



Ukraine Country Strategy Paper 2017 – 2019



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Foreword

Ukraine has been a European battleground for centuries, not least in the 20th Century when its territory was the theatre of some of the bloodiest battles of World War I and World War II. While Ukraine and Russia share a common history and both trace their creation to the Kyivian Rus in the 9th century, Ukraine as a "nation" only emerged in the second half of the 18th century. For much of the 18th and 19th century the territory of modern Ukraine was divided at different times betwen Central and Eastern European powers – Tsarist Russia, Kingdom of Poland, the Ottoman Empire and the Austro-Hungarian Empire. Ukraine's modern borders gradually emerged as part of the Soviet Union over the course of 1919-45. Ukraine gained independence in 1991 following the collapse of the USSR, but maintained a socio-cultural and economic divide that reflects its complex history, with the Eastern part of the country seeing itself more in tune with Russia and the Western part looking towards Europe. Over the course of its quarter century of independence, Ukraine continued to be torn by these two identities alternating periods of pro-Eastern and pro-Western governments, culminating in the Maidan uprising in 2014 which led to the Russian occupation of Crimea and a separatist conflict in the eastern Donbas region of Ukraine.

Ukraine is now the home of the only conflict in Europe, the field of geo-political competition reaching far beyond national dynamics and divisions. Despite the stabilization of the frontline following the Minsk II agreements in February 2015, less than a three-hour flight away from Berlin and 1,300km from the border of the European Union, over 1.6 million are still displaced¹, 3.8 million people are in need of assistance² of whom approximately 700,000 live in areas that suffer daily shelling, mortar or small arms fire.

While the conflict undoubtedly is a major challenge facing the country, Ukraine also has to grapple with a slow-moving economy, a decaying industrial base, a mistrusted political system and an outdated territorial and service delivery organization. Despite these constraints, there are also immense opportunities for sustainable socio-economic development — a huge agricultural potential, a vibrant civil society, significant EU public and private investment, a dynamic digital economy, a promising decentralization framework and ambitious transparency programmes to name just a few.

The aim of ACTED's strategy for the next few years is, not only to continue to respond to the humanitarian needs and inform the humanitarian community (Pillar 1), but also to harness Ukraine's economic potential (Pillar 3) and to accompany local government reform for a more inclusive and accountable governance and better local service delivery (Pillar 2). To achieve our objectives, we will draw on our 25-year global experience, particularly in the post-Soviet world; we will innovate; we will invest in the people; and we will work with all forces – communities, civil society, local and national government levels, international NGOs, the UN system and donors – to contribute to the alleviating of the suffering of conflict-affected population and to the building of a prosperious future for Ukraine and its people.

Schastian Lambraschini

Sebastien Lambroschini ACTED Ukraine Country Director

¹ Ministry of Social Policy, February 2017.

² Humanitarian Response Plan, 2017.



Section 1.
About ACTED



Background

Founded in 1994, ACTED is a non-governmental organization with headquarters in Paris, France. Independent, private and not-for-profit, ACTED respects a **strict neutrality** and **impartiality** in its decisions, and operates according to non-discrimination and transparency principles.

ACTED endeavors to respond to humanitarian crises and build



resilience; promote inclusive and sustainable growth; coconstruct effective governance and support the building of civil society worldwide by investing in people and their potential.

With a budget of 200 million EUR in 2016, ACTED is active in almost 40 countries and implements more than 460 projects a year. With 300 international staff and 4,300 national staff, ACTED's project reach over 11 million beneficiaries.

Our Mission

We go the last mile: ACTED's mission is to save lives and support people in meeting their needs in hard to reach areas. ACTED develops and implements programs that target the most vulnerable amongst populations that have suffered from conflict, natural disaster, or socio-economic hardship. ACTED's approach looks beyond the immediate emergency towards opportunities for longer term livelihoods reconstruction and sustainable development.







An International Network to Influence

ACTED's representative and regional offices in Paris, Kyiv, Geneva, Washington DC, Dakar, Nairobi, Amman, Delhi, Bangkok and Melbourne are transmitting our field operations and experiences to international humanitarian institutions and our donors. Through these offices, we also monitor progress towards the Sustainable Development Goals (SDGs) and participate in dialogue and consultations on key humanitarian and development initiatives.

ACTED is committed to the **Triple Zero objective**; Zero Exclusion, Zero Carbon, Zero Povery. Merging the vision of the SDGs and the Paris Climate agreement, ACTED strives to think and act together to respond to the clearly paradoxical duty we have of achieving both a world without poverty and a world without carbon.

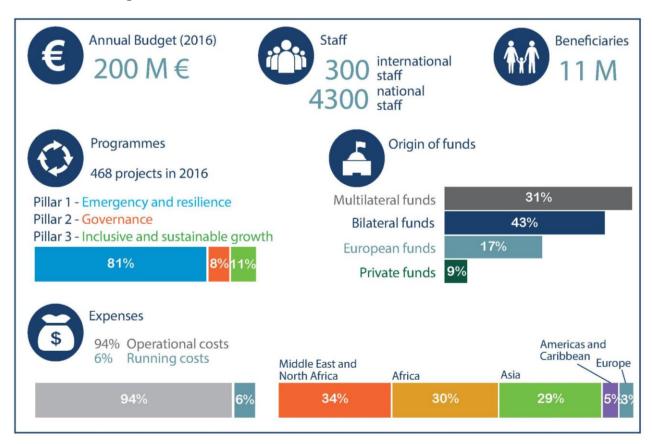
Our Tagline

Act for Change I Invest in Potential

International Partnerships

ACTED strives to **share experience and expertise with other actors** working in development cooperation and sharing common values. As such, ACTED is a member of important humanitarian partnerships and networks such as Alliance2015, the Core Humanitarian Standards (CHS), InterAction, International Council of the Humanitarian Agencies (ICVA), Voluntary Organisations in Cooperation in Emergencies (VOICE), CoordinationSud (France) and the Cash Learning Partnership (CaLP).

ACTED in Figures (2016)





Section 2. Ukraine Country Profile



Political Situation

Ukraine gained independence in 1991 after the collapse of the Soviet Union and became a semi-presidential, multi-party republic. Following the pro-European protests that started at the end of 2013, former President Yanukovych fled the country in February 2014 and a new government was formed. After early presidential elections were held, bringin President Poroshenko into office, the economic part of the Association Agreement with the EU was signed in June 2014. Regional tensions intensified as Russia annexed Crimea in March 2014, while an armed conflict broke out in April 2014 in eastern Ukraine leading to the self-proclamation of the *de facto* Donetsk and Luhansk "People's Republics" (DPR and LPR). While ceasefires known as the Minsk Protocols I and II were signed in September 2014 and February 2015 respectively, hundreds of violations occur along the contact line separating the Government Controlled Areas (GCA) and the Non-Government Controlled Areas (NGCA), as monitored by the OSCE Special

Monitoring Mission. Tensions have recently increased with the seizure of both private and public economic assets in NGCA and a coal-import blockade on the GCA side by Ukrainian activists leading to a trade ban announced by the President in March 2017. A draft law is currently being debated in Kyiv to regulate the temporarily occupied territories. The main challenges facing the current Government are restoring peace in Donetsk and Luhansk, achieving macroeconomic stability, economic growth and reducing corruption.



Humanitarian Needs Overview

Despite several ceasefires, the situation remains volatile as periods of relative calm are followed by flare-ups in violence such as in Avdiivka in February 2017. As of 2017, over 10,000 people have been killed including 2,000 civilians, 4.4 million people have been affected by the conflict, 3.8 million people of which 70% are women, children and elderly are in need of humanitarian assistance and 1.7 million people are registered as internally displaced persons (IDPs).

Since the July 2015 decision of the *de facto* authorities of DPR and LPR to require humanitarian organisations to register, access to NGCA has been highly restricted with only a few organisations operating under strict conditions. Humanitarian operations along the line of contact (LoC) in GCA are unrestricted but are exposed to the inherent risks deriving from the ongoing conflict. Crossing the LoC is very difficult as affected population faces risks at crossings such as harassment or mines significantly restricting their freedom of movement.

According to the 2017 Humanitarian Needs Overview 2.9 million people require protection support. Notably, in 2016, 200,000 people returned to their place of origin in the NGCA to potentially hostile areas, due to rising costs of living in GCA. Social benefits are now linked with IDP status leaving many with significant difficulty accessing pensions which represent the main source of income for 38% and 60% of families affected by the conflict in GCA and NGCA respectively. Around half of the affected population has no access to psychosocial support. IDP women and adolescent girls are at greater risk of gender-based violence than non-IDPs, conflict-related sexual violence in detention has been reported, and there are high risks of trafficking, exploitation and resorting to harmful coping strategies. Children are a particularly vulnerable group and face specific protection needs.

Access to basic services, in particular health, is restricted for every third household in the conflict area and services are severely disrupted due to the lack of professionals and the high prices of medicines,





particularly in NGCA. It is estimated that 4 in 10 cases of tuberculosis and 1 in 2 cases of HIV are not being detected. Elderly populations are especially vulnerable when their healthcare needs for non-communicable diseases are not being met; indeed 1.1 million elderly are chronically ill.

Due to the conflict and loss of access to markets, the major employers of Donetsk and Luhansk in the industrial, mining and agricultural sectors have downsized or closed, leading to high unemployment rates (38% for IDPs and 15% in

Donetsk, 17% in Luhansk compared to 10% nationally). 1.1 million people are food insecure, with needs increasing as temperatures drop in the winter. Additionally, loss of livelihoods, depletion of savings and restricted access to pensions have led 61% of IDPs to reduce expenses such as education and health to afford basic needs, highlighting the need for cash assistance to IDPs as well as host communities who are unable to meet the Survival Minimum Expenditure Basket to cover food, housing, medical and educational costs. In terms of shelter, needs remain along the LoC: in NGCA 1 in 10 households lives in damaged accommodation and in GCA about 25,000 households need shelter assistance. Access to heating in winter has proved problematic for many as they might not be able to pay utility bills. Moreover, 4.1 million people are at risk of water shortages and 1 in 6 households in NGCA faces daily disruptions as critical infrastructure has been damaged by the conflict. 740 schools have been damaged and in 68% of the schools in Donetsk and Luhansk, student's ability to learn and their well-being has been affected.

Economic Situation

Ukraine's economy is mainly based on agricultural and industrial activity and is highly export-oriented. Since 2013, the economy has been in recession; in 2015 GDP contracted by 9.8% mostly due to low external demand and the ongoing conflict. A hesitant recover of 2.3% was recorded in 2016. Inflation rates have been rising since the beginning of the conflict to up to 49% in 2015, stabilizing slightly in 2016 at 15%. The conflict-affected regions are major industrial centres and account for 16% of the country's GDP. The areas outside of government control account for 6% of GDP. The main sources of income in these regions are employment in the steel, coal and agricultural sectors, in addition to pensions. Moreover, as of 2015, the output of SMEs in Donbas has dropped by 80-90% due to impacts associated with the conflict.

The economic recovery needs in eastern Ukraine are estimated at USD 135 million. A major economic development opportunity in Ukraine is the IT sector as software outsourcing exports have been growing at double digit rates. The contribution of the IT sector to the Ukrainian GDP tripled from 2011 to 2015.

Social Situation

With a life expectancy of 71 years, 15 expected years of schooling and a gross national income per capita of USD 8,178, Ukraine ranks 81 out of 188 countries in the UN Human Development Index. However, only 3 Millennium Development Goals have been achieved during the 2000-2015 period; namely achieving universal primary education, reducing child mortality and improving maternal health. Progress has been made on targets related to combatting HIV/AIDS and tuberculosis and ensuring environmental sustainability, while improvements remain to be made in reducing poverty and promoting gender equality and women empowerment.

In the wake of the conflict, demographic situation in the eastern part of the country has changed drastically. Data shows massive out-migration of youth and working age population for social, cultural and economic opportunities elsewhere. For example, estimates for Kramatorsk's demographic profile suggest only 15% of population under the age of 35. Unless this trend is reversed with improved livelihood opportunities, the region might become dependend on an older, more vulnerable population that is more difficult to re-employ in any emergent industry after the conflict.



Environmental Situation

Ukraine is one of the countries in Europe with the largest natural and resource capital. Althought it has made some progress in increasing the protection of forests and natural reserves, it is also one of the most polluted countries on the continent with 70% of surface water no longer drinkable and 4 million tonnes of pollutants released in the air annually. Moreover, it is considered one of the least energy-efficient countries in the world. There is also a threat of imminent environmental disaster as the conflict is being fought near chemical and industrial plants.

National Development Strategies

The Government is currently implementing the 2015-2020 Sustainable Development Strategy comprising of 62 reforms, including 8 priority reforms (in the governance, judicial, rule of law, defence, security, health, entrepreneurship and fiscal sectors) and 2 State Programs on energy independence and promotion of Ukraine. National consultations on the UN Sustainable Development Goals identified as main priorities sustainable economic growth, poverty reduction, sustainable industrialisation, health, well-being and inclusive institutions.



Since 2011, the Government of Ukraine is a member of the Open Government Partnership and has thus committed to strengthening democracy and civil society participation. The Government is implementing its third Action plan which emphasises the ongoing decentralization process.

The 2020 Donetsk Region Development Strategy includes objectives on economic development, local governance, human development and security. The Government action plan for the NGCA targets the following

sectors: corruption, economy, social services and protection, culture, education, media freedom and health. However, it does not specify how the Government will operate in areas where it has no control.

Outlook for the Next 3-5 Years

As the situation in eastern Ukraine remains highly volative, so too is any attempt to outline future developmental trends for the country. Nonetheless, the most likely outlook is continued low-intensity conflict with sporadic increases in violence, protracted humanitarian needs and no possibility for sustainable development in areas of high concern along the contact line. Unstable coalition Government is expected to remain the norm, while economic and social stress will continue in the short-term as a result of macro-economic and governance reforms.

To ensure the future stability and prosperity of the Donbas region after three years of conflict, humanitarian actors will need to concentrate on recovery and development-oriented support to build on their ongoing humanitarian response activities; an objective that is increasingly being recognized also among donors. Furthermore, humanitarian actors will have to acknowledge the distinctive nature of recovery and development operations in the Donbas region due to the high number of IDPs as nearly 60% of IDPs have remained in Donetsk and Luhansk oblast; the paralyzed nature of economic activity in the industrial heartland and among the small and medium business; disruption of transportation, infrastructure and service delivery; demographic distortions and loss of human capital as youth and working age adults leave the region for economic opportunities elsewhere; etc. Consequently, economic development and growth in the Donbas region will require an economic transformation, not simply a return to the status quo ante.



Section 3.

ACTED in Ukraine



Joining Forces

In early 2015, ACTED and IMPACT, a Switzerland-based non-governmental organisation, partnered to launch the REACH Initiative in Ukraine. The Initiative aims at facilitating the development of information tools and products that enhance the humanitarian community's decision-making and planning capacity and improve the effectiveness of the humanitarian response.

In 2015, in partnership with the Ukraine Shelter Cluster, ACTED/REACH provided a detailed baseline needs assessment of the displaced population (especially in terms of shelter and non-food items), which identified areas of priority needs, informed targeted planning by humanitarian actors and allowed for the monitoring of ongoing humanitarian response. ACTED/REACH also extended support to the Ukraine WASH Cluster, in partnership with UNICEF, to conduct a rapid baseline assessment of education, health and WASH services across government and non-government controlled areas of eastern Ukraine. The assessment was designed to bridge information gaps by providing up-to-date facility and community-specific data on the provision of multi-sector services. This helped aid actors to identify key spatial and sectoral constraints, gaps and needs for a geographically tailored response in support of service delivery.

In 2016, REACH, on behalf of the

Ukraine Humanitarian Country Team (HCT), conducted an Inter-Agency Vulnerability Assessment (IAVA) in eastern Ukraine, evaluating the humanitarian needs of internally displaced persons and host communities in the government controlled areas. An analogous assessment, the Multi-Sectoral Needs Assessment, was carried out in the non-governement controlled areas. These assessments provided a snapshot of the challenges faced by thousands of

Geographical areas of ACTED/REACH operations



households in the two eastern oblasts (regions) affected by the conflict. Furthermore, the substantial datasets gained during these assessments were extensively used by the humanitarian actors in their 2017 response programming cycle, acting as a key source of information for the Humanitarian Needs Overview and Humanitarian Response Plan for Ukraine. ACTED/REACH also established an "Information Management Hub" in Sloviansk (Donetsk oblast), dedicated to building the capacity of international and local NGOs in geographic information systems, data collection, analysis and data visualisation.

ACTED in Ukraine intends to continue building on its global expertise in emergency response, local governance and economic growth as well as its experience in post-Soviet countries. The programmatic strategy will also leverage ACTED and IMPACT's recognized in-courty expertise in high-quality and widely used assessments, information management, track record in the 5 most conflict-affected regions of eastern Ukraine and their strong existing partnerships.

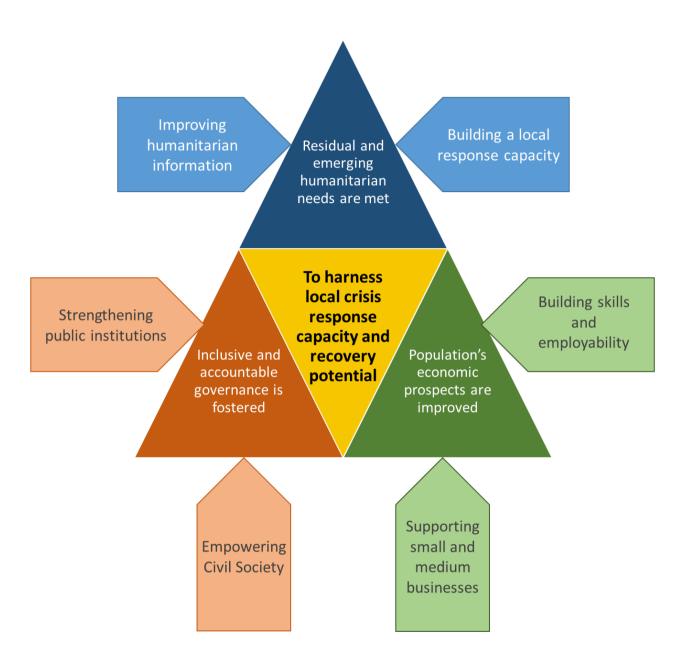
ACTED and IMPACT will further develop their presence and assistance in Ukraine to respond to humanitarian, recovery and development needs and promote a more inclusive and accountable society where citizens have full access to quality basic services, economic opportunities and channels to voice their priorities.



Section 4. ACTED Ukraine Program Strategy 2017 - 2019



Program Strategy Overview



Cross-cutting principles

- Do no harm principle;
- Environmental protection;
- Inclusiveness;
- Women empowerement.



Program Pillar 1: Meeting Residual and Emerging Humanitarian Needs

Rationale

Despite renewed ceasefires, the conflict in eastern Ukraine is still ongoing with regular surges in violence leading to population displacements and surges in humanitarian needs along the contact line. Humanitarian needs remain in Government Controlled Areas (GCA) and Non-Government Controlled Areas (NGCA), in the sectors of WASH, shelter, protection, food security, livelihoods, education and health. Access restrictions in the NGCA leave a large part population without humanitarian assistance. On both sides of the line of contact. the medium and longer-term consequences of the conflict are a growing income gap, reduced access to quality basic services, resorting to negative coping strategies, inability to build sustainable livelihoods and in the long run weakened human capital. Additionally, there is an imminent environmental disaster threat as the conflict is being fought near chemical and industrial plants. Moreover, in a context of



decreasing humanitarian funding, the number of humanitarian actors is reducing, creating gaps in the humanitarian response, including in information management and needs assessments.

OUR IMPACT STATEMENT

Conflict-affected populations receive evidence-based humanitarian assistance based on principles of impartiality and non-discrimination to uphold their right to life with dignity.

1.1. Humanitarian information management and assessments

Approach

Accurate and quality information and data on humanitarian needs and risks is a challenge faced by most humanitarian organisations, including in Ukraine. In the framework of the REACH Initiative, ACTED and its partner IMPACT will conduct rigorous and representative needs and vulnerability assessments to document and analyse the main challenges faced by displaced and host populations in the 5 most affected oblasts with a focus on the Areas of High Concern along the contact line. This data and analysis will be a key source of information for planning and programming of the humanitarian response by relevant actors.

Key Activities

- Conduct follow-up Inter-Agency Vulnerability (GCA) and Multi-Sectoral Needs (NGCA)
 Assessments;
- Complete a detailed Area-Based Assessment (ABA) in areas of high humanitarian concern along the Line of Contact to identify residual humanitarian needs and gaps in basic service delivery;
- Support cluster and inter-agency working group information management and analysis (e.g. market monitoring; shelter damage mapping; food security trends; etc.);
- Continue building local humanitarian assessment and information management capacity for both local authorities and civil society groups (IM Hubs);
- Conduct an environmental risks assessment to map potential conflict-induced health and environmental hazards and inform contingency planning exercices.



Innovation

This program area will innovate by making use of geographic information systems (GIS) modelling and webmaps, conducting assessments that combine primary data collection, the use of innovative methodologies, and consolidating an online referral system known as "Alert Map" where humanitarian partners can report needs and associated responses.

Partnership Strategy

The assessments will build on partnerships formed in 2015-16. Notably, ACTED will continue its work to support clusters, the Cash Working Group and in consortium with local and international civil society actors. With the expected dismantling of the humanitarian architecture, we will strengthen our partnerships and cooperation with local authorities and national state actors such as the Ministry of Emergency Services and the Ministry of Temporarily Occupied Territories and IDPs.

1.2. Rapid humanitarian assessment and response

Approach

In the context of the foreseen dismantling of the humanitarian architecture and United Nations-led cluster system, and considering the protracted nature of the conflict with continuing sporadic violence inducing displacement and related humanitarian needs, ACTED will promote the creation of a multistakeholder Mechanism, led by local authorities, which can plan for, rapidly assess and respond to multi-sectoral needs in the Areas of High Concern along the Line of Contact.



Key Activities

- Promote and establish Rapid Assessment/Response Mechanism at local government level;
- Support local authorities and the State Emergency Services in creating and updating contingency and preparedness plans;
- Undertake rapid humanitarian assessments;
- Empower local authorities to coordinate humanitarian response;
- Respond to humanitarian needs through cash based interventions.

Innovation

Under this program area, ACTED and its partners will seek to establish a cost-efficient and effective response mechanism, capitalizing on resources and capacities of local authorities, that can continue assessing and responding to humanitarian needs in a coordinated way following the demobilization of the humanitarian architecture.

Partnership Strategy

ACTED, in consortium with Alliance 2015 partner People in Need, Action Against Hunger, as well as Medecins du Monde (Doctors of the World) and IMPACT will build on pooled technical resources in the fields of needs assessments, health and psychosocial support, cash assistance, WASH, food security, livelihoods, protection, mainstreaming and advocacy to provide a multi-sectoral and full geographic coverage to humanitarian needs in the conflict-affected areas. Moreover, ACTED will work with the State Emergency Service, local authorities at Oblast and Raion level and the Ministry of Temporarily Occupied Territories and Internally Displaced Persons to build government assessment, planning, information management and response capacity.



Program Pillar 2: Fostering More Accountable and Inclusive Governance at the Local Level

Rationale

The decentralisation reform process that started in 2014 aims at, among others, merging fragmented settlements into amalgamated local governance units or *hromadas*; this process entails the re-organisation of health and education services with the objective to improve their quality and cost-effectiveness. However, the decentralisation and local development planning processes need strengthening as the newly formed *hromadas* lack the necessary capacity to effectively perfrom their new responsibilities negatively impacting the quality of services. Indeed, local authorities at the *hromada* level tend to demonstrate low levels of accountability, transparency, inclusion and responsiveness to the demands of the civil society. Due to lack of participation in decision-making and general mistrust among stakeholders, the civil society's priorities are not sufficiently taken into account contradicting the government's commitment under the Open Government Partnership. In addition, delays in transfers from central government combined with weak local resource mobilisation may lead to poor quality service delivery. Special attention needs to be given to the Donbas where the decentralization process has been slowed by the conflict. Moreover, local authorities in Donbas were unable to take advantage of fiscal decentralization resulting in large development budget being unspent.

OUR IMPACT STATEMENT

People benefit from high quality basic services provided by accountable, transparent and inclusive public institutions that are responsive to citizens' claims for their rights

2.1. Co-constructing effective public institutions

Approach

ACTED's conceptual approach to effective governance is based upon an empowered, pluralistic civil society, social cohesion as well as effective and responsive public institutions. ACTED will empower newly formed *hromadas* across the country to respond to citizens' demands and promote inclusive and sustainable local development in line with the decentralisation process. ACTED will build local authorities' capacity to mobilise resources and implement their mandate in an accountable manner based on "open government" principles. As alternative to large-scale infrastructure projects, small scale improvements to selected basic social and administrative services (clinics, schools, administrative and social service centers) will be prioritised as they provide tangible results of the reforms and build local authorities' legitimacy.

Key Activities

- Build local authorities' capacity on their new responsibilities, participatory planning & budgeting;
- Facilitate knowledge transfer from line ministries to local authorities (e.g. peer-to-peer exchanges);
- Promote open government principles and joint planning between local authorities and civil society;
- Support the formulation of local service delivery improvement plans;
- Basic services mapping;
- Promote and support authorities in developing a business-friendly environment.

Innovation

ACTED, and its partner IMPACT's initiative AGORA, will promote the understanding and use of settlements approaches for the coordination, planning and delivery of aid and public services. We will support all activities with data visualisation tools, webmaps of basic service catchment areas, and will create easily accessible and updated factsheets on services.

Partnership Strategy

ACTED will build partnerships with local authorities, Offices for Reform at the Oblast level, the Ministry of Regional Development, the All-Ukrainian Association of Village and Settlement Councils, the Association of Mayors, the Raion Councils, and other local stakeholders involved in the decentralization process.



2.2. Promoting pluralistic and empowered civil society

Approach

Civil society has an important role to play in Ukraine to advocate and influence local priorities based on citizens' demands and rights. In the past, Civil Society has often not been included by authorities in local planning and decision-making processes. The decentralization process and the rise of a vocal civil society at national level provide an opportunity for civil society to play a stronger role at the local level. Civil society organisations' (CSOs) participation will be fostered to contribute to the definition and implementation of local development and basic services reorganisation plans, and hold local authorities accountable by assessing delivery performance and identifying gaps.

Key Activities

- Strengthen institutional capacity based on ACTED's Grassroots Organization Capacity Assessment methodology;
- Build civil society capacity on understanding the different levels of government responsibilities, promote and introduce social accountability tools to local authorities;
- Support local civil society platform or networks;
- Support minimum quality standards and certification for CSOs' service delivery.

Innovation

ACTED will seek to support national civil society platforms to establish a certification system and minimum standards for CSOs; support CSOs crowd-fund, and organise match-making events with the 3Zero Global Alliance (www.3zero.org) linking private, public and solidarity sectors to support sustainable development. ACTED's Grassroots Organization Capacity Assessment (GOCA) methodology will be used to identify capacity building needs in all aspects of CSO work, plan technical and tailored support



interventions, and monitor and evaluate the impact of capacity building support through performance rating and peer reviews.

Partnership Strategy

ACTED will partner with local CSOs, CSOs platforms and networks, the Renaissance Foundation and other civil-society strengthening initiatives.



Program Pillar 3: Improving Economic Opportunities for Vulnerable Populations

Rationale

In addition to the direct consequences of the conflict on the economy and employment, a restrictive regulatory business environment, an industry-based economy and a weak financial sector limiting access to capital are the main constraints facing the development of modern and growing businesses in Ukraine. On the labour supply side, the market is characterised by a high degree of skills mismatch as Universities struggle to provide market-relevant skills, while technical vocations and public vocational training centres (PTU) chronically lack funding, are decreasing in number and their curriculum are industry-focused and may not be adapted to the demands of the market for proximity services and IT skills which have a high potential in Ukraine. Indeed, the majority of employers in conflict-affected and IDP hosting regions find it difficult to recruit employees with the relevant skill-set.

OUR IMPACT STATEMENT

The proportion of people who are not able to meet their basic needs and unemployement levels are reduced through greater income security.

3.1. Building skills and employability

Approach

Inclusive growth which advances equitable opportunities for economic participants and promotes social justice is a key feature of ACTED's global approach. ACTED will support the labour supply side in Ukraine's conflict-affected and IDP hosting regions by promoting the development of the most in-demand skills identified through a statistically reliable and comprehensive labour market analysis. ACTED will support vocational training providers to adapt their curriculum to the needs of the market and facilitate access to skills-building opportunities to those who cannot afford it. Information on the labour market and job opportunities will be made more accessible through job centres and other relevant platforms. ACTED's activities will expose and train youth for employment in emergent professions in the Donbas region, and link them to employment or business opportunities to contribute to the reversal of youth out-migration.

Key Activities

- Conduct labour market analysis;
- Assess and review the capacity and relevance of vocational training providers;
- Support access to market relevant short-term training and re-training courses notably in the IT sector in large/medium size cities and proximity services (e.g. plumbing, electricians, shoe repair) in rural and peri-urban areas;
- Provide life skills trainings and career counselling, promote vocational/technical carreers and apprenticeships;
- Increase access to information on job opportunities linking job search websites and job centres.

Innovation

ACTED will support the expansion of access to IT training services, especially in midsize towns where the IT potential is yet untapped, the linkages between job search websites and online training platforms with labour centres and will support the organization of job fairs. ACTED will also facilitate the development and piloting of new/updated TVET training courses that reflect market needs with vocational training providers.

Partnership Strategy

ACTED will engage with local Chambers of Commerce, the Ministry of Education, Local authorities, vocational training providers (public, private and non-profit), IT companies and universities.



3.2. Small and medium business support

Approach

In the conflict-affected and IDP hosting regions, ACTED will support an enabling regulatory and legal environment for micro, small and medium sized businesses. As the large enterprises in the Donbas have mostly closed down, the importance of SMEs as drivers of economic recovery has been highlighted. The design of any business support will be based on a thorough market assessment. ACTED will strive to ensure that businesses are able to adapt to the changing demands of the markets, that existing and prospective entrepreuneurs have access to business advisory and training services. ACTED wil also explore avenues to facilitate access to financial capital.

Key Activities

- Build business management skills (team work and management, market analysis, etc.);
- Promote a safe and dignified work environment;
- Support businesses in articulating regulatory barriers and constraints and advocating for an enabling regulatory environment;
- Improve access to financial capital (through grants, the provision of reliable information on financial services, and by promoting SME-friendly financial products);
- Support business advisory services.

Innovation

ACTED will promote a public-private partnership platform approach and regional promotion fairs. Morevoer, ACTED will partner with the <u>3Zero</u> Global Alliance (www.3zero.org) that links private, public and solidarity sectors to support sustainable development, and hosts annual global forums to debate and innovate for a "Zero exclusion, Zero carbon, Zero poverty" world. Match-making events will be organised

with potential investors where entrepreneurs will have the opportunity to present their innovations, including in the green economy sector.

Partnership Strategy

To achieve these objectives, ACTED will partner with financial institutions, local Chambers of Commerce, corporate responsibility actors, and investors identified through the 3Zero Global Alliance.





