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# Swiss Cooperation Programme Ukraine 2020–24



**“THE MASTERS’ PROGRAMME ON  
CONFLICT RESOLUTION AND MEDIATION  
IS UNIQUE IN UKRAINE: IT ALLOWED ME  
TO PURSUE RESEARCH WHILE LOOKING  
FOR PRACTICAL IMPLICATIONS THAT  
MAY SUPPORT EFFORTS TOWARDS  
PEACE IN THE EAST OF OUR COUNTRY.”**

OIha ZAIARNA (cover photograph)

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# Foreword

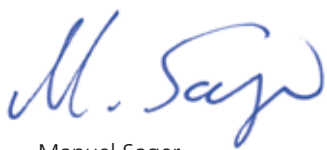
Switzerland has developed and nurtured its relationship with Ukraine since the 1990s. The Cooperation Programme 2020–23 translates Switzerland’s renewed commitment to support Ukraine on its path towards peace and sustainable development by building an inclusive society where all women and men equally contribute to and benefit from public integrity and sustainable growth. It builds upon achievements, draws on lessons learnt and considers emerging challenges in a complex geopolitical environment.

The Swiss Cooperation Programme Ukraine 2020–24 has been prepared in close consultation with the Ukrainian government and partners. It covers four domains Peace, Protection and Democratic Institutions; Sustainable Cities; Small and Medium-Sized Enterprises and Competitiveness, and Health. All four domains are closely interlinked: the sustainability of cities is contingent on democratic institutions as well as on the investments of small and medium enterprises, and the health of the population will determine the economic progress and potential of the country. All four domains are also impacted by the conflict and by the humanitarian situation in eastern Ukraine: under the new Cooperation Programme activities are further expanded into the east of the country.

Switzerland’s international cooperation in Ukraine will continue to be guided by a whole-of-government approach led by the State Secretariat for Economic Affairs (SECO) of the Federal Department of Economic Affairs, Education and Research; the Swiss Agency for Development and Cooperation (SDC) of the Federal Department of Foreign Affairs; and the Human Security Division (HSD) of the Political Directorate of the Federal Department of Foreign Affairs. A well-coordinated approach allows it to seize opportunities for synergies and complementarities among various policy instruments and implementation modalities. Conflict-sensitive programme management is applied in all domains of intervention. Furthermore, Swiss international cooperation in Ukraine is monitored and steered by a solid results-based management system.

We trust that Swiss support for peacebuilding, policy dialogue and the important reform process will contribute to Ukraine’s path towards peace and sustainable growth, which will benefit the well-being of the Ukrainian population as a whole.

Swiss Agency for Development  
and Cooperation SDC



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# List of Abbreviations

ARIs	Aggregated Results Indicators	SDC	Swiss Agency for Development and Cooperation
CEDRIG	Climate, Environment and Disaster Risk Reduction Integration Guidance	SDC CEE	SDC Cooperation with Eastern Europe
CHF	Swiss Franc	SDC HA	SDC Humanitarian Aid
CSO	Civil society organization	SDGs	Sustainable Development Goals
CMU	Cabinet of Ministers of Ukraine	SECO	Swiss State Secretariat for Economic Affairs
CSPM	Conflict Sensitive Programme Management	SHA	Swiss Humanitarian Aid
DP	Directorate of Political Affairs	SME	Small- and medium-sized enterprise
EAER	Federal Department of Economic Affairs, Education and Research	UN	United Nations
EBRD	European Bank for Reconstruction and Development	UNDP	United Nations Development Programme
EU	European Union	UNICEF	United Nations International Children's Emergency Fund
FDFA	Federal Department of Foreign Affairs	UNIDO	United Nations Industrial Development Organization
FDI	Foreign direct investment	USD	United States Dollar
GCA	Government-controlled areas	VET	Vocational education and training
GBV	Gender-based violence	WASH	Water, Sanitation and Hygiene
GDP	Gross Domestic Product	WHO	World Health Organization
GHG	Greenhouse gas		
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH		
HSD	Human Security Division		
HR	Human rights		
ICRC	International Committee of the Red Cross		
IDPs	Internally displaced persons		
IFC	International Finance Corporation		
IHL	International Humanitarian Law		
IMF	International Monetary Fund		
LGBTIQ	Lesbian Gay Bisexual Transgender Intersex Queer		
MERV	Monitoring of development-relevant changes		
Minregion	Ministry of Development of Communities and Territories of Ukraine		
MinVetTOT	Ministry for Veterans Affairs, Temporarily Occupied Territories and Internally Displaced Persons of Ukraine		
MoH	Ministry of Health		
NCDs	Non-communicable diseases		
NGCA	Non-government controlled areas		
NGO	Non-governmental organisation		
ODA	Official Development Assistance		
OECD-DAC	Organisation for Economic Co-operation and Development's Development Assistance Committee		
OHCHR	Office of the High Commissioner for Human Rights of the United Nations		
OSCE	Organization for Security and Co-operation in Europe		
PHC	Primary healthcare		
PPDPs	Public private development partnerships		

# Glossary

**Orange Revolution:** series of protests and political events that took place in Ukraine from late November 2004 to January 2005, in the immediate aftermath of the run-off vote of the 2004 Ukrainian presidential election. The protests were prompted by reports from several domestic and foreign election monitors as well as the widespread public perception that the results of the run-off vote of 21 November 2004 between the leading candidates Viktor Yushchenko and Viktor Yanukovich were rigged by the authorities in favour of the latter. The nationwide protests led the original run-off to be cancelled, and a revote was ordered by Ukraine's Supreme Court for 26 December 2004. The final results led to the victory of Yushchenko. With his inauguration on 23 January 2005, the Orange Revolution ended.

**“Euromaidan”, or “Revolution of Dignity”:** wave of demonstrations and civil unrest in Ukraine, which began on the night of 21 November 2013 with peaceful public protests on Maidan Nezalezhnosti (“Independence Square”) in Kyiv, after the sudden decision of the government not to sign the Association Agreement and the Deep and Comprehensive Free Trade Agreement with the European Union. The scope of the protests quickly expanded, calling for fighting the widespread corruption, abuse of power and violations of human rights as well as for the resignation of the then President Viktor Yanukovich and his government. The protests reached their climax during the period 18–21 February 2014 with violent interactions between security forces and protesters that led to over 100 civilian casualties. As a result of the protests, Yanukovich and several other high government officials fled Ukraine and a new government was put in place.

**Non-government controlled areas (NGCA):** Certain areas of Donetsk and Luhansk regions of Ukraine, not under control by the Government in Kyiv.

**Conflict-affected areas:** areas close to or within the areas where hostilities have taken or are still taking place in eastern Ukraine. According to estimates of the United Nations (UN), around 5.2 million people lived in the area affected by the conflict in eastern Ukraine before its outbreak.

**Vulnerable people (or groups):** Vulnerability refers in general to insecurity and a lack of protection as well as the inability to access those resources which are needed to conduct a decent life and to withstand the negative effects of a socio-economic, political or environmental shock. By its nature, vulnerability is a complex and multidimensional concept. Vulnerability is an important factor for analysing the risk for individuals or groups. Vulnerability x threats = risks. For the sake of simplicity, in this document, vulnerability refers to three categories of people. Firstly, to the poor population according to the national poverty criterion. Secondly, to those people that have been directly affected by the armed conflict in eastern Ukraine or have fled the Autonomous Republic of Crimea after its annexation by the Russian Federation and are in need of humanitarian assistance and protection. Thirdly, to the people discriminated against in the exercise of their fundamental rights and freedoms, and their enjoyment of human rights and whose access to decision-making processes and exercise of political power is not fully guaranteed. It can be assumed that these three types of vulnerability often overlap in practice.

# Executive Summary

Ukraine's transition has been shaped by the "Orange Revolution" in 2004 as well as, since 2014, the "Euromaidan Revolution" or "Revolution of Dignity", the annexation of Crimea by the Russian Federation and the armed conflict in eastern Ukraine, which has cost 13,000 lives and displaced 1.3 million people. Since September 2019, Ukraine has a new government committed to the country's European and Euro-Atlantic integration, to a peaceful resolution of the conflict, and to continuing the broad reform agenda.

Despite very substantial economic potential, Ukraine, the largest country in Europe, is the second-poorest country of the continent. Life expectancy – especially for men – remains well below the European average. Outmigration of skilled and unskilled people in search of jobs is extensive. Decades of neglected underinvestment in infrastructure and energy-efficiency measures has led to an unsustainable over-consumption of energy and affects public services, hampers productivity and impairs the quality of life.

Switzerland has been a reliable partner since Ukraine's independence in 1991, in the areas of development, humanitarian aid and peacebuilding. In response to the 2014 crisis, it more than doubled its Official Development Assistance (ODA) and positioned itself within the Minsk peace process chaired by the Organization for Security and Co-operation in Europe (OSCE) as honest broker between all sides of the armed conflict. Switzerland is among the lead donors in the areas of decentralisation, health and energy, and the only bilateral third party to provide direct humanitarian assistance to the population on both sides of the contact line in eastern Ukraine. Ukraine and Switzerland are also important partners

within the Swiss-led constituency at the European Bank for Reconstruction and Development.

## Swiss Priorities 2020–23

The Swiss Cooperation Programme 2020–23 builds on Switzerland's achievements and results. Greater focus and strategic adjustments within and across the domains of intervention will further increase the impact of its future engagement. Given the rapidly evolving Ukrainian context, flexibility to adapt the Swiss portfolio to contextual changes is paramount.

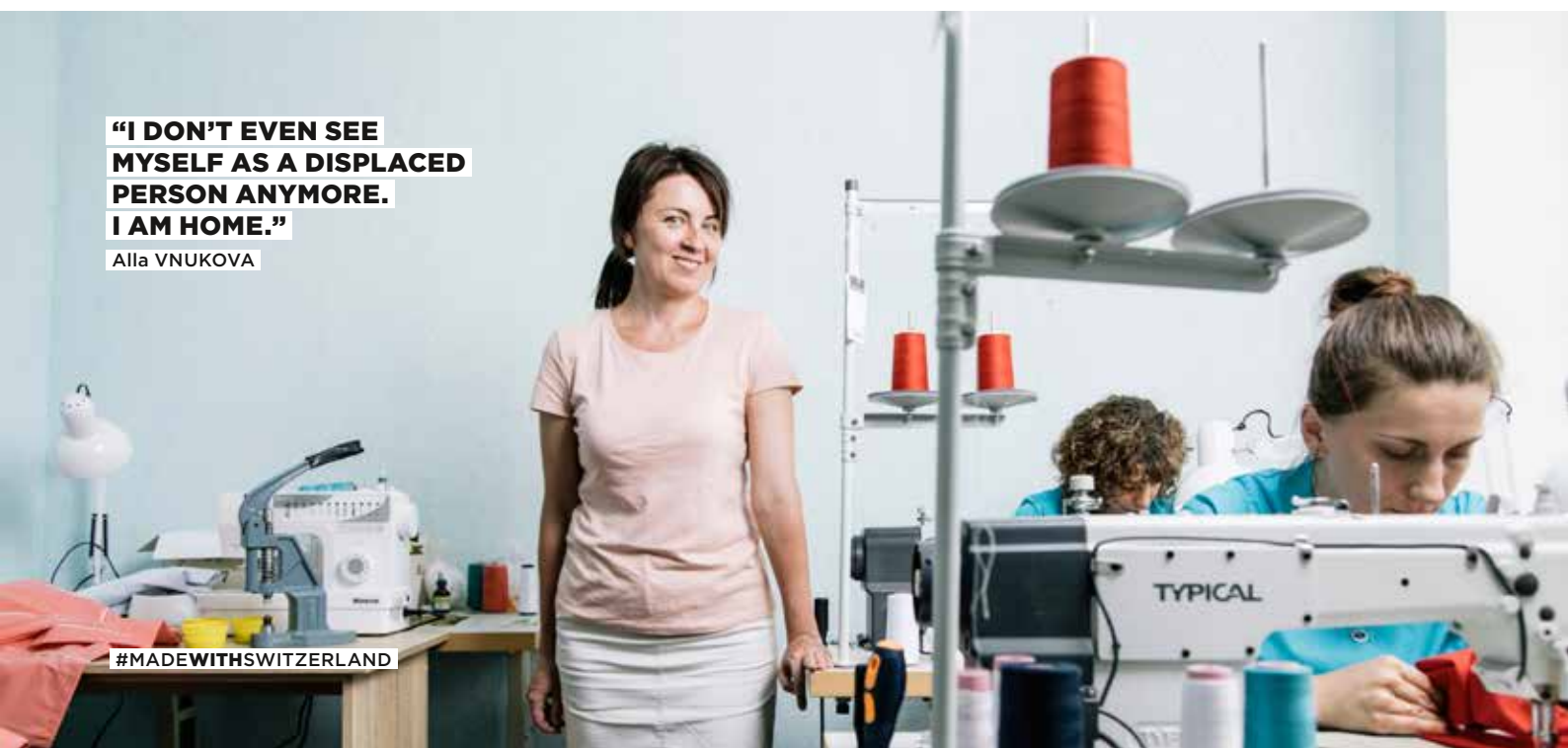
The overall goal of Swiss cooperation is to support Ukraine on its path towards peace and towards an inclusive society, in which women and men equally contribute to and benefit from public integrity and sustainable growth. To this intent, Switzerland pursues four objectives:

- Promote a peaceful resolution of the conflict in eastern Ukraine, ensure respect for international humanitarian law, foster human rights and strengthen democratic governance while also addressing the consequences of the conflict.
- Accelerate low-carbon economic growth and improve the quality of life for people in urban areas.
- Facilitate competitive and inclusive growth.
- Improve the health of the population, especially of people affected by the conflict.

**"I DON'T EVEN SEE MYSELF AS A DISPLACED PERSON ANYMORE. I AM HOME."**

Alla VNUKOVA

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In order to **promote peace and strengthen protection and democratic institutions**, Switzerland works to engage all relevant stakeholders in peacebuilding and conflict resolution. It supports responsible authorities to provide essential public services, including in conflict-affected areas, and to address the consequences of the conflict. It promotes transparency, accountability and meaningful civic engagement. With regard to its second objective, **sustainable cities**, Switzerland supports municipal energy management and modernisation of infrastructure to increase the availability of affordable low-carbon and economically viable heating services. It enables integrated urban development and investment planning with a focus on public transport and user-friendly public spaces. Swiss interventions in the **SMEs** (small- and medium-sized enterprises) **and competitiveness** domain aim to improve the regulatory framework for the financial sector and services for the private sector, and to increase competitiveness and trade opportunities for SMEs. Support for vocational education and training will equip more women and men with skills to acquire decent jobs. In **health**, Switzerland prioritises improving governance in the health sector, quality and affordable health services, and health literacy. The Ukrainian population will be enabled to make healthier lifestyles choices and have access to qualitative and affordable primary healthcare services, and especially preventative interventions.

Achieving gender equality, good governance and public integrity cuts across all domains. Additionally, Swiss support will enhance the resilience of institutions, systems and communities to climate change. Given the existing elements of fragility and the protracted conflict situation, which affect the entire country, conflict-sensitive programme management will be applied in all Swiss supported interventions.

Swiss Cooperation applies different aid modalities and engages with a diverse set of partners in policy dialogue, coordination and operational activities, including government counterparts, international development partners, Ukrainian NGOs and CSOs, and the private sector. Total expenditures of around CHF 108 million are foreseen for 2020–23.

The Swiss Embassy in Kyiv is in charge of managing, implementing, monitoring and steering the Cooperation Programme.



# 1 Context

With the attainment of independence in 1991, Ukraine became the largest country in Europe, but until this day it has remained one of the poorest. Two revolutions – the “Orange Revolution” in 2004 and “Euromaidan” or “Revolution of Dignity” in 2014 – as well as the annexation of Crimea by the Russian Federation and the conflict in eastern Ukraine since 2014, have influenced the country’s transition process.

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## Political sphere

### New government

In an unprecedented manner since its independence, the presidential and parliamentary powers in Ukraine are aligned. In April 2019 President Volodymyr Zelenskyy scored a landslide victory in the presidential election. His party “Servant of the People” secured an absolute majority in the snap parliamentary elections the same summer. In autumn 2019 the new government’s strategic choices, policies and implementation capacities were still being established. With regard to foreign policy, the country’s European and Euro-Atlantic aspirations and the importance of the Ukraine-European Union Association Agreement were reaffirmed. Given the five-year term of the president and parliament, the government is scheduled to be in power throughout the duration of the Swiss cooperation programme.

### The annexation of Crimea and conflict in eastern Ukraine

The armed conflict in eastern Ukraine, which erupted following the Maidan events and the annexation of Crimea by the Russian Federation in 2014, has continued to violate international humanitarian law and human rights and led to significant humanitarian needs. 13,000 fatalities, amongst them at least 3,000 civilians, and 1.3 million internally displaced persons (IDPs) have been recorded. The way hostilities are conducted, including the use of mines, has led to a lack of protection for the civilian population. Intense mediation efforts for a peaceful resolution of the conflict – in particular through the OSCE-chaired Minsk process – are ongoing.

### Reform agenda

With regard to domestic policy, the government has committed to continuing the broad reform agenda that the Maidan movement kicked off. The independence of institutions, the strengthening of the rule of law and of democratic processes, tangible results in the fight against corruption and curbing the influence of oligarchs are key to successful reforms and a prerequisite for increasing trust between citizens and the government. The donor community is providing critical support for the reform agenda.

### Civil society

Civil society remains very active, not only through formalised civil society organisations (CSOs), but also through horizontal movements and initiatives. Their capacity to mobilise is considerable and they are important players in keeping the government on track. Traditional and new media outlets are very active, however deliberate online and offline disinformation makes it harder for citizens to know which information source is trustworthy.

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## Economic conditions

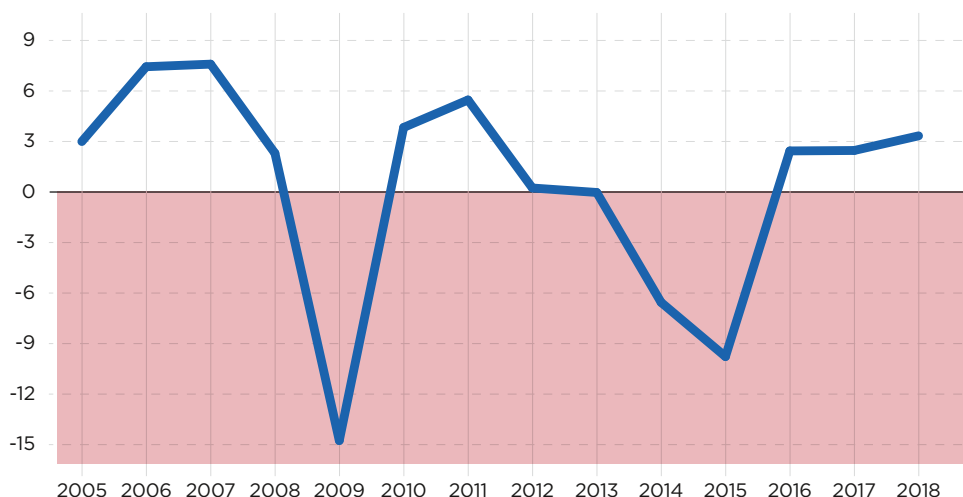
With a per capita GDP of USD 3,095<sup>1</sup>, Ukraine remains the second-poorest country in Europe. Over the last few years, GDP has grown slowly but steadily; the currency has been fairly stable and inflation has been kept low. Public debt is very high (exceeding USD 20 billion) and macro-economic stability heavily depends on the support of the International Monetary Fund (IMF).

The three components of GDP are services (60%), industry (26%) and agriculture (14%). Agriculture heavily dominates exports (44%). The information technology sector is particularly dynamic and innovative. Since the outbreak of the conflict in eastern Ukraine, trade with the Russian Federation has decreased significantly (in some sectors by over 80%). Trade has gradually diversified and shifted towards European and Asian markets.

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<sup>1</sup> World Bank national accounts data, and OECD National Accounts data files 2019.

## Ukraine GDP growth (annual %)



Source: World Bank national accounts data, and OECD National Accounts data files.

Trust in the banking system is slowly increasing and international markets are cautiously optimistic. This has led to an expectation for foreign direct investment (FDI) to increase, although corruption, the disproportionate role of oligarchs and weak rule of law are likely to continue to hamper large-scale FDI.

Besides the ongoing conflict in eastern Ukraine, there are a number of factors that constrain the realisation of Ukraine's very substantial economic potential:

- The shadow economy, while shrinking, still makes up 40% of GDP. It deters businesses and is an obstacle to domestic resource mobilisation.
- The outmigration of skilled and unskilled working age people undermines the domestic labour market, which already suffers from a lack of competitiveness, limited decent job opportunities, low salaries, and inadequate vocational and technical skills. Remittances are an important source of foreign currency (USD 14 billion in 2018), but have contributed only little to economic development.
- Decades of neglected planning and underinvestment in particular in urban infrastructure and in energy-inefficient building stock and utilities hamper productivity and have led to an unsustainable overconsumption of energy.
- Ukraine's overall energy intensity is three times higher than in EU countries. However, vulnerability to political pressure from external energy suppliers and the negative impacts of climate change have been recognised as an issue of national security and reform efforts have started.
- The long overdue review of market-distorting subsidies (in particular on energy) could trigger social tensions if not well managed. The same is true for the far-reaching land reform (i.e. the development of a land market) announced by the new government.

## Social dimensions

### Poverty and vulnerable groups

Poverty remains a considerable challenge. Two contrasting figures measure poverty: 24.5% of the population live below the national living standard while the poverty rate as measured by the World Bank has fallen to 4%. Neither number adequately captures reality: regional and demographic differences are significant.

The groups most vulnerable to poverty, to social exclusion and to being left behind by reforms and economic development are people affected by the armed conflict (such as IDPs, persons living near the contact line, former combatants and their families, detainees and victims of violations and abuses of human rights), elderly people with low pensions, inhabitants of underdeveloped rural territories with low access to services, youth with no jobs, people with disabilities, members of ethnic minorities, and people who identify as LGBTIQ.

### Gender equality and gender-based violence

Ukraine is committed to promoting women in politics and in the economy, and gender equality is slowly but steadily improving, as demonstrated by a closing gender gap in estimated earned income and number of legislators, senior officials and managers. Domestic and gender-based violence (GBV) remain a big problem countrywide as one in four women experiences violence during their lifetime. Apart from the substantial impact on the well-being and health of survivors, violence against women costs Ukraine over USD 200 million a year. Conflict-affected women and girls, and especially female IDPs, are particularly exposed to different forms of violence.

## Demography

Ukrainian's population is shrinking (-0.5% in 2018) and rapidly ageing (the median age of 40.2 years is the same as in Switzerland). Its working age population is projected to fall from 34 million in 2000 to 25 million by 2050. Outward migration is a significant contributing factor: every sixth Ukrainian of working age has emigrated for work, at least temporarily, mainly to Eastern Europe and Russia. This trend is expected to remain high until the economy shows long-term growth prospects.

## Urbanisation

Internal forced displacement and migration from rural and conflict-affected areas to the few growing urban areas in search of better housing, public services and job opportunities is considerable. In 2018, approximately 70% of Ukraine's total population lived in cities. However, urban infrastructure such as district heating and transport have been neglected for decades, which affects public services and productivity in cities, and impairs the quality of life and constrains mobility.

## Health

Life expectancy – especially for men – remains well below the European average (67 versus 79 for men and 77 versus 84 for women). Significant progress has been made in reforming the health system, especially for primary healthcare (PHC) provision and disease prevention. Nevertheless, non-communicable diseases (NCDs) remain responsible for 90% of annual deaths and are a leading cause of morbidity. Moreover, widespread poverty, the armed conflict and displacement have accelerated the prevalence of mental health disorders, for which the outdated mental health system is not prepared.

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## Environment

Ukraine is paying more and more attention to the consequences and threats of environmental degradation and climate change. Especially agriculture is impacted by increasingly drastic temperature changes and water shortages. The conflict in eastern Ukraine has exposed ecological risks and led to increased pollution including through the flooding of mines<sup>2</sup>. Ukraine's greenhouse gas (GHG) emissions remain far below the 1990 baseline, but this is predominantly linked to declining industrial production and not to actual efforts to increase energy efficiency or renewable energy. However, big and small municipalities are starting to take an interest in the green economy as it can have a positive impact on their budgets.

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2 Assessment of Environmental Damage in Eastern Ukraine (OSCE – 2018).

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## Donor landscape

Donor engagement in Ukraine has increased since 2014. As reported by the Ministry for Development of Economy, Trade and Agriculture, net ODA funding of ongoing projects in Ukraine amounted to USD 6.1 billion in 2018, while new projects for USD 953 million were registered during the same year. An association agreement has put the EU at the centre of Ukraine's international cooperation. The EU is also the largest donor and takes a leading role in almost all sectors. The United States' and the United Kingdom's support for reforms complements their geostrategic commitment. Canada's cooperation is rooted in its large Ukrainian diaspora. As the fifth-largest bilateral donor (2018)<sup>3</sup>, Switzerland is the "biggest of the smaller ones" and the only bilateral third party to provide direct humanitarian assistance to the population on both sides of the contact line in eastern Ukraine.

The G7<sup>4</sup> embassies (although not all donors) coordinate extensively. Their joint statements carry a lot of weight, not only with the administration and the government, but also with the public and private sector.

All the main multilateral agencies (IMF, World Bank, European Bank for Reconstruction and Development (EBRD) and UN (in order of importance)) are present.

Various inclusive donor coordination mechanisms exist and function reasonably well in support of reforms launched since 2014. Switzerland is among the lead donors in the areas of decentralisation, health and energy. A series of annual Ukraine Reform Conferences, started in 2017, have ensured continuity and streamlining of support, coordination and dialogue. Switzerland stands ready to host a future conference.

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3 Statistics of the Ministry for Development of Economy, Trade and Agriculture of Ukraine.

4 In context of Ukraine G7 is a group of seven countries: Canada, France, Germany, Italy, Japan, the United Kingdom and the United States

## 2 Swiss Foreign Policy in Ukraine

Switzerland and Ukraine established diplomatic relations shortly after Ukraine's independence in December 1991 and signed a Treaty on Technical and Financial Assistance in 1997. Since that time, Switzerland has proven to be a reliable partner. In response to the 2014 crisis, it more than doubled its ODA and uniquely positioned itself as honest broker between all sides of the armed conflict in the east in support of achieving a peaceful resolution. Due to the geographic proximity of Eastern Europe, Switzerland also has an accentuated interest in stability and security in the region, the development of new markets and investment possibilities, and better migration management. Ukraine and Switzerland are also important partners within the Swiss-led constituency at the EBRD.

Switzerland pursues a whole-of-government approach to cooperation with Ukraine, which encompasses development cooperation in government-controlled areas (GCA), humanitarian aid and peacebuilding. It therefore not only addresses a particular region within the country but the country as a whole and many of its development concerns. It supports domestic reforms in line with Ukraine's national reform priorities and the localised Sustainable Development Goals (SDGs) agenda. Swiss humanitarian aid follows the humanitarian principles of humanity, neutrality, impartiality and independence and is in line with the national humanitarian framework. All Swiss diplomatic and mediation efforts, including within the Minsk process, reflect Switzerland's commitment to upholding a dialogue among – and pursuing an unbiased and even-handed policy towards – all sides of the conflict.



**“I MOVED BACK TO VINNYTSIA TO DEVELOP MY BUSINESS. CLEANER AIR AND LESS CONGESTED ROADS THANKS TO PUBLIC TRANSPORT AND SAFE BICYCLE LANES WERE KEY INCENTIVES.”**

Vladyslav SEMENIUK

### 3 Achievements and Lessons Learned 2015–19

An OECD-DAC peer review and an external evaluation of the Swiss Cooperation Strategy Ukraine 2015–19 concluded that the Swiss domains of intervention have been fully relevant to Ukrainian needs and that the combination of Swiss foreign policy instruments has added value. With its dual strategy – systemic interventions at the national level and activities in selected regions – the Swiss portfolio has been well positioned to support reform processes. Its implementation modalities were responsive to events. At the same time, scope was found for more integrated and complementary programming across the domains and policy instruments, and increased cooperation with local partners and stakeholders from the Ukrainian civil society. The visibility of Swiss cooperation with Ukraine could be further enhanced.

In the field of **governance**, Switzerland has considerably contributed to decentralisation reforms throughout Ukraine, including in the GCA in the east. Switzerland played a lead role in the creation of the Donor Coordination Board on Decentralisation. The joint results framework is a key document guiding the engagement of government, donors and other stakeholders. Strong policy commitment to better governance and service provision facilitated the participatory elaboration of over 35 legal acts which constitute the “decentralisation reform package”. Several rounds of municipal amalgamation since 2015 have led to the creation of 831 merged territorial communities covering 3,796 smaller units and a population of about seven million. Thanks to financial decentralisation, average local revenues tripled over three years and the share of local budgets in the consolidated state budget increased by 20% in four years. Significant progress was made with the support of Switzerland in introducing e-governance, e-democracy and open data. Since 2015, 620,000 citizens have influenced local decision-making via e-petitions and participatory budgeting platforms; 347,000 have taken advantage of efficient and corruption-free e-services<sup>5</sup>. Decentralisation, which was launched in 2014, enjoys the support of 58% of the population thanks to tangible improvements in service delivery and local infrastructure. Women’s effective participation in public life was promoted through the establishment of a network of local female leaders. *Lessons:* 1) peacebuilding, protection and decentralisation interconnect in multiple ways to promote social cohesion and for the benefit of IDPs, including in participatory post-conflict reconstruction and delivery of local services; 2) a simultaneous vertical (different state levels) and horizontal (multiple stakeholders at each

level) approach to promoting democratic institutions is most effective; 3) concrete contributions to strengthening public integrity through e-governance and e-democracy also serve to leverage citizen trust in public institutions.

In the field of **peacebuilding**, Switzerland has simultaneously pursued a multilateral and bilateral approach. On the one hand it has played an active role in efforts to contribute to a peaceful resolution of the conflict, including through seconding experts to the OSCE in support of the Minsk process, the OSCE Special Monitoring Mission and the UN<sup>6</sup>. On the other hand, it has seized opportunities to implement projects that address the consequences of the conflict and support reconciliation, such as advisory groups on social cohesion; economic and policy support for IDPs; and tackling the issue of missing persons. Switzerland has also contributed to more respect for human rights and international humanitarian law by supporting local NGOs in the field of human rights protection, monitoring and torture prevention and through its continued support for the Human Rights Monitoring Mission in Ukraine of the UN Office of the High Commissioner for Human Rights (OHCHR). It has also enhanced the capacity of the Ministry for Veterans Affairs, Temporarily Occupied Territories and Internally Displaced Persons of Ukraine (MinVetTOT) through the secondment of a Senior Advisor and project support. In cooperation with the MinVetTOT, an educational programme for mediation and conflict transformation was set up and several activities in the sphere of mine action and international humanitarian law were carried out. *Lesson:* Switzerland’s positioning as honest broker is ideal for supporting the Minsk process and strengthening public institutions that play a central role in establishing peace.

In the **health** domain, Switzerland has supported intense efforts by the Ministry of Health (MoH) to reform the policy and regulatory framework for PHC and NCDs, the health-care financing model and the introduction of a state-guaranteed basic benefits package. More than 10,000 health professionals were trained using the World Health Organization (WHO) Package of Essential NCD Interventions for Primary Health Care. Besides, the capacities of current and future female leaders for driving public health reforms were strengthened within the special training programme “Women’s Leadership in Public Health”. Switzerland has also been involved in healthy lifestyle promotion. The piloting of a healthy school model was successful and is ready for scaling

5 For instance, online applications for housing subsidies and maternity financial assistance.

6 For instance, the Swiss-seconded OSCE-Coordinator of the Working Group on Humanitarian Issues within the Trilateral Contact Group.



**“WE WORK TO GIVE THESE  
NEWBORNS A BETTER CHANCE  
OF LIVING A LONG AND  
HEALTHY LIFE.”**

Tetiana NELIZHYTA

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up. *Lessons:* 1) since health reforms are heavily criticised, especially by interest groups, pro-active communication to ensure the support of practitioners, the population and the parliament is critical; 2) strategic partnerships help to leverage Swiss visibility and weight in the reforms; 3) synergies can be found between health and governance interventions in the area of civic education, citizen engagement and public service provision.

In the area of **sustainable energy management and urban development**, a mechanism for the thermal modernisation of multi-family buildings was developed. Investments in residential energy efficiency grew exponentially from zero to USD 276 million between 2015 and 2018; increased efficiencies have improved living conditions, reduced energy bills and increased property value; new employment opportunities have emerged through reforms to multi-family building management. Switzerland also supported the rehabilitation of a high-capacity district heating system in the city of Vinnytsia, a natural gas- and biomass-fired boiler demonstration-house, which in turn has motivated investments by other municipalities in renewable energy. With Swiss support, Vinnytsia and Zhytomyr received European Energy Awards in recognition of their municipal energy management.

During the strategy cycle, Switzerland expanded its interventions from urban energy management into urban development. Four cities developed urban visions and concrete investment projects for sustainable development through participatory processes that included vulnerable population groups. *Lessons* from the pilots were used for drafting the national Concept of Public Administration in the Field of Urban Planning Activities. *Lessons:* 1) economic incentives are important to promote energy efficiency in the absence of effective law enforcement mechanisms; 2) learning-by-doing

through demonstration projects strengthens the results of municipal capacity-building activities; 3) committed cities and amalgamated communities are forceful drivers of change.

In the field of **sustainable economic development**, the agricultural portfolio has improved organic agriculture and food safety in the dairy sector and markedly increased access to finance via crop receipts. In 2018, the government approved the Organic Law in line with European Union standards. Ukraine joined the top twenty countries in terms of total surface of certified organic agricultural land, which was also a major step towards increased resilience of the agriculture sector to climate change and extreme weather events. Moreover, Swiss support has helped improve access to pre-harvest financing for small and medium farmers in all 24 regions of the country, including the GCA of Donetsk and Luhansk. So far, banks have provided a total value of USD 463 million in loans, of which, despite high risks, USD 1.24 million to the conflict-affected area. Furthermore, Switzerland has contributed to an improved investment climate: 30 permits related to construction, labour and fire safety were revised or, where no longer relevant, eliminated; the government's decision to reduce port fees resulted in USD 30 million of cost compliance savings for businesses. Initial work to strengthen vocational education and training (VET), in partnership with a subsidiary of a Swiss-based private sector company, resulted in a new curriculum and professional standards in plumbing. *Lessons:* 1) leveraging state funding is crucial for the nationwide roll-out of a new VET training and resource centre model; 2) triggered by intensified “hand drain”, the interest of local businesses in skills development has increased.

Finally, Swiss **humanitarian aid** has benefited the conflict-affected population in the east, both in the GCA and non-government-controlled areas (NGCA). It has notably achieved this through direct delivery of medical supplies and chemicals for drinking water treatment, which since April 2015 have benefited up to 4 million people, but also through financial contributions to international and national/local partner organisations as well as secondments to UN agencies.

*Lessons:* 1) direct humanitarian assistance generates insights into realities on the ground, serves to disseminate advocacy messages and opens space for working across the humanitarian-development-peace nexus (in GCA), such as in health; 2) while humanitarian transports are politically-sensitive and labour-intensive, they build trust through direct support to the population in need on both sides of the contact line and improve access to basic services in particular for the most vulnerable groups of the population.

A man in a blue and white checkered shirt and blue jeans stands in a large, dimly lit warehouse. He is surrounded by numerous large white bags of aluminum sulphate. The bags have the 'Eco GULANT' logo and text printed on them. The warehouse has high ceilings and several windows along the top walls, letting in some light. The man is smiling and has his hand on one of the bags.

**“WE TREAT WATER FOR ABOUT 1 MILLION PEOPLE IN A VERY DIFFICULT SITUATION. THANKS TO SWITZERLAND, OUR WATER IS STILL HEALTHY FOR THE LOCAL POPULATION.”**

Valerii SELISHCHEV

#MADEWITHSWITZERLAND



# 4 Implications for the Cooperation Programme 2020–23

Between 2015 and 2019, Swiss ODA has been substantial and relevant to the Ukrainian context and national peace, humanitarian and development objectives.

During the next cooperation programme, Switzerland will build on its reputation and achievements. To further leverage Swiss added value, strategic changes to how it engages with partners and stakeholders and sets its focus have been identified. In particular, greater focus and adjustments within the domains of intervention as well as synergies across the domains and foreign policy instruments will increase future performance and strengthen Swiss strategic positioning in contributing to the Ukraine's pathway towards sustained recovery and the SDGs. Thus, the Swiss Cooperation Programme 2020–23 will pay more attention to:

- Promoting public integrity and trust in institutions, including by supporting reform-related communication measures, promoting citizen engagement and tapping into the potential for digitalisation of services and the use of e-governance tools.
- Social inclusion of vulnerable groups to ensure that reforms reach those left behind, and that IDPs and other conflict-affected persons are better protected and integrated.
- Promoting reliable framework conditions for equal access to markets and opportunities for people and enterprises.
- Supporting innovative and private sector initiatives that contribute to the creation of employment and future prospects.
- Working across the development-humanitarian-peace nexus in GCA to support more sustainable outcomes for conflict-affected persons in eastern Ukraine in particular in the health and WASH (Water, Sanitation and Hygiene) sectors.

- Leveraging Switzerland's unique value proposition as a neutral stakeholder committed to upholding dialogue among all sides and pursuing an unbiased and even-handed policy with regard to a peaceful resolution of the conflict in eastern Ukraine.
- Strengthening the promotion and communication of Swiss value added and accomplishments.
- Supporting cultural diversity, intercultural dialogue and exchange for democratic transition and peaceful relations between people, communities and the state.<sup>7</sup>

Given the rapidly developing Ukrainian context, flexibility to adapt the Swiss portfolio to contextual changes is paramount.

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<sup>7</sup> As a part of the SDC's commitment to allocate 1% of its operational budget to arts and culture.

# 5 Strategic Orientation and Swiss Priorities 2020–23

The overall goal of the Swiss Cooperation Programme 2020–23 is to support Ukraine on its path towards peace and towards an inclusive society, in which women and men equally contribute to and benefit from public integrity and sustainable growth. To achieve this goal, Switzerland supports peacebuilding, policy dialogue and the implementation of essential reforms; it provides protection and assistance to the most vulnerable, including those most affected by the conflict in eastern Ukraine.

The Swiss Cooperation Programme 2020–23 prioritises four domains of intervention: (1) peace, protection and democratic institutions; (2) sustainable cities; (3) SMEs and competitiveness; and (4) health (cf. synopsis in annex). Achieving gender equality, good governance and public integrity cuts across all domains. Additionally, climate change could become a game changer that challenges the achievement of planned outcomes. An assessment of vulnerabilities and identification of mitigation measures based on CEDRIG<sup>8</sup> will help to enhance the overall resilience of institutions, systems and communities.

## Domain 1: Peace, Protection and Democratic Institutions (SDC CEE, SECO, SDC HA, HSD)

The convergence of peacebuilding, humanitarian assistance, protection and support for governance reforms in this domain is a new feature of the Swiss portfolio with the overarching objective *to promote a peaceful resolution of the conflict in eastern Ukraine, ensure respect for international humanitarian law, foster human rights and strengthen democratic governance while also addressing the consequences of the conflict.*

By strengthening democratic institutions and effective public management (including in the GCA of eastern Ukraine), fostering inclusive citizen and particularly women's engagement<sup>9</sup>, promoting respect for human rights and delivering targeted humanitarian assistance (especially in WASH), Switzerland contributes to public services that are provided inclusively and efficiently and address the needs of vulnerable

groups such as socially unprotected people, low mobility groups, the elderly, parents with children, and the conflict-affected population. At the same time, dialogue, diplomatic efforts and projects, including through seconding experts to the OSCE in support of the Minsk process, contribute to respect for international humanitarian law and a peaceful resolution of the armed conflict. This will also lead to recovery, enhanced state-citizen relations and more social cohesion in Ukraine.

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### SWISS PORTFOLIO OUTCOMES:

**Outcome 1:** All relevant stakeholders are engaged in an inclusive peace process and effectively contribute to resolving the conflict in eastern Ukraine.

**Outcome 2:** Authorities effectively address the consequences of the conflict in eastern Ukraine and all citizens in conflict-affected areas have access to essential public services.

**Outcome 3:** Transparent public institutions promote meaningful civic engagement of men and women, public financial management is improved, and services are provided efficiently and inclusively.

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<sup>8</sup> Climate, Environment and Disaster Risk Reduction Integration Guidance. <https://www.cedrig.org/>.

<sup>9</sup> Reference is also made to the Ukraine National Action Plan on the Implementation of UN Security Council Resolution #1325.

## Domain 2: Sustainable Cities (SECO)

In support of SDG 11, the objective of this domain is *to accelerate low-carbon economic growth and improve the quality of life for people in urban areas of Ukraine*. To this intent, Switzerland prioritises better municipal energy management; and will expand its work on integrated urban development and sustainable urban mobility.

Through enhanced energy management, stronger local capacities and policy dialogue, selected small and medium-sized cities, including in eastern Ukraine, will prioritise new or rehabilitate old municipal infrastructure, provide affordable low-carbon and economically viable heating services and favour resource-efficient production. Thanks to improved strategic planning and the development of multi-modal mobility systems that consider safe and barrier-free movement, they will also improve public transport and promote user-friendly public spaces. These measures rely on inter-departmental cooperation within municipalities and the participation of the private sector as well as civil society, in particular women, low-mobility groups and IDPs. In the long run, this will increase cities' attractiveness for investors and residents, foster sustainable economic growth and enhance the quality of life in urban areas. Ultimately, Swiss interventions contribute to polycentric development, as well as to potentially reducing emigration and mitigating climate change. In view of other financing sources such as international financial institutions, large SECO infrastructure investment grants for demonstration cases will be phased out.

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### SWISS PORTFOLIO OUTCOMES:

**Outcome 1:** Increased availability of affordable low-carbon and economically viable heating services through enhanced municipal energy management and modernisation of infrastructure.

**Outcome 2:** Municipalities plan their urban development and investments in a more integrated manner, improve their public transport, and promote user-friendly public spaces.

## Domain 3: SMEs and Competitiveness (SECO, SDC CEE)

The objective of this domain is *facilitating competitive and inclusive growth*. To this intent, Switzerland continues to prioritise market access and value chain development with a focus on SMEs in the agricultural sector. It will expand financial sector support and access to finance for SMEs<sup>10</sup>; and more prominently address access to VET and employment, including for the disabled.

Improved macro-economic conditions, a modernised regulatory framework, enforcement of the rule of law, strengthened service providers and access to inclusive and responsible financial services will create a competitive business environment. Business and job opportunities for Ukrainian SMEs, including in conflict-affected areas and for women entrepreneurs, will increase as well as access to higher value markets. Skills tailored to market needs will increase the employability of the labour force, both men and women, and facilitate access to more and decent jobs. Thus, the Ukrainian economy will be more resilient to shocks. The population will benefit from competitive and inclusive growth, less inequalities and a better living, which will facilitate social cohesion and reduce the need to emigrate.

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### SWISS PORTFOLIO OUTCOMES:

**Outcome 1:** The private sector, including SMEs in conflict-affected areas, benefits from new sustainable trade opportunities and a more competitive business environment.

**Outcome 2:** The financial sector benefits from an improved regulatory framework and the private sector, particularly SMEs, has access to more inclusive and responsible services.

**Outcome 3:** Men and women gain skills tailored to the needs of the market and acquire decent jobs.

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<sup>10</sup> Opportunities to expand the engagement of the Swiss Investment Fund for Emerging Markets (SIFEM) shall also be explored.

## Domain 4: Health (SDC CEE)

In support of SDG 3, through health systems strengthening, the objective of this domain is *for the Ukrainian population, especially people affected by the conflict, to enjoy better health*. To this intent, Switzerland prioritises improving governance in the health sector; quality and affordable PHC services; and health literacy.


Strengthened leadership of national and local health authorities and enhanced competences and skills of family doctors, nurses and healthcare managers will contribute to improved and more efficient quality services at PHC level. Thanks to improved PHC services, complemented by health literacy activities and active community and civil society engagement, the Ukrainian population – in particular men, young adults and children – will adopt healthier lifestyles and better health-seeking behaviour, which will lead to an improved health status and higher life expectancy. In line with overall sector reforms and considering the conflict in eastern Ukraine, Switzerland places a particular emphasis on integrated community-based mental health service provision and psychosocial support, tailored to gender-specific needs. Special attention is also paid to the problem of GBV and domestic violence while strengthening professional competencies of the medical staff to respond, combat and prevent GBV as well as accelerating zero-tolerance towards GBV in the society through awareness raising campaigns.

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## SWISS PORTFOLIO OUTCOMES:

**Outcome 1:** National and local institutions, including in conflict-affected areas, provide more equitable and sustainable access to qualitative and affordable primary healthcare services that are responsive to users' needs, with a focus on disease prevention and health promotion.

**Outcome 2:** Men and women of all ages in selected regions adopt healthier lifestyles and hold healthcare institutions accountable for delivering quality services.



**"I HAVE BEEN DEALING WITH MILK AND COWS FOR ALMOST 30 YEARS AND I THOUGHT I KNEW EVERYTHING ABOUT IT. YET I LEARNED SO MUCH THANKS TO THE TRAINING."**

Valentyna PANASIUK


# 6 Programme Management and Implementation

## Synergies and whole-of-government approach

Coherence will be sought and synergies created through simultaneous and inter-connected engagement of Swiss humanitarian aid, development cooperation and peace work (“nexus”) and through inter-sectoral cooperation to reach peace and an inclusive society. The most obvious innovation in this regard is the consolidated domain “Peace, Protection and Democratic Institutions”.

Secondly, efforts to advance sectoral decentralisation and improve public service provision – e.g. in the health and energy sectors – will benefit from framework conditions created by Swiss support for decentralisation and democratic institutions. Likewise, inter-departmental coordination within Ukraine in energy management and urban development will foster municipal capacities to implement the decentralisation agenda. Thirdly, Switzerland will pursue an integrated approach to humanitarian assistance and development cooperation to enhance the health status of the population in GCA in eastern Ukraine in the short, medium and long-term.

Territorial convergence of activities and projects will, where opportune, also be exploited to achieve better synergies. In particular, Switzerland will support “reform ecosystems” at the national level with an active engagement of private businesses and CSOs; it will pilot area-based cross-sectoral support to communities in the Luhansk region of GCA.

A woman with long blonde hair, wearing a green long-sleeved top and a pink skirt, stands in a grand, ornate room. In the background, there is a large, multi-tiered chandelier with many lit candles, and classical architectural elements like columns and arches. The lighting is warm and focused on the woman.

**“THERE ARE OBVIOUS POSITIVE RESULTS OF WORKING ON ENERGY EFFICIENCY. IT HAS ALSO TOTALLY CHANGED THE WAY I WORK: IT IS MUCH MORE INTERESTING NOW.”**

Tetiana ZIATIKOVA



**“ONE COLLEAGUE FROM ANOTHER TOWN RECENTLY ASKED ME: ‘SAY, BOTH OUR HOSPITALS WORK WITH ROUGHLY THE SAME BUDGET. YET YOURS HAS BETTER EQUIPMENT AND MORE MEDICINE. HOW IS IT POSSIBLE?’ OUR SOLUTION IS QUITE OBVIOUS.”**

Yurii KURLYKO and Ivan SHUMEIKO



### Aid modalities and partnerships

Swiss cooperation will continue applying different aid modalities and engaging with a diverse set of partners in policy dialogue, coordination and operational activities. By working directly with local service providers and supporting Ukrainian NGOs involved in protection activities, Switzerland has been living up to its localisation commitments under the Grand Bargain.<sup>11</sup> The following adjustments are envisaged:

- Establish a presence of the Swiss Embassy in eastern Ukraine, through a Kyiv-based staffer with 50-60% presence in the east.
- Expand collaboration with Ukrainian CSOs, including women’s organisations, and academia, inter alia to further strengthen social accountability and citizen engagement.
- Seize opportunities to partner with the private sector, including Swiss companies, to achieve common goals.
- Assess on a regular basis the appropriateness and balance of selected aid modalities to maximise outcomes (mandates, contributions, direct implementation and regional cooperation).

### Conflict-sensitive programme management (CSPM)

Given the existing elements of fragility and the protracted conflict situation, which affect the entire country, CSPM will be applied in all Swiss interventions in order to respond to the structural drivers of the conflict and contribute to building trust, social cohesion and state legitimacy. To this end, the rebuilding of a social contract between the conflict-affected areas in eastern Ukraine and the central level will be prioritised as well as the inclusion of vulnerable groups. Targeted advocacy and communication efforts will be strengthened.

### Financial and human resources 2020–23

Total expenditures of around CHF 108 million or an average CHF 27 million annually are proposed for the next four years (cf. overview financial planning in annex). This corresponds to the average yearly level of disbursement during the previous strategy period.

Apart from piloting a part-time physical presence in eastern Ukraine, no major changes in human resources allocation of the Swiss Embassy are expected. Affirmative action, including local internships, will be explored to ensure diversity. Where opportune, fewer but larger projects will help ease the work load and pressure on staff of the Swiss Embassy.

<sup>11</sup> World Humanitarian Summit, Istanbul 2016.


## 7 Strategic Steering

The Swiss Embassy located in the country's capital Kyiv is in charge of implementing, monitoring and steering the cooperation programme. The cooperation programme monitoring system provides crucial information in a pragmatic manner and on a regular and timely basis to allow for informed programme steering decisions and corrective measures. Monitoring applies a gender lens and covers three dimensions: the country context, Swiss portfolio results and programme management.

**Context analysis:** Using the MERV instrument (Monitoring System for Development-Related Changes), the monitoring system offers an analysis of the evolving country context, thus ensuring the continued relevance and conflict-sensitivity of Swiss cooperation. In addition, the integration of the Swiss Cooperation Office into the Swiss Embassy during the previous strategy cycle facilitates a regular exchange of views with the political department of the Swiss Embassy.

**Progress towards Swiss portfolio results:** Monitoring against the expected results included in the domain results frameworks (cf. results framework in annex) serves to assess the extent to which Swiss outcomes are being achieved and their contribution to selected country development outcomes. Monitoring data feed into annual reporting, thus ensuring transparency and accountability.

**Programme management:** Programme management monitoring focuses on the efficiency and effectiveness of the Swiss Embassy in implementing the cooperation programme. For this purpose, operational plans with objectives and indicators are developed and reviewed annually.



**"THANKS TO EASY AND SUSTAINABLE FINANCING, WE CAN PLAN AHEAD WITH FARMING AND WITH PROVIDING PERSPECTIVES FOR YOUTH IN OUR COMMUNITY."**

Leonid TSENTYLO



# Annex a: Synopsis of the Swiss Cooperation Programme Ukraine 2020–23

Overall Goal:			
Support Ukraine on its path towards peace and towards an inclusive society, in which men and women equally contribute to and benefit from public integrity <sup>12</sup> and sustainable growth.			
Peace, Protection and Democratic Institutions	Sustainable Cities	SMEs and Competitive-ness	Health
<b>Domain objective:</b> Promote a peaceful resolution of the conflict in eastern Ukraine, ensure respect for international humanitarian law, foster human rights and strengthen democratic governance while also addressing the consequences of the conflict.	<b>Domain objective:</b> Accelerate low-carbon economic growth and improve the quality of life for people in urban areas of Ukraine.	<b>Domain objective:</b> Facilitate competitive and inclusive growth.	<b>Domain objective:</b> The Ukrainian population, including people affected by the conflict, enjoys better health.
<p><b>Outcome 1:</b> All relevant actors are engaged in an inclusive peace process and effectively contribute to resolving the conflict in eastern Ukraine.</p> <p><b>Outcome 2:</b> Authorities effectively address the consequences of the conflict in eastern Ukraine and all citizens in conflict-affected areas have access to essential services.</p> <p><b>Outcome 3:</b> Transparent public institutions promote meaningful civic engagement of men and women, public financial management is improved, and services are provided efficiently and inclusively.</p>	<p><b>Outcome 1:</b> Increased availability of affordable low-carbon and economically viable heating services through enhanced municipal energy management and modernisation of infrastructure.</p> <p><b>Outcome 2:</b> Municipalities plan their urban development and investments in a more integrated manner, improve their public transport, and promote user-friendly public spaces.</p>	<p><b>Outcome 1:</b> The private sector, including SMEs in conflict-affected areas, benefits from new sustainable trade opportunities and a more competitive business environment.</p> <p><b>Outcome 2:</b> The financial sector benefits from an improved regulatory framework and the private sector, particularly SMEs, has access to more inclusive and responsible services.</p> <p><b>Outcome 3:</b> Men and women gain skills tailored to the needs of the market and acquire decent jobs.</p>	<p><b>Outcome 1:</b> National and local institutions, including in conflict-affected areas, provide more equitable and sustainable access to qualitative and affordable PHC services that are responsive to users' needs, with a focus on disease prevention and health promotion.</p> <p><b>Outcome 2:</b> Men and women of all ages in selected regions adopt healthier lifestyles and hold healthcare institutions accountable for delivering quality services.</p>
Indicative budget planning <sup>13</sup>			
CHF 43,9 million 41 %	CHF 32,0 million 30 %	CHF 17,3 million 16 %	CHF 13,6 million 13 %
Transversal themes: Good governance and public integrity Gender equality			

<sup>12</sup> Public integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritizing the public interest over private interests in the public sector (OECD).

<sup>13</sup> For details see Annex d

# Annex b: Results framework

Note: The Results Framework is a living document that will be refined when further information becomes available. Some indicators, baselines, targets and sources of information are still missing and will be identified and introduced accordingly where appropriate.

## Domain 1: Peace, Protection and Democratic Institutions

**Overall objective:** Promote a peaceful resolution of the conflict in eastern Ukraine, ensure respect for international humanitarian law, foster human rights and strengthen democratic governance while also addressing the consequences of the conflict.

**Impact hypothesis:** By strengthening democratic institutions and effective public management at the national and sub-national levels (including in eastern Ukraine), fostering inclusive citizen engagement (with a focus on women’s participation), promoting respect for human rights and delivering targeted humanitarian assistance (especially in WASH and health), the needs of the conflict-affected population will be addressed and public services provided inclusively and efficiently. At the same time, dialogue, diplomatic efforts and projects, including through seconding experts to the OSCE in support of the Minsk process, contribute to respect for international humanitarian law and a peaceful resolution of the armed conflict in eastern Ukraine. All this will also lead to recovery, enhanced state-citizen relations and more social cohesion in Ukraine.

(1) Swiss portfolio outcomes	(2) Contribution of Swiss programme	(3) Country development/humanitarian outcomes
<p><b>Outcome statement 1</b></p> <p>All relevant actors are engaged in an inclusive peace process and effectively contribute to resolving the conflict in eastern Ukraine.</p> <p><b>Indicators<sup>14</sup></b></p> <ol style="list-style-type: none"> <li>1) Regular dialogue between the key actors of the sides take place.</li> <li>2) The sides conclude agreements on concrete issues.</li> <li>3) Respect for international humanitarian law and human rights is increased. <i>(This indicator refers to the respect for international humanitarian law and human rights during the conflict. Sources: All relevant treaties and conventions ratified by Ukraine, relevant soft law, ad hoc documents such as Minsk agreements.)</i></li> </ol>	<p>The official peace process is supported and strengthened.</p> <p>Inclusive dialogue initiatives at several levels are initiated and contribute to addressing key conflicting and divisive issues.</p> <p><b>Assumptions:</b></p> <p>The sides are willing to engage in a dialogue and to find constructive solutions to concrete issues.</p> <p>Switzerland establishes and maintains access to all sides.</p> <p><b>Risks:</b></p> <p>Increased internal tensions and/or further polarisation at the geopolitical level lead to a deterioration of the conflict.</p> <p>The conflict develops into a stage of “frozen conflict” where space for dialogue about reintegration and peaceful solutions is narrowed.</p>	<p><b>Outcome statement 1</b></p> <p>The intensity of the conflict as well as civil casualties have been reduced due to agreements reached in the official peace process and an increased respect for International Humanitarian Law.</p> <p><b>Indicator</b></p> <p>A constructive and strategic approach towards conflict transformation is implemented, as a basis for a peaceful resolution of the conflict.</p> <p><i>(Sources: All relevant treaties and conventions ratified by Ukraine, relevant soft law, ad hoc documents such as Minsk agreements.)</i></p>

<sup>14</sup> Qualitative indicators; no baselines and targets are defined, including for country development outcomes.

## Outcome statement 2

Authorities effectively address the consequences of the conflict in eastern Ukraine and all citizens (female/male) in conflict-affected areas have access to essential public services.

### Indicators

- 1) Respect for human rights (HR) and international humanitarian law (IHL) is promoted and cooperation with international and local bodies is constructive. (This indicator refers to the promotion of IHL and HR by Ukrainian stakeholders and international organisations when addressing the consequences of the conflict)
- 2) State institutions respond to the needs of the conflict-affected population, in the sphere of IDPs, mine action and missing persons.
- 3) Key public service providers in the conflict areas are able to maintain or improve their basic service delivery function for the benefit of the conflict-affected local population (i.e. coverage rates, financial performance).
- 4) **ARI HA1** adapted: Number of persons (female/male) reached in emergency situations who have access to key public services (drinking water, health care) and legal protection.

Respect for human rights and international humanitarian law is promoted all over the country and violations by the sides are addressed in an impartial manner. Multilateral and non-governmental actors actively contribute to this process.

Humanitarian needs along the line of contact and in NGCA are addressed in a complementary way by Ukrainian stakeholders (incl. civil society) and international humanitarian organisations.

The capacity and local ownership of state institutions to address conflict-related issues are enhanced.

### Assumptions:

Political actors and state institutions see the need to address the consequences of the conflict in a comprehensive manner.

### Risks:

The ongoing conflict in eastern Ukraine and its consequences lead to social polarisation and radicalisation as well as a deterioration of the human rights situation.

Respect for human rights and international humanitarian law is not considered a priority by the sides and impunity prevails.

Inefficient response by state institutions to the consequences of the conflict results in tensions and decreasing social cohesion.

## Outcome statement 2

International human rights standards and international humanitarian law are respected as foreseen in the relevant treaties and conventions.

### Indicators

Level and quality of interaction with international human rights bodies and number of recommendations implemented.

Extent to which humanitarian access is unimpeded and humanitarian assistance and protection are granted.

Level of achievement of collective outcomes and strategic priorities related to i) protection and livelihoods, ii) essential services, and iii) critical civilian structures. (Source: *Humanitarian Response Plan 2019*).

Extent to which legislation in the sphere of IDPs, mine action and missing persons is adopted and strengthened, and is being implemented. (Sources: *All relevant treaties and conventions ratified by Ukraine, relevant soft law. Domestic law: Law on the Status of Missing Persons; Law on Mine Action. National Strategy: Strategy for Implementation of Long-term Solutions with regard to IDPs; State Targeted Programme for Recovery and Peacebuilding in Eastern Regions of Ukraine; MinVetTOT Action Plan with regard to policy towards NGCA; Action Program of Cabinet of Ministers of Ukraine (CMU) 2019*).

### Outcome statement 3

Transparent public institutions promote meaningful civic engagement of men and women, public financial management is improved, and services are provided efficiently and inclusively.

#### Indicators

- 1) Number of citizens (female/male incl. vulnerable groups<sup>15</sup>) that use transparent and efficient services.

Baseline [2018] 350,000 (e-services, incl. 166,000 citizens using online registration for utilities subsidies for vulnerable groups) + 280'000 (water supply and waste management) Source: E-Governance for Accountability and Participation (EGAP) Phase 1, Support to Decentralisation in Ukraine Project (DESPRO) Phase 1-4.

Target value [2023] increased by at least 300,000 (incl. increase by 5% of service use by vulnerable groups)

(disaggregated by gender and type of service).

- 2) Number of citizens (female/male) participating in and influencing development activities, decision making and budgets in their localities.

Baseline [2018] 600,000 (EGAP Phase 1)

Target value [2023] at least 1,000,000 (disaggregated by gender and with specific data for Donetsk and Luhansk regions) **ARI GO1**, SDG Target 16.7

- 3) Key Public Finance Management (PFM) indicators as per the Public Expenditure and Financial Accountability (PEFA) framework (to be established following the planned PEFA assessments, disaggregated by indicators and the target sub-national governments).

Baseline [2019] tbd

Target value [2023] tbd (improved)

The decentralisation, local self-government and public administration reforms are supported with legal advice, strategic communications and transfer of Swiss innovations and know-how.

Public authorities at different governance levels are capacitated and equipped with modern tools (including e-governance and e-democracy) to act in a transparent, accountable and efficient manner and to provide high-quality, corruption-free and inclusive public services to citizens.

#### Assumptions:

The government continues to implement decentralisation, local self-government and public administration reforms.

Local self-governments play an active role in advocating for continuing the reform agenda and actively engage in sectoral decentralisation.

Citizens have the knowledge, capacities and instruments to engage in decision-making processes at the national and sub-national levels.

#### Risks:

The reform process slows down or is reversed.

Local self-government associations are politicised and the voice of local self-government is not heard at the national level.

Level of citizen trust in authorities decreases, citizens refuse to engage in any decision-making processes.

### Outcome statement 3

An efficient and accountable public administration system enables rights and meets the needs of citizens, ensures the country's sustainable development and enhances living standards for citizens providing them with high-quality services.

(Source: Passport of Public Administration Reform, According to CMU Resolution of December 18, 2018 1102.)

#### Indicators:

- 1) Extent to which the legal framework for administrative territorial structure is enforced and regional and sub-regional level is reformed.

Baseline (2018) Legislation regulating the reform of the basic level of local self-government.

Target value (2021) Amendments to the Constitution and Law on Administrative Setup are adopted. Sub-regional modelling is available for each region.

- 2) % of citizens living in capable communities.

Baseline (2018) 70%

Target (2023) 100%

Source: CMU Programme 2019

- 3) Extent to which the position of Ukraine in global rankings improves.

Baseline (2018)  
Transparency International Corruption Perception Index: Rank 120, Score 32  
E-Government Development Index: Rank 82, Value 0, 6165  
E-Participation Index: Rank 75, Value 0,6854

Target value (2021)  
Transparency International Corruption Perception Index: Rank 50, Score tbd  
E-Government Development Index: improves  
E-Participation Index: improves

- 4) Share of local budgets in the consolidated budget of Ukraine.

Baseline (2018) 51,5%

Target value (2023) tbd (improved)

15 Socially unprotected people, low mobility groups, the elderly, single parents with children, and IDPs.

#### **(4) Lines of intervention (Swiss Programme)**

##### **Outcome 1: (HSD)**

Contribute to the resolution of the conflict in eastern Ukraine by involving key actors.

Support dialogue activities to increase trust, address and resolve specific issues.

Contribute to the implementation of the peace process with specific expertise, as well as to multilateral missions and international monitoring mechanisms with a focus on OSCE activities.

##### **Outcome 2: (HSD and SDC HA)**

Support local and international human rights and humanitarian law monitoring organisations and contribute to capacity building and efforts to guarantee protection and respect of human rights and international humanitarian law.

Support and contribute to capacity building of state institutions in their efforts to address the consequences of the conflict.

Targeted direct emergency assistance to public institutions on both sides of the line of contact.

Financial contributions and targeted expert secondments to humanitarian coordination, emergency relief and protection activities of international and national humanitarian organisations.

##### **Outcome 3: (SDC CEE and SECO)**

Strategic advocacy on and legal support for the decentralisation reform agenda.

Sectoral decentralisation and public services provision (digitalised administrative and social services, education and municipal services).

Sub-national public financial management.

E-governance as a structural component of the public administration reform.

Promotion of civic education.

Strengthening local democratic processes and engaging citizens in local decision-making (public councils, participatory budgeting).

Empowerment of female leaders through "Women in e-governance" and "Women leaders in local self-government" initiatives.

E-democracy tools for more efficient state-citizen relations.

#### **(5) Resources, partnerships (Swiss Programme)**

**HSD** mainly cooperates with the national government and other key stakeholders with regard to the conflict in eastern Ukraine, and with local and international NGOs and international governmental organisations such as OSCE, OHCHR and International Committee of the Red Cross (ICRC).

**SDC's** key partners are the Secretariat of the CMU, Minregion, the Ministry of Education and Science, MinVetTOT, Ministry of Digital Transformation, the Parliamentary Committee on State Building, Local Governance, Regional and Urban Development, Local Self-Government Associations, regional and local authorities and CSOs. Regarding humanitarian aid, Switzerland closely liaises with the UN Office for the Coordination of Humanitarian Affairs (UN OCHA), United Nations High Commissioner for Refugees (UNHCR), United Nations International Children's Emergency Fund (UNICEF), WHO, ICRC and the Ukrainian Protection NGO Donbas SOS.

**SECO** cooperates with the Ministry of Finance, Minregion, regional administrations and local authorities, as well as the EU and the World Bank.

Among the main implementing partners are the Council of Europe, United Nations Development Programme (UNDP), Swiss Resource Centre and Consultancies for Development (Skat), East Europe Foundation, InnovaBridge Foundation, Zurich Institute of Teacher Education, Danish Refugee Council, etc.

#### **(6) Management/performance results, including indicators (Swiss Programme)**

Switzerland will continue its thematic contribution and co-funding of the Donor Board on Decentralization Reform.

Innovative interventions related to e-governance and e-democracy will be further implemented as a structural component of the public administration reform.

Local self-governments, service providers and communities, including those in conflict-affected areas, will be further capacitated to operate effectively and participate in country-wide reform processes.

## Domain 2: Sustainable Cities

**Overall objective:** Accelerate low-carbon economic growth and improve the quality of life for people in urban areas of Ukraine.

**Impact hypothesis:** Through enhanced energy management, stronger local capacities and policy dialogue, selected small and medium-sized cities, including in eastern Ukraine, will prioritise new or rehabilitate old municipal infrastructure, provide affordable low-carbon and economically viable heating services and favour resource-efficient production. Thanks to improved strategic planning and the development of multi-modal mobility systems that consider safe and barrier-free movement, they will also improve public transport and promote user-friendly public spaces, namely for non-motorised mobility. In the long run, this will increase the attractiveness of cities for investors and residents, foster sustainable economic growth and enhance the quality of life in urban areas. Ultimately, Swiss interventions will contribute to polycentric development, as well as to potentially reducing emigration and mitigating climate change.

(1) Swiss portfolio outcomes	(2) Contribution of Swiss programme	(3) Country development/humanitarian outcomes
<p><b>Outcome statement 1</b> Increased availability of affordable low-carbon and economically viable heating services through enhanced municipal energy management and modernisation of infrastructure.</p> <p><b>Indicators</b></p> <p><i>(Note: SECO Standard Indicators. Phrasing will be harmonised with Dispatch 2021-2024, when its monitoring system is finalized):</i></p> <p>Kilowatt hours saved through energy-efficiency measures.</p> <p>Kilowatt hours additionally produced from renewable energy.</p> <p>Greenhouse gas emissions saved or avoided in tonnes CO<sub>2</sub> equivalent.</p> <p>Number of persons/entities undergoing training in municipal energy management and modernisation of infrastructure (gender-disaggregated).</p>	<p>Swiss-supported activities lead to improved energy efficiency and reliability of heating services in Ukrainian cities, which reduces overall demand for imported energy resources, contributing thereby to the country's energy independence and energy security. Reduced energy demand and a more resource-efficient production leads to lower emissions of greenhouse gases and air pollutants associated with combustion of fossil fuels for heating, as well as decreased negative impact on the environment during extraction and transportation of fossil fuels.</p> <p><b>Assumptions:</b></p> <p>Access to finance for large-scale energy efficiency projects in big cities is available</p> <p>Pricing for energy resources will remain close to market (cost coverage) level for all consumers.</p> <p><b>Risks:</b></p> <p>The Ukrainian government reverts to subsidising energy prices for the entire population.</p> <p>Implementation of the adopted energy efficient legislation fails.</p> <p>No or insufficient continuity of policies on national and local levels after elections.</p>	<p><b>Outcome statement 1</b> Reliable supply of heating services to consumers, ensuring energy independence and security of Ukraine; reduction of negative impact on the environment.</p> <p><i>Source: Concept of State Policy in Heating Sector of Ukraine till 2035; CMU Programme 2019</i></p> <p><b>Indicators:</b></p> <p>Share of housing and utilities costs in total household expenditures (average monthly, %) including those covered by state support schemes.</p> <p><i>Baseline (2017): 15.4% including 5.3% financed by state support</i></p> <p><i>Target (2023): decrease</i></p> <p><i>Source: State Statistical Committee "Expenditures and Resources of Households in Ukraine"</i></p> <p>Reducing energy consumption per unit of GDP (primary energy supply in tonnes of oil equivalent /thousand USD ppp 2011)</p> <p><i>Baseline (2017) 0.267</i></p> <p><i>Target (2025): 0.18</i></p> <p><i>Source: Energy Strategy of Ukraine till 2035, State Statistics Committee of Ukraine, Energy Intensity</i></p> <p>Share of renewable energy in primary energy production of Ukraine.</p> <p><i>Baseline (2017) 4.4%</i></p> <p><i>Target (2025): 12%</i></p> <p><i>Source: Energy Strategy of Ukraine till 2035, State Statistics Committee of Ukraine, Renewable Energy Consumption</i></p> <p>Greenhouse gas emissions compared to base 1990 level.</p> <p><i>Baseline (2017) 320 625.82 thousand tonnes CO<sub>2</sub> equivalent or 34.16% of 1990 GHG emissions level</i></p> <p><i>Target (2030): 60% of 1990 GHG emissions level</i></p> <p><i>Source: Ukrainian national determined contribution (NDC), UNFCCC GHG emission inventory data</i></p>



## Outcome statement 2

Municipalities plan their urban development and investments in a more integrated manner, improve their public transport, and promote user-friendly public spaces.

### Indicators

(SECO Standard Indicators. Phrasing will be harmonised with Dispatch 2021-2024, when its monitoring system is finalized):

Number of cities with measures for sustainable urban development, and number of inhabitants benefiting from those measures.

Measures for improving capacity.

Swiss-supported activities enable selected Ukrainian municipalities to develop their cities in a sustainable way. Particular attention is paid to the development of mobility systems which consider needs of pedestrians, low-mobility groups, users of non-motorised transport; and prioritise electric public transport. Overall, it renders mobility in these cities safer and less constrained by barriers. Development of public transport and non-motorised transport increase the mobility and action radius for women (i.e. in view of accessing jobs, services and markets). It also has an effect on reduced fuel consumption and greenhouse gases emissions from mobile sources and contributes significantly to improved air quality and reduced noise levels in Ukrainian cities. Together with promotion of walking, cycling and creation of user-friendly public spaces, these measures have positive effects on public health.

### Assumptions:

Decentralisation of authorities and financing continues.

### Risks:

Lack of access to finance for urban development projects.

No or insufficient continuity of policies on national and local levels.

## Outcome statement 2

Safe for society, environmentally friendly and energy-efficient transport as well as barrier-free mobility.

Source: National Transport Strategy of Ukraine till 2030

### Indicators:

Number of passengers carried by electric municipal public transport (million people).

Baseline (2018): 2409.1 million

Target (2023): continuous increase

Source: State Statistical Committee "Number of passengers carried per mode"

Share of new rolling stock of trams and trolleybuses.

Baseline (2017): 9.06%

Target (2023): continued increase

Source: State Statistical Committee "Transport and telecommunications in Ukraine"

## (4) Lines of intervention (Swiss Programme, non-exhaustive list)

### Outcome 1: energy management

Support development of municipal energy management systems and certification (e.g. European Energy Award).

Facilitate rehabilitation of centralised district heating systems and increase the share of renewable energy sources in heat generation through energy planning and co-financing of infrastructure.

Facilitate deep thermal modernisation of buildings through development of house management market for multi-family buildings sector and assistance to municipalities in rehabilitating public buildings.

Promote resource efficiency in industry and SMEs.

### Outcome 2: integrated urban development and sustainable urban mobility

Support cities in strategic integrated urban development planning and sectoral urban mobility planning.

Promote and support the creation of multi-modal mobility systems and user-friendly public spaces.

Assist in the preparation of and facilitate implementation of prioritised investment projects.

## (5) Resources, partnerships (Swiss Programme)

The main implementing partners are: Ukrainian municipalities in bilateral projects, World Bank Group International Finance Corporation (IFC), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, United Nations Industrial Development Organization (UNIDO), Kreditanstalt für Wiederaufbau (KfW), European Bank for Reconstruction and Development (EBRD), Swiss consultants and local NGOs.

The main national counterparts are Minregion and Ministry for Development of Economy, Trade and Agriculture of Ukraine. The national counterparts participate in project steering committees in order to ensure harmonisation and alignment. Close coordination with other donors working in relevant areas is ensured.

The expected resources for this domain will be about CHF 32 million<sup>16</sup> from SECO (2020-2023).

## (6) Management/performance results, including indicators (Swiss Programme)

The targeted vulnerable groups are: low-mobility people such as parents with strollers, people on wheelchairs, elderly people.

Geographic orientation: continued cooperation with selected secondary cities (oblast centres)

<sup>16</sup> Funding amount is tentative and will be adjusted by SECO.



## Domain 3: SMEs and Competitiveness

**Overall objective:** Facilitate competitive and inclusive growth

**Impact hypothesis:** Improved macro-economic conditions, a modernised regulatory framework, strengthened service providers and sector institutions, and access to inclusive and responsible financial services create a more competitive business environment. Business and job opportunities for Ukrainian SMEs, including SMEs in conflict-affected areas and women entrepreneurs, increase as well as access to higher value markets. Skills tailored to market needs will increase the employability of the labour force, both men and women, and facilitate access to more and decent jobs. Thus, the Ukrainian economy will be more resilient to shocks. The population benefits from competitive and inclusive growth, less inequalities and a better living, which facilitates social cohesion and reduces the need to emigrate.

(1) Swiss portfolio outcomes	(2) Contribution of Swiss Programme	(3) Country development/humanitarian outcomes
<p><b>Outcome statement 1</b></p> <p>The private sector, including SMEs in conflict-affected areas, benefits from new sustainable trade opportunities and a more competitive business environment.</p> <p><b>Indicators (projects' reports):</b></p> <p>Number of improved competition and trade-related policies and regulations.</p> <p>Baseline (2019): 0</p> <p>Target (2023): tbd</p> <p>Number of SMEs using improved services provided by strengthened sector institutions and service providers, incl. business support organisations.</p> <p>Baseline (2018): 3,258</p> <p>Target (2023): tbd</p> <p>Value of organic trade on domestic and export markets, segregated by value chain and destination.</p>	<p>Switzerland contributes to higher value addition, diversification and compliance with international food safety standards in the organic and dairy sector. This supports Ukrainian efforts to continue fostering competitiveness, integrity and traceability along a new range of selected value chains with a strong market orientation for both domestic and exports.</p> <p><b>Assumptions:</b></p> <p>Stable economic growth supported by increase in trade with EU countries, Russia and Asian markets.</p> <p><b>Risks:</b></p> <p>Stagnation of economy. Reduced trade due to shrinking markets and protectionism of trade partners; low competitiveness of local goods.</p>	<p><b>Outcome statement 1</b></p> <p>The competitiveness and market opportunities of private companies are improved (SME Strategy of Ukraine).</p> <p><b>Indicators:</b></p> <p>Financial volume of exports including agricultural commodities.</p> <p>Baseline (2018): USD 47.4 billion</p> <p>Target (2023): doubling</p> <p>Increased share of SMEs production in Ukrainian GDP.</p> <p>Baseline (2019): 16%</p> <p>Target (2023): increase</p> <p>Ukrainian ranking in Ease of Doing Business Index.</p> <p>Baseline (2019): 71</p> <p>Target (2023): top 30</p>
<p><b>Outcome statement 2</b></p> <p>The financial sector benefits from an improved regulatory framework and the private sector, particularly SMEs, has access to more inclusive and responsible services.</p> <p><b>Indicators (projects' reports):</b></p> <p>Lending volume provided to agricultural SMEs via crop receipts.</p> <p>Baseline (2019): USD 257 million</p> <p>Target (2020): USD 520 million</p> <p>Newly-registered users of banking accounts, including newly-registered women users.</p> <p>Baseline (2019): tbd (female/male)</p> <p>Target (2023): +30% (female/male)</p>	<p>Switzerland facilitates strengthening of the financial sector of Ukraine via a better framework for financial institutions including corporate governance practices and improved risk management in banks. Switzerland contributes to developing accessible and qualitative financial services to increase the financial inclusion of population.</p> <p><b>Assumptions:</b></p> <p>Reforms in the financial sector continue, macro-economic stability is maintained (slowing inflation – stable exchange rate).</p> <p><b>Risks:</b></p> <p>Macro-economic situation worsens with accelerating price hikes and depreciation of UAH.</p>	<p><b>Outcome statement 2</b></p> <p>The financial system is more resilient and better able to support economic growth (Strategy of the National Bank of Ukraine).</p> <p><b>Indicators:</b></p> <p>Lending volumes provided by financial institutions to private companies.</p> <p>Baseline (2019): UAH 478 billion</p> <p>Target (2023): increase</p> <p>Level of non-performing loans in the financial sector.</p> <p>Baseline (2019): 50.8%</p> <p>Target (2023): decrease</p> <p>Volume of non-cash transactions in % of GDP.</p> <p>Baseline (2019): tbd</p> <p>Target (2023): tbd</p>

<p><b>Outcome statement 3</b></p> <p>Men and women gain skills tailored to the needs of the market and acquire decent jobs.</p> <p><b>Indicators (projects' reports):</b></p> <p>Number of persons (disaggregated by sex/by region who receive basic education combined with vocational skills development.</p> <p>Baseline (2019): 500</p> <p>Target (2023): 3500</p>	<p>By strengthening service providers, sector institutions and skills development/VET systems, including public private development partnerships (PPDPs), Switzerland supports Ukraine in reaching sustainable results with a stronger focus on employment opportunities.</p> <p><b>Assumptions:</b></p> <p>Employment opportunities grow along with GDP growth rates; the Ukrainian labour market is attractive to companies and potential employees.</p> <p><b>Risks:</b></p> <p>Employment stagnates in response to economic slowdown with increased outmigration. Shadow economy increases giving less incentives for businesses for transparent employment.</p>	<p><b>Outcome statement 3</b></p> <p>Decentralised education and a vocational training system enable people to get new skills demanded by the market and employment is enhanced (VET Strategy of Ukraine, Strategy of Government).</p> <p><b>Indicators:</b></p> <p>Percentage of graduates from professional (vocational and specialized pre-tertiary) education who found employment in Ukraine within 6 months and 1 year after graduation, including according to their occupational field Baseline (2019): tbd</p> <p>Target (2023): increase</p>
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**(4) Lines of intervention (Swiss Programme, non-exhaustive list)**

**Outcome 1**

Support business associations and business service providers.

Improve value chains by strengthening capacities of sector institutions and service providers in the organic and dairy sector.

Create better environment for competition and trade.

Improve quality infrastructure in wood processing.

Promote value added trade in the organic and dairy sector.

Promote regional development via trademarks.

Provide services for a low-carbon and resource efficient private sector.

**Outcome 2**

Facilitate access to finance for farmers (e.g. via crop receipts).

Create better framework for financial institutions with a focus on environmental and social governance practices.

Support availability and quality of financial services to increase financial inclusion of SMEs and the population.

Build capacity of the National Bank of Ukraine.

Support building a solid credit reporting system and digitalisation of financial services.

**Outcome 3**

Strengthen skills of value chain stakeholders in the organic and dairy sector by strengthening sector institutions and service providers.

Provide skills development/VET including through partnerships with the private sector.

Support economic empowerment of women, in particular by supporting women entrepreneurship, women skills development and business associations of SMEs led by women.

Improve public integrity for SMEs and the population by creating e-services and digitalisation of procedures (e.g. the crop receipts register or monitoring of raw milk quality).

Increase the well-being of vulnerable groups through better economic and employment conditions, with a focus on disabled groups in VET.

**(5) Resources, partnerships (Swiss Programme)**

The main implementing partners are: IFC, World Bank, UNDP, UNIDO, IMF, and Swiss/international/local NGOs and international/CH companies.

The main national counterparts are the Ministry for Development of Economy, Trade and Agriculture of Ukraine, the State Food Safety Agency, the National Bank of Ukraine, the Ministry of Education and Science of Ukraine. The national counterparts are invited to chair or participate in project steering committees in order to ensure harmonisation and alignment. Close coordination with other donors and civil society in this sector represented by business associations is assured.

The expected resources for this domain will be CHF 18 million from SECO (2020-2023). Additional resources from SDC will support implementation of PPDPs including in the area of VET.

**(6) Management/performance results, including indicators (Swiss Programme)**

The Swiss Embassy will remain active in four different donor groups in the area of economic development (agriculture, private sector development, financial sector, vocational education) to gather donors around implementation of key state priorities.

The economic portfolio targets the national level, including the conflict-affected areas, with no priority given to certain regions. Still, some interventions like Carpathian trademark will focus on specific locations due to its regional focus

## Domain 4: Health

**Overall objective:** The Ukrainian population, especially people affected by the conflict, enjoys<sup>17</sup> better health.

**Impact hypothesis:** Strengthened leadership of national and local health authorities and enhanced competences and skills of family doctors, nurses and healthcare managers will contribute to improved and more efficient quality services at primary healthcare (PHC) level. Thanks to improved PHC services, complemented by health literacy activities and active community and civil society engagement, the Ukrainian population - in particular men, young adults and children - will adopt healthier lifestyles and better health-seeking behaviour, which will lead to an improved health status and higher life expectancy.

(1) Swiss portfolio outcomes	(2) Contribution of Swiss programme	(3) Country development/humanitarian outcomes
<p><b>Outcome statement 1</b></p> <p>National and local institutions, including in conflict-affected areas, provide more equitable and sustainable access to qualitative and affordable primary healthcare services that are responsive to users' needs, with a focus on disease prevention and health promotion.</p> <p><b>Indicators:</b></p> <p>Existence and application of legal and regulatory framework (for tobacco and alcohol control, salt, sugar and trans-fats intake regulation, physical activity) for reducing main health risk factors with a multi-sectoral approach.</p> <p>Baseline (2019): 0</p> <p>Target (2023): Regulatory framework is in place, new laws developed and implemented, including international norms and global policies.</p> <p>Source: MoH and WHO reports</p> <p>Updated national basic service package for primary healthcare including mental health services and related standards is available, implemented and delivered to the population.</p> <p>Baseline (2019): not updated</p> <p>Target (2023): updates on financing, staffing, referral, staff skills, hardware use, free drugs availability</p> <p>Source: MoH and project reports</p>	<p>Switzerland will offer technical assistance for reforming and improving the Ukrainian PHC system. Special focus will be on upgrading skills and competences of the PHC workforce and healthcare managers through improved performance of the national medical education system, contributing to improved service provision including mental health. Interventions aiming at increasing population awareness, health literacy and engagement with public health institutions will positively contribute to building people's trust in the healthcare system and adopting healthier lifestyles and improved health-seeking behaviour.</p> <p>Both Swiss portfolio outcomes ultimately contribute to an improved health status of the population as stated in the National Health Reform Strategy and National NCDs Action Plan.</p> <p><b>Assumptions:</b></p> <p>The Government of Ukraine is committed to implementing the healthcare reform and the MoH is willing to foster good governance in the health sector.</p> <p>Ukraine adopts structural measures to strengthen the PHC level, to improve working conditions, and to promote the role of family doctors and nurses.</p> <p><b>Risks:</b></p> <p>The healthcare reform agenda is delayed or stopped due to the lack of Government of Ukraine support, MoH leadership, limited financial resources, or people's opposition to reforms.</p>	<p><b>Outcome statement 1</b></p> <p>Health authorities strengthen the public health system, disease prevention and health promotion, improve quality of medical care at all levels, promote family medicine, improve governance in healthcare and strengthen protection of citizens' rights to health. Source: National Health Reform Strategy for Ukraine 2020<sup>18</sup> (paraphrased).</p> <p><b>Indicators:</b></p> <p>Health authorities introduce a coherent health regulatory framework and elaborate and implement new health strategies, programmes, action plans, monitoring and evaluation systems.</p> <p>Baseline (2019): 4 new strategies introduced</p> <p>Target (2023): regulatory framework is in place supporting strategies and action plans implementation.</p> <p>New health care financing mechanisms for primary, secondary and tertiary levels introduced, including financing of health promotion and diseases prevention activities.</p> <p>Baseline (2019): primary health care financing mechanism introduced.</p> <p>Target (2023): new financing mechanisms for specialised care is in place.</p> <p>Percentage of declarations signed with family doctors.</p> <p>Baseline (2019): 68.86 % (29.025 million)</p> <p>Target (2023): increase</p>

<sup>17</sup> According to WHO, "Effective enjoyment" includes: availability, equitable access, affordability, quality, acceptance/satisfaction.

<sup>18</sup> The Strategy is a framework document which sets the context, vision, principles, priorities, objectives and key measures in the Ukrainian healthcare system in the coming period [https://healthsag.org.ua/wp-content/uploads/2015/03/Strategiya\\_Engl\\_for\\_inet.pdf](https://healthsag.org.ua/wp-content/uploads/2015/03/Strategiya_Engl_for_inet.pdf).

## Outcome statement 2

Men and women of all ages in selected regions adopt healthier lifestyles and hold healthcare institutions accountable for delivering quality services.

Indicators (will be disaggregated by sex, age and other relevant criteria whenever data is available):

Number of people (female/male) / % of the population reached through health education sessions for NCDs (cardiovascular diseases, diabetes, cancer, chronic respiratory diseases and mental health), including through school health education, public health education, health literacy and patient education (ARI H2, SDG 3.4, SDG 3.8).

Baseline (2019): 0 %

Target (2023): 50% of population (selected target groups, for e.g. school children, men with risky behavior, which are to be identified by the projects) in pilot oblasts

Source: STEPS-approach, Knowledge, Attitudes, Beliefs and Practices survey (KABP), project reports.

Percentage of population that understands their i) right to quality healthcare, ii) how to access healthcare services including mental health and iii) how to act to maintain good health (female/male).

Baseline (2019): 1) % of population aware of at least two NCDs risk factors; 2) % of population (female/male) regularly visiting family doctor/receiving primary healthcare services (at least one preventive visit per year)

Target (2023): 1) at least 50% of population (female/male); 2) at least 50% of population (female/male)

Source: STEPS, KABP, project reports.

Swiss interventions will be oriented at empowering individuals, including those affected by the conflict, and communities to take more responsibility for their own health, in particular adopting health-seeking behaviour and healthier lifestyles, preventing NCDs and improving mental health including increasing society commitment to hold health authorities accountable for delivering quality and affordable health services.

### Assumptions:

Better health-literate, informed and aware citizens increasingly demand better quality PHC services, are less inclined to give bribes and pay more attention to their own health.

The Government of Ukraine takes responsibility for ensuring appropriate institutional, legal, financial and service arrangements in order to achieve policy objectives - including in the implementation of the National NCDs Action Plan and other legislative acts aimed at reducing NCDs and related risk factors.

### Risks:

Diseases prevention and health promotion are neglected and underfinanced by the Government of Ukraine.

The tobacco, alcohol and fat food lobbies negatively interfere in the plans of the MoH.

## Outcome statement 2

Men and women of all ages become increasingly responsible for their own health; a supportive environment for the prevention of NCDs and the promotion of healthy lifestyle is created and supported by the Government of Ukraine. Source: 2030 National NCDs Action Plan (paraphrased):

### Indicators (to be achieved by 2030):

A one-third reduction in risk of premature mortality from cardiovascular diseases, cancer, diabetes and chronic respiratory diseases.

At least a 10% reduction in harmful use of alcohol.

A 10% reduction in physical inactivity and insufficient physical activity.

A 30% reduction in mean population intake of salt.

A 18.5% relative reduction in prevalence of tobacco use in persons aged 15+ years.

Halt the rise in diabetes and obesity.

A 25% reduction in road traffic accident death rate.

Baseline and target indicators will be identified after WHO STEPS survey finalisation in March 2020.

#### **(4) Lines of interventions (SDC CEE)**

##### **Outcome 1**

Contribute to healthcare policy and NCDs and mental health related regulatory framework development and capacity building of the MoH and related institutions, for e.g. National Public Health Centre, National Mental Health Centre in strategic planning, management, monitoring, evaluation and communication.

Support family doctors', nurses' and healthcare managers' skills and capacity development and increase the efficiency of the PHC system (including in conflict-affected areas).

Upgrade a package of essential healthcare services with a focus on NCDs, including mental health, to be provided at the PHC level and improve the referral system with the other levels of care.

Strengthen cross-sectorial and multi-stakeholder coordination in the health sector.

Promote gender-responsiveness, inclusion and good governance in PHC service provision.

Support the introduction of WHO's "best buys".<sup>19</sup>

##### **Outcome 2**

Build capacities of CSOs active in health promotion and disease prevention, organisations addressing gender-specific health risks/diseases prevention including activities to strengthen civil society engagement in overseeing the performance of the health sector.

Support innovative and effective gender-responsive awareness raising and behavioural change campaigns on NCDs prevention, reduction of related risk factors especially for men and school children, adoption of healthy lifestyles, mental health prevention and management and stigma reduction.

Empower and strengthen the capacities of local communities and their members to take responsibility for health promotion and diseases prevention.

#### **(5) Resources, partnerships**

Budget: CHF 13 million (SDC CEE)

Key counterparts in policy dialogue are the MoH, Ministry of Education and Sciences, Ministry of Social Policy, Ministry of Culture, Youth and Sport, MinVetTOT, National Health Service, National Public Health Centre, National Mental Health Centre, WHO, World Bank, EU, UNDP, UNICEF, GIZ.

The programme is closely aligned with relevant government strategies and action plans such as National Health Reform Strategy 2020, Public Health Development Concept 2020, Mental Health Strategy and Action Plan 2030, National NCDs Action Plan 2030. Switzerland will also provide transfer of know-how through the expertise of Swiss-based organisations such as the University Hospital of Psychiatry Zurich or the Institute of Nursing Sciences of Basel University. Engagement of citizens and CSOs will be strengthened in terms of health promotion, awareness raising, anti-corruption activities and better accountability of health institutions.

Concerning aid modalities, the domain mainly consists of mandate projects.

#### **(6) Management/performance results, including indicators (Swiss Programme)**

Switzerland will co-lead thematic working groups, especially in the field of medical education, NCDs and mental health prevention and management.

The targeted vulnerable groups are: low-mobility groups and those living in remote areas, including the conflict-affected population, people with mental disabilities, elderly population, children and youth experiencing major obstacles to accessing PHC services.

<sup>19</sup> Raised taxes on tobacco and alcohol, enforced bans on tobacco and alcohol advertisement, reduced salt and fat intake in food, promoted healthy diet and physical activity, promoted cervical cancer screening and treatment. See [http://www.who.int/nmh/publications/who\\_bestbuys\\_to\\_prevent\\_ncds.pdf](http://www.who.int/nmh/publications/who_bestbuys_to_prevent_ncds.pdf)

## Management/performance results (valid for all domains)

<p><b><u>Outcome statement 1</u></b></p> <p>The Swiss Cooperation Programme remains relevant to the context</p>	<p><b><u>Indicators</u></b></p> <ul style="list-style-type: none"> <li>• The monitoring system of the Cooperation Programme includes indicators related to the country situation</li> <li>• Analysis of context trends leads to timely adjustments in programmes and projects</li> </ul>
<p><b><u>Outcome statement 2</u></b></p> <p>The Swiss Cooperation Programme contributes to enhance social inclusion in Ukraine</p>	<p><b><u>Indicators</u></b></p> <ul style="list-style-type: none"> <li>• All project documents address targeting of vulnerable groups and are gender-sensitive, and progress in improving social inclusion and gender equality is tracked throughout project implementation</li> <li>• Geographic distribution of Swiss supported interventions is integrated in conflict-sensitive programme management</li> <li>• Relevant information related to Swiss Cooperation Programme and its project portfolio is available to Ukrainian population through appropriate means and channels</li> </ul>
<p><b><u>Outcome statement 3</u></b></p> <p>The Swiss Cooperation Programme promotes synergies and complementarities among priority domains as well as with other partners</p>	<p><b><u>Indicators</u></b></p> <ul style="list-style-type: none"> <li>• Effective tracking and monitoring of synergies within project portfolio</li> <li>• Participation in relevant alignment / coordination mechanisms at national level leads to increased leverage and profile of Swiss Cooperation</li> <li>• Innovations and approaches advocated and piloted through Swiss supported interventions are up taken in national policies and regulations</li> </ul>

# Annex c: Monitoring system

## Objectives and principles

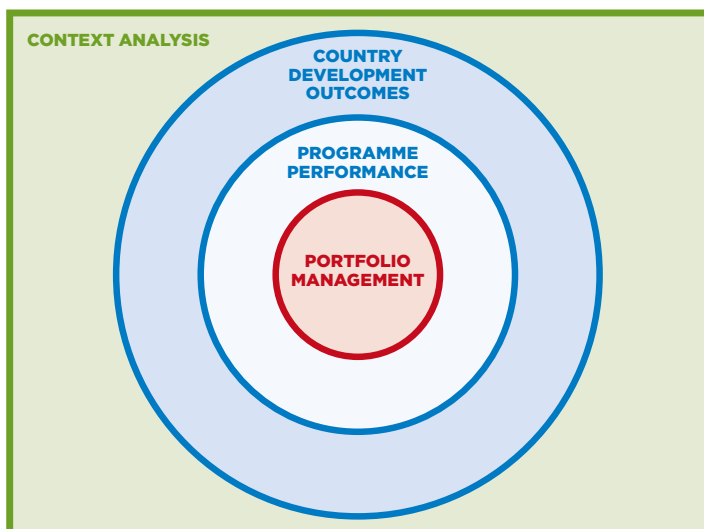
The implementation, monitoring and steering of this cooperation programme is the responsibility of the Swiss Embassy. The monitoring of the programme has a twofold objective:

To monitor the progress towards the set targets, to verify the hypotheses of change and to provide the basis for steering the programme; it is therefore primarily a management tool which helps to optimise the pertinence and effectiveness of the cooperation programme.

To collect the necessary information for the drafting of reports on the results achieved, and on the same time to capitalise on 'lessons learned' and value them in the political dialogue (mutual learning among the involved actors).

## Fields of observation

The monitoring system takes into account three fields of observation:



- Context: monitoring consists in i) following the evolution and reporting on the pertinent political, economic, social, security, and environmental changes at country level; ii) evaluating the consequences of these changes on the programmes; and iii) identifying corrective measures to be taken.
- Development programme (Swiss contribution and country level):
  - Country level: monitoring consists in verifying if i) the partner country is progressing towards the objectives that have been set in the various sectors of the cooperation programme; ii) the set objectives remain accurate or if they need to be revised; iii) the results of the Swiss portfolio and the country results are evolving in a coherent manner (the first being able to influence the second in a significant manner).
  - Swiss cooperation programme: monitoring consists in verifying if i) the portfolio is evolving according to the fixed objectives; ii) if the foreseen contributions to the partner country's objectives remain valid or if they need to be revised.
- Portfolio management: reference is made to the Programme Cycle Management processes which exert a direct influence on the results achieved. This monitoring consists in verifying if the portfolio management is in line with the principles advocated in the cooperation programme and with those defined by SDC, SECO and HSD.



## Main instruments

Dimension	Monitoring area	Instrument	Periodicity
Country context	Overall country context for the Swiss cooperation programme	MERV	Bi-annually : May, October
Development results	Swiss programme outcomes	Monitoring of the cooperation programme	Annually: September – October
	Country development outcomes	Annual report, annual programme and its mid-term review	Annually: October – November, reviewed in May – June
	Transversal themes: good governance, gender equality	Rolling operational planning	Monthly
Portfolio management	CSPM approach	Internal control system annual report	Annually: September
	Swiss Embassy efficiency and compliance	Annex to the annual report: Additional information on cooperation programme management	Annually: October
	Swiss Embassy security	External audit report	Annually: May
		Regular updates of the local security plan	Annually: July, or according to needs

The monitoring of the cooperation programme will be based on the “moments forts” (mid-year review, annual report).

An annual report will be drafted and submitted to the SDC, SECO and HSD’s head offices to inform on the trends and progress made in the three fields of observation (context, development programme, portfolio management). This report concentrates on the indicators defined in the programme (results framework) and summarizes succinctly the development of the context and the portfolio management.

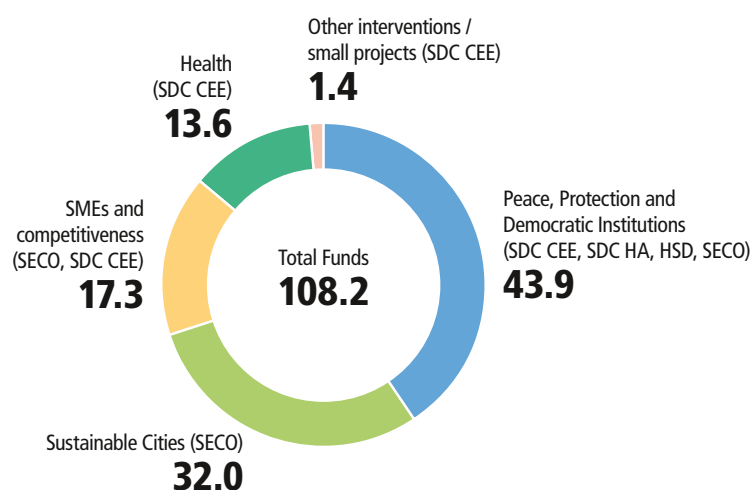
# Annex d: Indicative Budget Allocation

## Swiss Cooperation Programme Ukraine 2020–23

in CHF million, planned yearly average CHF 27 million

Domain of intervention	2020	2021	2022	2023	Total	%
Peace, Protection and Democratic Institutions	9.6	10.9	11.5	12.0	43.9	41%
SDC CEE	4.1	4.4	5.0	5.5	18.9	
SDC HA	3.5	3.5	3.5	3.5	14.0	
HSD	2.0	2.0	2.0	2.0	8.0	
SECO	0.0	1.0	1.0	1.0	3.0	
Sustainable Cities (SECO)	8.0	8.0	8.0	8.0	32.0	30%
SMEs and competitiveness	4.3	4.3	4.3	4.4	17.3	16%
SECO					15.8	
SDC CEE					1.5	
Health (SDC CEE)	3.2	3.3	3.5	3.6	13.6	13%
Other interventions/ small projects (SDC CEE)	0.3	0.3	0.4	0.4	1.4	1%
<b>Total Funds</b>	<b>25.4</b>	<b>26.8</b>	<b>27.7</b>	<b>28.4</b>	<b>108.2*</b>	<b>100%*</b>

\*Based on the rounded figures



## General Overview of Funds by Swiss Federal Offices

	2020	2021	2022	2023	Total	%
SDC CEE (Cooperation with Eastern Europe)	7.90	8.30	9.30	9.90	35.40	33%
SDC HA (Humanitarian Aid)	3.50	3.50	3.50	3.50	14.00	13%
SECO	11.95	12.95	12.95	12.95	50.80	47%
HSD	2.00	2.00	2.00	2.00	8.00	7%
<b>Total Funds</b>	<b>25.35</b>	<b>26.75</b>	<b>27.75</b>	<b>28.35</b>	<b>108.20</b>	<b>100%</b>

The final allocation of funds will depend on the identification of suitable interventions, the absorption capacity as well as the efficiency and effectiveness of the cooperation with the relevant partners in the country. Accordingly, the following information on planned disbursements for the four-year period of this Cooperation Programme is indicative. This information serves merely as a basis for the forward spending plans that are reviewed each year by the Swiss Government. Actual disbursements will depend on various factors, such as the changes in the project portfolio and the framework conditions of the partner country as well as available disbursement credits authorized by the Swiss Government.

# Annex e: Swiss Actors

## Offices of the Swiss Federal Administration contributing to the Cooperation programme Ukraine 2020–23

Federal Department of Foreign Affairs (FDFA)		Federal Department of Economic Affairs, Education and Research (EAER)	
Swiss Agency for Development and Cooperation (SDC)	Directorate of Political Affairs (DP)	State Secretariat for Economic Affairs (SECO)	
<b>Mandates</b>			
<p>The <b>Swiss Agency for Development and Cooperation</b> implements the Federal Council's foreign policy on humanitarian aid, development cooperation and cooperation with Eastern Europe.</p> <p>The SDC, which is the agency for international cooperation of the FDFA aims to contribute to a world without poverty and in peace as well as to sustainable development. It fosters economic self-reliance and state autonomy, contributes to the improvement of production conditions, helps address environmental problems, and ensures better access to education and basic healthcare services.</p>		<p>The <b>Directorate of Political Affairs</b> coordinates the foreign policy of the Swiss Confederation.</p>	
<b>Eurasia Division (EuraD)</b>	<b>Swiss Humanitarian Aid (SHA)</b>	<b>Human Security Division (HSD)</b>	<b>Economic Cooperation and Development (SECO-WE)</b>
The <b>EuraD</b> within SDC CEE aims at supporting partner countries in their transition to democratic market systems.	The mandate of <b>SHA</b> is to save lives and alleviate suffering. Its activities focus on protecting the interests of vulnerable population groups before, during, and after periods of conflict, crises, or natural disasters.	<p>The <b>HSD</b> is responsible for implementing measures for civilian peacebuilding and strengthening human rights throughout the world.</p> <p>The concept of human security focuses on the safety of individual human beings and protecting people against political violence, war and acts of arbitrary violence. It is based on the recognition that peace policy, human rights policy and humanitarian policy are closely interlinked.</p>	<b>SECO-WE</b> is part of SECO. Its mandate is to enable sustainable and inclusive economic growth in its partner countries through economic trade and policy measures.

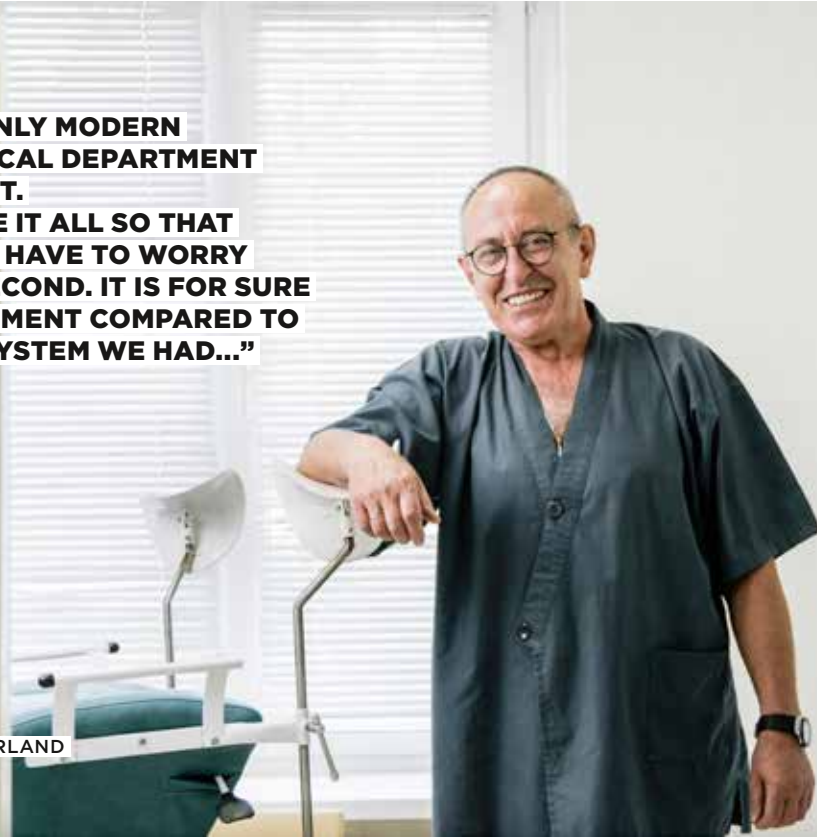
# Annex f: Map



**“THIS IS THE ONLY MODERN  
GYNAECOLOGICAL DEPARTMENT  
IN THE DISTRICT.  
WE HAVE DONE IT ALL SO THAT  
WOMEN DON’T HAVE TO WORRY  
FOR EVEN A SECOND. IT IS FOR SURE  
A BIG IMPROVEMENT COMPARED TO  
THE FORMER SYSTEM WE HAD...”**

Yurii KOTSULIVSKYI

#MADEWITHSWITZERLAND



**“WE JOKE THAT  
OUR EFFORTS TO  
IMPROVE THE  
BUILDING’S LIVING  
CONDITIONS ALSO  
STIMULATE FAMILIES  
TO GET BIGGER!”**

Yevhen YAROVYI

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