style="list-style-type: none"> <li>• Project monitoring and activity reports.</li> <li>• Report on disbursement of grants and loans.</li> <li>• Banking sector reports</li> <li>• MSME Surveys.</li> <li>• Media reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Region remains stable from political and security perspective.</li> <li>• The economy of Ukraine continues to grow.</li> <li>• Banks will accept immovable assets and future crops as collateral in Luhansk and Donetsk oblasts.</li> </ul>
Output 2.3	Provision of technical and vocational training including skill development for adults' re-deployment is of increasing quality and adjusted to local labour market demands.	2.3.1. Proportionate change of VET graduates (by sex and population group) finding employment matching qualifications, including self-employment.  2.3.2. Number of VET centres launched based on market demand through public-private partnerships (PPPs) between VET schools and private sector and fully functioning;  2.3.3. Number of VET institutions rehabilitated and equipped.  2.3.4. Number of small business models introduced to the curriculum of the VET centres	2.3.1. 0% of VET graduates [2017].  2.3.2. 0 PPP training centres [2017].  2.3.3. 0 VET institutions [2017]  2.3.4. 0 business models	2.3.1. more than 30% of VET graduates (by sex) [2021].  2.3.2. 2 PPP training centres [2021].  2.3.3. 3 VET institutions [2021].  2.3.4. 20+ standard business models.	<ul style="list-style-type: none"> <li>• Monitoring and Activity Reports.</li> <li>• SES statistics.</li> <li>• Local authority reports.</li> <li>• MoUs between VET institutions and businesses.</li> <li>• Independent external evaluations.</li> <li>• Torino Reports.</li> <li>• Media reports.</li> <li>• Curriculum and training programme of the VET centres.</li> <li>• Employment statistics</li> </ul>	<ul style="list-style-type: none"> <li>• Fiscal decentralization continues.</li> <li>• Local pilot reforms are possible within broader VET reform process.</li> <li>• Suitable sites are identified for rehabilitation.</li> <li>• Revenues in local budgets sufficient to sustain operations of VET centres.</li> </ul>

<b>COMPONENT 3 – COMMUNITY SECURITY &amp; SOCIAL COHESION</b>						
<b>Output 3.1</b>	<p>A network of citizen groups is established to promote social cohesion and sustainable socio-economic development, with special focus on poor people, women, youth and persons affected by violence and deprivations related to the conflict.</p>	<p>3.1.1. Number of CO officials, officials of local/regional authorities and community members who built and strengthened their skills in social cohesion and community development;</p> <p>3.1.2. Proportion of representatives of citizen groups participating in community security planning who believe their voices are included.</p> <p>3.1.3. Proportion of population (by age/sex/disability/population group) who trust local authorities, including police and courts.</p> <p>3.1.4. Number of GBV prevention interventions implemented jointly by law enforcement bodies, local authorities and community organizations.</p>	<p>3.1.1. 0 CO officials, local/regional officials or community members [2017].</p> <p>3.1.2. 0% [2017].</p> <p>3.1.3. In Donetsk: 31% local authorities, 37% police and 17% courts, In Luhansk: 23% local authorities, 40% police and 21% courts [2017]</p> <p>3.1.4. TBD (2018)</p>	<p>3.1.1. 400 officials of COs, 60 officials of local/regional authorities and 4,000 community-members [2021].</p> <p>3.1.2. 80% representatives of citizen groups.</p> <p>3.1.3. more than 20% increase in both oblasts [2021]</p> <p>3.1.4. 80 [2021]</p>	<ul style="list-style-type: none"> <li>• Monitoring reports.</li> <li>• Annual activity reports</li> <li>• Local authorities and communities reports, including statistical and budgetary data .</li> <li>• SCORE.</li> <li>• Media reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Local authorities remain supportive of the reform process, and current pace of decentralization reform continues.</li> <li>• Local/regional officials and community members are committed to acquiring new knowledge and skills.</li> <li>• Local community security working groups receive adequate funding to implement initiatives.</li> <li>• Law enforcement bodies, local authorities and community groups are open to joint GBV prevention and response action</li> </ul>

Output 3.2	Initiatives of citizens' groups are financially supported through a competitive fund.	3.2.1. Number of successful initiatives by citizens' groups, including women's self-help groups. implemented with small grant support. 3.2.2. Total and average size of small grants disbursed to support initiatives by citizens' groups, including women's self-help groups 3.2.3. Proportion of costs of initiatives covered by local authorities and communities.	3.2.1. 0 small grants [2017]  3.2.2. EUR 0 in small grants [2017]  3.2.3 0 co-funding [2017]	3.2.1. 300 small grants [2021]  3.2.2. EUR 3 million and average EUR 10,000 per small grant [2021]  3.2.3. 50% co-funding [2021]	<ul style="list-style-type: none"> <li>Monitoring reports.</li> <li>Annual activity reports.</li> <li>Local authorities and communities reports, including statistical and budgetary data.</li> <li>Media reports.</li> </ul>	<ul style="list-style-type: none"> <li>Public and community funding is provided as agreed.</li> </ul>
<b>COMPONENT 4 – SECTORAL REFORMS &amp; STRUCTURAL ADJUSTMENTS</b>						
Output 4.1	The regional health care system in both oblasts is functioning effectively in line with national reforms and addresses the specific needs of persons directly affected by the conflict, including persons living with HIV, people with disabilities and survivors of sexual and gender-based violence	4.1.1. Number of professionals (both local authorities and hospitals) with strengthened capacity for strategic planning, resource mobilization, organizational management, transparency, gender mainstreaming, accountability and efficient use of public funds.  4.1.2. Number of persons receiving quality services to overcome consequences of post-traumatic disorders and gender-based violence (by sex / age / disability / population group).	4.1.1. 0 professionals [2017]  4.1.2. 0 people [2017]	4.1.1. 1,000 professionals [2021]  4.1.2. 20,000 people [2021]	<ul style="list-style-type: none"> <li>Monitoring reports.</li> <li>Annual activity reports .</li> <li>Local authorities and communities reports, including statistical and budgetary data.</li> <li>Patients organizations report .</li> <li>Media reports.</li> </ul>	<ul style="list-style-type: none"> <li>Health reform is adopted by the Parliament and Government proceeds with implementation.</li> <li>Oblast and local authorities, healthcare professionals and patients' organizations are positive about the reforms and adhere to its implementation.</li> <li>Oblast and local authorities and communities and healthcare professionals are motivated to advance in strategic planning, effective use of resources and promotion of anti-corruption and integrity.</li> </ul>

		4.1.3. Number of medical professionals (doctors; paramedics; nurses) that received specialized training to update their professional knowledge and skills and to develop new skills	4.1.3. 0 professionals [2017]	4.1.3. 1,000 professionals [2021]		<ul style="list-style-type: none"> <li>• People with disabilities are engaged in decision making over health care reform and are able to access health services.</li> </ul>
Output 4.2	Re-enforcement of universities and colleges displaced from NGCAs.	<p>4.2.1. Number of educational institutions benefiting from a grant to strengthen their relocation.</p> <p>4.2.2. Number of students and teaching staff (including proportion of females) benefiting from improved infrastructure and working conditions.</p>	<p>4.2.1. 0 universities [2017]</p> <p>4.2.2. 0 students and teaching staff [2017].</p>	<p>4.2.2. 10 universities benefiting from a grant [2021].</p> <p>4.2.2. 5,000 students and teaching staff (by sex) [2021].</p>	<ul style="list-style-type: none"> <li>• Monitoring reports.</li> <li>• Annual activity reports.</li> <li>• Local authorities and universities reports, including statistical and budgetary data.</li> <li>• Media reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Public funding is provided as agreed.</li> </ul>

Output 4.3	Improved government capacity for national coordination to cope with emergencies and issues related to the structural disconnect in public infrastructure between the GCAs and NGCAs.	<p>4.3.1. Number of studies on the structural disconnect in public infrastructure in the region (focusing on drinking water supply and road network).</p> <p>4.3.2. Number of supported broadcasters (radio and/or television) in the region and number of broadcasters improving the quality of their programming.</p>	<p>4.3.1. 0 study available.</p> <p>4.3.2. 0 (radio and/or television) broadcasters supported [2017]</p>	<p>4.3.1. At least two studies available on public infrastructure structural disconnect and follow-up recommendations [2019].</p> <p>4.3.2. 1 (radio and/or television) broadcaster supported [2019]</p>	<ul style="list-style-type: none"> <li>• Monitoring reports.</li> <li>• 6-monthly activity reports and pre-feasibility reports.</li> <li>• Media and media coverage reports.</li> </ul>	
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## APPENDIX 2 – Project Management

The Project Office will include staff carrying out various forms of tasks including technical assistance, administration and management. The tasks listed in the Description of the Action, undertaken by staff assigned to the project office are directly attributable to the implementation of the Action. The Project Office will comprise of full time dedicated project staff to technically contribute to various project components and activities.

The proposed team structure is carefully selected to cover the needed management, coordination and policy guidance, the required technical knowledge, monitoring and communication assets by the dedicated project staff of UNDP, UN Women, UNFPA and FAO.

### **Admin and Financial Management Staff:**

UNDP International Programme Manager is responsible for strategic guidance, quality assurance strategic and technical inputs and direction to the project team in coordination with UN Agencies and national project counterparts and ensuring effective linkages with other similar initiatives and projects.

UN Women International Programme Specialist/Portfolio Manager Gender/CME<sup>6</sup> (in Kiev) (Community Mobilization for Empowerment)

The International Programme Specialist/Portfolio Manager Gender/CME is responsible for providing technical, strategic advisory, guidance and programme development and implementation services and substantial input to the implementation of the gender mainstreaming and women's empowerment outputs and activities of the joint programme. International Programme Specialist is responsible for day-to-day management of the project including timely and efficient delivery of the gender mainstreaming and women's empowerment outputs of the joint programme; and provide overall strategic oversight of planning, budgeting, implementing and monitoring of the programme, tracking use of financial resources in accordance with UN Women rules, regulations and policies.

International Programme Specialist/Portfolio Manager on CME (in Kiev) will also be responsible, under Component 3, to provide substantive advice and guidance for application of community mobilization for empowerment (CME) methodology throughout the joint programme's Components 1 and 3, which integrates human rights-based and gender-responsive interventions and contributes to the effective engagement of women and men, from vulnerable groups, in making decisions on local development, services, recovery, and community security. International Programme Specialist will ensure piloting the UN Women's Global Flagship Initiative "Safe Cities and Safe Public Spaces" in one of the pilot hromadas of the joint programme to prevent and respond to Sexual Violence Against Women and Girls in public spaces. The Programme Specialist will ensure quality control, will create and coordinate partnership with UN agencies, developmental partners, government institutions, private sector, civil society, and women's groups to ensure coherence and complementarity. Estimated at around 60% of staff time.

UNDP National Operations Manager is responsible for the quality assurance, management and verifying financial, procurement, human resources and administrative processes for the needs of the project. Responsible for monitoring of effective delivery of programme activity and funds in full compliance with UNDP rules, regulations and policies.

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<sup>6</sup> The position is budgeted for 100% and divided between admin and management budget section (40% of staff time) and Component 3 (60% of staff time).



UNFPA National Youth and SGBV Manager (47% - based in Kyiv) provides advisory, programmatic and technical guidance and ensures implementation of the project activities related to youth engagement and SGBV prevention and response; ensure smooth integration of youth engagement and GBV prevention and response in all relevant project activities. The Manager also ensures close coordination with other EU-funded youth-related activities implemented by other United Nations agencies, coordinates the programme delivery with the activities of other stakeholders working in the same area in order to build synergies and avoid activity duplication, including the development of inter-agency linkages and partnerships with other relevant UN programmes and projects.

FAO International Agricultural and Economic Development Manager will provide support to develop Micro, Small and Medium Enterprise (MSME) through demand-driven business development services and professional skills training based on value chains analysis, as well as restoration and strengthening of the institutional and educational infrastructure needed for effective functioning of agricultural sectors of the regional economy.

UNDP National Monitoring and Evaluation Officer is responsible for regular monitoring and reporting on the progress of the implementation of the project and supporting the implementation of the project activities by undertaking research and analysis of relevant data and information.

UNDP National PMU Driver (4 persons) will be deployed to ensure effective transportation services at national and regional levels.

Funds administration staff includes management and administrative staff of UNDP HQ and UNDP CO, directly assigned to coordination of the Joint Action, administration of received funds in accordance with PAGODA and UN Agencies policies and procedures, disbursement of funds to each UN Agencies in accordance with EU Delegation Agreement, consolidation and provision of interim narrative and financial reports to the Donor, incl. certified reports, provision of final report, ensuring proper closure of the Project, incl. assets transfer.

## **UNDP Project staff**

### **Component 1. Decentralization and Governance**

National Programme Coordinator of Component 1 is responsible for day-to-day management of the project including timely and efficient delivery of the project technical, operational, financial and administrative outputs and substantive project inputs specifically linked with the decentralization and local development agenda; regular outreach and coordination with the project beneficiaries, coordination and quality assurance of expert inputs and products; regular coordination among project partners to ensure coherence and complementarity.

National Programme Associate of Component 1 is responsible for performing administrative duties related to implementation of the project activities, assisting with organizing administrative processes for project needs and providing support to office maintenance including administering the project documentation and performing other finance related and administrative tasks.

National Territorial Amalgamation Specialist (2 persons) will provide support to the territorial administrative amalgamation process in the government controlled areas of Donetsk and Luhansk Regions, by coordinating the adaptation/development, and subsequently the implementation of a

methodology for territorial administrative reform in the groups of communities aiming to become hromadas (amalgamated local communities).

National Fiscal Decentralization Specialist will provide capacity development support and technical assistance on fiscal decentralization to newly amalgamated communities, rayons and the regional civil-military administrations of Donetsk and Luhansk Oblasts.

National Administrative Decentralization Specialist will provide capacity development support and technical assistance on administrative decentralization to newly amalgamated communities, rayons and the regional civil-military administrations of Donetsk and Luhansk Oblasts.

National Social-Economic Development Specialist will provide capacity development support and technical assistance on social-economic development to newly amalgamated communities, rayons and the regional civil-military administrations of Donetsk and Luhansk Oblasts.

National Strategic Planning Specialist will provide capacity development support and technical assistance on strategic planning to newly amalgamated communities, rayons and the regional civil-military administrations of Donetsk and Luhansk Oblasts.

National Anti-Corruption Specialist will support the programme in implementing the anti-corruption component of its recovery and reconstruction efforts in Donetsk and Luhansk Oblasts. The effort will be focused on identification and mitigation of corruption vulnerabilities in the reconstruction efforts and establishing integrity as a key pillar in the restoration of governance in both Donetsk and Luhansk Oblasts.

## **Component 2. Economic Recovery and MSME Development**

International Programme Coordinator of Component 2 is responsible for day-to-day management of the project including timely and efficient delivery of the project technical, operational, financial and administrative outputs and substantive project inputs specifically linked with the economic recovery and MSME development; regular outreach and coordination with the project beneficiaries, coordination and quality assurance of expert inputs and products; regular coordination among project partners to ensure coherence and complementarity.

National Programme Associate of Component 2 is responsible for performing administrative duties related to implementation of the project activities, assisting with organizing administrative processes for project needs and providing support to office maintenance including administering the project documentation and performing other finance related and administrative tasks.

Local Coordinator (3 persons based in Severodonetsk, Kramatorsk and Mariupol) is responsible for day-to-day facilitation and support of activities linked to enhancing employment and income generating opportunities, creation enterprise and entrepreneurship development opportunities and strengthening of capacity of local authorities for creating employment and business opportunities.

Business Development Support Specialist is responsible for implementation of activities aimed at fostering economic revitalisation in Eastern Ukraine and, specifically, stimulate employment and economic growth by providing support and assistance to Micro, Small and Medium Enterprises.

Specialist on Entrepreneurship Promotion is responsible for coordination, planning and management of targeted motivation campaign for the promotion of entrepreneurship and training activities in target regions.

Vocational Education and Business Development Associate is responsible for day-to-day support of implementation of activities aimed at development of links between public institutions, Vocational Education and Training system and private sector to enhance employability and increase relevancy of the VET programmes in the target regions.

Vocational Education Development Specialist is responsible for implementation of activities aimed at conducting an assessment and providing ongoing support for the Vocational Education and Training system (VET system), state employment service (SES) and local business stakeholders in terms of enhancing employability, development of links between public institutions, VET system and private sector to enhance employability and increase relevancy of the VET programmes in the target regions on the East of Ukraine.

### **Component 3. Community Security and Social Cohesion**

International Programme Coordinator of Component 3 is responsible for day-to-day management of the project including timely and efficient delivery of the project technical, operational, financial and administrative outputs and substantive project inputs specifically linked with the community security and social cohesion agenda; regular outreach and coordination with the project beneficiaries, coordination and quality assurance of expert inputs and products; regular coordination among project partners to ensure coherence and complementarity.

National Programme Associate of Component 3 is responsible for performing administrative duties related to implementation of the project activities, assisting with organizing administrative processes for project needs and providing support to office maintenance including administering the project documentation and performing other finance related and administrative tasks.

Mobilization Specialist is responsible for coordination and supervision of the work of community mobilization team, experts and consultants, including the preparation of the terms of reference, facilitation of recruitment and monitoring of work/results, providing analysis of collected information from the target location and preparing summaries, briefing notes, implementation plans and roadmaps, preparing and implementing a coordinated response to the needs of the communities.

National Mobilization Associates (2 persons) is responsible for mobilization of local communities, police, public prosecutors' offices, and local government to implement community security coordination mechanisms, identifying communities with particular needs and vulnerabilities, providing technical advice to them in assessment and prioritization of key threats to community security and support in development plans to respond at local level for enhancing security and access to justice.

National Rule of Law Specialist is responsible for coordination of capacity development support and provision of technical advice on rule of law and access to justice to local administrations, legal aid providers, courts and other local and regional authorities to develop and implement plans which strengthen rule of law and access to justice.

National Grants Coordinator is responsible for strategic and operational support in the conceptualization, development and implementation of the overall grant-making process, provision of guidance related to grants-management, including monitoring the implementation of grantee projects, ensuring close and

effective cooperation with community mobilization team, rule of law, social cohesion and community security team.

#### **Component 4. Public Health Reform**

National Health Specialist (2 persons) will provide capacity development support and technical assistance in healthcare reform and health governance in Donetsk and Luhansk oblast.

#### **Project Operational Support Team**

National Finance Associate (2 persons) is responsible for providing support in preparation of the budget, budget revisions, and supporting the overall financial monitoring and reporting for the overall action; assisting the project team in preparation of financial transactions and appropriate project reports.

National Procurement Associate (2 persons) is responsible for providing support in identification of procurement modalities, facilitating quality, transparent, effective and fast procurement processes; supporting the project in the launch and publicity of procurement processes; advising in project procurement/tender evaluation processes; supporting in negotiations with potential contractors (as needed); assisting in the process of contracting, monitoring of contracts.

Administrative Associate (2 persons) will ensure transparent and efficient administration services and systems throughout the whole project implementation period. The Administrative Associates will work in close collaboration with other project staff to resolve administration-related issues and ensures full compliance of the Project's administration with UNDP rules and regulations.

National Communications Specialist is responsible for preparation, implementation and oversight of the Communication and Visibility plan of the project and assuring that all activities including the outreach and awareness-raising activities adhere to and are fully aligned with the visibility needs and interests of the EU.

National Communications Associate provides support in preparation, implementation and oversight of the Communication and Visibility plan of the project and assuring that all activities including the outreach and awareness-raising activities adhere to and are fully aligned with the visibility needs and interests of the EU.

#### **UN Women Project Staff**

#### **Component 1. Decentralization and Governance**

UN Women Gender Mainstreaming Specialist/Analyst (100%) (in Kramatorsk) of Component 1 is responsible for providing technical and capacity building support to the programme staff in mainstreaming gender in all four components and related activities of the joint EU-funded programme. The Gender Mainstreaming Specialist will identify opportunities for capacity building of programme personnel and partners and coordinate and facilitate technical/ programming support and trainings to partners in gender equality and women's rights, gender mainstreaming and women's empowerment. The GM Specialist will ensure building strategic partnership and provide substantive inputs in engagement with relevant local authorities to support the gender mainstreaming throughout the programme implementation; and provide substantial contribution to mainstreaming gender into the joint programme's communications and visibility plan and its implementation phase.

UN Women National Driver (100%) of Component 1 will provide driving services as well as a basic logistical support to the offices in Severodonetsk and Kramatorsk.

UN Women Project Specialist (100%) (in Severodonetsk) of Component 1 is responsible to ensure timely and effective implementation of the programme's Component 1 and Component 3 activities linked with gender equality and women's empowerment outputs. The Project Specialist will contribute to project implementation, monitoring, evaluation and reporting, Inter-Agency coordination and partnerships building to support the gender mainstreaming and women's empowerment throughout the programme implementation. The Project Specialist will provide inputs to the development of knowledge management products on thematic areas related to gender-responsive decentralization reform and gender-responsive community security.

### **Component 3. Community Security and Social Cohesion**

UN Women National Project Assistant (in Kiev) (100%), estimated at around 50% for Component 1 and 50% for Component 3. The Project Assistant will provide day-to-day administrative and financial support, and facilitate the knowledge building and knowledge sharing in implementation of the gender equality and women's empowerment outputs and activities of the joint programme.

#### **UNFPA Project Staff**

Local coordinator will be responsible for implementation of youth and SGBV project activities on the ground according to the approved work plan. He/She will liaise and interacts with all relevant project partners at the regional level on all matters related to the project implementation and contributes to the coordination of Youth and SGBV prevention and response related activities in the assigned regions within the project and beyond it. He/She will contribute to project monitoring, evaluation, reporting and knowledge management as well as to ensuring project visibility; analyses the project implementation and provide regular updates to the project management and UNFPA office on project implementation highlighting progress, bottle necks and possible solution.

#### **FAO Project Staff**

Administrator will provide day-to-day administrative and financial support in implementation of the FAO outputs and activities of the projects.

Project Assistant will provide day-to-day administrative and financial support in implementation of the FAO outputs and activities of the projects.

Outreach Specialist will provide day-to-day support to outreach activities with project beneficiaries, institutions and national authorities.

Driver will facilitate transportation of project personnel and day to day logistics of project office.

### **Project Management Operations Costs**

In implementing this project, there are several categories of costs that are envisaged for the functioning of the Project Office, including:

- **General Expenses:** to support all project activities, this proposed action includes expenses related to office rent and maintenance in Kramatorsk, Sieverodonetsk and Kyiv as well as electricity, water, heating and other utilities, office security, communication, phone and internet, office equipment maintenance, travels and subsistence costs for project staff and other costs linked with the project management.
- **Materials Expenses:** to cover the needs of the project office and the activities related to trainings and community mobilization, public awareness and outreach, technical advisory, and capacity building activities, stationery and other office furniture and supplies, IT equipment and IT supplies, communication and audio-visual equipment. This would include printings, training program and outreach materials, visibility materials, training and conference services, translations, communication campaigns, inter-agency coordination and planning workshops and events.
- **Transportation and Vehicle-Related Expenses:** to cover vehicle maintenance and fuel costs to ensure safe, reliable transportation for the Project Staff.