UNITED NATIONS DEVELOPMENT PROGRAMME

Empowered lives. Resilient nations.

# PROJECT DOCUMENT

***Ukraine***

**Project Title**: Ukraine's modernization and innovation results (Capacity development of the GoU for operationalization of the Multi-Partner Trust Fund (MPTF) for Recovery in Ukraine)

**Implementing Partner:** UNDP

**Start Date:** 1 January 2017 **End Date:** 31 December 2017 **PAC Meeting date:** 1-3 February 2017 (electronic correspondence)


## Brief Description

The general objective of the project, being a part of the broader UNDP recovery package, is Ukraine's modernization through facilitation of the sustainable recovery of living standards among the conflict-affected population in Ukraine. The overall objective of the project is to increase the effectiveness of the recovery and peacebuilding (R&P) efforts by assisting the Government of Ukraine (GoU) (oblast, local and central levels) to undertake steps needed (i) to coordinate, plan and monitor the R&P activities and (ii) to operationalize the MPTF.


Contributing Outcome (UNDAF/CPD, RPD or GPD):
Outcome 1.1, Outcome 5.5

Indicative Output(s):
Output 1.1, Output 5.5

Project ID: 00079041
Output ID: 00103627
Virtual LPAC date: February 3, 2017

| | | |
|---|---|---|
| **Total resources required:** | | **300,000.00 USD** |
| **Total resources allocated:** | | |
| | **UNDP GIPS Funding Windows:** | **200,000 USD** |
| | **UNDP TRAC 1.1.3 (Response to Sudden Crises Category II Window):** | **100,000 USD** |
| | **Donor:** | |
| | **Government:** | |
| | **In-Kind:** | |
| **Unfunded:** | | |

Agreed by (signatures)[1]:

| UNDP |
|---|
| Print Name: Neal Walker, UN Resident Coordinator, Humanitarian Coordinator, UNDP Resident Representative |
| Date: |

[1] Note: Adjust signatures as needed

## I. DEVELOPMENT CHALLENGE

The armed conflict in Eastern Ukraine has had a significant and detrimental impact on human welfare, and on social and economic conditions overall. Even prior to the conflict, the Donbas region had faced significant long-term challenges related to poverty, demography and its economic structure. The conflict has led to an overall decline of the country's socio-economic situation, but has had an acute negative impact on the socio-economic situation in Donbas in particular. Of some 6.5 million people in the Donbas (i.e., 4.3 million in Donetsk, and 2.2 million in Luhansk), approximately 3.9 million have been directly affected by the conflict. The problems were intensified by such negative factors as destruction of the housing, social infrastructure, and life-support systems; loss of real estate and other property by the population, difficulties with supplying the population of the Eastern Ukraine with the necessary municipal services, medical care, social and educational services, etc.; economic deterioration and growth of unemployment due to company shutdowns, breakdown of economic ties, and physical destruction of the production facilities; destruction of the financial and banking sector, transportation infrastructure, as well as communications systems; low foreign and domestic demand due to economic growth slowdown; deterioration of the purchasing capacity due to reduction of real income; deterioration of living standards etc. Public and private infrastructure, including water and power supply systems, as well as educational and health facilities have been further damaged in Donetsk and Luhansk oblasts as a result of the ongoing conflict. In addition to the direct damage to businesses and housing, transport infrastructure to and from the region has been disrupted. This has contributed to the negative impact on the economy and livelihoods. In addition, the three adjoining oblasts of Dnipropetrovsk, Kharkiv and Zaporizhzhia, have been particularly affected by economic disruption and the influx of a large number of internally displaced persons (IDPs). The sustainable restoration and improvement of infrastructure and social services holds the key to normalizing and stabilizing society in the crisis-affected areas, and to creating conditions for IDP return and (re)integration within areas of origin and or host communities.

Recognizing the need to urgently address reconstruction, economic recovery and peacebuilding needs in areas affected both directly and indirectly by the conflict, the Government of Ukraine requested technical assistance and financial support from the international community to assess and plan priority recovery needs. At the request of the Government of Ukraine (GoU), the UN, World Bank, and EU finalized a Recovery and Peacebuilding Assessment (RPA) for Eastern Ukraine in April 2015. The RPA assessed priority recovery and peacebuilding (R&P) needs in the conflict-affected regions of Eastern Ukraine across three sectors: (i) restoring critical infrastructure and social services; (ii) promoting economic recovery and (iii) strengthening social resilience, peacebuilding and community security. The Cabinet of Ministers of Ukraine endorsed the RPA through the Resolution # 797-p of August 5, 2015. Since that time UNDP and other development partners have been working with the GoU counterparts to support RPA implementation and to put in place the planning and institutional structures for recovery efforts.

The GoU has been elaborating a State Target Program for Donbas Recovery (STP). The STP uses the RPA findings as a foundation for developing a Government-led strategy and financing approach for recovery and peacebuilding activities. To implement the set of measures intended for recovery of the socio-economic infrastructure of the Eastern Ukraine and peacebuilding it is needed to enhance the capability of obast, local and national authorities. Due to the decentralization reform it is needed to evaluate the needs, identify priority tasks, implement projects, and minimize the possible potential risks on oblast level, in particular those resulting from internal displacement from the area of the anti-terrorist operation. The use of result based management by objective to resolve the problems will make it possible to improve the coordination of systemic program activities on oblast level in the short and medium term and stimulate the processes of engagement of international technical assistance resources.

## II. STRATEGY

The project is in line with UN overall strategic approach to supporting early recovery efforts in Eastern Ukraine. The project will facilitate the recovery and peacebuilding activity thus improving living standards of the conflict affected communities. To ensure that all community members (including the poor, vulnerable, women) benefit from the anticipated peace dividend, the following guiding principles inform the project strategy.

- Coherence and comprehensiveness: The project will be consistent with national development policy and strategies. It will contribute to achieving policy targets in poverty reduction for the Government as well as UN programmes. For this, the project will be implemented in close coordination with other UN agencies, international organizations, national and international NGOs, and national and local governments.
- Do no harm: The project will avoid harmful spill-over effects on individuals, communities, society and the economy, including the possible distortion of existing markets.
- Conflict sensitivity: The project will integrate conflict sensitivity into all activities to ensure they produce a positive social impact.
- Sustainability: The project will integrate processes and approaches to build national ownership as well as enhance the capacity of central and local authorities and communities to ensure the sustainability of the project results.
- Gender equality: The project will mainstream gender sensitivity so that women are empowered and able to benefit equally from peace dividends.

UNDP strategy adopted for the Poverty Reduction/ Recovery and Peacebuilding Programme for eastern Ukraine builds on UNDP Poverty Reduction outcome as outlined in the Country Programme Strategy for 2012-2016 (extended for one year, for 2017), rapid interventions in response to the 2014 crisis in Ukraine such as the Governance and Recovery Rapid Intervention Project (GRRIP) and the Early Recovery Programme of 2014. The UNDP programme responds to immediate needs of the Ukrainian government and wider society. It enables UNDP in Ukraine to respond to requests emanating since the Maidan from government, local authorities, civil society and communities. Specifically, the new programme focuses on supporting stabilization and early recovery needs of the conflict-affected areas.

The above-mentioned joint Recovery and Peacebuilding Assessment (RPA), conducted by the European Union, United Nations and World Bank Group, and supported by the Government of Ukraine provided an initial assessment of the priority needs for recovery and peacebuilding in Ukraine, through three thematic components: (1) infrastructure and social services, (2) economic recovery and (3) social resilience, peacebuilding and community security. Accordingly, the RPA is the Government of Ukraine's official framework to identify, plan and prioritize strategic recovery and peacebuilding initiatives over the short to medium term, and UNDP is realigning its current programming accordingly.

In 2016 UNDP has established a Project Office in eastern Ukraine (Kramatorsk & Severodonetsk) with a view to consolidate and deliver the various recovery and governance projects through a comprehensive, area-based, "Recovery and Peacebuilding Programme (RPP)" in five conflict-affected regions (oblasts): Donetsk, Luhansk, Zaporizhzhia, Dnipropetrovsk, and Kharkiv. It is envisaged that the RPP will frame UNDP intervention in eastern Ukraine building on the existing projects and expanding the activities in order to address the recovery needs of conflict affected population and communities.

UNDP intends to work closely with the GoU to put forward priorities for international support and investments in recovery, including through the Multi-Partner Trust Fund (MPTF). The MPTF modality is being established in Ukraine following a Memorandum of Understanding, signed by the World Bank, the UN and the GoU on October 28, 2016. Therefore, UNDP support to GoU will produce catalytic effect for ensuring more coherent coordination and funding of recovery and peacebuilding efforts.

## III. RESULTS AND PARTNERSHIPS

### *Expected Results*

**Project Output:** Recovery and peacebuilding activities effectively coordinated and monitored:

Activity 1. Advancing implementation of recovery and peacebuilding activities and operationalization of the MPTF UN Window:

Activity 1.1. Providing assistance for the government of Ukraine to develop, coordinate and monitor the recovery strategies, programmes and action plans with the focus on R&P and IDP, economic recovery, restoration of public infrastructure, access to basic services, ensuring community security and humanitarian mine-action etc on an *ad hoc* basis;

Activity 1.2. Producing recommendations/policy papers on regional development strategies and action plans (at all stages: coordination/implementation/monitoring/updating), including gender needs assessment;

Activity 1.3. Developing the UNDP component of the MPTF offer: (i) drafting and implementing communication and resource mobilization strategies with regard to the MPTF; (ii) developing the recommendations on Standard Operations Procedures (SOPs) for the MPTF UN Window; (iii) establishing the database of proposals for MPTF,

Activity 2. Enhancing institutional capacity of government of Ukraine on recovery planning/monitoring and coordination:

Activity 2.1. Conducting knowledge transfer events; providing support on peacebuilding related to the national context; on integrating human rights based approach (HRBA) into recovery and development planning; making the assessments or updating assessments of the R&P needs in the Eastern Ukraine;

Activity 2.2. Creating and maintaining a virtual peacebuilding information sharing platform to ensure policy dialogue and coordination at both national and sub-national levels, building on Social Cohesion and Reconciliation (SCORE) Index database, which is implemented by UNDP, IOM and UNICEF.

### *Resources Required to Achieve the Expected Results*

UNDP shall be responsible for the overall management of the project, primarily with regard to the responsibility for the achievement of the outputs (results), impact and objectives. The project will operate within the existing Ukraine's modernization and innovation results project and the Recovery and Peacebuilding Programme, set by UNDP in response to the consequences of the conflict in Eastern Ukraine. The overall management of the project will be performed by the UNDP Deputy Country Director (Programme). A National UNDP Recovery and Peacebuilding Programme Coordinator will be assigned to lead the Project Manager role for implementing the project. This position will be responsible for day-to-day management of the project and supervision of the project team, including coordination and monitoring with project stakeholders, including government counterparts, international development partners and implementing partners and/or contractors. UNDP will leverage and consolidate an optimal configuration of project team to expedite programming, management, coordination and joint monitoring of project results and activities, as well as ensure value-for-money and economy of scale for maximizing efficiency and complementarity with other programmatic components and projects on recovery and peacebuilding that are currently being planned or implemented.

### *Partnerships*

The present project has been designed by the request of the Government and has been developed in close consultation with the various assistance providers. The present project will be complementary to already existing recovery planning/coordination activities, as well as activities in

the framework of provided by other international organisations support to the Government of Ukraine.

The project will be implemented in partnership with central and local authorities. To avoid duplications, the project will coordinate its activities with UN and other development agencies.

The project will support activity concerning building of Social Cohesion and Reconciliation (SCORE) Index database, which is implemented by UNDP, IOM and UNICEF.

***Risks and Assumptions***

The following assumptions would be needed for the smooth progress of recovery:

- Changes in the recovery planning/coordination continue to be led by a result-oriented leadership;
- The government of Ukraine has the capacity and readiness to enhance its institutional recovery expertise;
- Support to the government of Ukraine from different international actors is effectively co-ordinated to ensure maximum synergy and efficiency;
- Political support for a recovery agenda and commitment continues;
- Conditions exist for enhanced and rationalised collaboration with other state institutions involved in the recovery activities.

Certain risks may delay or derail the process of implementation:

- Early elections could distract attention from the recovery agenda and could result in a less result-oriented composition of the GoU during the implementation period of the project;
- Lack of ownership from the Ukrainian side which could be associated with changes of leadership and political composition of the GoU;
- Resistance to change, including in the area of recovery planning and coordination.

***Stakeholder Engagement***

The main beneficiary of the project will be the Donetsk Oblast State Administration, local and central authorities as important stakeholders within the recovery process. Other beneficiaries will be the Cabinet of Ministers of Ukraine as a body responsible for recovery planning, expertise, coordination and monitoring, as well as civil society organizations engaged in recovery planning/monitoring. Ultimately, beneficiaries will be the citizens of Eastern Ukraine.

| **Project objective** | **To support changes of the institutional capacity of the government of Uklraine, setting the framework for improving the recovery planning/monitoring procedures and processes** |
|---|---|
| Target groups | Direct: line ministries, local authorities in Eastern Ukraine (5 oblasts)<br><br>Indirect: population of Eastern Ukraine, Ukraine in general |

***South-South/East-East and Triangular Cooperation (SSC/TrC)***

This Project will utilize the East-East and Triangular Cooperation. The Project will use international best practices on recovery and development planning/monitoring.

***Knowledge***

The Project envisages developing knowledge products by codification of experiences and lessons learnt in the recovery area. This will include but not limited to the assessment of recovery needs, policy papers/recommendation on R&P, and others.

All visibility and communication activities will be implemented in line with relevant provisions of the UNDP communication policy. This shall include, but not be limited to, reports, seminars, workshops, events, publications, and any promotional items. All publications produced under this project will have the UNDP logo displayed as the same size or larger than any other logos and include the disclaimer: "This publication has been produced with the assistance of the UNDP. The content of this publication do not necessarily reflect the views of the UNDP."

***Sustainability and Scaling Up***

The sustainability of the project results will be ensured by embedding project implementation and management and oversight under the UNDP Recovery and Peacebuilding Programme, while the scaling up will be ensured, once the UN MPTF Window becomes operational.

## IV. PROJECT MANAGEMENT

***Cost Efficiency and Effectiveness***

This Project will become an integral part of one of the pillars of UNDP Ukraine Programme, namely Recovery and Peacebuilding Programme, set by UNDP in response to the consequences of the conflict in the Eastern Ukraine. It will utilize the existing Country Office capacity and resources to the extent possible and will leverage activities and partnerships with other initiatives/projects.

***Project Management***

A project office will be established in Kyiv. Activities will take place in Kyiv and in the Eastern Ukraine as provided by the project's work plan. The project will be granted limited capacity premises at the Country Office.

The Project Manager is responsible for day-to-day management of the project. The prime responsibility of Project Team (consisted of Recovery Specialist and SDGs Officer) is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The Project Team will also receive support from the UNDP Programme Analyst which will ensure the project compliance with implementation, reporting, monitoring and evaluation requirements. The Programme Analyst will provide coordination support to the project and act as a UNDP focal point on all the issues pertaining to the implementation of the project. The UNDP Communication team will ensure the project news are reflected on the UNDP web-site and disseminated among UNDP media partners. The UNDP Deputy Country Director and UNDP Country Office (CO) advisors provides substantive advice with regard to implementation, project monitoring and assurance and knowledge management and ensures alignment, coordination and synergies wherever possible with other programme activities of the CO as well as those of UN agencies.

## V. RESULTS FRAMEWORK

**Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:**

Outcome 1.1: New economic opportunities created particularly in the small and medium business sector as a result of enabling improvements in the business and investment environment, improved skills, improved reintegration of migrants and better utilization of Ukraine's scientific and innovation potential

Outcome 5.5: Countries are able to reduce the likelihood of conflict and lower the risk of natural disasters, including form climate change

**Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:**

Outcome 15: Reduction of poverty in rural areas through socio-economic development activities. I: % of small and micro enterprises in total volume of trade. B [2012]: 20.84%, T [2017]: 24%

**Applicable Output(s) from the UNDP Strategic Plan:**

Output 6.1: From the humanitarian phase after crisis, early economic revitalization generates jobs and other environmentally sustainable livelihoods opportunities for crisis affected men and women.

Output 6.2: National and local authorities/institutions enable to lead the community engagement, planning, coordination, delivery and monitoring of early recovery efforts

Output 5.5: Policy frameworks and institutional mechanisms enabled at the national and sub-national levels for the peaceful management of emerging and recurring conflicts and tensions

**Project title and Atlas Project Number:** Capacity development for operationalization of the Multi-Partner Trust Fund (MPTF) for Recovery in Ukraine

| EXPECTED OUTPUTS | OUTPUT INDICATORS | DATA SOURCE | BASELINE | | TARGETS | | DATA COLLECTION METHODS & RISKS |
|---|---|---|---|---|---|---|---|
| | | | Value | Year | 2017 | FINAL | |
| **Project Output:** Recovery and peacebuilding activities effectively coordinated and monitored: | Indicator 1: # of knowledge transfer events | Reports, progress reports, implementing partners' and contractors' reports | 0 | 2016 | 6 | 6 | Collection and analysis of evidence for conducted trainings and participants' feedback by UNDP |
| | Indicator 2: # of civil servants trained for effective coordination, monitoring and implementation of R&P activities | Reports, progress reports, implementing partners' and contractors' reports | 0 | 2016 | 120 | *120* | Collection and analysis of evidence for conducted trainings and participants' feedback by UNDP |
| | Indicator 3: # of policy papers/ assessments/ recommendations | Project products, reports, progress reports, implementing partners' and contractors' reports | 0 | 2016 | *6* | *6* | Collection and analysis of evidence for drafted and/or updated strategies, programmes and plans |
| | Indicator 4: # of the database of proposals for MPTF | MPTF proposals database m, reports, progress reports, implementing partners' and | 0 | 2016 | 1 | 1 | Collection and analysis of evidence for drafted and/or updated strategies, |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | contractors' reports | | | | | programmes and plans |
| | Indicator 5: # of virtual peacebuilding information sharing platform | Virtual platform, reports, progress reports, implementing partners' and contractors' reports | 0 | 2016 | 1 | 1 | Collection and analysis of evidence for drafted and/or updated strategies, programmes and plans |
| Gender rating: 2 | | | | | | | |

## VI. Monitoring And Evaluation

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

### Monitoring Plan

| Monitoring Activity | Purpose | Frequency | Expected Action | Partners (if joint) | Cost (if any) |
|---|---|---|---|---|---|
| **Track results progress** | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. | Quarterly | Slower than expected progress will be addressed by project management. | | |
| **Monitor and Manage Risk** | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. | | |
| **Learn** | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. | Annually | Relevant lessons are captured by the project team and used to inform management decisions. | | |
| **Annual Project Quality Assurance** | The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. | Annually | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. | | |
| **Review and Make Course Corrections** | Internal review of data and evidence from all monitoring actions to inform decision making. | Annually | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. | | |
| **Project Report** | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved | Semi-Annually, at the end of | | | |

| | | | | | |
|---|---|---|---|---|---|
| | against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period. | the project (final report) | | | |
| **Project Review (Project Board)** | The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | Semi-annually | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. | | |

## VII. MULTI-YEAR WORK PLAN [23]

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | Planned Budget by Year | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Y1 2017 | Y2 | Y3 | Y4 | | Funding Source | Budget Description | Amount |
| **Output 1:** Recovery and peacebuilding activities effectively coordinated and monitored: | **Activity 1. Advancing implementation of recovery and peacebuilding activities and operationalization of the MPTF UN Window:**<br>Activity 1.1. Providing assistance for the government of Ukraine to implement the STP and other recovery strategies, programmes and action plans with the focus on R&P and IDP, economic recovery, restoration of public infrastructure, access to basic services, ensuring community security and humanitarian mine-action etc on an ad hoc basis;<br>Activity 1.2. Producing recommendations/policy papers in response to government of Ukraine, including gender needs assessment;<br>Activity 1.3. Developing the UNDP component of the MPTF window: drafting and implementing communication and resource mobilization strategies with regard to the MPTF; establishing the MPTF database and monitoring system | 200,000 | | | | UNDP | BPPS<br>UNDP GIPS Funding Window<br>Atlas fund code 28100<br>Donor code 12711 | 71200 International Consultants<br>71400 Contr Srv Ind<br>71300 Local Consultants<br>72100 Contractual Services-Companies<br>72500 Suppl<br>72400 Comm&Audio<br>75100 Facilities and Administration | 20,000<br>120,000<br>16,000<br>17,000<br>2,000<br>11,915.89<br>13,084.11 |

[2] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[3] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

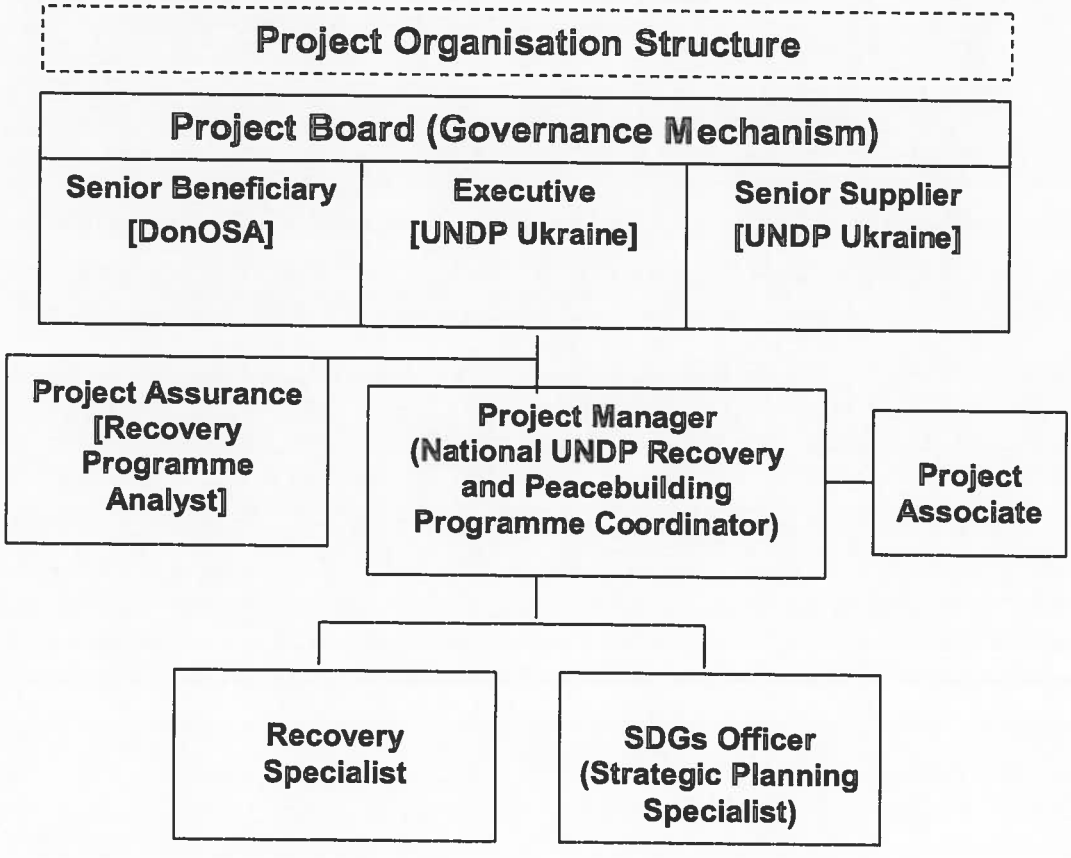
| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Sub-Total for Activity 1** | | | | | | | 200,000 |
| | **Activity 2. Enhancing institutional capacity for recovery planning/monitoring and coordination:**<br>Activity 2.1. Conducting knowledge transfer events; providing support on peacebuilding related to the national context; on integrating human rights based approach (HRBA) into recovery and development planning; making the assessments or updating assessments of the R&P needs in the Eastern Ukraine;<br>Activity 2.2. Creating and maintaining a virtual peacebuilding information sharing platform to ensure policy dialogue and coordination at both national and sub-national levels, building on Social Cohesion and Reconciliation (SCORE) Index database, which is implemented by UNDP, IOM and UNICEF. | 100,000 | | | | UNDP | CRU<br>TRAC 1.1.3<br>Atlas fund code 04120<br>Donor code 00012 | 71300<br>Local Consultants<br>71600<br>Travel<br>74200<br>Audio Visual&Print Prod Costs<br>72100<br>Contractual Services-Companies<br>72500 Suppl | 23,000<br>24,000<br>16,000<br>29,000<br>8,000 |
| | **Sub-Total for Activity 2** | | | | | | | | 100,000 |
| | **Sub-Total for Output 1** | | | | | | | | **300,000** |
| TOTAL | | | | | | | | | **300,000** |

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

UNDP shall be responsible for the overall management of the project, primarily with regard to the responsibility for the achievement of the outputs (results), impact and objectives. Similarly, UNDP will be accountable to the Project Board (PB) / Steering Committee (SC) for the use of resources. UNDP will delegate managerial duties for the day-to-day running of the project to the Project manager. The project will receive overall guidance and strategic direction from the PB/SC. The Project Board/Steering Committee is the group responsible for making consensus based management decisions for a project when guidance is required by the Project Manager. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Manager.

This group consists of four institutional members:

- Executive (Grant Beneficiary) - role represented by UNDP Ukraine;
- Senior Supplier (Contracting Authority) represented by the UNDP Ukraine that provides guidance regarding the technical feasibility of the programme, contractual issues and use of programme resources;
- Senior Beneficiary (Recipient), represented by the Donetsk Oblast State Administration and other recipients. The Project Board (Steering Committee) will meet every 6 months to assess the progress and grant its approval to the project's interim reports.



## IX. LEGAL CONTEXT AND RISK MANAGEMENT

### LEGAL CONTEXT STANDARD CLAUSES

**Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)**

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on 18 March 1993. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

### RISK MANAGEMENT STANDARD CLAUSES

**Option b. UNDP (DIM)**

1. UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)

2. UNDP agrees to undertake all reasonable efforts to ensure that none of the [UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via hthttp://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

3. Consistent with UNDP's Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

4. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

## X. ANNEXES

1. **Project Quality Assurance Report**

2. **Risk Analysis.**

3. **Project Board Terms of Reference and TORs of key management positions**

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Mngt response | Owner | Submitted, updated by | Last Update | Status |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Early elections could distract attention from the recovery agenda and could result in a less result-oriented activities during the implementation period of the project | Junuary 2017 | Political | P = 3<br>I = 4 | The Project envisages a number of capacity development activities directed at the GoU officials that are appointed (not elected) | Project Manager | Project Manager | June 2016 | |
| 2 | Lack of ownership from the Ukrainian side which could be associated with changes of leadership and composition of the GoU | Junuary 2017 | Strategic | P = 3<br>I = 3 | Regular engagement into the project activities various stakeholders and beneficiaries will maintain proper level of ownership | Project Manager | Project Manager | June 2016 | |
| 3 | General fatigue among recovery stakeholders with recovery planning | Junuary 2017 | Organizational | P = 3<br>I = 3 | Innovative tools and methods applied in the project and resulted in concrete project outputs will overcome fatigue, if exists | Project Manager | Project Manager | June 2016 | |
| 4 | Resistance to change recovery planning/ | Junuary 2017 | Organizational | P = 2<br>I = 2 | Shared experience and best practices of other developed | Project Manager | Project Manager | June 2016 | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | monitoring processes within the GoU | | | | countries will result to positive opinion about the required changes | | | | |
| 5 | Availability of resources within MPTF | Junuary 2017 | Financial | P = 2<br>I = 3 | The project will advance towards allocation of necessary financial resources | Project Manager | Project Manager | June 2016 | |