

DANEP 2017-2021

Ukraine Country Programme Document

(to be read in conjunction with the DANEP strategic framework document 2017-2021)

October 2017

Ukraine Country Programme under DANEP

Key results:

- Anti-corruption institutions function effectively
- The Ombudsperson addresses human rights violations at the local level
- Local governments deliver services effectively in a transparent and accountable manner
- SME growth for youth and women run businesses
- Substantial foreign direct investment in renewable energy
- Renewable energy reached 11% of the national consumption

Justification for support:

- The support identified is fully aligned with the DANEP strategic framework document
- The support is fully aligned with the Ukraine reform agenda and Vision 2020
- The support will be critical in assisting Ukraine in its efforts to meet the EU Association Agreement (AA) efforts and the agreement with the EU on the Deep and Comprehensive Free Trade Agreement (DCFTA)
- The support will include specific attention to ensure youth and women's rights protection and economic opportunities
- The support provides avenues for immediate and future Danish private sector investments in Ukraine for the future cooperation and job creation, and draws on Danish competencies where possible/relevant.

How will we ensure results and monitor progress:

- The programme is implemented through partners that have a long track-record of implementation in Ukraine and which Denmark has previous working experience with
- The programme will use partners' monitoring frameworks. To further triangulate evidence an M&E agent will be hired through the DANEP framework
- See DANEP strategic framework document for full overview

Risk and challenges:

- Major risk is the potential limited commitment to the ongoing reform process in Ukraine. Denmark will continue its policy dialogue efforts through the EU to mitigate this risk and emphasise the importance of compliance with the AA and the DCFTA
- The second major risk is the potential escalation of the conflict in the East of Ukraine. This would disrupt activities in these areas. However, activities implemented in these areas are designed to take the need for a stabilisation effort into consideration

| | | | | | | | |
|-----------------------------|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| File No. | F2: 2016-40165 | | | | | | |
| Country | Ukraine | | | | | | |
| Responsible Unit | European Neighbourhood (EUN) | | | | | | |
| Sector | | | | | | | |
| | <i>Mill.</i> | 2017 | 2018 | 2019 | 2020 | 2021 | Tot. |
| Commitment | | 79 | 70 | 128 | 99 | 100 | 476 |
| Projected ann. disb. | | | | | | | |
| Duration | 2017-2021 | | | | | | |
| Finance Act code. | 06.32.11.10 | | | | | | |
| Desk officer | Darriann Riber | | | | | | |
| Financial officer | | | | | | | |

SDGs relevant for Programme



| Budget | |
|--|------------|
| Thematic Programme 1 – HR and Democracy | 244 |
| <i>Engagement - Civil society (two instalments)</i> | 50 |
| <i>Engagement - Media (two instalments)</i> | 50 |
| <i>Engagement - Gender reform and countering GBV</i> | 15 |
| <i>Engagement - Human rights</i> | 30 |
| <i>Engagement - Anti-corruption</i> | 59 |
| <i>Engagement – Decentralisation</i> | 40 |
| Thematic Programme 2 – Sust. and Incl. Growth | 232 |
| <i>Engagement - Inclusive labour market (three instalments)</i> | 54 |
| <i>Engagement – Sustainable energy enabling environment</i> | 20 |
| <i>Engagement – Sustainable energy investment (three instalments)</i> | 108 |
| <i>Engagement – SME and entrepreneurship development (two instalments)</i> | 50 |
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| | |
| Programme Support (see DANEP strategic framework doc.) | |
| Total | 476 |

| Strat. objective(s) | Thematic Objectives | List of Engagements/Partners |
|--|--|--|
| DANEP objective: More peaceful and stable countries, contributing to the UN SDGs and paving the way for future opportunities for cooperation with Denmark beyond traditional development assistance | DANEP: Promoting human rights and democracy | <ul style="list-style-type: none"> - Civil society support implemented by UNDP - Gender reform and countering GBV implemented by UN Women - Human rights implemented by UNDP - Anti-Corruption implemented by the EU/Ministry of Foreign Affairs - Decentralisation implemented by EU - Media – Detector Media and Hromadske |
| | DANEP: Strengthening sustainable and inclusive economic growth | <ul style="list-style-type: none"> - Inclusive labour market implemented by ILO - Sustainable energy enabling environment implemented by DEA - Sustainable energy investment implemented by IFU - SME and entrepreneurship development implemented by a private contractor |

1 Introduction

This country programme document presents the Danish support to Ukraine 2017-2021 under the strategic framework of the Danish Neighbourhood Programme (DANEP). The programme is an integrated part of DANEP. This means that the programme contributes to and feeds into the DANEP Theory of Change (ToC) and thematic objectives of DANEP, and is managed in accordance with the DANEP management framework as identified in the overall DANEP strategic framework document. For a full overview of the strategic choices, justification and lessons learned please refer to the DANEP strategic framework document.

In light of the DANEP strategic framework there are three sets of engagements in this document:

- 1) Engagements that have already been approved by Danida through a separate approval process. These were designed and approved prior to the agreement on having a combined DANEP framework document and concern support to civil society as well as media 2017-2021;
- 2) Engagements, which have been consulted with implementing partners in full compliance with a standard formulation process. This covers all engagements 2017-2019. Note that the exception to this is the support to SME development planned to start in 2019. For this particular engagement, the Ministry of Economic of Development is still awaiting the final strategy and request from the Government of Ukraine to be able to finalise the document;
- 3) Engagements, which will be initiated in 2020 and 2021 are indicative, based on research and consultation, the engagements will require revision to take into consideration the latest contextual and policy changes in 2018 and 2019. These will be finalised late 2018/early 2019 and be approved as part of the 2019 mid-term review and cum appraisal of the DANEP programme.

2 Strategic considerations and justification

2.1 Ukraine Context

Following the ousting of President Yanukovich in 2014 and the reinstatement of the 2004 Constitution of Ukraine, the country has engaged in an extensive reform process aimed at transforming itself and enabling a process towards closer association to the European Union (EU) and Europe.

A large body of critical laws within the justice, human rights, anti-corruption and economic development sectors have been passed by Parliament (the Verkhovna Rada or the Rada). However, traction varies across the different reforms and in some cases it has stalled. There are still laws within sub-sectors that need to be passed to allow for the reforms to be fully implemented. The number and scale of reforms have also stretched the public sector, e.g. in terms of capacity, slowing down implementation.

The full package of reforms was revised and a new forward-looking vision adopted in April 2017. This included public consultations and was intended to result in an enhanced prioritisation of reforms. 25 key reforms are on the table, of which 10-12 fall under the thematic areas of DANEP. This vision on

the core reform areas and desired progress thereon has recently been approved by the Cabinet of Ministers until 2020¹.

The implementation of the reform process is closely linked with the Association Agreement (AA) signed 2014 and to the signing of the Deep and Comprehensive Free Trade Agreement (DCFTA). EU and the International Monetary Fund's (IMF) macro-financial assistance to Ukraine aims at helping alleviate Ukraine's large external financing needs and at supporting the ambitious reform programme of the authorities. Delays in the implementation of some agreed reforms have been observed, however, as of September 2016, the IMF programme for Ukraine had come back on track.

Universal for all areas of reform, corruption and lack of accountability remain key challenges for reform progress and economic development in the country. Corruption permeates every level of society, across sectors at central as well as local level. In spite of this, Ukraine has great business potential and prospects for growth, which may be further stimulated if the Government succeeds in improving the business environment, in which corruption is considered a major obstacle. However, systemic challenges mean that some of these processes will take considerable time.

The country is furthermore challenged by the Russian annexation of Crimea and the ongoing military action in the Donbas region, leaving large parts of Donetsk and Luhansk outside of Government control (the so-called Non-Government Controlled Areas (NGCAs)). The conflict has resulted in a massive displacement of over 1.6 million Ukrainians² and increase in human rights violations in and around the conflict areas³.

Despite the challenges at hand, since the mid-2015, Ukraine's economy has witnessed signs of economic stabilisation following the deep recession largely driven by the confidence loss and the damage to productive capacity associated with the armed conflict in the east. The stabilisation was supported by a strong fiscal and monetary policy response by the authorities as well as significant financing assistance from international donors. As a result, GDP returned to growth in 2016. Growth is projected at 2 percent in 2017. In the medium term, growth could pick up to 3-4 percent if deeper structural reforms bolster investor confidence and productivity.

Another key feature in the country is the rural-urban divide. Limited attention to the rural areas and smaller towns in the past means that the growth and development are centred around a handful of major cities with economic potential lost and with limited welfare and service delivery in the countryside. This is now being addressed through multiple reform processes extending services and political participation to the local level.

The political processes in Ukraine are not fully linear, with laws and counter-laws being approved, stalled or declined on a monthly basis, making it difficult to identify longer-term support to the country. Yet there are obvious areas in need of support.

¹ Please see: Cabinet of Ministers of Ukraine Decree "On Approving the Mid-Term Plan of Priority Action for the Government until 2020 and the Priority Action Plan for 2017" № 275-p as of 03.04.2017. Available at: <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249935442> (Ukrainian only).

² The data on actual numbers of IDPs varies with time and some of the latest estimates (December 2016) state that there were 1 654 845 IDPs officially registered in the relevant state database. Available at: <https://helsinki.org.ua/prava-vnutrishno-peremischenyh-osib/>;

³ For more details, please consult the dedicated Chapters 8 and 9 of the Annual Report of the Ombudsperson published in 2017: http://www.ombudsman.gov.ua/files/Dopovidi/Dopovid_2017.pdf;

There is still considerable donor focus on reforms and donor assistance provided to all key reform areas. It is thus important to act jointly, where feasible, and identify specific areas, which are orphaned or where Denmark has special expertise and comparative advantage.

Human rights remain a priority area as long as the law enforcement and justice systems remain imperfect. This is likely to be the case beyond the DANEP programme. Human rights can be addressed by supporting the Ombudsperson and civil society. The Ombudsperson is one of the more well-functioning institutions (while also heavily dependent on the official leading the institution). Yet, there is a need to ensure and safeguard its performance in the future. There is in particular a need to continue to support the regionalisation process ensuring a stronger presence of the Ombudsperson at the local level linked to the ongoing decentralisation process of local administration as well as the justice institutions.

Donetsk and Luhansk areas in the east of Ukraine are in dire need of improved human rights. Some donors are working in this area including the UN system, United States Agency for International Development (USAID) and Department for International Development (DFID), but most of the funding is through humanitarian assistance. There are options for engaging in this area specifically focused on addressing underlying causes of Gender Based Violence (GBV) and women's access to local level decision-making processes.

Within the broader governance areas, **corruption** remains a key issue. Corruption will not be alleviated in the near future in Ukraine and remains a major obstacle for development and this is a priority area for DANEP as well. Denmark is well placed to continue to play a lead role as implementer of the EU-Danida Anti-Corruption Initiative (ACI). There is a need to expand the focus of the ACI programme to include the decentralisation reform process in a possible new phase of the programme.

Similarly, **decentralisation** remains a key priority area. The magnitude of the decentralisation process, versatility of its aspects (both administrative and sectoral), as well as substantial uncertainties means that decentralisation will remain a major area in need of support for the next decade at least. There are opportunities for linking with the sustainable and inclusive growth objective of the DANEP programme by strengthening local governments' ability to deliver services to the private sector as well as ensuring energy efficiency. There is also a need to support civic oversight at the local level.

With generally weak attention to **gender** among government and donors, there is an immediate need for engaging in gender mainstreaming in the reform processes as well as ensuring women's participation in political processes. Swedish International Development Cooperation Agency (Sida) is engaged at the overall level (central government focal point) and with some thematic reform processes, but so far there is limited attention to the role of women in the decentralisation reform, which nonetheless will have substantial influence on women's welfare. Denmark can play a key role in this process by being strategic and providing its assistance in an impactful way with limited funding.

There is a huge demand for support to smaller **businesses** across Ukraine. The DCFTA holds much promise in terms of future market access, foreign direct investments, and other economic opportunities. However, businesses need support to benefit from this potential in terms of identifying, exploring and adjusting to the new market demands while seeking to remain competitive in the light of the many changes introduced by the DCFTA. This can be coupled with general business advice and possibly entrepreneurship development targeting youth, especially at regional/municipality levels. Access to finance is a major issue but appears well-covered by other donors. The access to advisory services might be further supported by Denmark, especially with a view to extending services to

district/municipality levels, enabling business communities and entrepreneurs to access assistance at regional level.

The field of addressing structural **employment and labour market** challenges appears to be somewhat overlooked by both the government and donors, and The Ministry of Social Policy has not seen much donor support towards its reform endeavours, for example in employment services. Strengthening social dialogue and tripartite mechanisms for addressing labour market issues and furthering a more inclusive, more social orientation is needed. Support is needed for the approximation to the EU Social Charter, completely aligned with core labour standards securing workers' rights and stimulating the creation of decent work, including for youth. Donors' engagement in this area is rather scattered and may present an opportunity for a Danish engagement.

There is a need for a concerted effort for coordination of policy and initiatives related to youth employment. Entrepreneurship development and support to business start-up and expansion see scattered support, and is consider an opportunity for Danish interventions. One almost completely overlooked approach to addressing youth employment is career guidance, including considering self-employment and entrepreneurship development. Active labour market polices, including employment services, addressing informal employment and the huge challenge as skills mismatch equally needs addressing. Tripartite dialogue and inter-ministerial coordination are decisive for addressing these major constraints.

Moreover, to stimulate growth and job creation, especially for youth, supporting development of smaller enterprises seems to offer much potential. There is a need for job creation per se, but also for measures to secure decent work, for example by addressing an enormous share of informal employment, which is particularly predominant for youth. The need for a concerted effort has been acknowledged and the Ministry of Economic Development has recently formulated the National SME Development Strategy, which was approved in May 2017. From donors' side there is also revamped coordination efforts to assist this segment in an effective manner and it is expected that a coordination group will be established.

Energy security became a high priority in 2014 after Ukraine faced the prospect of energy supply disruptions from Russia. The "President's Sustainable Development Strategy 2020" emphasizes energy independence, through transition towards more **sustainable energy solutions** and introduction of **innovative technologies**. The current Danish involvement in Ukraine comprises three engagements: The Neighbourhood Energy Facility through the Danish Investment Fund for Developing Countries (IFU), the European Bank for Reconstruction and Development (EBRD/E5P) and the Ukrainian-Danish Energy Centre (UDEEC) implemented by the Danish Energy Agency (DEA). With a view to focussing the efforts thematically under the sustainable and inclusive growth pillar and developing managerial synergies, it is envisaged that the engagements can be narrowed down to two development engagements, namely:

- 1) Support the policy level in creating an enabling environment for private sector sustainable energy investments;
- 2) Facilitation of Danish investments for energy efficiency and promotion of renewable energy to meet national targets and be a catalyst for further investments (national or foreign).

Summing up, there are clear opportunities for Denmark to continue support to complete the reform processes in key areas such as human rights, decentralisation, anti-corruption, and energy, while

enhancing the Danish footprint in new areas in terms of enabling international as well as national investments in the country, creating opportunities for young and female entrepreneurs, and assisting smaller enterprises to remain competitive, operate in a sustainable manner and create decent jobs.

In accordance with the DANEP strategic framework document and the justification of programme areas outlined in this, the programme for Ukraine will contribute to the two thematic programme objectives of DANEP:

- 1) Promoting human rights and democracy**
- 2) Strengthening sustainable and inclusive economic growth**

In accordance with the needs identified in the strategic framework document, and as derived from the background context above, Denmark will support strategic focused sub-themes under the two thematic programmes. These include:

- Under human rights and democratic development:
 - Decentralisation
 - Human rights
 - Civil society and media
 - Anti-corruption
 - Gender reform and countering GBV in eastern Ukraine
- Under sustainable and inclusive economic growth:
 - Inclusive labour market for job creation
 - SME development
 - Enabling environment for sustainable energy investment
 - Sustainable energy investment

In line with the DANEP strategic framework, the programme for Ukraine will have explicit focus on the key SDGs relevant to the country context. Specifically, Denmark will contribute to meeting the following SDGs in the two countries:

- SDG 5 – Gender equality
- SDG 7 – Affordable and clean energy
- SDG 8 – Decent work and economic growth
- SDG 16 – Peace, justice and strong institutions
- SDG 17 – Partnerships for the goals

2.2 Justification

The country programme for Ukraine is designed to support key reform areas in Ukraine, in accordance with the revised reform policy agenda⁴. Support is provided: (1) directly to reform areas, (2) supporting

⁴ For this, please refer to the Cabinet of Ministers of Ukraine Decree “On Approving the Mid-Term Plan of Priority Action for the Government until 2020 and the Priority Action Plan for 2017” № 275-p as of 03.04.2017. Available at: <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249935442> (Ukrainian only).

the integration between the different reform processes, and (3) by enhancing the application of a human rights based approach and ensuring a focus on gender equality and involvement of youth where feasible. Key features and examples of this in the programme include:

- *Support to direct reform processes* include the support to: (i) the anti-corruption reform, (ii) the decentralisation reform, (iii) the energy reform process, and (iv) labour market reform. These all relate to further enhance Ukraine's alignment with the EU AA and DCFTA.
- *The reforms all have cross-sectoral elements, which the programme will support.* This is in particular strong in decentralisation, where the Danish support will contribute to (i) enhancing services to citizen's employment with a special focus on youth and women, and (ii) easing the access of SMEs to municipal service delivery, such as building permits. Similarly, the decentralisation reform process will be supported by the other development engagements by e.g. (a) strengthening anti-corruption efforts at the decentralised level through the next phase of the anti-corruption programme, (b) supporting SME development through the regional business centres, possibly in conjunction with support to a central SME development organisation to effectively implement and coordinate the SME support, and (c) supporting the strengthening of public employment services for the benefit of all regions, including with entrepreneurship development for youth.
- *From a human rights based perspective,* the reform processes will be a key entry point of support as well. This is first and foremost ensured by continuing to strengthen the Office of the Ombudsperson to hold the duty bearers to account when the reforms are implemented. A key element of this is the enhanced presence of the Ombudsperson at the sub-national level, which will strengthen the rights holders' opportunities for demanding their rights as the decentralisation process moves forward. Similarly, the support to a better functioning labour market captures rights at work, by for example addressing the significant informal economy where workers' rights are non-existent and by furthering the dialogue and voice through strengthening of the tri-partite system, including at regional level. The efforts of supporting the anti-corruption institutions at the (sub)national level, will furthermore enhance transparency in public administration. The focus on citizen (and in particular women and youth) involvement in the decentralisation process will improve the participation in the political processes. Across the reforms, enhanced accountability and transparency is sought by strengthening the media and civil society's efforts towards holding the duty bearers to account: (i) in general by support to local level civil society organisations and building their capacities to monitor and engage with the local and national government, and (ii) by the targeted civil society support within the anti-corruption programme.
- *From a gender perspective,* the programme will specifically support mainstreaming of gender and enhanced equality efforts in the decentralisation and law reform processes through a dedicated engagement. Similarly, gender equality will be ensured in the labour market reform processes by supporting the revision of relevant legislation. The gender equality efforts will furthermore be emphasised in the implementation of the SME support and entrepreneurship development. The envisaged cooperation with the Ministry of Economy on SME support will include a thorough gender analysis that will guide the implementation. Finally, from a rights perspective there will be an enhanced focus on countering GBV in conflict-affected areas of Ukraine.
- The design of the programme has sought to *bring youth issues to the forefront.* Most notably, youth unemployment is a major challenge in Ukraine and development engagement with the ILO has

a focus on youth in terms of supporting youth entrepreneurship, the high level of informality and to address the huge skills mismatch in the labour market system, which is assessed to be a major cause of youth unemployment. Also advisory services to SMEs will include activities to guide on enterprise start-up (in conjunction with the ILO component on entrepreneurship development and career guidance), whereby youth are encouraged to consider self-employment as a career option.

From an aid effectiveness perspective, the programme is marred by the general more limited harmonisation and joint donor initiatives across all sectors in the country. However, the programme's implementing partners have been selected with a view to further the harmonisation and alignment process by focusing on joint or multilateral initiatives where these are present in the sector. In summary this means that:

- Where Denmark is supporting major resource-intensive reform initiatives such as within decentralisation and anti-corruption, priority has been given to joint EU-led initiatives.
- Where there is a need for a more targeted approach in more donor orphaned areas, such as supporting labour market reform or e.g. ensuring gender mainstreaming of specific reforms priority has been given to supporting multilateral organisations with the specific mandate in this field.
- And, where Denmark can play a more catalytic role with specialised Danish support, such as within renewable energy enabling environment and stimulating investment in sustainable energy solutions, the programme has been designed to draw specifically on such direct bilateral engagements.

The programme will be implemented in a context where the bulk of the work undertaken across most of the territory will be in the form of more traditional development. However, the design specifically takes the ongoing military conflict in eastern Ukraine as a departure of several engagements complementing the development approach. This is most explicit in the support to countering conflict-related GBV in Luhansk and Donetsk regions through the UN Women's support to community security. The findings and lessons learned from this support will also feed into UN Women's work with the law enforcement and decentralisation reform processes. Similarly, the support to the Ombudsman Office will include targeted support to protect the rights of the 1.6+ million IDPs in Ukraine through specific outreach and local office representational initiatives. It is furthermore envisaged that the SME support will also reach out to the conflict-affected areas of the country. Finally, the major reform programmes, such as decentralisation and employment services will also be covering the conflict-affected areas of Luhansk and Donetsk.⁵ The support is also expected to be complementary to the possible new support through the Peace- and Stabilisation Fund (PSF).

The programme design will draw explicitly as well as implicitly on Danish expertise and strengths where relevant. Most significant Danish footprint in the programme design includes:

- The support to sustainable energy investment implemented by IFU. This support is expected to draw extensively on Danish expertise in renewable energy solutions as well as in energy efficiency, which may include support to the establishment of e.g. more wind farms in the country.

⁵ Note however, that due to the present security situation, none of the programmes will be able to operate in the Non-Government Controlled Areas.

- Support to improved energy investment climate facilitated through an authority-to-authority cooperation led by the Danish Energy Agency, where the Danish state-level know-how and technologies are shared.
- Continued Danish leadership in the implementation of the EU-Danida Anti-Corruption Initiative. Denmark leads the largest anti-corruption programme in Ukraine for the EU bringing in specific Danish expertise from the Ministry of Foreign Affairs and drawing on the Danish, as well as the EU, resource base. This is expected to continue under the new DANEP framework.
- In the field of supporting the labour market development, the Danish tripartite system and tradition of social dialogue is widely recognised and the ILO is considering to use the Danish system as a demonstration model and establish exchange with the Danish Social Partners.

As described in the DANEP strategic framework document, there are two major risks at the overall level, to which the programme will need to relate. First and foremost, the programme is heavily oriented towards the ongoing reform processes in Ukraine. Thus, a key assumption for the programme is the continuation of this process, but with the risk that the political commitment to continue the reform process may dwindle and may be negatively impacted by the election process. To mitigate this risk, the programme engagements are thus depending on the continued strong policy dialogue by Denmark and by Denmark's continued commitment to the policy dialogue of the EU vis-à-vis the Government of Ukraine. The Association Agreement and the DCFTA will continue to be a key element in this dialogue.

Similarly at the overall contextual level, major risks relate to the ongoing conflict in the east and annexation of Crimea by Russia. In particular the conflict in Donetsk and Luhansk may escalate, which will impact the economy as well as the ability to operate in the east of the country. The programme is designed to allow for development activities across the country, and with elements of specific support to the east and the related effects of the conflict and should be able to cope with changes in fragility and conflict.

There are three possible risk scenarios for the next five years, to which the programme must relate:

- 1) *Positive incremental changes.* Continued commitment to the EU AA and the DCFTA and the effect of the demand-side to hold the government to account of results in an enhancement of the implementation of the reform process and a reduction in the level of corruption. In this case, Denmark may consider moving further on the aid effectiveness agenda and start channelling funding through some of the targeted state institutions in the engagements that phase in from 2020 and onwards or in a possible follow-up phase to DANEP 2017-2021.
- 2) *Reform stagnation.* Political turmoil means that the reform process is stalled and progress towards the DANEP objectives is slowed down. Democratic institutions however remain intact. Denmark may consider reallocating funds from non-performing institutions, to institutions that are reform-oriented to motivate change. Additional funding may also be allocated to demand-side institutions to further enhance the pressure on the Government combined with a strong policy dialogue joined with the EU and EU member states.

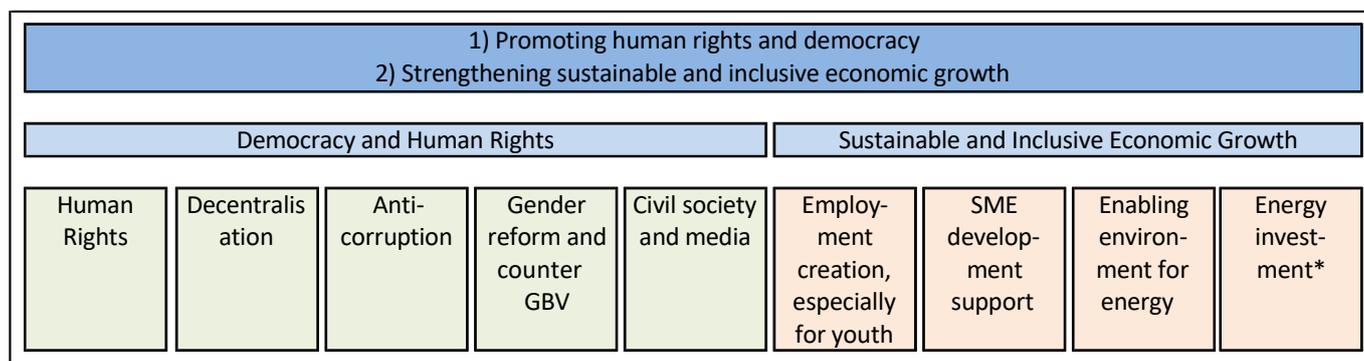
- 3) *Roll-back of reforms.* There is a significant change in the government orientation and a combination of crack down on civil liberties and a significant setback on the AA and the DCFTA process. Such a process would stall and/or reverse the reform processes and run counter to the objectives of the DANEP programme. In this case, Denmark should consider reallocating more funds to independent demand-side organisations, such as civil society and the Ombudsperson.

The total budget for the Ukraine part of the DANEP programme 2017-2021 is DKK 476 million. Of these, DKK 244 million are allocated for the human rights and democracy thematic programme and DKK 232 million for the sustainable and inclusive economic growth thematic programme.

3 Thematic Programme summaries

There will be two thematic programmes under the Ukraine DANEP programme related to human rights and democracy, and sustainable and inclusive economic growth. The suggested programme is designed with a total of eight development engagements in addition to the already agreed engagements for civil society and media support. There are four engagements for each thematic area. These engagements build on existing DANEP engagements where there is a need for continuation and introduces new engagements where the needs and opportunities have been identified. To respond to the need for lean management of the overall DANEP programme, one of the development engagements in Ukraine will also cover the implementing partner’s activities in Georgia as well (IFU). For a full programme overview, see figure 3.1 below.⁶

Figure 3.1 Ukraine programme overview



* This engagement also cover support to Georgia

Key expected impact results at the two thematic levels include:

- Anti-corruption institutions function effectively
- The Ombudsperson addresses human rights violations at the local level
- Local governments deliver services effectively in a transparent and accountable manner

⁶ For both thematic programmes the overall strategic objectives and justifications of the two thematic areas covered in Ukraine as well as Georgia are presented in the DANEP strategic framework document 2017-2021. Similarly, the strategic framework presents an overview of key lessons learned from the past DANEP interventions.

- SME growth for youth and women run businesses
- Substantial foreign direct investment in renewable energy
- Renewable energy reached 11% of the national consumption

See Annex C for detailed indicators against stated results.

3.1 Promoting human rights and democracy

In the following we present the theory of change of the human rights and democracy programme and an assessment of the thematic programme against the OECD-DAC quality criteria, followed by a short introduction to the individual development engagements (table 3.2).

Table 3.2 Theory of Change for Thematic Programme on Human Rights and Democracy

| Level | Human rights and democracy |
|----------------|---|
| Input | <i>If</i> Denmark continues its support to the decentralisation process, but focuses more on service delivery to youth and support to the business environment; and if Denmark continues its support to human rights oversight at the decentralised levels as well as women’s rights in the reform process; and if Denmark continues to combat corruption with other EU member states (MS) with enhanced focus on the decentralised level; and finally, if Denmark supports the efforts towards countering GBV in the east |
| Output | <i>Then</i> the key reform processes within the realm of governance, democracy, human rights and gender equality will be supported. Availability of decentralised services through the local government structures will be improved for women, men, youth and businesses. Human rights will be monitored and cases brought forward. This in particular concerns protection services for women in the East. Oversight of the service delivery at central, and not least, decentralised level be in place monitoring public spending and corruption |
| Outcome | <i>Leading to</i> improved performance of duty bearer institutions targeted resulting in women, men, and youth accessing services and participating in local democratic development less marred by corrupt practices and a reduction in GBV |
| Impact | Eventually <i>contributing to</i> overall DANEP objective of stability, democracy and growth and compliance with the EU Association Agreement |

The theory of change is based on three key assumptions (see also section on scenario planning above):

- Continued commitment to the EU AA and DCFTA means an ongoing push for reforms in the human rights and democracy area albeit at different paces according to the political context
- That the institutions supported will have the political will and capacity to absorb and utilise the support provided for reform change
- That the conflict in the East remains at a level, which allows for operations in Luhansk and Donetsk

The design of the thematic programme has been undertaken to ensure that it is relevant and can deliver results according to the OECD-DAC quality criteria. See table 3.3 below for details.

Table 3.3 Justification against the OECD-DAC quality criteria

| OECD-DAC criteria | Assessment |
|--------------------------|---|
| Relevance | The thematic programme is fully aligned with the major reforms within decentralisation and anti-corruption and thus aligned with the government's priorities and the EU AA. Furthermore, the support to the Ombudsperson, civil society and media provides for a strong demand-side component supporting the rights holders to balance the support to the duty bearer institutions. Specific attention has also been given to ensure protection against GBV and enhanced attention to women and youth in line with Danish policy priorities |
| Effectiveness | A key criteria for ensuring effectiveness under the thematic area is expected achieved through a combination of: (a) relevance and ownership. As described above alignment with policy objectives and policy dialogue is expected to facilitate change. Furthermore the pressure from the demand-side will help facilitate this process. And, (b) expected effectiveness as documented through delivery of results in the past. This includes the support to the Ombudsman and civil society implemented effectively by the UNDP in the past and the two EU programmes on decentralisation and anti-corruption |
| Efficiency | Efficiency is sought by focusing the major budget inputs on joint programmes through the EU ACI (II) and U-LEAD (II); working through delegated partnerships in the media component; and through existing structures that have proven efficient in the past such as the UNDP support to the Ombudsperson and civil society. Efficiency will however have to be monitored across all DEDs as the programme develops as there will be risks for expansion of administrative costs. Such assessments will form part of the DANEP M&E framework |
| Impact | As the support is assessed to be relevant and effective the probability of impact is assessed to be high. Some of the major impact areas expected include policy level such as changes to the laws and regulations to become increasingly more targeted towards gender equality; ensuring that the anti-corruption courts are fully operational; or ensuring that all men and women and young and old have access to the services of the Ombudsperson |
| Sustainability | Sustainability is sought first and foremost by emphasising capacity development of state and civil society institutions to enable these to perform their assignments. None of the development engagements for the state include direct funding of recurrent costs. There will be capital investments to e.g. expand the geographical outreach of the Ombudsperson and initial outreach of activities but eventually the Ombudsperson's work will be fully funded by the state. The most critical element in terms of sustainability is the support to civil society organisations. None of these receive substantial funding from their constituency and the support is thus not immediately sustainable. However, the support is expected to provide sustainable results as they will help facilitate the reform process |

The thematic programme contributes to the DANEP thematic objective of promoting human rights and democracy through the support to six different engagements, of which two will be repeated in year one and five of the programme:

DED 1: Human Rights - Improving the human rights situation at the local and regional level, including in the East 2019-2023

This concentrates on investing into increased effectiveness of the Office of the Ombudsperson in Ukraine. The support is a continuation of ongoing assistance provided by the current DANEP programme. With the current support, the central level institution has been developed and is now more or less self-sustaining. However, with the expansion of its mandate and the need for decentralising the institution’s services, there is a need to develop the capacities at the decentralised level. Denmark will thus provide earmarked support aimed at:

- Strengthening the institution’s presence at the regional level in Ukraine to ensure outreach to the rural population and address upcoming issues pertaining to decentralisation and access to economic and social rights.
- Strengthening the institution’s capacity to address human rights violations related to the ongoing conflict in the East with a special focus on outreach to Internally Displaced Persons (IDPs).

The expected results are presented in the table (3.4) below.

Table 3.4 Outcome level results for the support to the Office of the Ombudsperson

| | |
|--------------------|--|
| Outcome 1 | By 2023, the Ombudsperson’s Office effectively protects human rights, specifically economic and social rights, in all the territory of Ukraine reaching out to the local level, including rural areas that are most vulnerable |
| Outcome indicators | <ul style="list-style-type: none"> • % of regions covered by the OO regional offices staffed with civil servants and financed from the State budget (2016: 37%; 2023: 100%; MOV: Annual Desk Review by OO and UNDP). • Perception of adherence to economic and social rights by women and men on a scale of (1 – very bad, 2 – bad, 3 – satisfactory, 4 – good, 5 – very good) (2017: 2.2 bad; 2023: 3 satisfactory; MoV: Human Rights Baseline Study). Disaggregated by rural areas (2017: 2.1 bad; 2023: 3 satisfactory). • % of Ukraine’s population that believes the Ombudsperson’s Office is an effective mechanism for human rights protection (2017: 6%, 2023: 12%, MoV: HRBS). Disaggregated by male/female (2017: 5,9%/5,3%, 2023: 12%/12%), rural (2017: 4,4%/8%), youth (2017: 5,6%, 2023: 12%), elderly (2017: 3,8%, 2023: 8%) |

| | |
|--------------------|---|
| | <ul style="list-style-type: none"> • % of policy recommendations by the Ombudsperson’s Office since 2017 that are implemented by duty bearers (2017: n/a, 2023: 30%, MoV: Annual desk review of evidence by OO reports). |
| Outcome 2 | By 2023, the Ombudsperson’s Office effectively implements its human rights protection functions targeting conflict-affected women and men |
| Outcome indicators | <ul style="list-style-type: none"> • % of police officers that believe it is necessary or acceptable to restrict the rights of persons with different political views on the conflict (2017: 53%, 2023: 20%, MoV: Human Rights Baseline Study) • % of police officers that believe crimes committed during the conflict can be justified (2017: 37%, 2023: 15%, MoV: Human Rights Baseline Study) • % of conflict-related policy recommendations by the Ombudsperson’s Office that are translated into concrete policies or strategies (Baseline and target TBD Annual desk review of evidence by OO and UNDP). |
| Outcome 3 | By 2023, the Ombudsperson’s Office is equipped with knowledge and systems to promote human rights at the national level (including by ensuring abiding by international human rights principles) and ensuring the integration of HRBA and gender equality in the national reform agenda |
| Outcome indicators | <ul style="list-style-type: none"> • % of women and men who know about the OO (2017: 48%, 2023: 60%, MoV: HRBS). Disaggregated by male/female (2017: 51%/46%, 2023: 60%/60%) • % of women and men know the mandate of the OO (2017: 7%, 2023: 15%, MoV: HRBS). Disaggregated by male/female (2017: 9%/4%, 2023: 15%/15%) • % of women and men who say they would try to protect their rights if violated (2017: 41%, 2023: 60%, MoV: HRBS). Disaggregated by male/female (2017: 52%/48%, 2023: 60%/60%), youth (2017: 47%, 2023: 60%) and elderly (2017: 38%, 2023: 60%) • % of women and men who think that human rights restrictions are acceptable due to different political positions on conflict-related issues (2017: 48%, 2023: 20%, MoV: HRBS). Disaggregated by male/female (2017: 51%/46%, 2023: 20%/20%) • % of actions in the Action Plan of the National Human Rights Strategy that were implemented (2016: 21%, 2023: 50%, MoV: Ombudsperson/CSO annual reports) • % of recommendations of UPR and CEDAW that have been implemented (2017: TBD 2023: 25%, Annual review of evidence by UPR and CEDAW reporting, including shadow reporting). |

Key elements of the support will be capacity development to the Office of the Ombudsperson at central and local level. Special attention will be ensured for outreach to women and youth from the decentralised offices. The engagement will contribute to: the Sustainable Development Goal (SDG)

16 (peace and strong institutions), SDG 5 (gender equality) as well as SDG 17 (partnerships for the SDGs).

As in the current phase, the engagement will be implemented by UNDP Ukraine from 2019. UNDP is selected based on its mandate and track-record for managing Danish support to the Office of the Ombudsperson in the past DANEP phase. The support will be implemented through a bilateral agreement based on UNDP’s monitoring, financial and management guidelines. The total budget for this engagement is DKK 30 million.

DED 2: Decentralisation - Improved decentralisation and local level service delivery 2020-2024

With decentralisation as one of the major reform processes in Ukraine and also underpinning the other engagements in the DANEP programme, Denmark will continue its support to decentralisation beyond the present U-LEAD programme phase, which ends 2020. During U-LEAD phase I, the amalgamation process will have finished and basic capacity should be in place at all decentralised institutions. Thus, the focus for the next phase should be on:

- Moving forward with enhancing the political participation of women, men, and youth in the decentralisation process and thus complement the so far significant focus on administrative decentralisation processes
- Ensuring a clear division of labour between the different levels of government in all major sectors
- Ensuring proper taxation practices and control mechanisms (including anti-corruption efforts)
- Service delivery and hromadas level especially aimed at youth and the business community. This last element in particular will also contribute to the inclusive growth thematic area of the DANEP programme and be aligned with the relevant engagements in this area.

The expected results are presented in the table (3.5) below.

Table 3.5 Outcome level results for the planned support to decentralisation

| | | | |
|---------------------|------|--|-----|
| Outcome 1 | | Local government provide services effectively, accountable and transparent | |
| Outcome indicator 1 | | - Time it takes for citizens to access services from local governments (social services such as primary health and school; building services; tax registration services etc.) - Time it takes for SMEs to get key permits processed by local governments (registrations, building permits etc.) | |
| Baseline | Year | 2020 | TBD |
| Target | Year | 2024 | TBD |

| | | | |
|---------------------|--|--|--|
| Outcome 2 | | Local government are participatory and inclusive in their operations | |
| Outcome indicator 2 | | - Percentage of female representative in hromada councils - Percentage of youth in hromada councils | |

| | | | |
|----------|------|---|-----|
| | | - Number of hromadas that are fully transparent in all major financial matters (budgets, procurement, politicians and management salaries, audits etc.) | |
| Baseline | Year | 2016 | TBD |
| Target | Year | 2020 | TBD |

A significant part of the funding is expected used for capacity development. Women and youth are expected to receive particular attention for the programme parts, which relate to political decentralisation and the enhancement of accountability and transparency to the citizens in the hromadas. The engagement will in particular contribute to SDG 16 (peace, justice and strong institutions) and SDG 8 (decent work and economic growth).

The final DED will be designed early 2019. However, it is expected that the funding will continue to be channelled through delegated cooperation with the EU, possibly implemented by other EU member states, e.g. Sweden and Germany as is currently the case. The formulation of the next phase will include an assessment of these current as well as possible different future implementing partners. The budget allocation for this engagement is DKK 40 million.

DED 3: Anti-corruption - Combating corruption at the national and decentralised level 2020-2024

It is suggested that Denmark continues to lead the anti-corruption agenda in Ukraine after 2020 by implementing the next phase of the EU-Danida ACI programme. At the end of the current phase of ACI, it is expected that the current new anti-corruption institutions close to fully operational and their strategic plans have been initiated. Thus in addition, to providing the last bid of support to the existing institutions, a new programme will be designed which in particular need to focus on combating corruption:

- At the decentralised level, which currently receives very little attention in spite of the substantive ongoing fiscal decentralisation. By combating corruption at decentralised level the engagement will contribute to an improved business environment for small and medium size enterprises operating outside the major cities
- By providing specific focus on the role of the private sector in fighting corruption and improving the investment climate in Ukraine
- By continuing to build capacities of the demand-side governance to hold the state to account on corruption issues

The expected results are presented in the table (3.6) below.

Table 3.6 Outcome level results for the planned support to anti-corruption

| | | | |
|---------------------|------|--|-----|
| Outcome 1 | | Institutions that have the mandate of preventing and prosecuting high-level and high-volume corruption crimes deliver on their mandates and ensure solid adjudication work as a unified system | |
| Outcome indicator 1 | | <ul style="list-style-type: none"> a) Number of high-level, high-volume corruption cases resulting in a court decision per year; b) International monitoring mechanisms acknowledge significant progress in interaction between NACP, NABU, SAPO, ARMA and the possible Specialized Anti-Corruption Court (or any similar adjudication mechanism); | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |

| | | | |
|---------------------|------|--|-----|
| Outcome 2 | | Relevant authorities (SBI and National Police) have increased capacities to address mid-level and smaller corruption crime, especially at the sub-national level | |
| Outcome indicator 2 | | <ul style="list-style-type: none"> - Level of trust to the National Police with respect to both personal integrity (officers not engaging in corruption) and efficacy in tackling smaller-level corruption crime; - Conviction rate in cases handled by SBI that pertain to corruption or corruption-related issues; | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |

| | | | |
|---------------------|--|--|--|
| Outcome 3 | | SME & sub-national government relations are built with an increasing level of trust, transparency and integrity | |
| Outcome indicator 3 | | <ul style="list-style-type: none"> - Percentage of SMEs operating in relevant hromadas who report no corruption-related hindrances from local level authorities (first-hand experience); - Percentage of local government representatives who report lack of businesses offering to address emerging issues through corruption or corruption-related activities; | |

| | | | |
|---------------------|------|--|-----|
| Outcome 4 | | Sub-national (and potentially local-level) civil society actors are knowledgeable about locally-relevant corruption risks, are able to exercise sound expert judgement on the cases being handled, and are empowered to litigate for the public good | |
| Outcome indicator 4 | | <ul style="list-style-type: none"> - Number of well-substantiated court cases brought forward regarding locally-relevant situations by civil society organizations (including investigative journalist initiatives) who have researched the problems in question; | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |

There will continue to be a high emphasis on capacity development to central and also to local level institutions in the programme. Interventions aimed at the combating corruption will be measured against gender-disaggregated indicators. In terms of empowering the SMEs to self-initiate measures

for integrity and compliance, emphasis will be on businesses ran by young and female entrepreneurs as one of the dedicated target groups. The engagement will in particular contribute to SDG 16 (peace, justice and strong institutions).

Denmark will assist the EU with the formulation of the next phase to ensure appropriate future alignment with the latest contextual developments in Ukraine. The total budget for the next phase is DKK 59 million.

DED 4: Gender reform and counter GBV - Ensuring women’s role in the decentralisation and law reform process and enhanced security for women in the East 2018-2022

As a new intervention, Denmark will support the inclusion of gender in the decentralisation and law enforcement reforms as well as working to enhance the security and counter GBV in the east of Ukraine. These areas are currently underfunded yet has significant influence on the lives of women in Ukraine, in particular in the east.

The UN Women project will work at the local level to integrate gender equality priorities in the decentralised local government structures as well as prevention and response to GBV of local government and local law enforcement offices. These lessons learned will then feed into reform national agenda where UN Women will advise the Ministry of Regional Development and Ministry of Interior on gender mainstreaming in their reform processes.

The expected results are presented in the table (3.7) below.

Table 3.7 Outcome level results for the support to countering GBV and promoting gender in the reform processes

| | |
|-----------------------|--|
| Outcome 1 | The decentralization and law enforcement reforms are compliant with the international standards on gender equality and are informed by the results of the gender-responsive regional and local pilot initiatives |
| Outcome indicator 1.1 | Number of adopted policy decisions compliant with CEDAW and other HR standards, as well as legal acts repealing discrimination against women and vulnerable groups. |

| | | | |
|----------|------|------|--|
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • Ministry of Interior drafted the Action Plan on the implementation of the UNSCR 1325 “On women, and peace and security” for 2017 – 2020; • No gender sensitive programme/action plan exists in the Ministry of Regional Development; • Process of integrating of gender into the regional development strategies and local socio-economic development plans has been launched in pilot hromadas in Luhansk and Donetsk oblasts; • 1 statute and 1 socio-economic programme (Lyman hromada, Donetsk oblast) that is gender-responsive adopted; • A set of recommendations for development of the local action plans on 1325 proposed to Donetsk and Luhansk State Regional Administrations. Out of 17 proposed recommendations 10 were integrated in the 1325 NAP of Luhansk oblast in 2016; • The Ministry of Interior established a working group to revise the internal legislation to advance women’s participation in law enforcement bodies (with UN Women support); |
| Target | Year | 2022 | <ul style="list-style-type: none"> • The reforms’ policy frameworks integrate specific gender equality measures which are supported by public budget allocations; • Amendments to sectoral by-laws pertaining to the reforms, which repeal discrimination, are adopted; |

| | | | |
|------------------------|--|------|--|
| Outcome 2 | Local authorities, law enforcement and women’s community groups co-develop and implement GBV prevention and response strategies and action plans in line with the international standards and national gender equality commitments | | |
| Outcome indicator 2.1. | Number of GBV prevention and response interventions integrated into local action plans and jointly implemented by local authorities, law enforcement bodies and women from the communities in 4 pilot hromadas | | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • 0 local action plans integrate GBV prevention and response interventions either in oblast or in hromadas; • 35.1% of women in Donetsk oblast and 31% in Luhansk, 66% in Donetsk and 80% in Luhansk oblast feel safe in their communities during evening and night, compared to men⁷ (Perception survey); • 45% of the respondents don’t trust police in Donetsk and Luhansk Oblast⁸ (Perception survey); |
| Target | Year | 2022 | <ul style="list-style-type: none"> • At least 8 GBV prevention and response interventions developed with participation of women’s groups, law enforcement and media integrated in local action plans by newly amalgamated hromadas and supported by budget allocation; |

⁷ UNDP study on the Security and Justice in Ukraine, 2017

⁸ UN Women survey on attitudes towards GBV in Donbas, 2017

| | | | |
|--|--|--|---|
| | | | <ul style="list-style-type: none"> • Women’s sense of safety and security in public places increased by 10% (Perception survey); |
|--|--|--|---|

Capacity development will be provided to selected local authorities and women’s group to pilot and document lessons learned as well as to the two targeted ministries in the form of advisory services. The support will contribute to SDG 16 (peace, justice and strong institutions) and SDG 5 (gender equality).

The support is suggested implemented by UN Women. UN Women is the only organisation already engaged in these two areas simultaneously and has a good reputation among NGOs, donors and government. The support will be provided through a bilateral agreement with UN Women and implemented in accordance with UN Women’s monitoring, financial, and management guidelines. The total budget is DKK 15 million.

DED 5: Civil society 2017-2022 and 2021-2025

The support to civil society is divided into two engagements. One (formulated and approved through a separate process), and a follow-up approved initially as part of this programme and with final approval following the 2019-mid-term review. See more in the DANEP strategic framework document.

The first CSO intervention is designed to ensure that civil society will have a stronger impact on the reform processes in the country including in the regions in the areas of democracy and human rights and will contribute to more inclusive, democratic and rights-based governance, through enhanced capacity, better coordination and networking.

The project is formulated with three main components as defined below:

1. Strengthening CSOs as guardians and promoters of democracy and good governance in Ukraine.
2. Supporting human rights actors to promote and defend human rights in Ukraine.
3. Enhancing civic youth engagement and youth participation in decision-making.

The outcome level results framework is presented in the table (3.8) below.

Table 3.8 Outcome level results for the support to civil society

| | |
|-------------------|--|
| Outcome | Civil society will have a stronger impact on the reform processes in the country including in the regions in the areas of democracy and human rights and will contribute to more inclusive, democratic and rights-based governance, through enhanced capacity, better coordination and networking. |
| Outcome indicator | <ul style="list-style-type: none"> • Civil society organisations engagement in implementation of the National Strategy for Civil Society Development at the subnational level • The extent to which CSO hubs’ network is efficient, visible and capable. |

| | | | |
|----------|------|------|--|
| | | | <ul style="list-style-type: none"> • Number of key policies and strategies (both within national and international commitments) developed, operationalized and promulgated with active CSO participation • Cases of working groups policies development and/or implementation with CSOs inclusion at the national level • Civil society capacities for human rights related to data collection, analysis and participation in policy development |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • 4 regional CSO actively engaged in implementation of the National Strategy for Civil Society Development at the subnational level • A network of 8 regional CSO hubs with limited visibility as a network; • No data available on policies and strategies (both within national and international commitments) developed, operationalized and promulgated with active CSO participation • 4 alternative stakeholders' reports prepared on human rights agenda by civil society |
| Target | Year | 2022 | <ul style="list-style-type: none"> • At least, 100 CSOs actively engage in implementation of the National Strategy for Civil Society Development at the subnational level • Existence of an efficient, visible and capable CSO hubs' network covering the territory of Ukraine • At least, 40 normative and regulatory acts reflecting new policies and strategies (both within national and international commitments) at subnational level developed, operationalized and promulgated with active CSO participation with at least 50% level of implementation per year • 14 (in each region where hubs are located) • At least, 5 alternative stakeholders' reports prepared by civil society networks and coalition on human rights agenda informed by various human rights mappings |

For the second engagement on civil society support starting in 2021, it is suggested that focus is on possible next steps for a follow-up to the 2017 support. Following the 2017 engagement, institutional capacity will have been raised by a network of civil society actors in the regions (CSO hubs) in the areas of democracy and human rights. There will continue to be this need in 2021, but with the full roll-out of the decentralization reform in Ukraine, the need for a strong local level civil society will have increased to monitor, advocate and defend human rights at the local level. Such a focus would also align the CSO support closely with the remaining elements of the DANEP programme by strengthening the right holders voice to demand rights and services related to:

- 1) The economic and social rights to be delivered through: (i) the local governments, (ii) the SME and entrepreneurship assistance locally, and (iii) to voice their rights vis-à-vis the major energy investments across the country
- 2) The political and civil rights by monitoring and demanding justice for IDPs, GBV victims or victims of the ongoing conflict in the east, or by supporting the work of the Ombudsperson's Office at the local level;
- 3) Special provision should be given to provide capacity development of local CSOs that specifically target the rights of youth and women;

The engagement will build on the lessons learned from the previous two phases of the programme. UNDP will be asked to provide a documentation of these mid-2018, that will feed into the formulation of the next phase. A suggested results framework is presented in table 3.9 below.

Table 3.9 Results framework for CSO support 2021-2025 (indicative)

| | | | |
|-------------------|------|--|-----|
| Outcome | | Local level civil society undertake effective monitoring, advocacy and protection services for youth, women and men across Ukraine | |
| Outcome indicator | | <ul style="list-style-type: none"> • No. of local level CSOs and their coalitions / networks providing reports on human rights situation at local level • No. of cases brought to the courts or the Ombudsperson's Office at the local level • No. of local government that have changed service practices or decisions following CSO advocacy work | |
| Baseline | Year | 2021 | TBD |
| Target | Year | 2025 | TBD |

As in the current phase, the 2017-2022 engagement will be implemented by UNDP Ukraine. It is suggested that this will continue in the engagement starting 2021. UNDP is selected in based on its mandate and tracked record for managing Danish support to CSOs in the past DANEP phase. The support will be implemented through a bilateral agreement based on UNDP's monitoring, financial and management guidelines. The total budget for this engagement is DKK 30 million for the 2017-2022 engagement and DKK 20 million for the 2021-2025 engagement.

DED 6: Media 2017-2021 (a and b) and 2021-2025 (c)

The media component for Ukraine has been approved through a separate process. The support 2017-2021 *de facto* comprises two separate development engagements to Detector Media and Hromadske respectively. The two engagements are mutually supportive, with Detector Media focusing on promoting the establishment of a democratic, free and professional media in Ukraine, while the Danish support to Hromadske as an independent media outlet enhancing access to free and fair media across Ukraine.

The outcome level results framework for the two engagements is presented in the table (3.10) below.

Table 3.10 Outcome level results for the support to media through Detector Media and Hromadske respectively

| | | | |
|-------------------------------|--|------|--|
| Outcome 1.0 Detector Media | Media literacy of citizens improved | | |
| Outcome indicator | 1: Development of media literacy index 2: Share of population understanding the need in knowledge about media owners 3: Share of population that treats the media product quality as a key criteria for the information source selection | | |
| Baseline | Year | 2017 | 1: No media literacy index 2: 34% 3: 23% |
| Target | Year | 2021 | 1: Media literacy index developed and in use 2: 46% 3: 32% |

| | | | |
|-------------------|--|-------------------|---|
| Outcome | Hromadske is an innovative media organization that has trust and impact, and serves transformation of the society for a more fulfilled life of its individual members. | | |
| Outcome indicator | Development of Hromadske's presence on all its platforms, including the website and app, social media and TV channel | | |
| Baseline | Year | 2017 | Varying quality of Hromadske's presence on certain of its platforms and brand awareness of 26% |
| Target | Year | 2018 ⁹ | Strong and high quality presence on all of Hromadske's platforms and increase brand awareness among 18-65 year olds to 35% by 2019. |

The two engagements will be implemented through delegated cooperation with Sida. The budget for each engagement is DKK 15 million totalling DKK 30 million for the period 2017-2021.

The development engagement and results matrix for the media support 2021-2025 will be developed prior to the DANEP mid-term review 2019. The budget for this latter engagement is DKK 20 million.

3.2 Strengthening sustainable and inclusive economic growth

The following section presents the theory of change (table 3.11) of the sustainable and inclusive economic growth pillar of the programme and an assessment of the thematic programme against the OECD-DAC quality criteria, followed by a short introduction to the individual development engagements.

Table 3.11 Theory of Change for Thematic Programme on sustainable and inclusive economic growth

| Level | Sustainable and inclusive economic growth |
|-------|--|
| Input | <i>If</i> Denmark supports labour market institutions and mechanisms, including social dialogue, such as addressing the possible social lop side of the business environment reform agenda; mechanisms to stimulate youth employment, including entrepreneurship development; support to SMEs in the reform process, in particular |

⁹ Hromadske current strategy period covers 2017-2018 so at outcome and output level, 2018 is the target year. Support after 2018 will depend on the results achieved in the current strategy period.

| Level | Sustainable and inclusive economic growth |
|---------|---|
| | concerning adjustments related to the DCFTA, and if Denmark continues support to improvement of the enabling environment and investment opportunities within the sustainable energy sector including public private partnerships for securing domestic energy supply... |
| Output | Then the government and the Social Partners are capacitated to enter into a constructive dialogue; possess technical knowledge and abilities for implementing necessarily reforms and address labour market challenges, SMEs are assisted in tackling the challenges of the new post-DCFTA environment, capacitating them to expand and create jobs. Youth is capacitated to make job orientated career choices including entrepreneurship. The enabling environment for investments in the sustainable energy sector will be conducive and thereby more attractive for investors. |
| Outcome | Leading to a broad-based and inclusive approach to the growth and reform; labour market structures that secure the creation of decent work, especially for youth; a flexible, inclusive labour market with sustainable and competitive enterprises able to compete in the new post-DCFTA environment while generating growth and jobs in a responsible manner. A more sustainable energy sector with a strong contribution from the private sector in terms of lifting the burden of the government in securing energy independence and reaching its goals for sustainable energy generation and growth. |
| Impact | Eventually contributing to overall DANEP objective of stability, democracy and growth and compliance with the EU Association Agreement |

The theory of change is based on two key assumptions:

- Continued commitment to the EU AA and DCFTA in terms of reform orientation concerning economic development and balancing of economic, social and environmental aspects.
- That the institutions supported will have the political will and capacity to absorb and utilise the support provided for reform change.

The design of the thematic programme has been undertaken to ensure that it is relevant and can deliver results according to the OECD-DAC quality criteria. See table 3.12 below for details.

Table 3.12 Justification against the OECD-DAC quality criteria

| OECD-DAC criteria | Assessment |
|-------------------|---|
| Relevance | The thematic programme is fully aligned with the government policies, relevant reform areas, and strategies concerning the labour market development, the national SME development strategy and the energy strategy in close alignment with the national action plans on renewable energy and on energy efficiency. Special consideration has been given to how to target youth in the relevant areas, in line with the priorities in the Danish development assistance strategy. |
| Effectiveness | Effectiveness under the thematic area is expected to be achieved through a combination of: (a) relevance and ownership. As described above, alignment with policy objectives and policy dialogue is expected to facilitate change. Furthermore the pressure from the demand-side will help facilitate this process. And, (b) expected effectiveness as documented through delivery of |

| OECD-DAC criteria | Assessment |
|-------------------|--|
| | results in the past. ILO has a track-record of specialised technical assistance and on energy both the engagements (with DEA and IFU) are continuations of previous successful cooperation. |
| Efficiency | Efficiency is sought by working with experienced partners, delivering assistance that is good value-for-money. Efficiency will however have to be monitored across all DEDs as the programme develops as there will be risks for expansion of administrative costs. Such assessments will form part of the DANEP M&E framework |
| Impact | As the support is assessed to be relevant and effective the probability of impact is assessed to be high. The programme is designed to address significant shortcomings concerning sustainable and inclusive growth, such as youth employment and sustainable energy provision and is as such providing support in areas that so far have seen less support. |
| Sustainability | Sustainability is sought by targeting the support to organisations that have the mandate to fulfil certain functions for which they need enhanced capacity. This include supporting a well-functioning tripartite system with qualified interaction between the government and representatives of workers and employees for the development of an inclusive labour market and policies that a.o. focusses on youth. The programme will capacitate structures to support the development of SMEs, whereby many SMEs can access assistance and generate jobs. In the areas of energy, the two-pronged approach with supporting the development of policies that create an enabling environment for investments in sustainable energy while at the same time leveraging Danish and other private investments in the sector is expected to contribute to a sound platform for the development of the sector. |

The thematic programme contributes to the DANEP thematic objective of promoting sustainable and inclusive economic growth through the support to four different engagements.

DED 7: Inclusive labour market for job creation 2017-2022

The business environment reform is high on the government agenda, much driven by the EU AA/DCFTA alignment process. However, the scoping mission found that social and inclusive aspects were receiving less attention with the risk of a social lop side and particularly the need to address labour market issues. Strengthening social dialogue and tripartite mechanisms for addressing labour market challenges and structural employment is needed, especially concerning the high youth unemployment (22.4 per cent for the age group 15-24 years) and a huge informal economy. The approximation to the EU Social Charter, completely aligned with core labour standards, and the whole approximation process stipulated in the EU Association Agreements requires much reform, which is underway, but much support is needed to assist local partners with capacity enhancement and technical assistance. Hence, the key areas of support to improve the functions of the labour market and stimulate job creation are the following:

- Labour market governance, strengthening of employment services and support to innovation multi-partner approaches for addressing unemployment at local level.
- Addressing the skills mismatch, that is a major cause of youth unemployment and a threat to the competitiveness of Ukrainian companies combined with the promotion of youth entrepreneurship as a means for employment creation.
- Strengthening the tripartite system and social dialogue to enable broad-based dialogue to promote a well-functioning and inclusive labour market, enabled to address issues (including workers' rights, the rising informality, and the gender pay gap) and engage in settlement of labour disputes and further collective bargaining processes.

The expected results are presented in the table (3.13) below.

Table 3.13 Outcome level results for the planned support to developing an inclusive labour market

| | | |
|-------------------|------|--|
| Outcome 1 | | Labour market governance is improved through the strengthening of employment services and other labour market institutions |
| Outcome indicator | | (1) Reform plan for the modernisation of public employment services has been consulted with the social partners and adopted by Ukrainian authorities including a monitoring and evaluation framework, (2) Job Search Assistance: Percentage of unemployed having received job search assistance from SES including long-term unemployed, women, IDPs, and youth; (3) Search Spells: Time elapsed between first period of active search and moment of labour market entry; (4) Number of employers sourcing services from SES offices; |
| Baseline | 2017 | Ad (1) ILO did a comprehensive functional assessment of PES which identifies areas for reform and intervention No improvement/reform plan existing nor adopted, Ad (2) 30% of unemployed having received job search assistance from SES(?), Ad (3) Baseline values are not available, to be determined during 6-month inception phase, Ad (4) Baseline values are not available, to be determined during 6-month inception phase. |
| Target | 2022 | Ad (1) reform plan adopted Ad (2) 50% of SES offices covered by the intervention /of unemployed having received job search assistance from SES(?); Ad (3) Search Spells reduced by 20% for SES offices covered by the intervention; Ad (4) No of employers seeking SES services increases by 25% for SES offices covered by the intervention |

| | | |
|-------------------|------|--|
| Outcome 2 | | Skills development and entrepreneurship training for new labour market entrants is better aligned with demand for skills with particular emphasis on the private sector |
| Outcome indicator | | (1) Reduced skills mismatch: Share of young people and graduates whose educational attainment is higher or lower than the level required in their jobs (2) Reduced skills gap: Percentage of firms identifying an inadequately educated workforce as a major constraint (3) Increased entrepreneurial intentions: Number of participants in entrepreneurship training courses that intend to open their own business (at least XX % youth) |
| Baseline | 2017 | Ad 1) 37% (based on ILO school to work transition survey Ukraine 2015) |

| | | |
|--------|------|--|
| | | Ad 2) Data have to be collected during inception phase (ILO could make use of sample of enterprises that participated in 2016 survey on enabling environment) Ad 3) 0 |
| Target | 2022 | Ad 1) Skills mismatch is reduced by 20 % in two pilot sectors or regions, Ad 2) Skills gap is reduced - by 15% fewer firms pointing to the inadequately educated workforce as a major constraint Ad 3) est. 25% (based on extrapolations from the School-to-Work Transition Survey and the Global SIYB Trace Study of the ILO) |

| | | | |
|-------------------|------|---|--|
| Outcome 3 | | Tripartite social dialogue and collective bargaining as means to create more and better jobs, especially for youth, are enhanced | |
| Outcome indicator | | (1) Number of policies and programs promoting inclusive labour markets development adopted by government including recommendations of tripartite social dialogue bodies, including youth specific initiatives (2) Number of collective bargaining agreements signed in pilot sectors or regions, (3) Increase of membership of employers' and workers' organizations. | |
| Baseline | Year | 2017 | Ad 1) inception phase will be used to collect baseline Ad 2) inception phase will be used to collect baseline Ad 3) inception phase will be used to collect membership data from social partners involved in this component |
| Target | Year | 2022 | Ad 1) 6 new policies or programs have been initiated on the basis of recommendations of tripartite social dialogue bodies or the social partners, including on improved wage and income policies on reducing wage arrears, setting minimum wages, reducing the gender pay gap (GPG), and reducing undeclared and under-declared work, and measures targeting youth employment in particular Ad 2) No of collective bargaining agreements increases by 15% Ad 3) Membership base increases by 12% |

The ILO is well-positioned to address the labour market challenges, of which many are articulated in its new Decent Work Country Programme for Ukraine and the ILO is already active in these technical fields and has a strong mandate for working with the key partners through the tripartite system, i.e. the government and the social partners.

The total budget is DKK 54 mill. for a six-year period (2017-2022), which will be committed in three rounds (2017, 2019 and 2021).

The support will contribute to SDG 8: Economic growth, employment and decent work.

DED 8: SME and entrepreneurship development 2019-2023

To address the gap in information and advisory services - both in general for smaller enterprises and on the DCFTA adjustment process in particular - business development services should be made more widely available, especially in more remote areas. The DCFTA holds much promise in terms of future market access, FDI and other economic opportunities. But smaller businesses need support to reap the potential, in terms of understanding and adjusting to the new market demands while seeking to

remain competitive in the light of the many changes introduced by the AA/DCFTA and the loss of traditional markets. There is much potential for job creation, and for avoiding job losses. As of May 2017, the first National SME Development Strategy was approved, and it is assessed as essential as the current landscape for SME support is fragmented and uncoordinated. Even for reaching regional levels, a central and well-coordinated implementation structure is necessary with a technically competent leadership that ensures adherence to best practice, sustainability, etc. The possible support should hence be aligned with the SME strategy and action plan (still to be developed), and also support that the central structure is in place for guiding country-wide assistance and coherence.

The Ministry of Economic Development is requesting assistance for implementation from the donor community but as the current engagement only will come into effect in 2019, the decision on concrete support will need to be made in the course of 2018. Preliminary assessments, based on consultations with the Ministry of Economic Development, donors and other stakeholders indicate that the most relevant areas of upcoming support could include:

- Support to the establishment/capacity development of an SME Development organisation (not yet specified in the strategy) in line with best international practice. Such a central level organisation would be important for coordination and effective implementation and the Ministry of Economic Development assesses that it might fit with the timing of the Danish support (from 2019);
- Support to the development of regional business centres that provide advisory services and guidance to entrepreneurs, both in general and also on DCFTA issues. The SME development strategy foresees regional 25 centres of which support is so far pledged to 18. The Chamber of Commerce is hosting eight of these centres.
- As the technical support envisaged through the business centres seems to target established enterprises, an additional feature could also be to expand their target group to better service start-ups and micro enterprises. (Here there may also be synergies with development engagement 7 on entrepreneurship development for youth – although engagement 7 focusses on the TVET system, the same entrepreneurship tools could be introduced in the business development services system).

The development engagement will have to be finalised when the Ministry of Economic Development has an overview of other donor involvement and when the Action Plan is in place, as well as the assessed needs from 2019. Given this uncertainty, the possible results presented in the table (3.14) below and in the development engagement document are merely indicative.

Table 3.14 Outcome level results for the planned support to SME and entrepreneurship development

| | | | |
|-------------------|------|---|---|
| Outcome 1 | | Structure for delivering business development services to SMEs in place, especially in remoter areas, with information and advisory services, in particular concerning the DCFTA adjustment process | |
| Outcome indicator | | <ul style="list-style-type: none"> • Accessible regional SME support services available • SME's satisfaction rate: Percentage of SMEs receiving assistance that report to be satisfied with the support received. | |
| Baseline | Year | 2019 | <ul style="list-style-type: none"> • Number of SMEs accessing services, disaggregated on youth and women |

| | | | |
|--------|------|------|---|
| | | | <ul style="list-style-type: none"> • No monitoring of SME satisfaction rate |
| Target | Year | 2023 | <ul style="list-style-type: none"> • Xx SMEs have access to regional business development services, disaggregated on youth and women • SME service recipients' satisfaction rate (at least 80% are satisfied) |

If the support is aligned with the SME development strategy, the main partner would be the Ministry of Economic Development. However, the business centres will be operated by local business development service providers, including the regional Chambers of Commerce, and will as such be partners as well. As of May 2017, many potential donors are contemplating how best to support SME development and there is no obvious entry point for a possibly delegated cooperation agreement. This may change over the coming two years and the situation should be reassessed. Alternatively, a tender can be made to contract a consultancy to deliver the relevant technical assistance.

The total budget for this engagement is DKK 50 mill. covering a five-year period (2019-2023), to be committed in 2019 and 2021.

The support will contribute to SDG 8: Economic growth, employment and decent work.

DED 9: Enabling environment - for energy investment 2018-2021

Ukraine's "National Renewable Energy Action Plan" has the target for the share of renewable energy supply to reach 11 per cent by 2020, as a part of its endeavours to promote more sustainable energy provision as well as to reduce Ukraine's dependence on imported energy. Achieving the target will be challenging without the creation of an enabling environment for private sector investment in renewable energy. Reform of the energy sector is needed to address the monopolistic and intransparent structures that dominate the sector, allowing for free competition and development of investor confidence. As of April 2017, the new electricity law was passed, paving the way for an open market, which is a positive step towards increasing investment. The energy efficiency field, including district heating, attracts ample support towards addressing the energy efficiency in public and residential buildings, but energy efficiency in the industries has however not received much attention yet. Support to the strengthening the sustainable energy sector would be within the following strategic areas:

- Providing assistance for the implementation of relevant areas of the National Energy Efficiency Action Plan and the National Renewable Energy Action Plan, including support to investment promotion, project development and One-Stop-Shops to assist investors.
- Providing capacity building to the Ministry of Energy to adhere to commitments under the EU AA and the DCFTA as well as to implement selected relevant areas for furthering and managing sustainable energy provision, and to monitor progress of the National Energy Strategy.
- Create a level playing field for private sector investors, securing an enabling environment for sustainable energy investments, with transparent regulation and incentive structures.

The expected results are indicatively presented in the table (3.15) below.

Table 3.15 Outcome level results for the planned support to the creation of an enabling environment for energy investment

| | | | |
|-------------------|------|---|--|
| Outcome | | Ukraine supported in increasing the share of renewable energy in total energy consumption by 2020 and reducing the climate and environmental impact of the fossil fuel based energy sector. | |
| Outcome indicator | | ➤ Level of integration and implementation of renewable energy and energy efficiency projects. | |
| Baseline | Year | 2017 | ▪ Current energy investment climate in Ukraine not attractive for renewable and energy efficient projects and technologies |
| Target | Year | 2020 | ▪ Project and technology platform developed and established to attract investments to renewable energy and energy efficiency |

The Danish Energy Agency is currently supporting the Ministry of Energy under the Authority-to-Authority modality, with the Ukrainian Danish Energy Centre (UDEEC) project. At the policy level, UDEEC has a meaningful role to play if allowed into the more strategic level and assisting the policy development and implementation. A possible next phase of the project is envisaged to start in 2018 when the current project ends. The support will contribute to: SDG 8 (economic growth, employment and decent work) and SDG 7 (access to sustainable and modern energy).

This development engagement (no. 9), endeavouring to create an enabling environment for sustainable energy investment is designed to have a strategic fit with the next engagement (no.10), seeking to further direct sustainable energy investment. There is great potential for synergies between the two engagements, and for deepening cooperation vis-à-vis commercial activities, supported by the Danish Embassy in Kiev, as there are already both exiting Danish investments in the sustainable energy sector as well as much interest from potential Danish investors. Synergies could for example be furthered by establishing a sustainable energy forum with regular network meetings and information exchange (including for example a monthly newsletter). It is envisaged that the Embassy can play an instrumental role in this.

DED 10: Energy investment 2018-2023

As already described under the previous development engagement, there is need for enhanced direct investment to assist Ukraine in reaching the 11 per cent renewable energy target, promoting sustainable growth and securing increased energy independence. Engaging the private sector in lifting the burden is instrumental in the process. Given Denmark's competences in the sector, promoting Danish investments in the field of energy efficiency and renewable energy solutions could assist Ukraine in meeting its national targets by:

- Improving the finance possibilities in the energy efficiency and renewable energy sectors and thereby incentivise the private sector's involvement in reducing the energy dependence while promoting sustainable growth;
- Using project investments as demonstration models and be a catalyst for further investments (national or foreign).

The expected results are presented in the table (3.16) below.

Table 3.16 Outcome level results for the planned support to promotion of sustainable energy investment

| | | | |
|-------------------|------|---|---|
| Outcome | | The projects contribute to increasing the provision of renewable energy, reducing energy consumption, greenhouse gas emission and the countries' dependence on imported energy. | |
| Outcome indicator | | Ukraine: The country's 2020 renewable energy share of total energy consumption Number of jobs created ¹⁰ | |
| Baseline | Year | 2017 | Ukraine: 8 per cent renewable energy in total energy consumption No jobs created yet |
| Target | Year | 2023 | Ukraine: 11 per cent renewable energy in total energy consumption 4550 jobs created (incl. leverage) |

The Investment Fund for Developing Countries (IFU) is well-positioned to support investments and is an obvious partner when seeking to draw upon Danish competencies in the field of energy efficiency and renewable energy solutions. With IFU's gearing track-record of seven times, the effect could be considerable, both in terms of environmental gains, energy security and possibly an employment effect as well as a possible catalytic effect and inspiring further investments. IFU already manages the Ukraine Investment Fund, and has also supported a couple of projects in Georgia. The new fund - the Neighbourhood Energy Investment Fund (NEIF) - will cover both Ukraine and Georgia, and concentrate on sustainable energy investments. A project development facility will be established as energy projects often are challenged by high development costs, especially in renewable energy projects that require comprehensive due diligence and a long implementation period.

The support will contribute to SDG 8 (economic growth, employment and decent work) and SDG 7 (access to sustainable and modern energy). The total budget for the engagement is 153 million DKK, of which 108 million are allocated to Ukraine (in 2018, 2019 and 2021) and 45 million DKK allocated to Georgia (in 2018 and 2020).

Secondments in Ukraine

Secondments are used to support Danish interests and priorities in the countries covered by the Neighbourhood programme, as well as an instrument to strengthen international monitoring missions. In addition, secondments are used to promote the work in selected multilateral organisation and to ensure that Danish competences come into play.

¹⁰ Expected total number of decent jobs created: 4-5 direct jobs per one million DKK invested, out of which at least 35% will be women and 10% will be youth. 4-8 indirect jobs (jobs created in related enterprises, e.g. upstream or downstream a concerned value chain) For the SDG fund, the outcome indicator is 8000 direct jobs per one billion DKK invested, out of which at least 35% will be women and 10% will be youth, and 8.000-16.000 indirect jobs. The expected employment effect from NEIF is slightly lower, because climate projects employ fewer people once in operation.

As the Russian aggression in the region poses new security policy challenges for Europe and the neighbourhood countries, it has become an important factor for the Danish interests in the region and for allocation for resources via secondees.

The European Neighbourhood Department (EUN), and the Danish Embassy in Kiev will maintain contact with the secondees in order to include their knowledge from the countries and the organisations and add value to the work of the Ministry both in regards to the policy level and the development cooperation. On a yearly basis and if feasible a seminar is organised for all secondees with the aim of sharing experience and creating networks.

The positions are by default short-term – from one to two years with few possibilities for extension – demand-driven, and closely discussed and consulted with the receiving organisations.

Secondments will continue to be part of DANEP with a particular focus on Ukraine and Georgia. Until an improvement in the crisis-situation in Eastern Ukraine is seen, the main part of the secondments are provided to the OSCE's Special Monitoring Mission to Ukraine following the Danish obligation to OSCE. Monitoring of conflicts will have a special priority.

The DANEP programme is expected to support up to 25 secondments annually according to the Finance Act.

The secondments for Ukraine will be taken from the total DANEP budget frame of DKK 110 million for Georgia and Ukraine for the next five years.

4 Overview of management set-up

EUN has full overall responsibility for the DANEP programme implementation as well as the DANEP related policy dialogue. EUN will coordinate the dialogue response with other Danish initiatives in Ukraine including the stabilisation funding (with the Stabilisation department in the MFA), private sector business support (with the Embassy of Denmark in Ukraine), humanitarian funding (with the Humanitarian Department in the MFA) as well as other development funding under the EUN. Key mechanisms for the policy dialogue for Ukraine are first and foremost the relevant EU fora for policy dialogue such as the Brussels based dialogue related to the EU Support Group for Ukraine (SGUA) as well as the EU coordination and dialogue fora in Ukraine facilitated by the EU delegation. The Embassy of Denmark will play a key partner in the country level dialogue, representing EUN in these key fora as agreed in advance with the EUN.

Management will be undertaken in accordance with the Danida Aid Management Guidelines and as detailed in the DANEP strategic framework document. This means that EUN will be overall responsible for the implementation and monitoring of the programme and all partners will report to EUN on progress and changes to the implementation. An external M&E consultant will be contracted to assist EUN in the overall programme M&E (see M&E Annex in DANEP strategic framework document).

EUN is not present in Kyiv and will therefore rely on regular monitoring visits to the country to assess progress and participate in major events, such as selected steering committee meetings. To assist the EUN, the department will also rely on:

- The Embassy of Denmark in Kyiv, which will participate in donor coordination forums and steering committee meetings as agreed with EUN
- The M&E consultant, which will assess all reporting from partners and undertake spot checks of the implementation as and when required (see the DANEP strategic document)

EUN will rely on implementing partners' management and monitoring arrangements and the additional reporting provided by the M&E support under the DANEP strategic framework.

EUN will also be final responsible for assessing the progress against the possible changes to risk scenarios. This assessment will be based on: (a) political-economy and contextual reporting from the Embassy in Kyiv and others, (b) the KFU led mid-term review of the DANEP programme, (c) the reporting from the M&E consultant, (d) reporting from implementing partners, and (e) reporting/information sharing from other donors. Based on these reports, and in consultations with KFU, EUN will decide on possible re-prioritisation/reallocation of activities and funds to mitigate risks accordingly.

The funding to Ukraine will follow the DANEP programme review and QA cycle. This means that the Ukraine Country Programme will be subject to the DANEP 2019 mid-term review. The review will also serve as a post-appraisal of the engagements planned for 2020 and 2021. In addition for Ukraine, the SME development engagement will be subject to a specific desk appraisal end-2018, once the SME strategy is in place and the agreement with the Ministry of Economic Development has been reached with EUN.

All funding will be provided through institutions, which have financial, procurement and monitoring capacity, which is in accordance with international standards, and whom Denmark has a previous working relationship with. All partners will report on progress to EUN on a bi-annual or annual basis in accordance with signed partnership agreement. Denmark will agree to use partner reporting if and when the reporting adheres to the standards required by the Danida Aid Management Guidelines.

In terms of communication and public diplomacy, the EUN will have full responsibility of the implementation of the communication plan, however the communication strategy will be implemented in close cooperation with and with inputs from the Embassy in Kyiv, other MFA departments, donors and Government of Ukraine. In addition all partners will be required to report on communication activities and engage in public diplomacy. The communication plan will follow the strategy outlined in draft in the communication annex in the DANEP strategic framework document, and the final plan, once this has been developed (see Annex to the DANEP strategic framework document).

5 Programme budget

The budget for the Ukraine Country Programme is part of the overall budget for DANEP 2017-2021. Thus, the budget presented below is concerned with the individual development engagements only as the funds for reviews, technical assistance, monitoring and evaluation, and secondments are presented in the DANEP strategic framework document.

A total of DKK 244 million is allocated for democracy and human rights (including DKK 90 million approved for civil society and media in 2017 in a separate process) and DKK 232 million for sustainable and inclusive economic development. Of the budget below DKK 257 million will be fully committed (covering all engagements 2017-2019 apart from the SME engagement) if approved by the Danish Finance Act 2018 and 2019. The SME engagement will be approved following the desk appraisal late 2018. These funds are thus, together with the funds earmarked for engagements in 2020 and 2021, earmarked as unallocated funds, totalling DKK 219 million.

The funding for the individual development engagement is phased in as the engagements from the previous DANEP phase end and in accordance with the yearly funding commitment system of the MFA (see Annex B in the DANEP strategic framework document). Figure 5.1 below outlines the DANEP budget specifically for engagements in Ukraine.

Figure 5.1 DANEP budget Ukraine 2017-2021

| Year/Country | Ukraine | | | | | Total (DKK mill.) |
|------------------------------|-----------------------|------------------|-------------------------|-----------------------|-------------------|----------------------|
| | Demo. & HR | | Sust. & growth | | | |
| 2017 | Civil Society | Media | Inclusive labour market | | | 2017 |
| DKK mill. | 30 | 30 | 19 | | | 79 |
| 2018 | Gender reform and GBV | | | Energy environment | Energy investment | 2018 |
| DKK mill. | 15 | | | 20 | 35 | 70 |
| 2019 | Human Rights | | Inclusive labour market | Business Dev. Support | Energy investment | 2019 |
| DKK mill. | 30 | | 12 | 20 | 66 | 128 |
| 2020 | Anti-corruption | Decentralisation | | | | 2020 |
| DKK mill. | 59 | 40 | | | | 99 |
| 2021 | Civil Society | Media | Inclusive labour market | Business Dev. Support | Energy investment | 2021 |
| DKK mill. | 20 | 20 | 23 | 30 | 7 | 100 |
| Total (DKK mill.) | 244 | | 232 | | | 476 |

Annexes:

Annex A: Analysis of Programme Context (AMG matrix)

Annex B: Partner descriptions

Annex C: Results Framework at output level

Annex D: Risk management matrix

Annex E: Programme budget

Annex A – Ukraine country matrix

| 1. Overall development challenges, opportunities and risks |
|---|
| <i>Briefly summarise the key conclusions from the analyses consulted and their implications for the programme regarding each of the following points:</i> |
| <ul style="list-style-type: none"> – General development challenges including poverty, equality/inequality, national development plan/poverty reduction strategy, humanitarian assessment. |
| <ul style="list-style-type: none"> – Figures from 2010 estimated that 24,1% of the population lives below the poverty line. – Ukraine's GINI index in 2014 was 24,1, which indicates a low level of income inequality. – However, a key feature in Ukraine is the rural-urban divide: major inequalities with regards to development between rural areas and smaller towns, which have received limited attention, and the three or four major cities, around which growth and development are centred. – Ukraine's Gender Inequality Index in 2014 was 0,286 ranking 57 out of 155 countries. Ukraine thus falls under the High Level of Development category. – The Government of Ukraine's 2020 Strategy strongly emphasises turning Ukraine towards Europe. It is built around four pillars: Sustainable development of the country; Security of the country, business and people; Responsibility and social justice; Price for Ukraine in Europe and the world. While there is no explicit poverty reduction strategy, the development pillar aims to introduce reforms that will raise living standards, and the responsibility pillar includes social security system reforms. – Corruption and lack of accountability remain a key challenge for reform progress and economic development in the country, at every level of society across sectors at central and local levels. Ukraine has great business potential for creating an enabling business environment. However, systemic challenges mean that some of these processes will take considerable time. – The 2016 Humanitarian Needs Overview for Ukraine states that 3,1 million out of the 3,7 million people affected by the conflict in eastern Ukraine need humanitarian assistance in the form of protection, access to food and medicines, emergency water, food, health and shelter, and access to critical basic services and markets. |
| <ul style="list-style-type: none"> – Development in key economic indicators: GDP, economic growth, employment, domestic resource mobilisation, etc. |
| <ul style="list-style-type: none"> – Ukraine is categorised by the World Bank as a lower middle income country. – 2015 estimates of Ukraine's GDP was \$90,52 billion. The economic growth has slowed down significantly since the global financial crisis and the conflict in Crimea and eastern Ukraine escalated. After a severe recession in 2014-2015, with GDP decreasing about 16%, the country emerged in 2016 with a modest growth rate of 1,2%. This may be due to the EU-Ukraine Deep and Comprehensive Free Trade Area that started up on 1 January 2016, which is intended to help Ukraine integrate its economy with Europe by opening up markets and harmonizing regulations. – However, Ukraine still had modest growth rates in 2016, partly due to the fact that production and exports are concentrated in commodities and the agri-food sector, whereas more technology-intensive sectors are lagging behind. |

| |
|--|
| <ul style="list-style-type: none"> – 2016 estimates indicate that 14,4% of GDP came from agriculture, 26,3% from industry, and 59,3% from services. – Job creation is a crucial issue, as underemployment, unemployment, and especially youth unemployment, remain high. General unemployment reached 10% of the labour force in 2016. 67,8% of the labour force works in services, 26,5% in industry, and 5,8% in agriculture (2014 estimates). – With regards to energy, Ukraine is considered highly energy-intensive by the International Energy Agency, with a considerable potential for energy savings across many sectors. It is ranked the world's fifth country in energy intensity and one of Europe's largest energy consumers. |
| <ul style="list-style-type: none"> – Status and progress in relation to SDGs, in particular those that are special priorities for Denmark. |
| <ul style="list-style-type: none"> – Denmark's prioritisation of the SDGs includes 1) Improving the situation in countries affected by war and conflict, 2) strengthen the focus on migration, including the readmission of developing countries' own nationals, 3) increase development financing especially to growth and employment, and 4) maintaining a strong focus on human rights, especially improving gender equality and the rights of women and girls. Especially the two latter ones are relevant for Ukraine. – Experts have evaluated and ranked the 17 SDGs according to which are most relevant for Ukraine. The top 5 are, in order: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; End poverty in all its forms everywhere; Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation; Ensure healthy lives and promote well-being for all at all ages; and Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. – In 2015, the President of Ukraine stated that so far, Ukraine has managed to reduce poverty rates threefold (but that due to the Russian aggression, this rate is expected to drop), improve the maternal health system, almost halve child mortality, reduce HIV/AIDS incidence rates, and make progress in combating tuberculosis. |
| <ul style="list-style-type: none"> – Political economy, including drivers of change (political, institutional, economic) (e.g. political will, CSO space, role of opposition, level of donor funding to government expenses, level of corruption, foreign investment, remittances, role of diaspora, youth, gender, discovery of natural resources or impact of climate change etc.) |
| <ul style="list-style-type: none"> – Ukraine's score on Transparency International's Corruption Perception Index (CPI) has declined the past few years, going from 25 out of 100 in 2013 to 29 in 2016. Its 2016 rank is 131 out of 176, much closer to the "Highly Corrupt" end of the CPI spectrum. – Home FDI (all investments in Ukraine made by residents/companies) amounted to \$65,95 billion in 2016, whereas FDI from abroad for the same year totalled at \$7,983 billion. – Total overall funding for humanitarian response plans to Ukraine in 2016 was \$244 million, of which \$95,6 million of appeal funding was received. The donors who contributed to this funding are the governments of Japan, Canada, Estonia, Germany, USA, Lithuania, Russian Federation, Sweden, Portugal, Norway, the UK, the Netherlands, Italy, Finland, Denmark, Poland, the Republic of Korea, the Philippines, private individuals and organisations, World Food Programme, UNICEF, European Commission, and the IOM. |

- Ukraine's economy depends strongly on remittances. In 2015, remittances to Ukraine represented \$6 billion, the highest amount in the Europe and Central Asia region. The bulk of these remittances come from Russia, as Russia-Ukraine is the second-largest migration corridor in the world.
- The political process is not linear in Ukraine, and while critical reforms on anti-corruption, justice, human rights, and economic development have been passed by Parliament, some laws within sub-sectors still need to be passed in order to allow the reforms to be fully implemented, partly due to lack of political will and internal conflicts in government and Parliament.
- Ukraine has a vibrant civil society environment, and especially the youth expresses their willingness to partake in proactive civic action, though few actually do. This latent resource may be the social base for DANEP engagement in Ukraine. CSOs are especially active in the fields of human rights and justice, and this is particularly supported by a strong cooperation between CSOs and the Ombudsperson. However, CSOs have very little access to conflict areas of Donetsk and Luhansk, where human rights violations could be a lot more frequent than reported.

List the key documentation and sources used for the analysis:

Benefits and Costs of DCFTA: Evaluation of the Impact on Georgia, Moldova and Ukraine

Amat Adarov & Peter Havlik, the Vienna Institute for International Economic Studies and Bertelsmann Stiftung (December 2016)

The Government's Priorities for Danish Development Cooperation 2017 - Overview of the Development Cooperation Budget 2017-2020. Danida.

World Employment and Social Outlook 2016: Trends for Youth. ILO.

Eastern Europe, Caucasus and Central Asia: Highlights. Energy Policies

Beyond IEA countries. International Energy Agency. OECD/IEA, 2014

Central Intelligence Agency World Factbook Ukraine

Ukraine 2016 (Humanitarian response plan). Financial Tracking Service. UNOCHA.

Migration and Remittances: Recent Developments and Outlook. Migration and Development Brief 26. World Bank Group. April 2016.

Sustainable Development Goals: Ukraine. National Consultations. Kyiv, July 2016.

Sustainable Development Goals

Statement by the President at the UN Sustainable Development Summit. 27 September 2015. President of Ukraine Petro Poroshenko official website.

Are additional studies / analytic work needed? How and when will it be done?

2. Fragility, conflict, migration and resilience

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

- Situation with regards to peace and stability based on conflict analysis and fragility assessments highlighting key drivers of conflict and fragility, protection and resilience, organised transnational crime and illicit money flows and how conflict and fragility affect inclusive private sector development and women and youth
- Ukraine is challenged by two major conflicts: the Russian invasion and de facto annexation of Crimea, and the ongoing insurgency in the Donbas region, leaving large parts of Donetsk and Luhansk outside of government control.
- The standing ceasefire in eastern Ukraine has been violated continuously. In August 2016, Russia accused Ukraine of plotting terrorist attacks in Crimea. A month later, Russia carried out a large intervention in Crimea in conjunction with military exercises across southern Russia, designed to demonstrate Russian control over the territory. At the same time, the Ukrainian military and Russian-backed separatists agreed to withdraw troops from several front-line areas, after agreeing to a fragile truce. These events caused a spike in violence and civilian casualties.
- The intensity in hostilities in eastern Ukraine has significantly increased in the beginning of 2017. The fighting is concentrated along the contact line in the government and non-government controlled areas of Donetsk region. In the Luhansk region, the security situation in areas close to the contact line has deteriorated.
- As a result of fighting, power lines were destroyed, affecting water supply and heating systems for civilians. An urgent cessation of hostilities is needed to restore the electricity lines and avoid significant consequences for the civilians living in the area.
- The total number of people affected by the conflict is 4,4 million. There are 1,7 million IDPs, while 1,4 million have fled to neighbouring countries as refugees. In total, 3,8 million people need humanitarian assistance.
- Identifying on-going stabilisation/development and resilience efforts and the potential for establishing partnerships and alliances with national, regional and other international partners in order to maximise effects of the engagements.
- Efforts to end the conflict have been in place for years. The Minsk Agreement, a peace plan agreed upon in early 2015 to end fighting and stabilise eastern Ukraine, is still not in effect. German chancellor Angela Merkel reiterated in early 2017 the importance of putting Minsk to effect, which the Ukrainian agreed with. The EU is divided on the issue of transatlantic sanctions on Russia until Russia and separatist militants uphold a lasting ceasefire and settlement. Italy, Greece and Slovakia are among countries which have repeatedly questioned the policy. With President Trump accessing the US presidency and his interest to increase ties with Russia as part of a united fight against ISIS, Ukraine is worried that the US could drop sanctions on Moscow that were imposed under the Obama administration as a response to its aggression in Ukraine, or recognise Russia's 2014 illegal annexation of Crimea. If this were to happen, it could break the EU consensus on sanctions.
- NATO does not recognise the illegal annexation of Ukraine and condemns Russia's continuing destabilisation of eastern Ukraine
- NATO is supporting a Regional Airspace Security Programme to help Ukraine better handle air security incidents, provides training to over 150 servicemen and women of the Ukrainian Armed forces on Medical Rehabilitation, as well as to nearly 800 Ukrainian military personnel through the Defence Education Programme. Furthermore, NATO provides anti-corruption training and advice to Ukrainian ministries and the NAB.
- As a NATO and EU member, Denmark is already engaged in international and regional partnerships to maximise the effects of the engagements.

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| <ul style="list-style-type: none"> – Issues and concerns of relevance to Danish interest in the area of security and migration. |
| <ul style="list-style-type: none"> – The conflicts in Ukraine have led to a massive displacement of 1,7 million people. However, only a very small amount have sought asylum in Denmark (200 in 2016, a reduction from 303 in 2015). – Denmark is aligned with the EU strategy and supports maintaining pressure on Russia. However, as a close US ally, Denmark could also risk some diplomatic tensions by supporting these sanctions. |
| <ul style="list-style-type: none"> – Identify where Denmark has comparative advantages that may lead to more effective and efficient programming and better results including where Denmark may contribute with deployment of specific expertise and capacities. |
| <ul style="list-style-type: none"> – Denmark can draw on its competences and experiences in the energy sector and contribute to increasing the share of the energy supply from renewable energy, which can support the country's goals of increasing energy independence and further sustainable growth. |
| <ul style="list-style-type: none"> – Considerations regarding the humanitarian situation, migration, refugee and displacement issues, including the need to integrate humanitarian-development linkages and long term strategies; |
| <ul style="list-style-type: none"> – The conflict in eastern Ukraine has led to 3,8 million people needing humanitarian assistance, including livelihood and early recovery. High numbers of IDPs have difficulty accessing government support and limited services in areas beyond government-controlled areas. The conflict highlights the need for an integrated humanitarian-development response, since it intensifies pre-existing systemic flaws, such as ageing infrastructure and legislative shortcomings. Civilians need protection from hostilities and its by-effects such as gender-based violence, and also need emergency shelter, access to water, and health services. The conflict also requires durable solutions to the disrupted livelihoods and the matter of IDPs' access to social benefits, without which many cannot survive. – The conflict-affected regions have traditionally been characterised by high crime rates, which intensive fighting in Donetsk and Lugansk oblasts and large flows of IDPs have increased. GBV in the conflict has especially gained public attention due to certain cases being covered in the media. However, administrative data on GBV is only the tip of the iceberg, due to stigmatisation deterring many victims from reporting the crime, and the fact that the reliability of the administrative data is declining as registered crime rates are influenced by problems with the statistical audit of criminal offences and total population numbers. Evidence has been found of increased vulnerability to various forms of violence in the conflict setting (15,2% of IDP women reporting at least one instance of violence outside the family before their displacement, compared to 5,3% of local women during the entire conflict). Among the most prevalent forms of abuse during the conflict, both local women and IDPs mentioned humiliation, insults, intimidation, blackmail, verbal threats, physical violence, confiscation of money, property, or official documents, forced labour with very little or no pay, and being subjected to improper sexual comments, as well as sexual violence. – However, it is not common practice to seek assistance from specialised organisations in cases of violence. The emotional support provided by friends and loved ones is regarded as the most effective coping strategy, though there are some expectations of help from psychologists and NGOs or women's support groups. |
| <ul style="list-style-type: none"> – Relevant issues and considerations related to radicalisation and violent extremism and the potential for Danish engagement to prevent and counter violent extremism (P/CVE) |
| <ul style="list-style-type: none"> – No information has been found that could indicate that violent extremism and radicalisation are relevant issues in the region. |

List the key documentation and sources used for the analysis:

Humanitarian Needs Overview Ukraine 2017. November 2016. Global Protection Cluster.

Tal på udlændingområdet pr. 31.12.2016. Udlændinge- og Integrationsministeriet.

Ukraine: People affected by the conflict in eastern Ukraine 2017. ECHO Daily Map. European Commission's Directorate-General for European Civil Protection and Humanitarian Aid Operations. February 2017.

"Fighting escalates in eastern Ukraine". 30 January 2017. Roman Olearchyk, Kathrin Hille and Stefan Wagstyl. The Financial Times Limited 2017.

Joint press point with NATO Deputy Secretary Rose Gottemoeller and the Prime Minister of Ukraine, Volodymyr Groysman. 9 February 2017. NATO Newsroom.

Ukrainian Centre for Social Reforms (2015), Gender-Based Violence in the Conflict-Affected Regions of Ukraine. Analytical Report.

Are additional studies / analytic work needed? How and when will it be done?

3. Assessment of human rights situation (HRBA) and gender¹¹

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:
The HRBA Guidance Note may provide further guidance, or hrbportal.org

Human Right Standards (international, regional and national legislation)

- Identify the level of achievement of key human rights standards for the context you are working in.
 - Identify the most binding constraints on the intended target group in terms of human rights.
 - Given the analysis of achievement of human right standards, establish what Denmark should prioritise in the proposed outcomes of the programme.
-
- Human rights violations in Ukraine are primarily a concern related to the poor performance of the justice system in the past and as a by-product of the conflict in the east and the occupation of Crimea. The areas most marred by rights violations are Non-Government Controlled Areas: CSOs and IOs report evidence of substantive violence against civilians by both sides of the conflict, as well as violations against IDPs. But while there is a National Human Rights Strategy and Action Plan in place, it has been reported that only 10% of the activities planned have been implemented so far.
 - In Ukraine, women are vulnerable to sexual and gender-based violence, including domestic violence, especially women among the increasing amount of IDPs as a result of the conflicts currently taking place. This is also the case in Georgia, with the additional issue of early marriage, which affects mostly young girls.

The programme will apply a human rights based approach (HRBA) in accordance with Danida policies as outlined in the DANEP framework document. Specifically for Ukraine, this means that the programme is:

- Focuses on enhancing citizens' involvement in the democratic processes at the local level in particular, by supporting decentralisation and political devolution. In addition to direct support to the decentralisation reform, the participation is also ensured by strengthening civil society through the existing engagement in this area, and by introducing services for young entrepreneurs to improve their access to jobs and market. At the national level the focus on women's involvement in the reform processes is expected to enhance women's participation in political decision-making. Finally, the enhanced emphasis on strengthening the decentralised presence of the Ombudsman institution at decentralised level as well as in the east will improve rights holders access to justice.
- Accountability will be strengthened by improving local governments' ability to respond to rights holders needs through the decentralisation support. Similarly, the focus on combating corruption is expected to strengthen the citizens' oversight of the government, directly by strengthening the institutions and indirectly through the civil society support of the EUACI programme. Similarly, accountability will be strengthened in the business sector by supporting social dialogue and employers' adherence to rights and obligations to its employees.
- The programme will be promote non-discrimination in particular through the focus on improving women's role in the reform processes in the country. Similarly, the programme will enhance the voice and access to resources of the youth in the country by providing improved career advice and matching skills with business demands. And finally, but critically, by reducing the geographic inequalities between the cities and the rural areas through the strong support to decentralised service delivery and local level business development.

¹¹ The purpose of the analysis is to facilitate and strengthen the application of the Human Rights Based Approach, and integrate gender in Danish development cooperation. The analysis should identify the main human rights issues in respect of social and economic rights, cultural rights, and civil and political rights. Gender is an integral part of all three categories.

- Transparency is in particular sought through the continued engagement in the anti-corruption efforts. Strengthening the institutions as well as investigative journalism will including the publication of conflicts of interests and assets, improving oversight institutions' work towards enhanced transparency in the public administration, and improved budgeting processes at the decentralised level as well, ensuring that the new decentralised institutions conform with their mandate as duty bearers.

Universal Periodic Review

- List recommendations from Council for Development Policy (UPR) relevant for the thematic programmes and from any treaty bodies, special procedures, INGOs, Human rights institutions etc. that require follow up by partners in the programme.

The latest UPR for Ukraine is from 2012, and the following one is scheduled for November 2017. UPR recommendations related to Human Rights:

- That any draft law that infringes fundamental human rights and violates commitments of Ukraine to international human rights law like the European Convention on Human Rights and the ICCPR be recalled
- Ensure that legislation, including the proposed Bill 8711, is fully compliant with Ukraine's international commitments, including under the European Convention on Human Rights
- Continue full and effective implementation of the decisions of the European Court of Human Rights
- Continue its effort to combat discrimination and promote equality in accordance with international treaties establishing guarantees of fundamental human rights and freedoms, and equality in the enjoyment of such rights, without privileges or restrictions based on race, colour, political, religious or other belief, gender, sexual orientation, ethnic or social origin, property status, place of residence, language or other grounds
- Further pursue its efforts to create appropriate institutional mechanisms to counter all forms of discrimination and further pursue its efforts to provide human rights training for police personnel to effectively fight hate crimes
- Increase efforts to improve the effective protection of LGBT persons, abandon legislation work on draft law no. 8711 on so-called "propaganda of homosexuality" and refrain from other legislation infringing on the human rights and fundamental freedoms of LGBT persons
- Further strengthening of the judiciary by investigating all allegations of human rights violations by law enforcement officers and the police
- Take concrete steps to improve the objectivity and independence of the criminal justice system by incorporating the recommendations of the Venice Commission, implementing the judgments of the European Court of Human Rights, and addressing concerns about selective justice
- Strengthen the effectiveness and the independence of the mechanisms to supervise the observance of human rights of inmates and persons under police custody with the aim of preventing ill-treatment
- Ensure that the new criminal procedure code respects the human rights of those held in custody, and that the statements informing migrants of the justification for their deportation is in one of the languages that the deportee understands
- Apply the relevant international experience in ensuring the protection of human rights in the zones of environmental crisis

UPR recommendations related to Gender:

- Adopt a comprehensive anti-discrimination law that addresses the worrying trend of incidents based on gender, sexual orientation, racial and ethnic discrimination

- Further strengthen a gender-sensitive approach in all poverty alleviation programmes
- Use a gender sensitive approach in all poverty alleviation programmes
- Implement temporary special measures, including quotas, to achieve gender equality in areas where women are underrepresented or disadvantaged and for women suffering from multiple discrimination, such as Roma women
- Devote more efforts to harmonizing gender equality for guaranteeing their equal rights and opportunities in both the legislative and executive branches
- Step up the efforts to fight against discrimination by refraining from contradictory legislation and by amending the anti-discrimination legislation to include explicit references to sexual orientation and gender identity as possible grounds of discrimination
- Continue its effort to combat discrimination and promote equality in accordance with international treaties establishing guarantees of fundamental human rights and freedoms, and equality in the enjoyment of such rights, without privileges or restrictions based on race, colour, political, religious or other belief, gender, sexual orientation, ethnic or social origin, property status, place of residence, language or other grounds
- Respect its international commitments on fundamental rights related to non-discrimination, prevent the adoption of a law prohibiting freedom of expression with regards to homosexuality and raise awareness of civil society on combating all forms of discrimination, including discrimination based on sexual orientation and gender identity
- Implement the recommendation issued in 2010 by the Committee of Ministers of the Council of Europe on measures to combat discrimination based on sexual orientation or gender identity

Identify key **rights holders** in the programme

In terms of Human Rights and gender issues in Ukraine, rights holders span over various categories of the population. Women of all regions and social classes are disadvantaged compared to men. Youth rights are also under-, as shows the lack of any specific mentioning of youth in the Human Rights Strategy. The rights of IDPs deserve attention, as the number of IDPs is growing and especially women and children become especially vulnerable as a result of their displacement.

Identify key **duty bearers** in the programme

Human Rights Principles (PANT)

Participation

- Identify barriers for participation, inclusion and empowerment of rights holders.
- There are barriers to political participation and inclusion in public life and the labour force to women, youth, and minority groups. Youth participation in civil, social and political life is very low, reflecting the little importance given to engaging in public activity by youth, who are primarily concerned with employment or familial issues. Women also have limited involvement in the political sphere; Georgia ranks 114 out of 145 countries in terms of women's political participation, and 119 in terms of women's representation in Parliament. However, the limited involvement of women in decision-making seems to be first and foremost a consequence of practice rather than law.
- List key support elements included to promote participation and inclusion.
- The programme focuses on enhancing citizens' involvement in the democratic processes at the local level in particular, by supporting decentralisation and political devolution. In addition to direct support to the decentralisation reform, the participation is also ensured by strengthening civil society through the existing engagement in this area, and by introducing services for young entrepreneurs to improve their access to jobs and market. At the national level the focus on women's involvement in the reform processes is expected to enhance women's participation in political decision-making. Finally, the enhanced emphasis on strengthening the decentralised presence of the Ombudsman institution at decentralised level as well as in the east will improve rights holders access to justice.

Accountability

- Identify accountability mechanisms in the relevant area - both horizontal and vertical.
- Multiple areas. At central level there is substantial impunity among duty bearers and corruption. At local level, the new decentralised units will need to relate to downwards accountability to the people and upwards to the centralised government system.
- List any key support elements included to promote accountability
- Accountability will be strengthened by improving local governments' ability to respond to rights holders needs through the decentralisation support. Similarly, the focus on combating corruption is expected to strengthen the citizens' oversight of the government, directly by strengthening the institutions and indirectly through the civil society support of the EUACI programme. Similarly, accountability will be strengthened in the business sector by supporting social dialogue and employers' adherence to rights and obligations to its employees.

Non-discrimination

- Identify groups among rights-holders excluded from access and influence in the thematic programme areas identified.
- Women are a disproportionately represented in politics and high leadership positions, where they are concentrated in traditionally "female" occupational areas, which also offer lower remuneration levels.
- List key support elements included to promote Non-discrimination. Are disaggregated data available on most vulnerable groups?
- The programme will be promote non-discrimination in particular through the focus on improving women's role in the reform processes in the country. Similarly, the programme will enhance the voice and access to resources of the youth in the country by providing improved career advice and matching skills with business demands. And finally, but critically, by reducing the geographic inequalities between the cities and the rural areas through the strong support to decentralised service delivery and local level business development.

Transparency

- Assess the extent to which information is accessible to rights holders including marginalised groups.
- There is overall a very high level of transparency in the government operations. There are no language barriers.
- If relevant, ensure that information is available in other than official languages.
- List key support elements included to promote Transparency.
- Transparency is in particular sought through the continued engagement in the anti-corruption efforts. Strengthening the institutions as well as investigative journalism will including the publication of conflicts of interests and assets, improving oversight institutions' work towards enhanced transparency in the public administration, and improved budgeting processes at the decentralised level as well, ensuring that the new decentralised institutions conform with their mandate as duty bearers.

Gender

- Identify key challenges and opportunities for gender equality.
- Ukraine is still dominated by patriarchal societal values which keep women subordinated to men professionally, publicly, and privately. Women occupy lower professional positions, there is a significant gender wage gap in both countries, and women occupy a minority of positions in politics and government.
- Identify assessments on gender, such as CEDAW-reporting, SDG National Action Plans, UPR, and other relevant gender analysis.
- There is a CEDAW report from February 2017 for Ukraine. Ukraine presented the first draft of the National SDG Report in November 2016, which revealed that some global targets are too high, while others too low for the country. For example, efforts should not be put into enhancing access to primary education, but rather to improve the quality of vocational training and promoting lifelong learning for adults. Four national consultations on SDGs were conducted, focusing on the following areas: Sustainable Growth and Economic Development, Equitable Social Development, Effective, Accountable and Inclusive Government and Justice for All, and Environmental Sustainability and Resilience Building.
- Identify opportunities/constraints for addressing gender equality issues.
- Striving for gender equality in Ukraine will require a big change in society's understanding of women's role. There is a normative belief that confines women to low-paid care and administrative jobs, as well as a traditional exclusion from public and political life that makes very few women pursue careers and representation in politics and public service.
- Describe key strategic interventions to promote gender equality within each thematic programme.
- Identify gender equality indicators aligned with national targets on gender, if possible.
- While Ukraine has legal foundations protecting and promoting women's rights, policies for the most part remain gender-blind. Therefore, relevant indicators to measure progress on gender equality could include gender-based violence, women's access to the labour market, as well as female participation in political and public life both on national and local levels.

List the key documentation and sources used for the analysis:

Value Orientations of Contemporary Ukrainian Youth: Annual Report to the President of Ukraine and Parliament of Ukraine on the Status of Youth in Ukraine” [Ukrainian], p. 23, Ministry of Youth and Sports of Ukraine, November 2016

“Civic Literacy in Ukraine. Summary of the Main Findings”, p.6. UNDP with support of DMFA, January 2017:

Alternative report of non-governmental organizations on Ukraine’s compliance with the UN Convention on Elimination of all Forms of Discrimination against Women. VIII Periodic Report” Draft version. [Ukrainian]. January 2017.

"Analytical report: Research on conditions for economic empowerment of women in Ukraine as a contributing factor for gender equality" (initiated by the Ministry of Social Policy of Ukraine and supported by the OSCE Project Coordinator in Ukraine). Kyiv 2012. OSCE.

EU (2012): “Being Smart About Gender: Successful Approaches and Keys to Fostering Gender Equality in Ukraine 2008-2011”, EU-UNDP Equal Opportunities and Women’s Rights in Ukraine Programme UPR Info Database of Recommendations. UPR-Info 2008-2017.

Are additional studies / analytic work needed? How and when will it be done?

There is no specific youth analysis available on democracy, rights and youth in Georgia. More information will be sought during the scoping mission.

4. Inclusive sustainable growth, climate change and environment

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

- Assess the overall risks and challenges to inclusive sustainable growth and development from the impact of climate change and environmental degradation; Assess the status of policies and strategies in the country / thematic areas / organisation to ensure that development is inclusive and sustainable, avoid harmful environmental and social impacts and respond to climate change; and assess the political will and the institutional and human capacity to implement these policies and strategies.
- Climate-driven changes such as higher temperatures, causing potential shifts in agricultural zones and leading to marked water deficiencies can compromise Ukraine's food security and economic growth
- Job creation is a challenge to sustainable development, as unemployment especially among young people remains high in the region. This can result in migration abroad to find employment opportunities.
- Ukraine is pursuing a strategy of conversion of solar energy into electricity with photoelectric cells, which is one of the most promising prospects of renewables development taking into account climate, government incentives, and availability of producers of semi-conductors, microelectronic and electric devices.
- Ukraine has an inefficient energy infrastructure, historically low energy prices and high industrial and agricultural energy sector demands. Climate-related donor efforts have focused on emissions reduction, and efforts to improve energy efficiency and management of renewable energy sources will benefit adaptive capacity.
- Climate projections predict an increased incidence of extreme weather events, including droughts and flash floods.
- Ukraine submitted its first Intended National Determined Contribution 19 September 2016. According to this, Ukraine is committed to not exceed 60% of the GHG emission level in 2030. Note however, that the commitment should be seen in light of the fact that substantial industrial areas in Ukraine: Dnoetsk, Luhansk and Crimea are not under the control of the Government of Ukraine.
- In order to pursue inclusive growth and sustainable development, reforming the business environment is central for Ukraine. Much can be done to introduce a transparent, fair, and enabling business environment with equal opportunities while reducing the influence of elitist interests.
- Ukraine has not prioritised climate- or environment-related SDGs, and there is no mention of climate in the Ukraine 2020 Strategy. There is, however, an "Environmental protection program", but it is not described in detail.
- Many donor efforts are currently focused on climate change mitigation efforts, particularly on improving energy efficiency, for example: Municipal Energy Reform Project by USAID, Hydropower Rehabilitation Project by the World Bank, Capacity Building for Low Carbon Growth in Ukraine by UNDP, Integrating Rio Conventions Provisions into Ukraine's National Policy Framework by UNDP and GEF, Finance and Technology Transfer Center for Climate Change in Ukraine by GEF, Energy Efficiency in Municipalities and Establishment of Energy Agencies in Ukraine by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety.
- Identify opportunities for mainstreaming support to inclusive green growth and transformation to low-carbon and climate resilient economies in the programme thematic areas and DEDs.

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| <ul style="list-style-type: none"> – Under DED 8, Enabling environment for energy investment, there is opportunity for Denmark to provide upstream assistance for the design and implementation of the new National Energy Efficiency Plan and the National Renewable Energy Action Plan. Denmark could also provide capacity building to the Ministry of Energy to adhere to commitments under the DCFTA and to formulate and implement plans. – Under DED 9, Support to increasing private sector investment in sustainable energy solutions and energy efficiency, there is opportunity to stimulate investment by making investments in energy efficiency and renewable energy less risky to incentivise the private sector to help lift the burden of reducing energy dependence, as well as by using project investments as demonstration models and further the catalytic effect for further investments. – Supporting these opportunities would contribute to SDG 7 and 8, the latter being highly prioritised by Ukraine. |
| <ul style="list-style-type: none"> – Identify potential risk and negative impacts related to environment and climate change from the proposed thematic areas and DEDs and consider how these may be mitigated in the design of the programme and the relevant DEDs. |
| <ul style="list-style-type: none"> – The DEDs aimed at democratisation and human rights cannot be said to have potential negative impacts on climate change mitigation or the environment. The DEDs related to sustainable growth |
| <ul style="list-style-type: none"> – Identify if EIA (Environmental impact assessment) or similar should be carried out, including legal requirements in partner countries / organisations. |
| <ul style="list-style-type: none"> – EIAs are foreseen in connection with IFU’s projects in renewable energy. Will be part of the requirements to IFU |
| <ul style="list-style-type: none"> – Consider rights and access to key natural resources: land, water, energy, food and agriculture, including impacts on employment for youth, women and indigenous peoples, etc. |
| <ul style="list-style-type: none"> – Primarily a concern in the non-government controlled territories. Covered by Danish PSF support. |
| <p><i>List the key documentation and sources used for the analysis:</i></p> <p>ILO (2016), World Employment and Social Outlook: Trends for Youth Beyond IEA countries. International Energy Agency, (2014) Danish Ministry of Foreign Affairs (2016), Evaluation of the Danish Neighbourhood Programme 2008-2015 OECD/IEA, (2016) Eastern Europe, Caucasus and Central Asia: Highlights. Energy Policies Tbilisi State University, Migration, Journal of Migration Research Center Fact Sheet: Climate Change Risk Profile Ukraine. December 2016. USAID. UNFCCC (2016): Intended Nationally-Determined Contribution (INDC) of Ukraine to a New Global Climate Agreement</p> |
| <p><i>If this initial assessment shows that further work will be needed during the formulation phase, please list how and when will it be done?</i></p> |

5. Capacity of public sector, public financial management and corruption

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

- Capacity of the public sector for policy making, enforcement and service delivery.
- The political processes in Ukraine are not fully linear, with laws and counter-laws being approved, stalled or declined on a monthly basis
- Quality and capacity of PFM, including budget credibility, comprehensiveness and transparency as well as control and external scrutiny / audit in all phases of the budget process as well as participation of citizens / CSOs in monitoring public budgets and corruption.
- There are no recent PFM assessments for Ukraine (latest full assessment is from 2011. Assessment showed better performance in reporting and average for the region on all other indicators
- Strong oversight by parliament and civil society on PFM and budget execution
- In the process of undertaking full asset declaration
- Still: corruption one of the most pressing problems of the country
- Strong NGO oversight of budget, informally as well as formally through the RPR
- The corruption situation and relevant anti-corruption measures and reforms.
- Corruption and lack of accountability permeate every level of society across sectors, both at central and local levels.
- The anti-corruption realm in Ukraine currently sees a transition from the institution-building stage to actual full rollout of the anti-corruption work. However, the institutions have yet to become a well-functioning machinery working on cooperative arrangements. There is a risk that e.g. NABU and SAPO engage in turf wars against each other. The donor and IFI community system remains one of the strongest driving forces behind the anti-corruption reform process.

List the key documentation and sources used for the analysis:

Relevant documents may include:

National development strategies and progress reports; WB and other development partners' country analyses and diagnostics; national poverty assessments; IMF Article-4 and other country reports; national and UN SDG progress reports; UNDP Human Development Index; independent political-economy analyses.

Are additional studies / analytical work needed? How and when will it be done?

6. Matching with Danish strengths and interests, engaging Danish actors, seeking synergy

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

Identify:

- Where we have the most at stake - interests and values,
- Where we can (have) influence through strategic use of positions of strength, expertise and experience, and
- Where we see that Denmark can play a role through active partnerships for a common aim/agenda or see the need for Denmark to take lead in pushing an agenda forward.

- Denmark's interests in the region are mainly commercial, as Ukraine could potentially become a relevant trade partner. However, it is also in Denmark's interest that the political conflict in Ukraine does not escalate, and that Russia does not gain more influence in the region, as this could result in security and migration challenges.
- In terms of values, Denmark can have an important role in promoting women's and girls' rights, youth's rights, and workers' rights. Denmark could also take a leading role in combating corruption both in Ukraine.
- Denmark can influence the much-needed labour market reforms in Ukraine, as well as the enhancement of the business environment.

- Brief mapping of areas where there is potential for increased commercial engagement, trade relations and investment as well as involvement of Danish local and central authorities, civil society organisations and academia.

- Renewable energy and agriculture.

- Assessment of the donor landscape and coordination, and opportunities for Denmark to deliver results through partners including through multilaterals and EU.

- Major donors to Ukraine and Georgia include the EU, the UN (hereunder ILO, UNDP, UNECE, UNHCR and UNICEF), the Swiss Agency for Development and Cooperation, the Canadian development agency, Sida, the World Bank Group, and the United States.

List the key documentation and sources used for the analysis:

Relevant documents may include:

National development strategies and progress reports; WB and other development partners' country analyses and diagnostics; national poverty assessments; IMF Article-4 and other country reports; national and UN SDG progress reports; UNDP Human Development Index; independent political-economy analyses.

Are additional studies / analytical work needed? How and when will it be done?

Annex B - Partner descriptions

UNDP in Ukraine

Since 1993, UNDP has assisted the Government of Ukraine (GoU) for establishing democratic systems and developing solutions for the transition from a planned economy to a market economy. UNDP has strengthened the capacity of the State and civil society institutions to engage effectively in policy reform, legislative and enhanced processes through engagement and partnership with national and sub-national institutions. Special efforts have been made to strengthen civil society to engage actively in the development processes. Gender equality and women's empowerment is another area where UNDP's work has been recognized by national partners and civil society organizations. Additionally to UNDP's work at the policy level, the Organisation has partnered with national and local authorities, community based organisations, private sector and UN agencies. UNDP has demonstrated the effectiveness of participatory governance for identification and implementation of local development solutions.¹²

In 2014, Mr. Neal Walker assumed his duties as the UN Resident Coordinator and UNDP Resident Representative in Ukraine. The UNDP works in close collaboration with the GoU through a number of key ministries, departments, and agencies.

Policy areas¹³

The strategic objective for the UNDP in Ukraine is to assist the country in implementing the SDGs contained in the Global Agenda 2030. It does so by working on three pillars:

- Governance reform
- Environmental and energy policy reform for innovative green and clean economic growth
- Recovery and peace building in conflict-affected areas.

Of the 24 projects, UNDP is implementing one project with Danish support concerning the Ombudsperson: "Strengthening Capacities of the Office of the Ombudsperson."

UN Women in Ukraine

Since 1999, UN Women has worked in Ukraine to help the country meet its gender equality commitments. In 2015, the Organisation up scaled its presence and programme. To better meet acute and lifesaving humanitarian needs, UN Women facilitates gender mainstreaming in humanitarian needs assessments and planning and supports greater engagement of women, particularly those facing compounds discrimination due to displacement, age, disability, ethnicity etc. UN Women furthermore contributes to recovery and peace building efforts advocating for and

¹² http://www.ua.undp.org/content/ukraine/en/home/operations/about_undp.html

¹³ http://www.ua.undp.org/content/ukraine/en/home/operations/about_undp/

supporting implementation of the Women, Peace and Security Agenda. Accordingly, UN Women builds capacity of state institutions on inclusive development and effective implementation of the National Action Plan on Women, Peace and Security. UN Women's focus is on community-level consultations and trainings for women activists as a response to their most urgent demands for information and capacity building as well as supporting groups of women committed to dialogue in and with the eastern region in order to identify the main dividing lines and a common ground for action. UN Women supports long-term national reforms while promoting gender equality and women's rights and accountability. UN Women is working closely with the UN Country Team to support gender-mainstreaming efforts in UN projects across the country.¹⁴

Policy areas:

UN Women works with the Government, parliament, civil society, and women's groups to support projects and initiatives in the following thematic areas:

- Women's leadership and political participation.
- Women, Peace and Security.
- National Planning and budgeting.

ILO in Ukraine

As an independent state, Ukraine has been a member of the ILO since 1991. In 1996, an important milestone in the cooperation between Ukraine and the ILO was reached with the establishment of the National Coordinator's office in Kyiv. Since the establishment, ILO has been active in a wide range of areas in Ukraine, including international labour standards, strengthening social dialogue institutions and mechanisms, combating child labour, promoting employment-friendly crisis recovery and labour rights of migrant domestic workers, improving youth employment, labor migration and skills policies as well as social security systems, improving safety and health at work, addressing HIV/AIDS in the workplace, strengthening labour inspection institutions, monitoring and assessing progress on decent work, promoting social inclusion of people with disabilities and elimination of human trafficking.

The Ministry of Social Affairs is the nodal ministry representing the government, while the ILO also partners with five employer's organizations and three worker's organizations. The ILO State Labour Inspectorate exercises its responsibilities directly in its headquarters and through its regional offices in all 27 administrative regions of Ukraine, including 24 oblasts, the Autonomous Republic of Crimea, and the cities of Kyiv and Sevastopol.

In April 2016, a new partnership agreement between the GoU and the ILO was signed marking the initiation of the fourth "Decent Work Country Programme" of Ukraine for the 2016 - 2019 period.

¹⁴ <http://eca.unwomen.org/en/where-we-are/ukraine>

The Program, which was developed with the participation of the Ukrainian government, employers' organizations and trade unions, focuses on three jointly agreed key priorities:

- Promoting employment and sustainable enterprises for stability and growth¹⁵.
- Promoting effective social dialogue.
- Enhancing social protection and conditions of work

Danish Energy Agency

The Danish Energy Agency (DEA) cooperates bilaterally with seven emerging economies, including Ukraine. The cooperation is assisting the countries in their transition from polluting greenhouse gas emissions as a means to reach the obligations that was pledged under COP21 while at the same time maintaining stable economic growth. The primary focus of the Danish Energy Agency's global assistance is anchored in government-to-government cooperation. The goal of the government-to-government cooperation is to enhance the energy regulating authorities of our partner countries in their transition towards a low carbon energy sector by bolstering the framework condition of the regulating authorities.

DEA is currently supporting the Ukrainian-Danish Energy Centre (UDEEC) within six main areas:

1. Methodology of long-term forecast modelling for national energy balance
2. Methodology for greenhouse gas registry and UNFCCC reporting
3. Monitoring system of energy efficiency at industrial sub- sector level
4. Methodology and tools for analysis of integrating renewable energy in regional grids
5. Methodology and software for energy scenario analysis
6. Analysis of options for increased use of biomass and biogas in the heat sector

As of 2015, DEA Chief Advisor Anders Højgaard Kristensen is posted in Kyiv. Short-term experts from the DEA will furthermore provide insight from Danish experience to the Ukrainian experts.¹⁶

¹⁵ http://www.ilo.org/budapest/countries-covered/ukraine/WCMS_470662/lang--en/index.htm

¹⁶ https://ens.dk/sites/ens.dk/files/Globalcooperation/ukr_nytdesign.pdf

Annex C – Results Framework

Note: the thematic level impact indicators are selected from the respective DEDs based on relevance to the overall country programme

Governance thematic programme selected indicators

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| Impact 1.0 | Anti-corruption institutions function effectively |
| Indicator 1.0 | Number of high-level, high-volume corruption cases resulting in a court decision per year |
| Baseline 2019 | TBD in 2019 |
| Target 2023 | TBD in 2019 |
| Impact 2.0 | The Ombudsperson addresses human rights violations at the local level |
| Indicator 2.0 | Percentage of policy recommendations by the Ombudsperson's Office since 2017 that are implemented by duty bearers |
| Baseline 2018 | TBD in 2018 |
| Target 2023 | 30% |
| Impact 3.0 | Local governments deliver services effectively in a transparent and accountable manner |
| Indicator 3.0 | Time it takes for citizens to access services from local governments |
| Baseline 2020 | TBD in 2020 |
| Target 2024 | TBD in 2020 |

Sustainable growth thematic programme selected indicators

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| Impact 4.0 | SME growth for youth and women run businesses |
| Indicator 4.0 | Turnover, number of new businesses registered, disaggregated on number of youth and number of women |
| Baseline 2019 | TBD in 2019 |
| Target 2023 | TBD in 2019 |
| Impact 5.0 | Substantial foreign direct investment in renewable energy |
| Indicator 5.0 | Amount of co-investment leveraged through the NEIF intervention |
| Baseline 2017 | 0 projects and 0 leverage |
| Target 2025 | A total of 5-6 projects with a leverage factor of 7, corresponding to DKK 720-900 million (excluding NEIF's own participation) |
| Impact 6.0 | Renewable energy reached 11% of the national consumption |
| Indicator 6.0 | Renewable energy share in total energy consumption of Ukraine |
| Baseline 2017 | 8% |
| Target 2023 | 11% |

DED 1 – Support to Human Rights

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| Outcome 1 | | By 2023, the Ombudsperson’s Office effectively protects human rights, specifically economic and social rights, in all the territory of Ukraine reaching out to the local level, including rural areas that are most vulnerable |
| Outcome indicators | | <ul style="list-style-type: none"> • % of regions covered by the OO regional offices staffed with civil servants and financed from the State budget (2016: 37%; 2023: 100%; MoV: Annual Desk Review by OO and UNDP). • Perception of adherence to economic and social rights by women and men on a scale of (1 – very bad, 2 – bad, 3 – satisfactory, 4 – good, 5 – very good) (2017: 2.2 bad; 2023: 3 satisfactory; MoV: Human Rights Baseline Study). Disaggregated by rural areas (2017: 2.1 bad; 2023: 3 satisfactory). • % of Ukraine’s population that believes the Ombudsperson’s Office is an effective mechanism for human rights protection (2017: 6%, 2023: 12%, MoV: HRBS). Disaggregated by male/female (2017: 5,9%/5,3%, 2023: 12%/12%), rural (2017: 4,4%/8%), youth (2017: 5,6%, 2023: 12%), elderly (2017: 3,8%, 2023: 8%) • % of policy recommendations by the Ombudsperson’s Office since 2017 that are implemented by duty bearers (2017: n/a, 2023: 30%, MoV: Annual desk review of evidence by OO reports). |
| Baseline | 2016 | <ul style="list-style-type: none"> • All oblasts are covered by the OO regional network, but only 37% of full scale offices are staffed by civil servants and financed from the State budget • The level of adherence of economic and social rights is assessed as 2.2 all over Ukraine and 2.1 in rural area (1 – very bad, 2 – bad, 3 – satisfactory, 4 – good, 5 – very good)¹⁷ • 5.6% of Ukraine’s population (5,9% male and 5,3% female; 4.4% of the rural population, 5,6% of youth and 3,8% of elderly people), believes that the OO is an effective mechanism for human rights protection¹⁸ • n/a |
| Target | 2023 | <ul style="list-style-type: none"> • all oblasts host full scale OO offices staffed by civil servants and financed from the State budget; • the level of adherence of economic and social rights is perceived as satisfactory (or better) all over Ukraine and in rural areas; • 12% of Ukraine’s population (men and women, youth) and 8% of the rural population and elderly people, believes that the OO is an effective mechanism for human rights protection |

¹⁷ Source HRBS

¹⁸ Source HRBS

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| | | <ul style="list-style-type: none"> at least 30% of policy recommendations issued by the OO to duty bearers as a result of baseline monitoring are taken on board and positive trends are evident in the solving of socio-economic challenges |
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| Outcome 2 | | By 2023, the Ombudsperson's Office effectively implements its human rights protection functions targeting conflict-affected women and men |
| Outcome indicators | | <ul style="list-style-type: none"> % of police officers that believe it is necessary or acceptable to restrict the rights of persons with different political views on the conflict (2017: 53%, 2023: 20%, MoV: Human Rights Baseline Study) % of police officers that believe crimes committed during the conflict can be justified (2017: 37%, 2023: 15%, MoV: Human Rights Baseline Study) % of conflict-related policy recommendations by the Ombudsperson's Office that are translated into concrete policies or strategies (Baseline and target TBD Annual desk review of evidence by OO and UNDP). |
| Baseline | 2016 | <ul style="list-style-type: none"> 52.7% of police officers believe it is necessary or acceptable to restrict the rights of persons with different political views on the conflict, 36.5% justify crimes committed during the conflict¹⁹ % of conflict-related policy recommendations of the OO are translated into concrete policies/ strategies (baseline and target to be determined) There is no legislative framework and insufficient analysis of peace-building and post-conflict settlement based on human rights principles |
| For Target | 2023 | <ul style="list-style-type: none"> Less than 20% of police officers accept restrictions of human rights due to different political views on the conflict, and no more than 15% justify crimes committed during conflict Comprehensive policy framework/regulations on peace-building and post-conflict settlement based on human rights principles are in place At least 40% of the OO's human rights related policy recommendations are translated into concrete policies and strategies |

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| Outcome 3 | | By 2023, the Ombudsperson's Office is equipped with knowledge and systems to promote human rights at the national level (including by ensuring abiding by international human rights principles) and ensuring the integration of HRBA and gender equality in the national reform agenda |
| Outcome indicators | | <ul style="list-style-type: none"> % of women and men who know about the OO (2017: 48%, 2023: 60%, MoV: HRBS). Disaggregated by male/female (2017: 51%/46%, 2023: 60%/60%) % of women and men know the mandate of the OO (2017: 7%, 2023: 15%, MoV: HRBS). Disaggregated by male/female (2017: 9%/4%, 2023: 15%/15%) |

¹⁹ Source HRBS

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| | | <ul style="list-style-type: none"> • % of women and men who say they would try to protect their rights if violated (2017: 41%, 2023: 60%, MoV: HRBS). Disaggregated by male/female (2017: 52%/48%, 2023: 60%/60%), youth (2017: 47%, 2023: 60%) and elderly (2017: 38%, 2023: 60%) • % of women and men who think that human rights restrictions are acceptable due to different political positions on conflict-related issues (2017: 48%, 2023: 20%, MoV: HRBS). Disaggregated by male/female (2017: 51%/46%, 2023: 20%/20%) • % of actions in the Action Plan of the National Human Rights Strategy that were implemented (2016: 21%, 2023: 50%, MoV: Ombudsperson/CSO annual reports) • % of recommendations of UPR and CEDAW that have been implemented (2017: TBD 2023: 25%, Annual review of evidence by UPR and CEDAW reporting, including shadow reporting). |
| Baseline | 2016 | <ul style="list-style-type: none"> • 41% of population tried to protect their rights if violated²⁰ (47% of youth, and 38 % of elderly population, 40,8% female and 46,9% male) • 49.5% of the population (47,8% of women and 51,5% of men) sees as acceptable restrictions to the human rights of those with different political views, in particular on conflict-related issues²¹ • 48% of the population (45,5% of women and 51,1% of men) know about the OO (6.5% (4,4% of female and 8,9% of male) know the OO mandate and 41.5% (41,1% of female and 42,2% of male) have heard of the institution)²² • UPR 2012 level of implementation 6% (CSO shadow report 2015); • 21% of the Action Plan of the National Human Rights Strategy is implemented (Ombudsman-CSO report 2016) |
| Target | 2023 | <ul style="list-style-type: none"> • 60% or more of population (men and women, young and elderly population) try to protect their rights if violated • Less than 20% of population (men and women, young and elderly population) think that human rights restrictions are acceptable because of different political positions on conflict-related issues • 60% of the population (men and women, young and elderly population) know about the OO (at least 15% know the OO's mandate) • At least 25% of UN treaty body recommendations (including CEDAW 2017, UPR 2017) are implemented • At least 50% the Action Plan of the National Human Rights Strategy is implemented. |

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| Output 1 | By 2023, women and men have better access to the services of the Ombudsperson's Office at the local level, especially in rural areas |
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²⁰ Source HRBS

²¹ Source HRBS

²² Source HRBS

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| Output indicators | <ul style="list-style-type: none"> • Number of regions covered by OO coordinators regional network (2017: 16 regions are covered with OO regional presence and Kyiv is covered by central office; 2023: 24 regions; MoV: Desk review of OO and UNDP). • % of OO offices in regions that follow the “Ombudsman Plus” model through which civil servants cooperate with civic activists (2017:22%, 2023: 50% (12 regions); MoV: Desk review of OO and UNDP). • Number of administrative districts covered by OO regional network through field visits and reception of claimants conducted in rural area (2016: n/a , 2023: 50% of districts²³ MoV: administrative records of the OO) • Average number of at-distance intake of human rights concerns per month and per region²⁴ (Baseline and Target TBD; MoV: Monthly review of administrative records of the OO) • Number of women and men reached through at-distance intake of human rights concerns per year (2016: 1,305, 2023: 3,000, MoV: Annual review of administrative records of the OO) • Existence of electronic management and documentation system for the OO regional network (2017: no, 2023: yes, MoV: documentation of the electronic management system) |
| Output 2 | By 2023, the Ombudsperson’s Office has the knowledge and skills to collect data that is disaggregated by gender, age and vulnerabilities |
| Output indicators | <ul style="list-style-type: none"> • Number of OO staff with relevant M&E knowledge and capacities to collect disaggregated data to assess the level of human rights adherence (2017: 0 (no knowledge); 2023: 5: Very good knowledge); MoV: Follow up training surveys. • Electronic system of data collection and disaggregation covering national and local levels in place²⁵ (2017: no, 2023: yes, MoV: documentation of the electronic system) • % of regions covered by OO human rights monitoring per year (2017: TBD, 2023 100% (24 regions) MoV: OO annual reports). |
| Output 3 | By 2023, the Ombudsperson’s Office is able to effectively promote awareness of human rights |
| Output indicators | <ul style="list-style-type: none"> • OO has a strategy and roadmap on communication of and for human rights (2017: no, 2021: yes, MoV: strategy and roadmap) • Number of information campaigns to raise human rights awareness conducted by the OO at the local level and covering at least 30% of all regions (2016: 0, 2023: 3, MoV: documentation of local information campaigns) |

²³ Ukraine consists of 490 rayons including temporary occupied territories of Autonomous republic of Crimea and in Donbas

²⁴ through VoIP like Skype or Bibliomist-supported libraries (see <https://ula.org.ua/bibliomist/>)

²⁵ indicator subject to assessment in the first year of the project implementation

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| | <ul style="list-style-type: none"> • % of the OO recommendations on development and human rights education incorporated into human rights study programmes (2017: 0%, 2023: 30%, MoV: Annual desk review of human rights study programmes) • Number of journalists equipped with the knowledge to apply HRBA in their professional practices (2016: 0, 2023: 200²⁶, MoV: Training records) |
| Output 4 | By 2023, the Ombudsperson's Office proactively uses international human rights instruments |
| Output indicators | <ul style="list-style-type: none"> • % of OO recommendations provided within framework of alternative reporting that are included in concluding reports or observations of UN treaty bodies and instruments (UPR, CEDAW, etc.) (2016: TBD²⁷, 2023: 50%, MoV: Desk review of reports or observations of UN treaty bodies) • Number of OO advocacy campaigns or submissions to duty bearers aimed at facilitating implementation of international obligations/recommendations of UN treaty bodies (2016: 0²⁸, 2023: 18²⁹, MoV: Evidence of campaigns and documents of submissions) |
| Output 5 | By 2023, the Ombudsperson's Office provides effective input into integration of HRBA into decentralization process with a focus on social and economic rights |

²⁶ at least 30% women

²⁷ Will be based on recommendations of UPR 2017 which to be provided by the end 2017 or early 2018

²⁸ Will be based on recommendations of UPR 2017 which to be provided by the end 2017 or early 2018

²⁹ three per year from 2018 to 2023

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| Output indicators | <ul style="list-style-type: none"> • Tools exist for day-to-day monitoring of human rights violations in the context of decentralization³⁰ (2017: no, 2023: yes, MoV: Monitoring tool documentation) • Number of the OO recommendations focused on addressing systemic problems/algorithms of action to be taken by duty bearers, local authorities, communities, with a special focus on economic and social rights in the context of decentralisation (2017: 0, 2023: TBD, MoV: OO annual reports) • Number of “package solutions” for right holders developed by the OO and promoted through OO regional network, CSOs partners and duty bearers, local authorities and communities (2017: 0, 2023: TBD based on monitoring results MoV: OO annual reports); • Number of pilot local authorities, communities, public service providers, which integrated HRBA with support and in cooperation with OO and its regional network (2017: 0%, 2023: at least at least 3 local authorities/communities/public service providers, that work with population affected by the conflict, MoV: OO UNDP desk review). |
| Output 6 | By 2023, the Ombudsperson’s Office has knowledge and skills to effectively address conflict related human rights |
| Output 6 indicators | <ul style="list-style-type: none"> • The Ombudsperson’s monitoring tool to identify conflict-related human rights violations including GBV is operational (2017: no, 2023: yes, MoV: tool and training documentation) • Number of “package solutions”³¹ for rights-holders affected by the conflict produced and disseminated (2017: 0, 2023: 5, MoV: guidance notes) • Recommendations on legal aspects and problems of post-conflict regulations developed based on the principles of balance between security and human rights (2017: no, 2023: yes, MoV: OO annual reports) • Average number of field consultations carried out by OO regional network in each region in eastern Ukraine³² (Baseline and target TBD; MoV: OO administrative data) • Number of mediators in the field equipped with knowledge and skills on human right. (2017: 0; 2023: 50 (at least 30% women); MoV: OO annual reports). |
| Output 7 | By 2023, the Ombudspersons’ Office effectively supports women and men and vulnerable groups at national and local levels |
| Output 7 indicators | <ul style="list-style-type: none"> • The extent to which national action plans, strategies and regulations on implementation of the recommendations of international treaty bodies address the rights of women and men as well as vulnerable groups. (2017: 0; 2023: TBD; MoV: Qualitative desk review). |

³⁰ disaggregated women and men, youth and elderly people, other social groups

³¹ detailed step-by-step guidance notes)/ recommendations

³² high concentrations of persons affected by the conflict

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| | <ul style="list-style-type: none"> Monitoring system on implementation of relevant national action plans, strategies and regulations on adherence of rights of women, men and vulnerable groups is in place (2017: no; 2023: yes; MoV: Monitoring review) Monitoring tool to identify DV and GBV is in place (Baseline: No; Target: yes; MoV: Monitoring Report) Number of legal acts on ensuring equal rights and opportunities for women and men developed and adopted, with the OO support³³ (2017: 0; 2023: 5; MoV: OO annual reports) Number of legal acts which ensure empowerment and inclusion of vulnerable groups developed and adopted with the OO support (2017: 0; 2023: 5; MoV: OO annual reports) |
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DED 2 – Decentralisation

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| Engagement Title | | Support to U-LEAD II | |
| Outcome 1 | | Local government provide services effectively, accountable and transparent | |
| Outcome indicator 1 | | <p>- Time it takes for citizens to access services from local governments (social services such as primary health and school; building services; tax registration services etc.)</p> <p>- Time it takes for SMEs to get key permits processed by local governments (registrations, building permits etc.)</p> | |
| Baseline | Year | 2020 | TBD |
| Target | Year | 2024 | TBD |
| Output 1.1 | | Capacity of local governments to effective delivery of services enhanced | |
| Output 1.1 indicator | | <p>a) Number of hromadas and rayons with revised organisational structures and work flow process aimed at improving service provision</p> <p>b) Level of local revenue generated by hromadas</p> <p>c) Percentage of staff with appropriate qualifications to tasks undertaken</p> | |
| Baseline | Year | 2020 | TBD |
| Target | Year | 2024 | TBD |
| Output 1.2 | | Capacity of hromadas to deliver services to business improved | |

³³ Contribution to the national SDG5 indicator

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| Output 1.2 indicator | | a) Number of hromadas with simple one-stop-shop business service procedures in place b) Number of hromadas with pro-business policy and relevant by-laws I place | |
| Baseline | Year | 2020 | TBD |
| Target | Year | 2024 | TBD |
| Outcome 2 | | Local government are participatory and inclusive in their operations | |
| Outcome indicator 2 | | <ul style="list-style-type: none"> - Percentage of female representative in hromada councils - Percentage of youth in hromada councils - Number of hromadas that are fully transparent in all major financial matters (budgets, procurement, politicians and management salaries, audits etc.) | |
| Baseline | Year | 2020 | TBD |
| Target | Year | 2024 | TBD |
| Output 2.1 | | Policy revised to ensure female and youth representation at local level | |
| Output 2.1 indicators | | Status of national policy on affirmative action in local governments | |
| Baseline | Year | 2020 | TBD |
| Target | Year | 2024 | TBD |
| Output 2.2 | | Hromadas with fully transparent management system in place | |
| Output 2.2 indicators | | Number of hromadas | |
| Baseline | Year | 2020 | TBD |
| Target | Year | 2024 | TBD |

DED 3 - Anti-corruption

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| Engagement Title | Support to EU ACI II |
| Outcome 1 | Institutions that have the mandate of preventing and prosecuting high-level and high-volume corruption crimes deliver on their mandates and ensure solid adjudication work as a unified system |
| Outcome indicator 1 | <ul style="list-style-type: none"> a) Number of high-level, high-volume corruption cases resulting in a court decision per year; b) International monitoring mechanisms acknowledge significant progress in interaction between NACP, NABU, SAPO, ARMA and the possible |

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| | | Specialized Anti-Corruption Court (or any similar adjudication mechanism); | |
| Baseline | Year | 2019 ³⁴ | TBD |
| Target | Year | 2023 | TBD |
| Output 1.1 | Capacities of the targeted institutions to perform their preventive, investigative and justice functions in higher-level high-volume corruption cases increased and sustained | | |
| Output 1.1 indicator | <p>For NACP:</p> <ul style="list-style-type: none"> a) Asset declaration system and the registry of officials convicted of corruption crimes enjoy continued stable operation without reduction of their functions or possibility of undue influence; b) System for detailed political party funding verification (rather than mere comparison of reported numbers) is in place and performs steadily; c) System for effective whistleblower protection in place and enjoys public opinion trust (declared readiness to report); <p>For NABU:</p> <ul style="list-style-type: none"> a) Results of the latest independent audit of NABU operations concludes that there are sustainable and effective operations of the institution; b) Number of cases that have undergone NABU investigation and have been tabled for SAPO representation in court; <p>For SAPO:</p> <ul style="list-style-type: none"> a) Number of cases represented in court for the high-level, high-volume corruption crimes handled by NABU; <p>For ARMA:</p> <ul style="list-style-type: none"> a) Number of asset search and recovery cases initiated and followed through to the stage of actual foreign and national asset recovery with due regard to procedural detail; <p>For the Specialized Anti-Corruption Court / other mechanism for adjudicating cases investigated by NABU:</p> <ul style="list-style-type: none"> a) Number of cases in the European Court of Human Rights that have found the claims against the verdict of the Ukrainian court in anti-corruption cases unsubstantiated (alternatively: proportion of ECHR cases that have turned down the claims against Ukrainian anti-corruption court); | | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |
| Output 1.2 | Ukraine's systems for preventing and tackling high-level, high-volume corruption are compliant with recommendations of international specialized monitoring mechanisms | | |
| Output 1.2 indicator | a) Progress of compliance with recommendations / observations issued by international monitoring mechanisms (UNCAC review, GRECO, OECD ACN Istanbul Anti-Corruption Action Plan); | | |
| Baseline | Year | 2019 | TBD (baselines will be established against the latest year when the assessment was made for each of the monitoring rounds) |
| Target | Year | 2023 | At least a 20% increase in compliance with recommendations; |
| Outcome 2 | Relevant authorities (SBI and National Police) have increased capacities to address mid-level and smaller corruption crime, especially at the sub-national level | | |

³⁴ It is expected that the data of 2019 will serve as the baseline against which progress will be measured.

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| Outcome indicator 2 | | <ul style="list-style-type: none"> - Level of trust to the National Police with respect to both personal integrity (officers not engaging in corruption) and efficacy in tackling smaller-level corruption crime; - Conviction rate in cases handled by SBI that pertain to corruption or corruption-related issues; | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |
| Output 2.1 | | Strategy and relevant Action Plan for building capacities of the National Police departments (investigation, patrol police, economic crime, etc.) to detect and investigate smaller corruption crime developed and implemented | |
| Output 2.1 indicators | | a) Percentage of completion of the Strategy and Action Plan (full and partial) by the end of the monitoring period; | |
| Baseline | Year | 2019 | TBD (depending on the contents of the Strategy and Action Plan) |
| Target | Year | 2023 | TBD |
| Output 2.2 | | SBI has capacity end resources to effectively fulfil its function of investigating corruption or corruption-related crimes under its jurisdiction | |
| Output 2.2 indicators | | a) Number of cases finalized by the SBI detectives and submitted through the prosecution system to court for adjudication; | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |
| Outcome 3 | | SME & sub-national government relations are built with an increasing level of trust, transparency and integrity | |
| Outcome indicator 3 | | <ul style="list-style-type: none"> - Percentage of SMEs operating in relevant hromadas who report no corruption-related hindrances from local level authorities (first-hand experience); - Percentage of local government representatives who report lack of businesses offering to address emerging issues through corruption or corruption-related activities; | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |
| Output 3.1 | | Capacity of the SMEs working in communities to follow ethical rules of good and fair business and to defend their rights if they feel pressured to engage in corrupt activities increased | |
| Output 3.1 indicators | | <ul style="list-style-type: none"> a) Number of SMEs that have voluntarily joined and report adherence to ethical standards that preclude any corrupt or corruption-related activities; b) Proportion of cases where SMEs were able to appeal to court or a higher-level authority and achieve a fair result; | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |
| Output 3.2 | | Authorities in the amalgamated communities are able to handle their relations with the local businesses in a fair and transparent way to increase perceptions of them as having full integrity and intolerant of corrupt practices | |
| Output 3.2 indicators | | <ul style="list-style-type: none"> a) Number of amalgamated communities that have deployed already existing digital tools that increase their transparency (even if not mandatory according to law); b) Percentage of requests for public information on business / procurement / land allocation related issues answered in full and with proper diligence; | |

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| | | c) Number of communities voluntarily participating in national ratings of openness and transparency; | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |
| Outcome 4 | Sub-national (and potentially local-level) civil society actors are knowledgeable about locally-relevant corruption risks, are able to exercise sound expert judgement on the cases being handled, and are empowered to litigate for the public good | | |
| Outcome indicator 4 | - Number of well-substantiated court cases brought forward regarding locally-relevant situations by civil society organizations (including investigative journalist initiatives) who have researched the problems in question; | | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2023 | TBD |
| Output 4.1 | A pool of trained, duly expert civil society initiatives emerges to cover all of Ukraine and ensure watchdogging over locally-relevant issues that are prone to largest levels of potentially corrupt behaviour | | |
| Output 4.1 indicators | a) Number of CSOs and investigative journalist initiatives that have gone through basic and advanced training to watch over the areas with a high probability of corruption risks (including due to decentralization); | | |
| Baseline | Year | 2019 | None |
| Target | Year | 2023 | TBD |
| Output 4.2 | A unified centre or a sustainable coalition of several organizations is in place to consult the local-level civil society actors on both legal issues and conduct pre-publication expert assessment specifically for anti-corruption cases | | |
| Output 4.2 indicators | a) Number of legal consultations / pre-publication expert assessments conducted on an annual basis; | | |
| Baseline | Year | 2019 | TBD |
| Target | Year | 2024 | TBD |

DED 4 - Gender reform and GBV prevention

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| Outcome 1 | The decentralization and law enforcement reforms are compliant with the international standards on gender equality and are informed by the results of the gender-responsive regional and local pilot initiatives |
| Outcome indicator 1.1 | Number of adopted policy decisions compliant with CEDAW and other HR standards, as well as legal acts repealing discrimination against women and vulnerable groups. |

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| Baseline | Year | 2017 | <ul style="list-style-type: none"> ▪ Ministry of Interior drafted the Action Plan on the implementation of the UNSCR 1325 “On women, and peace and security” for 2017 – 2020; ▪ No gender sensitive programme/action plan exists in the Ministry of Regional Development; ▪ Process of integrating of gender into the regional development strategies and local socio-economic development plans has been launched in pilot hromadas in Luhansk and Donetsk oblasts; ▪ 1 statute and 1 socio-economic programme (Lyman hromada, Donetsk oblast) that is gender-responsive adopted; ▪ A set of recommendations for development of the local action plans on 1325 proposed to Donetsk and Luhansk State Regional Administrations. Out of 17 proposed recommendations 10 were integrated in the 1325 NAP of Luhansk oblast in 2016; ▪ The Ministry of Interior established a working group to revise the internal legislation to advance women’s participation in law enforcement bodies (with UN Women support); |
| Target | Year | 2022 | <ul style="list-style-type: none"> ▪ The reforms’ policy frameworks integrate specific gender equality measures which are supported by public budget allocations; ▪ Amendments to sectoral by-laws pertaining to the reforms, which repeal discrimination, are adopted; |

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| Output 1.1 | | Ministries of Regional Development and Interior have enhanced capacity to analyse, formulate and execute gender-responsive reforms in part based on local pilot initiatives in the east of Ukraine | |
| Output indicator 1.1.1 | | Number of staff of the Ministry of Regional Development and Ministry of Interior apply in-house technical capacity on gender-responsive policy making, planning and programming | |
| Baseline | Year | 2017 | As of 2017 no comprehensive capacity development programmes on gender mainstreaming in the reforms have been conducted in the Ministries; |
| Annual target | Year | 2018 | <ul style="list-style-type: none"> Capacity assessment of the staff in key departments conducted, recommendations integrated in training programmes and knowledge products; |
| | | 2019 | <ul style="list-style-type: none"> Gender analysis of legislation pertaining to decentralization and law enforcement reforms conducted; recommendations for revisions and amendments provided; |
| | | 2020 | <ul style="list-style-type: none"> Stock-taking of gender mainstreaming in decentralization and law enforcement reforms implementation accomplished and results discussed at the national senior management level; |
| | | 2021 | <ul style="list-style-type: none"> Gender equality is included in key reforms documents and reports; |
| | | 2022 | <ul style="list-style-type: none"> National reforms monitoring systems integrate gender equality targets and results and regularly report on the progress; |
| Output 1.2 | | The duty-bearers (local governments of amalgamated hromadas) in conflict-affected areas apply knowledge and tools for gender-responsive annual planning and budgeting | |
| Output indicator 1.2.1 | | Number of local plans/programmes with specific gender-responsive objectives and budgets developed | |
| Baseline | Year | 2017 | One: Lyman Amalgamated hromada Statute and programme on social-economic development (2017) includes gender objectives; |
| Annual target | Year | 2022 | Four amalgamated target hromadas adopted local plan/programme with at least one gender-responsive objectives and budgets per year; |
| Output indicator 1.2.2 | | Number of Local Gender Coordination Councils established in target hromadas | |
| Baseline | Year | 2017 | Six amalgamated hromadas (Novopskovska, Chmyrivka, Belokurakhina (Luhansk oblast) and Cherkaska, Lymanska and Mykolayivska (Donetsk oblast) have created the local gender coordination councils and endorsed by Orders of heads of hromadas; |
| Annual target | Year | 2022 | Four additional hromadas establish local gender coordination councils, inclusive of women established and functional; |
| Output 1.3 | | Rights-holders (local women, including those facing compound discrimination) meaningfully participate in local development planning and budgeting | |

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| Output indicator 1.3. | | Number of gender-sensitive recommendations developed by women for local policies and programs adopted by the local authorities | |
| Baseline | Year | 2017 | Women became members of six local gender coordination councils in amalgamated hromadas (Novopskovska, Chmyrivka, Belokurakhina (Luhansk oblast) and Cherkaska, Lymanska and Mykolayivska (Donetsk oblast); |
| Annual target | Year | 2022 | <ul style="list-style-type: none"> • Women annually participate and provide recommendations in local plans/programmes and budget formulations in target hromadas; • At least one gender-sensitive recommendation developed by women for local policies and programs adopted by the local authorities and supported by budget allocation in <i>each</i> of the pilot hromadas <i>annually</i>; |

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| Outcome 2 | | Local authorities, law enforcement and women's community groups co-develop and implement GBV prevention and response strategies and action plans in line with the international standards and national gender equality commitments | |
| Outcome indicator 2.1. | | Number of GBV prevention and response interventions integrated into local action plans and jointly implemented by local authorities, law enforcement bodies and women from the communities in 4 pilot hromadas | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • 0 local action plans integrate GBV prevention and response interventions either in oblast or in hromadas; • 35.1% of women in Donetsk oblast and 31% in Luhansk, 66% in Donetsk and 80% in Luhansk oblast feel safe in their communities during evening and night, compared to men³⁵ (Perception survey); • 45% of the respondents don't trust police in Donetsk and Luhansk Oblast³⁶ (Perception survey); |
| Target | Year | 2022 | <ul style="list-style-type: none"> • At least 8 GBV prevention and response interventions developed with participation of women's groups, law enforcement and media integrated in local action plans by newly amalgamated hromadas and supported by budget allocation; • Women's sense of safety and security in public places increased by 10% (Perception survey); |

³⁵ UNDP study on the Security and Justice in Ukraine, 2017

³⁶ UN Women survey on attitudes towards GBV in Donbas, 2017

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| Output 2.1. | | Duty-bearers (law enforcement bodies) in the target communities have knowledge and skills to prevent and respond to gender-based violence in public spaces | |
| Output indicator 2.1 | | % of local law enforcement officers with improved knowledge and skills on prevention and response to GBV in public spaces | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • By 2017 - 32 district and patrol police officers of Donetsk and Luhansk oblasts' police units were trained as trainers in community security and prevention and response of GBV and demonstrated improved knowledge by 60% (post-training evaluation); • Low trust to police is reported as the key reason for not reporting GBV to the police³⁷; • Fragmented data collection system in place; |
| Annual target | Year | 2018 | <ul style="list-style-type: none"> • Baseline assessment on law enforcement capacity to prevent and respond to GBV in community security initiatives conducted. |
| | | 2019 | <ul style="list-style-type: none"> • The following annual targets will be set based on the results of the baseline assessment: |
| | | 2020 | <ul style="list-style-type: none"> • % of patrol and district police officers trained in GBV prevention and response with increased knowledge and skills; |
| | | 2021 | <ul style="list-style-type: none"> • Number of tools and knowledge products, which were developed by the project, applied by police in the pilot hromadas; |
| | | 2022 | <ul style="list-style-type: none"> • Number of community security initiatives to prevent and respond to GBV implemented by local police; • Trust in the local police in the pilot communities increased by 10%; |
| Output 2.2 | | Rights-holders (women, girls, men and boys) in communities are mobilized in favour of respectful relationships, gender equality and safety in public spaces | |
| Output indicator 2.2 | | Number of local initiatives led by gender equality advocates on promotion of gender equality, enhancing community security and safety in public spaces | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • 20 community for empowerment initiatives implemented in 20 pilot hromadas of Donetsk and Luhansk oblasts; • 61 self-help groups with 405 members (majority women) are created and engaged in local community initiatives; |
| Annual target | Year | 2018 | <ul style="list-style-type: none"> • Community security audit (as a part of community profiling) conducted in each of pilot hromadas to identify the GBV risks and targeted groups; |
| | | 2022 | <ul style="list-style-type: none"> • At least 4 community awareness initiatives on prevention of GBV and safety in public spaces implemented by community groups; |

³⁷ Baseline survey on attitudes to GBV: Results, UN Women, 2017

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| Output 2.3 | | Local media engage in gender sensitive and human rights-based reporting | |
| Output indicator 2.3 | | Share of respondents who changed attitudes towards zero tolerance to GBV | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • Media reproduces deeply rooted patriarchal attitudes and discriminatory stereotypes, which are root causes of violence against women³⁸ • 18% respondents believe the controlling behaviour of the partner is acceptable³⁹ • 60% of the respondents believe that women's behaviour is provoking the violence; • 44% believe that women are sometimes beaten because of their fault, they provoke⁴⁰; |
| Annual target | Year | 2018 | <ul style="list-style-type: none"> • GBV attitudes survey conducted in target hromadas (baseline); At least 40 journalists received a series of gender sensitivity trainings; |
| | | 2019 | <ul style="list-style-type: none"> • Network of trained journalists reporting on gender equality and GBV issues established; |
| | | 2020 | <ul style="list-style-type: none"> • 1 Communication campaign launched in eastern Ukraine in partnerships with the trained journalists at the oblast level; |
| | | 2021 | <ul style="list-style-type: none"> • At least two media events on GBV awareness and prevention conducted with local media in 4 pilot hromadas; |
| | | 2022 | <ul style="list-style-type: none"> • 10% positive change in attitudes towards zero tolerance to GBV. |

DED 5(a) – CSO I

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| Outcome | Civil society will have a stronger impact on the reform processes in the country including in the regions in the areas of democracy and human rights and will contribute to more inclusive, democratic and rights-based governance, through enhanced capacity, better coordination and networking. | | |
| Outcome indicator | <ul style="list-style-type: none"> • Civil society organisations engagement in implementation of the National Strategy for Civil Society Development at the subnational level • The extent to which CSO hubs' network is efficient, visible and capable. • Number of key policies and strategies (both within national and international commitments) developed, operationalized and promulgated with active CSO participation • Cases of working groups policies development and/or implementation with CSOs inclusion at the national level • Civil society capacities for human rights related to data collection, analysis and participation in policy development | | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • 4 regional CSO actively engaged in implementation of the National Strategy for Civil Society Development at the subnational level |

38 CEDAW Concluding observations on the eighth periodic report of Ukraine, Stereotypes 26, CEDAW/C/UKR/CO/8, 2017

39 UN Women GBV perception survey in the Eastern Ukraine

40 UN Women survey on attitudes towards GBV in Donbas (2017)

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| | | | <ul style="list-style-type: none"> • A network of 8 regional CSO hubs with limited visibility as a network; • No data available on policies and strategies (both within national and international commitments) developed, operationalized and promulgated with active CSO participation • 4 alternative stakeholders' reports prepared on human rights agenda by civil society |
| Target | Year | 2022 | <ul style="list-style-type: none"> • At least, 100 CSOs actively engage in implementation of the National Strategy for Civil Society Development at the subnational level • Existence of an efficient, visible and capable CSO hubs' network covering the territory of Ukraine • At least, 40 normative and regulatory acts reflecting new policies and strategies (both within national and international commitments) at subnational level developed, operationalized and promulgated with active CSO participation with at least 50% level of implementation per year • 14 (in each region where hubs are located) • At least, 5 alternative stakeholders' reports prepared by civil society networks and coalition on human rights agenda informed by various human rights mappings |
| Output 1 | | Civil society organisations strengthened to promote democracy and foster participatory and result-driven Government-CSO dialogue at all levels in Ukraine | |
| Output indicator | | <ul style="list-style-type: none"> • Baseline report on operationalization of the National Strategy for civil society development in the regions; • Number of CSO hubs' specialized on democratization – members of network; • Strategy of CSO hubs' work; • Number of successfully implemented CSO projects and initiatives; • Share of CSO hubs' constituencies involved into the programme activities of CSO hubs; • Number of vulnerable groups' representatives, i.e. women, IDPs, persons with disabilities (PWD), minorities covered by the CSO hubs' activities; • Relevant sectoral subnational policies and regulations adopted and assessed as satisfactory by national and international experts | |
| Baseline | Year | 2017 | 8 CSO hubs created in 8 regions of Ukraine; 4 pilot initiatives of developing regional programmes for civil society development implemented; no CSO hubs in other regions; no data available on development of subnational policies with meaningful engagement of the civil society at the regional level. Currently local CSOs have limited institutional capacity to assist their communities in the areas of human rights and good governance |

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| Target | Year | 2022 | <ul style="list-style-type: none"> • Baseline report on operationalization of the National Strategy for civil society development in the regions is assessed as sound and valid; • A stable and visible CSO hubs' network consisting 14 members; • Strategy of CSO hubs' work is assessed by the civil society and national experts as valid and relevant to the country context and reform agenda; • At least, 20 successfully implemented CSO projects and initiatives in the area of democratisation; • Share of CSO hubs' constituencies involved into the programme activities of CSO hubs increased by at least 20%; • Number of vulnerable groups i.e. women, IDPs, persons with disabilities (PWD), minorities equipped with knowledge and skills by the CSO hubs' activities with the proportion as close as possible to 70:30 ratio • 2022 - No fewer than 50 sectoral subnational policies and regulations are adopted and assessed as satisfactory by national and international experts |
| Output 2 | Capacities of human rights actors enhanced to promote and defend human rights in Ukraine | | |
| Output indicator | <ul style="list-style-type: none"> • Number of CSO hubs' specialized on human rights – members of network; • The extent to which the strategy of CSO hubs' includes targeted interventions to involve and increase knowledge and skills of vulnerable groups; • Number of CSO hubs applying HRBA in their programme work; • Number of successfully implemented CSO projects and initiatives aimed at human rights promotion, including those with a special focus on vulnerable groups; • Number of vulnerable groups' representatives, i.e. women, IDPs, persons with disabilities (PWD), minorities benefited from the implemented CSO projects and initiatives aimed at human rights promotion; • Number of alternative stakeholders' reports to the international treaty bodies on various human rights issues prepared; • Number of rights holders and duty bearers with knowledge and skills on mechanisms of civil society engagement in policy development and implementation; • Number of human rights related policy recommendations translated into concrete policies and strategies | | |
| Baseline | Year | 2017 | Successful track record of experiences of CSOs networking for development of alternative reports under Ukraine's international commitments; Justice for Peace in Donbas Coalition consisting of 16 CSOs with a number of implemented projects and initiatives requiring enhanced capacities for better coordination and advocacy |

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| | | | on human rights; 16 CSO trainers on HRBA in the regions; low level of citizens' awareness on human rights and mechanisms of their protection; low level of vulnerable groups' representatives, i.e. women, IDPs, persons with disabilities (PWD), minorities involvement in the CSOs' activities; low number of vulnerable groups' representatives among the CSOs' beneficiaries |
| Target | Year 1 | 2022 | <ul style="list-style-type: none"> • At least 6 CSO hubs – members of the CSO network – specialize in human rights; • Targeted interventions of CSO hubs to involve and increase knowledge and skills of vulnerable groups are comprehensively included in the CSO hubs network strategy; • 14 CSO hubs actively apply HRBA approach in their activities related both rights holders and duty bearers; • At least, 20 successfully implemented CSO projects and initiatives in the area of human rights promotion, including at least 5 projects with a special focus on vulnerable groups; • At least 1000 representatives of vulnerable groups benefited from CSO projects and initiatives implementation; • At least, 5 alternative stakeholders' reports to the international treaty bodies on various human rights issues prepared and advocated for; • 2022 - Exact number of rights holders and duty bearers with knowledge and skills on mechanisms of civil society engagement in policy development and implementation is TBD during the Inception phase • 2022 - Exact number of human rights related policy recommendations translated into concrete policies and strategies is TBD |
| Output 3 | | Enhanced youth civic engagement and youth participation in public sector decision-making at all levels | |
| Output indicator | | Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement or to reflect the changes connected to an intervention. | |
| Baseline | Year | 2017 | 240 youth workers trained and certified; no evidence on engagement of youth CSOs in decision-making at local level; limited opportunities for the youth groups in the regions to engage in policy development and decision-making, thus contributing to enhanced democracy and human rights at the local and regional levels; limited capacities of both rights holders and duty bearers; low level of civic engagement of youth representing vulnerable groups. |
| Target | Year | 2022 | <ul style="list-style-type: none"> • Number of youth workers certified on the programme enriched with civic education modules • Number of rights holders and duty bearers with knowledge and skills on mechanisms of youth engagement in policy development and implementation for democracy and human rights; |

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| | | | <ul style="list-style-type: none"> • Number of engaged formal youth CSOs and non-formal youth groups advocating for the rights of vulnerable groups, i.e. women, IDPs, persons with disabilities (PWD), minorities; • Number of local policies aimed at enhanced democracy and human rights improved in accordance with HRBA principles and with direct youth engagement (including youth from vulnerable groups) on regional and local level. |
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DED 5(b) – CSO II

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| Outcome | | Local level civil society undertake effective monitoring, advocacy and protection services for youth, women and men across Ukraine | |
| Outcome indicator | | <ul style="list-style-type: none"> • No. of local level CSOs and their coalitions / networks providing reports on human rights situation at local level • No. of cases brought to the courts or the Ombudsperson’s Office at the local level • No. of local government that have changed service practices or decisions following CSO advocacy work | |
| Baseline | Year | 2021 | TBD |
| Target | Year | 2025 | TBD |
| Output 1 | | Local level civil society organisations have increased capacity to effectively deliver on their democratization mandate (specifically, in the area of transparency and integrity of public service) | |
| Output indicator | | <ul style="list-style-type: none"> • Number of organizations who have undergone capacity-building and demonstrate a) improvements in their internal systems and practices and b) better performance on their core mandate; • Geographical reach; • Level of awareness of and trust to dedicated CSOs in their communities; | |
| Baseline | Year | 2021 | TBD |
| Target | Year | 2025 | TBD |
| Output 2 | | Local level civil society organisations’ capacity to monitor, report and advocate on the human rights situation with a focus on youth and women enhanced | |
| Output indicator | | <ul style="list-style-type: none"> • Number of CSOs applying HRBA in their programme work • Number of successfully implemented CSO projects and initiatives aimed at human rights promotion, including those with a special focus on youth and women | |
| Baseline | Year | 2021 | TBD |
| Target | Year 1 | 2025 | TBD |

DED 6 – Media

6a Detector Media

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| Outcome | Media literacy of citizens improved |
| Outcome indicator | 1: Development of media literacy index |

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| | | | 2: Share of population understanding the need in knowledge about media owners 3: Share of population that treats the media product quality as a key criteria for the information source selection |
| Baseline | Year | 2017 | 1: No media literacy index 2: 34% 3: 23% |
| Target | Year | 2021 | 1: Media literacy index developed and in use 2: 46% 3: 32% |
| Output | | Improved capacity of teachers to teach media literacy | |
| Output indicator | | Number of teachers using the training materials produced by the organisation | |
| Baseline | Year | 2017 | 240 |
| Annual target | Year 1 | 2018 | 960 |
| Annual target | Year 2 | 2019 | 1080 |
| Annual target | Year 3 | 2020 | 1440 |
| Target | Year 4 | 2021 | 1680 |
| Output | | Media consumers have access to materials about media | |
| Output indicator | | 1: Reach of mediaSapiens website 2: Reach of specula media literacy web-projects (cumulative) 3: Reach of the Organisation's media literacy offline products (cumulative) 4: Number of media literacy products produced and disseminated among media outlets 5: Number of media outlets who post media literacy products on a regular basis (at least twice a month) | |
| Baseline | Year | 2017 | 1: 550,000 2: 25,000 3: 15,000 4: 120 5: 24 |
| Annual target | Year 1 | 2018 | 1: 600,000 2: 35,000 3: 30,000 4: 120 5: 48 |
| Annual target | Year 2 | 2019 | 1: 630,000 2: 45,000 3: 40,000 |

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| | | | 4: 120 5: 72 |
| Annual target | Year 3 | 2020 | 1: 700,000 2: 50,000 3: 50,000 4: 120 5: 72 |
| Target | Year 4 | 2021 | 1: 700,000 2: 55,000 3: 60,000 4: 120 5: 72 |
| Output | | Improved capacity of NGOs promoting media literacy | |
| Output indicator | | 1: Number of local NGOs promoting media literacy on a regular basis due to the Organisation's support 2: Number of successful media literacy initiatives implemented by local NGOs due to the Organisation's support | |
| Baseline | Year | 2017 | 1: - 2: - |
| Annual target | Year 1 | 2018 | 1: 10 2: 10 |
| Annual target | Year 2 | 2019 | 1: 20 2: 25 |
| Annual target | Year 3 | 2020 | 1: 35 2: 40 |
| Target | Year 4 | 2021 | 1: 45 2: 50 |
| Output | | Role of cultural institutions media literacy promotion increased | |
| Output indicator | | Number of sustainable formats of media literacy promotion created on the basis of cultural institutions due to the Organisation's support | |
| Baseline | Year | 2017 | - |
| Annual target | Year 1 | 2018 | 20 |
| Annual target | Year 2 | 2019 | 40 |
| Annual target | Year 3 | 2020 | 60 |
| Target | Year 4 | 2021 | 70 |
| Output | | Access of Ukrainian and foreign stakeholders to the analytical products on media literacy in Ukraine, Ukrainian media literacy development practices provided | |
| Output indicator | | 1: Number of researchers held | |

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| | | 2: Number of uses of the media literacy research/analytics results in decision-making by Ukrainian and foreign stakeholders | |
| Baseline | Year | 2017 | 1: 2 2:18 |
| Annual target | Year 1 | 2018 | 1: 2 2: 20 |
| Annual target | Year 2 | 2019 | 1: 2 2: 25 |
| Annual target | Year 3 | 2020 | 1: 2 2: 28 |
| Target | Year 4 | 2021 | 1: 2 2: 35 |

6b Hromadske

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| Outcome | | Hromadske is an innovative media organization that has trust and impact, and serves transformation of the society for a more fulfilled life of its individual members. | |
| Outcome indicator | | Development of Hromadske's presence on all its platforms, including the website and app, social media and TV channel | |
| Baseline | Year | 2017 | Varying quality of Hromadske's presence on certain of its platforms and brand awareness of 26% |
| Target | Year | 2018-2019 | Strong and high quality presence on all of Hromadske's platforms and increase brand awareness among 18-65 year olds to 35% by 2019. |
| Output | | The newsroom, as the main structural element of the organization, will become the main focus of the organization's development in the current strategy cycle. It will have both quantitative and qualitative goals for growth in this period. | |
| Output indicator | | Improved structure of the newsroom, higher quality products and broadened themes | |
| Baseline and targets | Year 1 | 2017 | Baseline: High quality content and well-functioning newsroom but with room for improvements in organizational structure, quality and themes. Targets: September 2017: - establish a set of KPIs for all projects and personal performance goals for each journalists. They have to contain qualitative and quantitative elements |

⁴¹ Hromadske current strategy period covers 2017-2018 so at outcome and output level, 2018 is the target year. Support after 2018 will depend on the results achieved in the current strategy period.

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| | | | <ul style="list-style-type: none"> - hire 2 (shifts) chief editors of the day, to coordinate news flow across all platforms and provide quality-check of the news bulletins - hire an editor/producer of live streams, to plan and provide high-quality live streams both of our own and partner's. <p>December 2017:</p> <ul style="list-style-type: none"> - news service starts providing breaking news coverage from across regions. - hire an editor and field reporter to provide quality control over the content, work with outsource authors, strengthen field reporting and give room for own investigations - set up "Prostonomika" team on economy, with a list of outsource authors, designers, analysts, upgrade partnership with "Vox Check". <ul style="list-style-type: none"> - repackage/rebrand programs "East", "World", "Crimea", adding TV producers to the teams, provide regular content across all platforms. |
| Annual target | Year 1 | 2018 | <p>June 2018:</p> <ul style="list-style-type: none"> - Provide breaking news and long-term stories from across the country and world, operates within a clear structure and in accordance with the newsroom guidelines - start a political show of our own/partnering with other independent media or UA:Перший if partnership takes off. - start a beat "sustainable lifestyle": hire an editor/journalist - setup own investigative team: hire editor, producer - regional editor sets up teams/ three correspondents in the Western, Southern, Central Ukraine to provide regular regional coverage with at least three video stories/week <p>December 2018:</p> <ul style="list-style-type: none"> - start work on IT beat. In best-case scenario, start IT show - create Hromadske.Incubator |
| Output | | Economy news | |
| Output indicator | | Establishment of an economic news department | |
| Baseline and target | Year | 2017 | <p>Baseline: No economic news from Hromadske"</p> <p>Target:</p> <p>December 2017. Hromadske launches economic department that covers both news content and creates non-news special projects, publications and explainers for the web-site. All the economic content is incorporated into general news wire.</p> |
| Annual target | Year 1 | 2018 | <p>February 2018. As the new website is launched, economic news gets a separate page on the website. The department of 2 editors and part-time web designer produces exclusive news, explainers, long-reads and infographics on everyday basis,</p> |

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| | | | explaining both macro and micro economic issues and how they relate to people's lives. |
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DED 7 – Inclusive Labour Market for Job Creation

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| Outcome 1 | | Labour market governance is improved through the strengthening of employment services and other labour market institutions | |
| Outcome indicator | | (1) Reform plan for the modernisation of public employment services has been consulted with the social partners and adopted by Ukrainian authorities including a monitoring and evaluation framework, (2) Job Search Assistance: Percentage of unemployed having received job search assistance from SES including long-term unemployed, women, IDPs, and youth; (3) Search Spells: Time elapsed between first period of active search and moment of labour market entry; (4) Number of employers sourcing services from SES offices; | |
| Baseline | 2017 | 2017 | Ad (1) ILO did a comprehensive functional assessment of PES which identifies areas for reform and intervention No improvement/reform plan existing nor adopted, Ad (2) 30% of unemployed having received job search assistance from SES(?), Ad (3) Baseline values are not available, to be determined during 6-month inception phase, Ad (4) Baseline values are not available, to be determined during 6-month inception phase. |
| Target | 2022 | 2022 | Ad (1) reform plan adopted Ad (2) 50% of SES offices covered by the intervention /of unemployed having received job search assistance from SES(?); Ad (3) Search Spells reduced by 20% for SES offices covered by the intervention; Ad (4) No of employers seeking SES services increases by 25% for SES offices covered by the intervention |

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| Output 1.1 | | A range of modernised services and delivery models are offered at SES offices in order to better serve the needs of their clients | |
| Output indicator | | (1) Number of SES staff trained and advised, (2) Number of new services introduced by the SES, (3) A system of key performance indicators introduced by the SES, (4) Number of studies conducted concerning the cost effectiveness of active labour market policies | |
| Baseline | Year | 2017 | 0 |
| Annual target | Year 1 | 2018 | <ul style="list-style-type: none"> • Three trainings conducted, • Two new services introduced, especially targeting youth and women, • A system of key performance indicators for the public authority agreed, • Concept note for a tracer study or impact assessment of one selected active labour market policy available |
| Annual target | Year 2 | 2019 | <ul style="list-style-type: none"> • Three trainings conducted, • One additional service introduced, • Key performance indicators introduced, • One tracer study or impact assessment commissioned. |

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| Annual target | Year 3 | 2020 | <ul style="list-style-type: none"> Two new services introduced, An additional tracer study or impact assessment commissioned |
| Annual target | Year 4 | 2021 | <ul style="list-style-type: none"> Three policy briefs document results and cost benefit of new services. |
| Target | Year 5 | 2022 | <ul style="list-style-type: none"> At least two services of SES are mainstreamed at national level, Ukrainian Government mobilizes additional resources for mainstreaming these services |

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| Output 1.2 | | Local employment partnerships (LEPs) are signed and implemented | |
| Output indicator | | (1) Number of LEPs facilitated by the SES offices; (2) Number of beneficiaries reached by SES through the employment partnerships (at least 50% women, at least 40% youth) | |
| Baseline | Year | 2017 | 0 (concept not used in Ukraine) |
| Annual target | Year 1 | 2018 | <ul style="list-style-type: none"> Two pilot regions selected, Two local territorial diagnostics conducted with the aim of identifying sectors with high job creation potential and the service lines to be established, Two training seminars conducted for local partners of LEPs |
| Annual target | Year 2 | 2019 | <ul style="list-style-type: none"> Two local employment pacts signed, 30% of co-financing or in-kind contributions obtained through partnerships with ongoing local development programmes |
| Annual target | Year 3 | 2020 | <ul style="list-style-type: none"> Two additional pilot regions selected, Two additional local territorial diagnostic conducted with the aim of identifying sectors with high job creation potential and the service lines to be established, Two additional training seminars conducted for local partners of LEPs |
| Annual target | Year 4 | 2021 | <ul style="list-style-type: none"> Two additional local employment pacts signed, 30% of co-financing or in-kind contributions obtained through partnerships with ongoing local development programmes |
| Target | Year 5 | 2022 | LEPs are embedded in SES and the agency has facilitated another three additional LEPs |

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| Outcome 2 | | Skills development and entrepreneurship training for new labour market entrants is better aligned with demand for skills with particular emphasis on the private sector |
| Outcome indicator | | (1) Reduced skills mismatch: Share of young people and graduates whose educational attainment is higher or lower than the level required in their jobs (2) Reduced skills gap: Percentage of firms identifying an inadequately educated workforce as a major constraint (3) Increased entrepreneurial intentions: Number of participants in entrepreneurship training courses that intend to open their own business (at least XX % youth) |
| Baseline | 2017 | Ad 1) 37% (based on ILO school to work transition survey Ukraine 2015) Ad 2) Data have to be collected during inception phase (ILO could make use of sample of enterprises that participated in 2016 survey on enabling environment) Ad 3) 0 |
| Target | 2022 | Ad 1) Skills mismatch is reduced by 20 % in two pilot sectors or regions, |

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| | | | Ad 2) Skills gap is reduced - by 15% fewer firms pointing to the inadequately educated workforce as a major constraint Ad 3) est. 25% (based on extrapolations from the School-to-Work Transition Survey and the Global SIYB Trace Study of the ILO) |
| Output 2.1 | | | Entrepreneurship training as a complementary offer of TVET and PES is introduced |
| Output indicator | | | (1) Number of master trainers/teachers and local trainers/teachers trained in using the ILO's entrepreneurship development packages SIYB or KAB (2) Number of TVET graduates and PES clients that have taken an entrepreneurship development course |
| Baseline | Year | 2017 | 0, no offer existing |
| Annual target | Year 1 | 2018 | <ul style="list-style-type: none"> Roll-out strategy is finalized in consultation with national partners based on market assessment on the supply and demand of business training and start up services with a specific focus on women, A concept for a tracer study or an impact assessment has been finalized 75 local trainers/teachers are trained. |
| Annual target | Year 2 | 2019 | <ul style="list-style-type: none"> 7 master trainers/teachers are trained 750 beneficiaries take an entrepreneurship training course |
| Annual target | Year 3 | 2020 | <ul style="list-style-type: none"> 1500 participants |
| Annual target | Year 4 | 2021 | <ul style="list-style-type: none"> 22500 participants One policy brief documenting results of tracer study/impact assessment |
| Target | Year 5 | 2022 | <ul style="list-style-type: none"> At least two other regions also offer entrepreneurship training |
| Output 2.2 | | | Quality of TVET has been improved in three curricula selected based on local training needs assessments (see also output 1.2) |
| Output indicator | | | (1) Three curricula modernised in consultation with relevant public authorities and social partners, (2) Teachers trained, (3) Completion rates (percentage of enrolled students that graduate), (4) Satisfaction rate of employers with graduates. |
| Baseline | Year | 2017 | 0 |
| Annual target | Year 1 | 2018 | Select three curricula to be modernized based on local value chain assessments (see also output 1.2) |
| Annual target | Year 2 | 2019 | <ul style="list-style-type: none"> Local constituents have the skills to develop and adapt the selected curricula Needs-oriented and revised curricula are available and approved Monitoring system designed |
| Annual target | Year 3 | 2020 | <ul style="list-style-type: none"> Three new curricula are implemented in selected colleges |
| Annual target | Year 4 | 2021 | See above |
| Target | Year 5 | 2022 | <ul style="list-style-type: none"> One policy brief documents results, Scaling up: Additional colleges in other regions introduce modernized curricula |

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| Outcome 3 | | Tripartite social dialogue and collective bargaining as means to create more and better jobs, especially for youth, are enhanced | |
| Outcome indicator | | (1) Number of policies and programs promoting inclusive labour markets development adopted by government including recommendations of tripartite social dialogue bodies, including youth specific initiatives (2) Number of collective bargaining agreements signed in pilot sectors or regions, (3) Increase of membership of employers' and workers' organizations. | |
| Baseline | Year | 2017 | Ad 1) inception phase will be used to collect baseline Ad 2) inception phase will be used to collect baseline Ad 3) inception phase will be used to collect membership data from social partners involved in this component |
| Target | Year 5 | 2022 | Ad 1) 6 new policies or programs have been initiated on the basis of recommendations of tripartite social dialogue bodies or the social partners, including on improved wage and income policies on reducing wage arrears, setting minimum wages, reducing the gender pay gap (GPG), and reducing undeclared and under-declared work, and measures targeting youth employment in particular Ad 2) No of collective bargaining agreements increases by 15% Ad 3) Membership base increases by 12% |
| Output 3.1 | | National Tripartite Social and Economic Council (NTSEC) as well as six regional councils (RTSEC) have formulated evidence based recommendations/opinions for inclusive labour markets policies, including on wages and un/under-declared work. | |
| Output indicator | | (1) No of staff and experts trained and No of participants that evaluate the training as useful, (2) No of recommendations/opinions on inclusive labour markets policies presented by the councils or by the social partners, (3) No of substantive media appearances referring to recommendations of different councils, (4) Monitoring system established to follow up on the councils' recommendations | |
| Baseline | Year | 2017 | 0 |
| Annual target | Year 1 | 2018 | <ul style="list-style-type: none"> • 50 staff and experts at national and regional level trained on three economic and social subject matters related to the project; • an action plan formulated to enhance the effectiveness of tripartite social dialogue • one diagnostic report on un/under-declared work presented. |
| Annual target | Year 2 | 2019 | <ul style="list-style-type: none"> • Five quality recommendations/opinions on inclusive labour market policies presented (including a road-map to tackle undeclared and under-declared work), • a monitoring system established to follow up on councils' recommendations. |
| Annual target | Year 3 | 2020 | <ul style="list-style-type: none"> • An additional 50 staff and experts trained on additional three subject matters related to the project, • 10 recommendations presented, • 1 pilot programme on tackling undeclared and under-declared work is launched • annual progress report published |
| Annual target | Year 4 | 2021 | <ul style="list-style-type: none"> • 10 recommendations/opinions presented, • annual progress report published |
| Target | Year 5 | 2022 | <ul style="list-style-type: none"> • 10 recommendations/opinions presented, |

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|--|--|--|--|
| | | | <ul style="list-style-type: none"> • annual progress report published |
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| Output 3.2 | | Collective bargaining processes in pilot sectors ⁴² or regions have been initiated or revived including amicable settlement of collective labour disputes | |
| Output indicator | | (1) No of stakeholders trained and No of participants that evaluate the training as useful, (2) No of collective bargaining processes supported by the project, (3) No of meetings of negotiation partners, (4) No of position papers presented by negotiation partners. | |
| Baseline | Year | 2017 | 0 |
| Annual target | Year 1 | 2018 | <ul style="list-style-type: none"> • 40 stakeholders trained • 2 collective bargaining platforms supported |
| Annual target | Year 2 | 2019 | <ul style="list-style-type: none"> • 100 stakeholders trained • 5 collective bargaining platforms supported • 3 meetings per platform • 5 position papers presented |
| Annual target | Year 3 | 2020 | <ul style="list-style-type: none"> • 100 stakeholders trained • 5 collective bargaining platforms supported • 4 meetings per platform • 5 position papers presented |
| Annual target | Year 4 | 2021 | <ul style="list-style-type: none"> • 5 collective bargaining platforms supported • 3 meetings per platform • 5 position papers presented |
| Target | Year 5 | 2022 | <ul style="list-style-type: none"> • 5 position papers presented |

| | | | |
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| Output 3.3 | | Demand-driven services for members of employers' and workers' organizations are introduced ⁴³ | |
| Output indicator | | (1) No of new services introduced for members, or number of existing services improved (2) No of users of services, (3) Additional financial resources generated based on membership or service fees. | |
| Baseline | Year | 2017 | Baseline values need to be collected during inception phase |
| Annual target | Year 1 | 2018 | At least 2 services introduced or improved, based on assessments of members' needs |
| Annual target | Year 2 | 2019 | No of users of services increases by 5% |
| Annual target | Year 3 | 2020 | No of users of services increases by 10% Financial income from members' fees or service fees increases by 5% |
| Annual target | Year 4 | 2021 | No of users of services increases by 10% Financial income from members' fees or service fees increases by 10% |
| Target | Year 5 | 2022 | No of users of services increases by 10% Financial income from members' fees or service fees increases by 10% |

DED 8 – SME development services

⁴² The possibility of including the energy sector will be assessed during the inception phase

⁴³ The nature of these services will be made more specific as a result of the inception phase. These may include aspects of the EESE package of the ILO (EESE, Enabling Environment for Sustainable Enterprises), as well as issues around the topic of responsible business conduct.

| | | | |
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| Outcome 1 | | Structure for delivering business development services to SMEs in place, especially in remoter areas, with information and advisory services, in particular concerning the DCFTA adjustment process | |
| Outcome indicator | | <ul style="list-style-type: none"> • Accessible regional SME support services available • SME's satisfaction rate: Percentage of SMEs receiving assistance that report to be satisfied with the support received. | |
| Baseline | Year | 2019 | <ul style="list-style-type: none"> • Number of SMEs accessing services, disaggregated on youth and women • No monitoring of SME satisfaction rate |
| Target | Year | 2022 | <ul style="list-style-type: none"> • Xx SMEs have access to regional business development services, disaggregated on youth and women • SME service recipients' satisfaction rate (at least 80% are satisfied) |
| Output 1.1 | | Effective central level SME development organisation established | |
| Output indicator | | <ul style="list-style-type: none"> • SME development organisation established | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • No central SME Development body in place to coordinate and implement SME support measures. Concept for SMEDO is developed with EU support |
| Annual target | Year 1 | 2019 | <ul style="list-style-type: none"> • SMEDO is fully operational and facilitates support to xx SMEs per year across the country and xx regional advisory centres |
| Target | Year 4 | 2022 | <ul style="list-style-type: none"> • SMEDO is fully operational and facilitates support to xx SMEs per year across the country and xx regional advisory centres |
| Output 1.2 | | Six additional regional business centres established ⁴⁴ | |
| Output indicator | | <ul style="list-style-type: none"> • Number of SMEs/start-ups supported/advised, disaggregated on youth and female entrepreneurs • Number of regional business centres operational/Number of regions/districts covered by services | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> • Xx number of SMEs supported yearly • 15 regions are in the process of starting operations (possible 7 are in the process of establishment) |
| Annual target | Year 1 | 2019 | <ul style="list-style-type: none"> • Xx SMEs supported yearly • Xx regional business centres operational |
| Target | Year 4 | 2022 | <ul style="list-style-type: none"> • Xx SMEs supported yearly, of which xx percent are young entrepreneurs and xx percent are female entrepreneurs • Six regional business centres operational and providing support to xx SMEs per year |
| Output 1.3 | | Promotion of entrepreneurial culture and development of entrepreneurial skills | |
| Output indicator | | Relevant organisations furthering and supporting youth entrepreneurship | |
| Baseline | Year | 2017 | No system or policy in place for stimulating youth entrepreneurship |
| Annual target | Year 1 | 2019 | Organizations (public or private sector) are identified and sensitized on their possible role in promoting entrepreneurship |

⁴⁴ The number of centres to be supported depends on the budget for the centres and whether other donors commit support before the programme comes into effect in 2019. Currently EBRD supports 15 and 7 more will reportedly be supported by the Polish Aid, although some of these are in the same regions. This needs clarification.

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| Target | Year 4 | 2022 | Xx organisations work to sensitise youth and stimulate youth entrepreneurship (TBD) |
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DED 9 – Enabling environment - for energy investment

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| Outcome | | Ukraine supported in increasing the share of renewable energy in total energy consumption by 2020 and reducing the climate and environmental impact of the fossil fuel based energy sector. | |
| Outcome indicator | | ➤ Level of integration and implementation of renewable energy and energy efficiency projects. | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> ▪ Current energy investment climate in Ukraine not attractive for renewable and energy efficient projects and technologies |
| Target | Year | 2020 | <ul style="list-style-type: none"> ▪ Project and technology platform developed and established to attract investments to renewable energy and energy efficiency |
| Output 1 | | Monitoring system for New Energy Strategy of Ukraine till 2035 developed and implemented. | |
| Output 1 indicator | | ➤ Status of the monitoring system. | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> ▪ No NES monitoring system in place. |
| Target | Year | 2020 | <ul style="list-style-type: none"> ▪ NES monitoring system in place, operational and accepted by the relevant stakeholders. ▪ System for monitoring of energy balance with systematic collection and interpretation of data for establishing national energy balance developed and operational. |
| Output 2 | | System for short and long-term forecast modelling and software developed in accordance with international best practice. | |
| Output 2 indicator | | ➤ Status of introduction and implementation of the short- and long-term forecast modelling system. | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> ▪ The current short-term energy forecasting system is not used and no long-term forecasting available. ▪ No methodology for long-term-forecast of energy balance and monitoring of energy strategy implementation. |
| Targets | Year | 2020 | <ul style="list-style-type: none"> ▪ Relevant short-term and long-term energy system modelling tools developed and customized to the Ukrainian situation based on international best practice. ▪ Ukrainian experts trained in the use of the modelling tools. ▪ The modelling tools being used to support the implementation of the NES 2035. ▪ System for short-term and long-term forecasting tools developed and operational. ▪ The modelling tools used to evaluate impacts of the National Renewable Energy Action Plan (NREAP) and the National Energy Efficiency Action Plan (NEEAP). |

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| Output 3 | | Tools for integration of Renewable Energy, a system for short-term forecast of production from wind and solar PV and support to development of wind measuring infrastructure, as well as general support to Ukraine's efforts to converge its electricity market regulation to that of the EU. | |
| Output 3 indicator | | ➤ Tools and methodologies developed to support integration of renewables in the Ukrainian electricity system including the need for flexible thermal generation and hydro storage capacity to facilitate integration of RE. | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> ▪ No tools for short-term forecasting for wind and solar production and integration in the energy system. ▪ No tools to assess the flexible thermal generation (smart generation) and storage capacity available. |
| Targets | Year | 2020 | <ul style="list-style-type: none"> ▪ Tools and methodologies to assist short term forecast of production from wind and PV and support to development of wind measuring infrastructure established. ▪ Tools and methodologies supporting the need for flexible thermal generation (smart generation) and storage capacity developed. ▪ Tools and assessments provided to support the implementation of the Electricity Market Law. |
| Output 4 | | “One stop shop” project development platform supported under the umbrella of SAEE with Ukrainian-Danish expertise. | |
| Output 4 indicators | | <p>Support provided to SAEE on:</p> <ul style="list-style-type: none"> ➤ Identification of energy efficiency and renewable energy projects (information on potentials for new projects and successfully implemented projects, information and promotion of state support programmes) targeted toward potential project developers and investors through seminars and workshops. ➤ Development of technical feasibility studies for a few selected municipal and large-scale commercial energy efficiency, renewable energy, and waste-to-energy projects. ➤ Development of new financial models as input for cooperation with IFU in order to increase the share of renewables in final gross energy consumption; selected technical feasibility studies and business cases facilitated by UDEC for further consideration by stakeholders interested in projects funding. ➤ Raising awareness of municipalities on state policy, strategic energy planning, energy efficiency and potential usage of renewable energy in regions of Ukraine, through seminars and workshops. ➤ Further development of the already established web-platform UAMAP. | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> ▪ Lack of good quality project preparation by project developers looking for investments/financing/lending. |
| Target | Year | 2020 | <ul style="list-style-type: none"> ▪ Attractiveness of potential projects in energy efficiency and renewable energy sectors enhanced through selected technical feasibility studies and business cases to be considered for |

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| | | | financing by private investors, lending institutions, green funds (IFU/NEIF, Danida Business Finance, etc.) |
| | | | |
| Output 5 | | Support for implementation of current National Renewable Energy Action Plan (NREAP) till 2020 and development of new NREAP till 2035 with its implementation stages. | |
| Output 5 indicators | | <ul style="list-style-type: none"> ➤ Progress in the establishment of the regulatory framework, feasibility studies and incentive structures for the development of renewable energy market. ➤ Development of new incentives for stimulation of combined heat and electricity production from renewable energy sources and waste. ➤ Strategic energy planning on local level, development of pilot projects. Recommendations on district heating planning and project proposals related to networks rehabilitation/expansions. | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> ▪ National Renewable Energy Action Plan ending by 2020; new targets need to be established. |
| Target | Year | 2020 | <ul style="list-style-type: none"> ▪ Establishment of new targets for NREAP till 2035 with action plan and implementation stages developed and monitoring system on implementation of NREAP created. |
| | | | |
| Output 6 | | Support for implementation of current National Energy Efficiency Action Plan till 2020 (NEEAP) and support for development of New NEEAP till 2035. | |
| Output 6 indicator | | <ul style="list-style-type: none"> ➤ Development of the new National Energy Efficiency Action Plan supported, considering the requirement of Energy Community and recommendations made on development of monitoring and reporting system on implementation of National Energy Efficiency Action Plan. ➤ Incentives schemes developed to stimulate energy intensive industry for improved energy efficiency and renewable energy usage, support for energy audits, and pilot projects implementation. | |
| Baseline | Year | 2017 | <ul style="list-style-type: none"> ▪ National Energy Efficiency Action Plan ending by 2020. New targets need to be established. ▪ There is no incentives scheme for state support for stimulating energy efficiency in industry. |
| Target | Year | 2020 | <ul style="list-style-type: none"> ▪ National Energy Efficiency Action Plan till 2035 with new targets under implementation, energy efficiency measure implemented. ▪ Support provided for regulatory state incentives for stimulating industry for energy efficiency. |

DED 10 – Energy investment

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| Outcome | The projects contribute to increasing the provision of renewable energy, reducing energy consumption, greenhouse gas emission and the countries' dependence on imported energy. |
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| Outcome indicator | | Ukraine: The country's 2020 renewable energy share of total energy consumption Georgia: Increase in non-hydro renewable energy share in the energy mix (no target available yet) Number of jobs created ⁴⁵ | |
| Baseline | Year | 2017 | Ukraine: 8 per cent renewable energy in total energy consumption Georgia: (insert targets when the RE action plan is available) No jobs created yet |
| Target | Year | 2023 | Ukraine: 11 per cent renewable energy in total energy consumption Georgia: (insert targets when the RE action plan is available) 4550 jobs created (incl. leverage) |
| Output 1 | | At least 4 projects in Ukraine and 1-2 projects in Georgia. | |
| Output indicator | | Number of projects Megawatts produced yearly from renewable energy solutions due to the projects, or saved due to energy saving measures | |
| Baseline | Year | 2017 | 0 projects (IFU has not made any new projects in Georgia for several years and has disbursed in 1 energy project in Ukraine in 2016). 0 Megawatt |
| Annual target | Year 1 | 2018 | 1 project in Ukraine or Georgia in total |
| Annual target | Year 2 | 2019 | 1-2 projects in Ukraine or Georgia in total |
| Annual target | Year 3 | 2020 | 2-3 projects in Ukraine or Georgia in total |
| Annual target | Year 4 | 2021 | 3-4 projects in Ukraine or Georgia in total |
| Annual target | Year 5 | 2022 | 4-5 projects in Ukraine or Georgia in total |
| Annual target | Year 6 | 2023 | 5-6 projects in Ukraine or Georgia in total 50 megawatts |
| Output 2 | | Leverage of the investments by way of funding from other investors, including transfer of Danish competencies within green technology and crowding-in of other technology and financial resources to the target countries ⁴⁶ | |
| Output indicator | | Amount of co-investment leveraged through the NEIF intervention | |
| Baseline | Year | 2017 | 0 projects and 0 leverage |

⁴⁵ Expected total number of decent jobs created: 4-5 direct jobs per one million DKK invested, out of which at least 35% will be women and 10% will be youth. 4-8 indirect jobs (jobs created in related enterprises, e.g. upstream or downstream a concerned value chain) For the SDG fund, the outcome indicator is 8000 direct jobs per one billion DKK invested, out of which at least 35% will be women and 10% will be youth, and 8.000-16.000 indirect jobs. The expected employment effect from NEIF is slightly lower, because climate projects employ fewer people once in operation.

⁴⁶ Assessed leverage factor approximately seven, the leverage factor cannot be guaranteed, but the leverage factor will be measured through the life of NEIF. The target examples in the table are made with the assumed leverage factor of seven.

| | | | |
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| Total target | Year 6 | 2023 | A total of 5-6 projects with a leverage factor of 7, corresponding to DKK 720-900 million (excluding NEIF's own participation) |
|--------------|-----------|------|--|

Annex D – Risk Management Matrix

| Risk factor | Likelihood | Impact | Risk response | Background to assessment |
|---|------------|--------|--|---|
| Context | | | | |
| Escalation of conflict in East leads to degeneration of democracy and economy | Unlikely | Major | Policy dialogue to influence internal and external partners through EU | Internal as well as external actors have economic and security interest in not escalating conflict |
| Lack of government willingness to move reform processes forward | Likely | Major | Policy dialogue with government in partnership with EU | Slow pace of reform implementation in key areas |
| Political instability and/or recession disrupts economic activity and undermines investor confidence | Unlikely | Major | Close monitoring of situation and engage in policy dialogue as required | Political volatility and recent recessions have been obstacles to economic development |
| Programme | | | | |
| Human rights 1: limited impact on Ombudsperson's request for government response to violations | Likely | Minor | Policy dialogue with government in partnership with EU | Limited past influence on Government |
| Human rights 2: Lack of political will to amend reforms to cater for increase in GBV in the East | Unlikely | Major | Policy dialogue with government in partnership with EU | Perpetrators include 'war heroes', which the Government are reluctant to charge for crimes |
| Human rights 3: Parliament appoints a new Ombudsperson who is less committed to the human rights agenda | Unlikely | Major | Policy dialogue with government in partnership with EU | New Ombudsperson to be appointed anytime. Several candidates in play. Pressure on Government and Parliament to ensure appropriate appointment |
| Decentralisation 1: Hromadas limited capacity leads to enhanced misuse of funds | Likely | Major | Strong monitoring and evaluation (M&E) and oversight of decentralisation programme | Current lack of systems to fully address corruption at decentralised level |
| Decentralisation 2: Roll-back of decentralisation process limits ability of local governments to deliver services | Unlikely | Major | Policy dialogue with government in partnership with EU | The decentralisation process has already come far with substantial fiscal decentralisation making it increasingly difficult for the Government/parliament to initiate a roll-back |

| Risk factor | Likelihood | Impact | Risk response | Background to assessment |
|---|-------------------|---------------|--|--|
| Gender reform process: Government not willing to include gender in decentralisation and law reform process | Unlikely | Major | Combine support with strong policy dialogue with EU MS | Gender equality easy win for government in reform agenda |
| Anti-corruption: Continued political movements limit ability of anti-corruption institutions to do their work according to mandate | Likely | Major | Policy dialogue with government in partnership with EU. Emphasis on need for progress vis-à-vis AA and DCFTA | Laws are already being passed aimed at curtailing the mandate and operations of key anti-corruption institutions |
| The DCFTA and EU approximation process, and the associated reform process, is not progressing as planned | Unlikely | Minor | Political support from Denmark, and monitoring of mutual accountability | Strong orientation towards EU partnership, although there has been set-backs and “disappointments” |
| SME development: SME strategy not approved | Unlikely | Major | Policy dialogue and Danish financial commitment to support | Strategy process far and key priority for the Government |
| Energy investment: IFU not in a position to find bankable projects for renewable energy | Unlikely | Major | Regular monitoring of IFU support and assessment by M&E agent coupled | Interviews and assessment by IFU indicate sufficient potential |
| Energy: Upstream policies and strategies for the energy sector are not passed or finalised, rendering possibilities for downstream efforts futile | Unlikely | Major | Policy dialogue, close monitoring | There is a strong orientation towards energy sector reforms but there are many elements with political sensitivities |
| Institutional | | | | |
| Lack of reform progress leads to reputational risk in DK | Likely | Major | Policy dialogue and proper communication of results to media | Slow pace of reform implementation in key areas |
| Corruption in Danish funded programmes leads to reputational risk in DK | Unlikely | Significant | Ensure proper control mechanisms in fund management | All funding provided through implementing partners with sound financial management systems |

Annex E – DANEP Ukraine output-based budget for engagements initiated 2017-2019

The below provides the output-based budget for the engagements starting 2017, 2018 ad 2019. The exception is the SME support engagement, which is to be formulated in 2018.

DED 1 – Human rights

| Development engagement: Support to Ombudsperson's Office (UNDP) “The Office of the Ombudsperson (OO) is sufficiently equipped to protect human rights on all the territory of Ukraine, especially economic and social rights in rural areas in the context of decentralization, and rights affected by the conflict in the East of Ukraine” | | | | | | | |
|--|-------------------------|------------------|---------------|---------------|---------------|---------------|---------------|
| | 2019 - 2023 (DKK) | 2019 - 2023 % | 2019 (DKK) | 2020 (DKK) | 2021 (DKK) | 2022 (DKK) | 2023 (DKK) |
| Output 1 | | | | | | | |
| <i>By 2023, women and men have better access to the services of the Ombudsperson's Office at the local level, especially in rural areas</i> | 6600000 | 22% | 1700000 | 1500000 | 1300000 | 1100000 | 1000000 |
| Output 2 | | | | | | | |
| <i>By 2023, the Ombudsperson's Office has the knowledge and skills to collect data that is disaggregated by gender, age and vulnerabilities</i> | 3600000 | 12% | 850000 | 1130000 | 560000 | 560000 | 500000 |
| Output 3 | | | | | | | |
| <i>By 2023, the Ombudsperson's Office is able to effectively promote awareness of human rights</i> | 3500000 | 11,7% | 1000000 | 800000 | 500000 | 500000 | 700000 |
| Output 4 | | | | | | | |
| <i>By 2023, the Ombudsperson's Office proactively uses international human rights instruments</i> | 1000000 | 3,3% | 130000 | 200000 | 250000 | 250000 | 170000 |
| Output 5 | | | | | | | |
| <i>By 2023, the Ombudsperson's Office provides effective input into integration of HRBA into decentralization process with a focus on social and economic rights</i> | 3500000 | 11,7% | 450000 | 650000 | 900000 | 800000 | 700000 |
| Output 6 | | | | | | | |
| <i>By 2023, the Ombudsperson's Office has knowledge and skills to effectively address conflict related human rights</i> | 2550000 | 8,5% | 350000 | 600000 | 500000 | 600000 | 500000 |
| Output 7 | | | | | | | |
| <i>By 2023, the Ombudspersons' Office effectively supports women and men and vulnerable groups at national and local levels</i> | 1000000 | 3,3% | 250000 | 250000 | 150000 | 150000 | 200000 |
| Unallocated funds | 850000 | 2,8% | 170000 | 170000 | 170000 | 170000 | 170000 |
| Project Implementation | 5000000 | 16,7% | | | | | |
| · <i>Direct costs (salaries of the project manager, project associate and 50% driver)</i> | 3000000 | 10% | 600000 | 600000 | 600000 | 600000 | 600000 |
| · <i>Indirect costs (office rent/ utilities/ phone/ Internet/ cleaning/ security services/ computers and furniture/ equipment maintenance/ miscellaneous & stationery etc.)</i> | 2000000 | 6,7% | 700000 | 300000 | 300000 | 350000 | 350000 |

| | | | | | | | |
|----------|----------|------|---------|---------|---------|---------|---------|
| GMS (8%) | 2400000 | 8% | 480000 | 480000 | 480000 | 480000 | 480000 |
| Total | 30000000 | 100% | 6680000 | 6680000 | 5710000 | 5560000 | 5370000 |

DED 4 – Gender reform and counter GBV

Indicative resources required for each output (annually)

| Outcomes | Outputs | 2018 | 2019 | 2020 | 2021 | 2022 | Total USD | Total DKK |
|--|--|---------|--------|---------|---------|--------|-----------|-----------|
| Decentralization and law enforcement reforms are compliant with the international standards on gender equality and are informed by the results of the gender-responsive regional and local pilot initiatives | Output 1.1: Ministries of Regional Development and Interior have enhanced capacity to analyse, formulate and execute gender-responsive reforms in part based on local pilot initiatives in the east of Ukraine | 86,257 | 52,057 | 32,057 | 28,057 | 18,057 | 216,484 | 1,516,902 |
| | Output 1.2: Duty-bearers (local governments of amalgamated hromadas) in conflict-affected areas apply knowledge and tools for gender-responsive annual planning and budgeting | 104,617 | 27,617 | 122,617 | 122,117 | 84,117 | 561,087 | 3,931,537 |
| | Output 1.3: Rights-holders (local women, including those facing compound discrimination) meaningfully participate in | 23,057 | 24,557 | 24,557 | 24,057 | 24,057 | 120,284 | 842,828 |

| | | | | | | | | |
|---|---|---------|---------|---------|---------|---------|-----------|------------|
| | local development planning and budgeting | | | | | | | |
| SUB-TOTAL OUTCOME 1 | | 213,931 | 204,231 | 179,231 | 174,231 | 126,231 | 897,855 | 6,291,266 |
| OUTCOME 2 Local authorities, law enforcement and women's community groups co-develop and implement GBV prevention and response strategies and action plans in line with the international standards and national gender equality commitments | Output 2.1: Duty-bearers (law enforcement bodies) in the target communities have knowledge and skills to prevent and respond to gender-based violence in public spaces | 46,057 | 36,057 | 31,057 | 26,057 | 38,057 | 177,284 | 1,242,227 |
| | Output 2.2: Rights-holders (women, girls, men and boys) in communities are mobilized in favour of respectful relationships, gender equality and safety in public spaces | 65,556 | 65,556 | 65,556 | 65,556 | 60,260 | 322,484 | 2,259,645 |
| | Output 2.3: Local media engage in gender sensitive and human rights-based reporting | 66,057 | 51,057 | 51,057 | 41,057 | 46,057 | 255,284 | 1,788,773 |
| SUB-TOTAL OUTCOME 2 | | 177,670 | 152,670 | 147,670 | 132,670 | 144,374 | 755,052 | 5,290,646 |
| Total Programme activities | | 391,600 | 356,900 | 326,900 | 306,900 | 270,604 | 1,652,906 | 11,581,912 |
| Evaluation 3% | | | | 24,794 | | 24,794 | 49,587 | 347,457 |
| Management and Operations Support (10%) | | 47,964 | 41,164 | 41,164 | 41,167 | 41,164 | 212,623 | 1,489,846 |
| Total Programme, Management and Operations | | 439,564 | 398,064 | 392,858 | 348,067 | 336,562 | 1,915,116 | 13,419,216 |
| Audit 3.5% | | 15,385 | 13,932 | 13,750 | 12,182 | 11,780 | 67,029 | 469,673 |
| Total Programme and Operations | | 454,949 | 411,997 | 406,608 | 360,249 | 348,342 | 1,982,145 | 13,888,888 |

| | | | | | | | |
|---|---------|---------|---------|---------|---------|-----------|------------|
| General Management Service (GMS) Fee (8%) | 36,396 | 32,960 | 32,529 | 28,820 | 27,867 | 158,572 | 1,111,111 |
| TOTAL PROGRAMME requested from DANEP | 491,345 | 444,956 | 439,137 | 389,069 | 376,209 | 2,140,716 | 15,000,000 |

DED 5 – Civil society

| | |
|--|-----------|
| Output 1 - Civil society organisations strengthened to promote democracy and foster participatory and result-driven Government-CSO dialogue at all levels in Ukraine | 1,300,586 |
| Output 2 - Capacities of human rights actors enhanced to promote and defend human rights in Ukraine | 1,382,644 |
| Output 3 – Enhanced youth civic engagement and youth participation in public sector decision-making at all level | 633,827 |
| Project implementation | 646,667 |
| Overhead 8 % | 317,098 |
| Project Total | 4,280,822 |

DED 6 - Media

6a Detector Media

| OUTCOME | OUTPUT | 2017 | 2018 | 2019 | 2020 | 2021 | TOTAL, \$ |
|---|---|--------|---------|---------|---------|---------|-----------|
| OUTCOME 1. Media content quality improved | | | | | | | |
| | 1.1. Improved public capacity to control the media content quality | 6.280 | 25.777 | 55.976 | 66.328 | 62.046 | 216.407 |
| | 1.2. Improved capacity of journalist self-regulation bodies | - | - | - | - | - | - |
| | 1.3. Better conditions for fully-fledged public broadcaster functioning created | 16.960 | 71.710 | 69.979 | 71.722 | 72.020 | 302.391 |
| | 1.4. Ukrainian media legislation addresses the needs of the media environment and contributes to the establishment of healthy market relations in media | - | 26.747 | - | - | - | 26.747 |
| | 1.5. Professional competence of journalists and media managers improved | 28.440 | 110.817 | 250.799 | 255.135 | 258.937 | 904.128 |
| | 1.6. Adequate journalism education system meeting the media industry needs created | - | 17.174 | 7.827 | 17.174 | 7.886 | 50.061 |

| | | | | | | | |
|--|--|---------|-----------|-----------|-----------|-----------|------------|
| | | | | | | | |
| OUTCOME 2. Media literacy of citizens improved | | | | | | | |
| | 2.1. Improved capacity of teachers to teach media literacy | 3.890 | 8.210 | 10.399 | 8.211 | 15.107 | 45.817 |
| | 2.2. Media consumers have access to materials about media | 17.180 | 80.408 | 96.284 | 97.123 | 97.145 | 388.140 |
| | 2.3. Improved capacity of media literacy promoting NGOs | - | 15.616 | 20.065 | 22.707 | 23.386 | 81.774 |
| | 2.4. Role of cultural institutions media literacy promotion increased | - | - | 13.744 | 4.279 | 14.920 | 32.943 |
| | 2.5. Access of Ukrainian and foreign stakeholders to the analytical products on media literacy in Ukraine, Ukrainian media literacy development practices provided | 4.860 | 31.819 | 34.354 | 31.882 | 32.206 | 135.121 |
| OUTCOME 3. A system of counteraction to the use of media as a propaganda tool created in Ukraine | | | | | | | |
| | 3.1. Stakeholders have the quality and unbiased information about tools, strategies and consequences of manipulative impacts in Ukraine | - | 12.240 | 4.884 | 4.896 | 4.908 | 26.928 |
| | 3.2. Improved strategic communications capacity of key stakeholders | - | 6.374 | 6.364 | 6.374 | 6.386 | 25.498 |
| OUTCOME 4. Organizational development | | | | | | | |
| | 4.1. Organizational development | - | 15.925 | 15.915 | 21.500 | 27.499 | 80.839 |
| GRAND TOTAL, \$'000 | | 77.610 | 422.817 | 586.590 | 607.331 | 622.446 | 2.316.794 |
| GRAND TOTAL, DKK'000 | | 506.793 | 2.748.311 | 3.812.835 | 3.917.285 | 4.014.777 | 15.000.000 |
| GRAND TOTAL, SEK'000 | | 659.685 | 3.593.945 | 4.986.015 | 5.131.947 | 5.259.669 | 19.631.260 |

6b Hromadske

The MFA/Danida will allocate up to DKK 15 million to Hromadske between 2017 and 2021. Support to the current strategy for 2017-2018 will be given as individual grant support.

DED 7 – Inclusive labour market

| Item | 2018 | 2019 | 2020 | 2021 | 2022 | Total \$ | TOTAL DKK |
|--|---------|---------|---------|---------|---------|-----------|------------|
| Outcome 1 Labour market governance is improved, through the strengthening of employment services and other labour market institutions | | | | | | 2,240,000 | 13,863,360 |
| 1.1 Modernised services and delivery models are offered at SES offices | 180,000 | 180,000 | 150,000 | 180,000 | 110,000 | 800,000 | 4,951,200 |
| 1.2 Local employment partnerships for SES outreach realised | 120,000 | 300,000 | 500,000 | 340,000 | 180,000 | 1,440,000 | 8,912,160 |
| Outcome 2 Skills development systems are reinforced through better integration between education and labour market institutions and policies | | | | | | 1,000,000 | 6,189,000 |
| 2.1 Entrepreneurship development in TVET and educational curricula | 90,000 | 100,000 | 150,000 | 150,000 | 110,000 | 600,000 | 3,713,400 |
| 2.2 Three TVET curricula improved | 70,000 | 65,000 | 85,000 | 95,000 | 85,000 | 400,000 | 2,475,600 |
| Outcome 3 Tripartite social dialogue and collective bargaining as means to achieve job rich economic growth and social progress are enhanced and extended | | | | | | 2,021,000 | 12,507,969 |
| 3.1 Evidence-based policy recommendations prepared by NTSEC and 6 RTSEC | 170,000 | 170,000 | 210,000 | 207,000 | 140,000 | 897,000 | 5,551,533 |
| 3.2 Collective bargaining processes in pilot regions or sectors are initiated | 22,000 | 96,000 | 33,000 | 96,000 | 77,000 | 324,000 | 2,005,236 |
| 3.3 A set of demand-driven services for members of employers' and workers' organizations is introduced | 120,000 | 120,000 | 160,000 | 200,000 | 200,000 | 800,000 | 4,951,200 |
| Project Management and Operational Costs | | | | | | 2,460,378 | 15,227,282 |
| Staff cost** | 351,243 | 388,035 | 397,453 | 407,891 | 418,428 | 1,963,050 | 12,149,316 |
| Missions ILO staff (induction, planning) | 10,000 | 9,000 | 10,000 | 9,000 | 9,000 | 47,000 | 290,883 |
| Office running costs*** | 22,000 | 12,000 | 12,000 | 12,000 | 12,000 | 70,000 | 433,230 |
| Equipment (IT, furniture, vehicle) | 77,000 | 9,000 | 9,000 | 9,000 | 9,000 | 113,000 | 699,357 |
| Evaluation (including StWT survey) | 25,000 | 0 | 25,000 | 20,000 | 73,328 | 149,328 | 824,193 |

| | | | | | | | |
|---------------------------------|-----------|------------|------------|------------|------------|------------|------------|
| Security cost | 16,000 | 6,750 | 6,750 | 6,750 | 6,750 | 43,000 | 266,127 |
| Visibility and communication | 25,000 | 10,000 | 20,000 | 10,000 | 10,000 | 75,000 | 464,175 |
| Total Direct costs | 1,298,243 | 1,465,785 | 1,768,203 | 1,742,641 | 1,446,506 | 7,721,378 | 47,667,987 |
| Programme support costs (13%) | 168,772 | 190,552 | 229,866 | 226,543 | 188,046 | 1,001,267 | 6,196,838 |
| TOTAL DE | 1,467,015 | 1,656,337 | 1,998,069 | 1,969,184 | 1,634,552 | 8,725,158 | 54,000,000 |
| TOTAL DE (Danish Krone) | 9,079,353 | 10,251,070 | 12,366,051 | 12,187,282 | 10,116,244 | 54,000,000 | |
| In kind contribution by the GoU | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 90,000 | 557,010 |
| TOTAL BUDGET | 1,485,015 | 1,674,337 | 2,016,069 | 1,987,184 | 1,652,552 | 8,815,158 | 54,557,010 |

DED 9 – Enabling environment for energy investment

| Outputs | Budget items | 2018 | 2019 | 2020 | Total 2018-2020 |
|--|--|------|------|------|-----------------|
| Output 1: Monitoring system for New Energy Strategy of Ukraine till 2035 developed and implemented. | DEA plus consultants, TA DKK'000 | 655 | 655 | 655 | 1965 |
| | DEA plus consultants, TA person months | 7 | 8 | 7 | 22 |
| Output 2: System for short and long-term forecast modelling and software developed in accordance with international best practice. | DEA plus consultants, TA DKK'000 | 900 | 900 | 900 | 2700 |
| | DEA plus consultants, TA person months | 11 | 11 | 11 | 33 |
| Output 3: Tools for integration of Renewable Energy, a system for short-term forecast of production from wind and solar PV and support to development of wind measuring infrastructure, as well as general support to Ukraine's efforts to converge its electricity market regulation to that of the EU. | DEA plus consultants, TA DKK'000 | 875 | 875 | 875 | 2625 |
| | DEA plus consultants, TA person months | 10 | 10 | 10 | 30 |
| Output 4: "One stop shop" project development platform supported under the umbrella of SAEE with Ukrainian-Danish expertise. | DEA plus consultants, TA DKK'000 | 1035 | 1045 | 1045 | 3125 |
| | DEA plus consultants, TA person months | 11 | 11 | 11 | 33 |
| Output 5: Support for implementation of current National Renewable Energy Action Plan (NREAP) till 2020 and development of new NREAP till 2035 with its implementation stages. | DEA plus consultants, TA DKK'000 | 440 | 440 | 440 | 1320 |
| | DEA plus consultants, TA person months | 5 | 5 | 5 | 15 |

| Outputs | Budget items | 2018 | 2019 | 2020 | Total 2018-2020 |
|--|--|------|------|------|-----------------|
| Output 6: Support for implementation of current National Energy Efficiency Action Plan till 2020 (NEEAP) and support for development of New NEEAP till 2035. | DEA plus consultants, TA DKK'000 | 440 | 440 | 440 | 1320 |
| | DEA plus consultants, TA person months | 5 | 5 | 5 | 15 |
| For all outputs | Workshops, study tours, air tickets and other transport, hotel accommodation and per diems for Ukrainian and DEA experts DKK'000 | 540 | 545 | 540 | 1625 |
| For all outputs | UDEC secretariat (Ukrainian Consultant/Coordinator, office expenses, UDEC website, interpretation and translation services DKK'000 | 335 | 335 | 330 | 1000 |
| For all outputs | International long-term advisor DKK'000 | 1440 | 1440 | 1440 | 4320 |
| | International long-term advisor person months | 12 | 12 | 12 | 36 |

DED 10 – Energy investment

In DKK million

| Item | 2018 | 2019 | 2020/21 | Total |
|---|------|------|---------|-------|
| Investments to NEIF re Ukraine | 29,7 | 55,6 | 5 | 90,3 |
| Investments to NEIF re Georgia | 24,7 | 0 | 11,4 | 36,1 |
| Project facilitation | 6 | 6 | | 12 |
| Administration, promotion, monitoring and evaluation of (3% per year for three years) | 4,6 | 4,6 | 4,6 | 13,8 |
| Total | 65 | 66 | 22 | 153 |
| Investments from UFA to NEIF re Ukraine | 12 | | | 12 |
| UFA Administration, promotion, monitoring and evaluation of UFA | 1,2 | | | 1,2 |
| Reviews, monitoing, PD UFA | 0,3 | | | 0,3 |
| Project preparation facility from NEF | 8 | | | 8 |

| | | | | |
|-------------------------|------|----|----|-------|
| Total with the facility | 86,5 | 66 | 22 | 174,5 |
|-------------------------|------|----|----|-------|