

## **Municipal Governance and Sustainable Development Programme**

### **(Phase III: “Municipal Governance and Community Empowerment”)**

Under the framework of Local Development Programme, the Municipal Governance and Community Empowerment Programme (MGCEP) will continue implementation of social mobilisation approach to promote political participation of the local community (of citizens, academia, small businesses and NGOs) in the decision-making process in urban Ukraine. To this end, capacity of the local communities will be built in participatory planning, management, implementation, monitoring of development initiatives and sustainability of communal services. The Programme will also render support to government bodies at local, regional and national level; universities and municipal associations for strengthening and internalization of the approach for the longer term impact.

This objective will be achieved under the framework of public-private-partnership involving (i) decentralized institutional arrangements to strengthen participatory governance, citizen-based sustainable local development; (ii) strengthening of national/local institutional capacity to improve access to information, strategic planning systems and human resource development; (iii) introduction of legislative and policy frameworks on participatory governance for sustainable development; (iv) promoting energy efficiency and protection of the environment; (v) supporting expansion of opportunity for gainful employment, (vi) fostering environment for prevention of HIV/AIDS and (vii) promoting gender equality.

To ensure local ownership of the process, the Programme will be implemented through participating municipalities, local communities (of citizens, educational institutions, NGOs and small businesses) and other stakeholders taking participatory governance as the entry point. To achieve synergy, it will work closely with other UNDP-programmes namely Community Based Approach, Equal Opportunity, Governance of HIV/AIDS, Consumer Society and Citizens Network, Human Security for Ukrainian Youths.

## SIGNATURE PAGE

Country: Ukraine



- UNDAF Outcomes:**
1. Government institutions at national and local levels function on transparent, accountable and participatory basis that ensures the human rights of all people in Ukraine;
  2. All individuals in Ukraine are empowered to claim and enjoy their rights consistent with international standards through the strengthening of civil society, with a focus on protection of women and other disadvantaged groups;
- CPAP Outcomes:**
1. Strengthened transparency of people centred participatory governance, frameworks and mechanisms;
  2. Civil society strengthened and supported to promote participatory decision-making process;
- CPAP Outputs:**
1. Support development of decentralised institutional arrangements for local governance; citizen-based partnerships for municipal development developed;
  2. Urban employment, targeting economically and socially disadvantaged groups, supported through vocational training, SME and micro-finance
  3. Strengthened national capacities to improve strategic planning systems, develop economic and social policies and programmes;
  4. Institutional capacities of municipalities and civil society organizations strengthened through ICT, improved policies and practices related to environment and energy services
- Implementing partner:** UNDP
- Responsible parties:**
1. Committee of *Verkhovna Rada* on State Construction, Regional Policy & Local Self-government;
  2. Ukrainian municipalities;
  3. Ukrainian Association of Local and Regional Authorities;
  4. Community-based Organisations (CBOs) of citizens, schools, NGOs and small enterprises
  5. Rayon/Oblast Administration
  6. Ministry of Economy; Ministry of Housing and Municipal Economy
  7. National/regional Universities

UNDP/MGCEP will work towards fostering democratic governance and reducing human poverty in urban Ukraine through (i) supporting the development of decentralized institutional arrangements to strengthen participatory governance, citizen-based sustainable local development; (ii) strengthening national/local institutional capacity to improve access to information, strategic planning systems and human resource development; (iii) introducing legislative and policy frameworks on participatory governance for sustainable development; (iv) promoting energy efficiency and protection of the environment (v) supporting expansion of opportunities for gainful employment, (vi) fostering an environment for prevention of HIV/AIDS and (vii) promoting gender equality

Programme Period:	2008-2010	Estimated annualized budget:	USD 5,297,000
CPAP Programme		Allocated resources:	USD 3,181,000
Component:	Energy and Environment/ Participatory Governance	• Government	-----
Project Title:	Municipal Governance and Community Empowerment Programme	• Regular (TRAC)	USD 500,000
Atlas Award ID:	00033935	• Other:	
Start Date:	1 January 2008	○ SDC	USD 326,000
End Date:	31 December 2010	○ Partner Municipalities	USD 1,905,000
PAC Meeting Date:	18 December 2007	○ Local Communities	USD 450,000
		Unfunded budget	USD 2,116,000
		In-kind Contribution	-----

**Agreed by (Ministry of Economy of Ukraine)** \_\_\_\_\_

**Agreed by (UNDP):** \_\_\_\_\_

## A. SITUATION ANALYSIS

Political transformation that took place in 2004 and early 2005 in Ukraine showed unprecedented determination of Ukrainian citizens, civil societies and municipalities to exercise their rights and defend their freedom to demand for far reaching governance reforms and better economic opportunities. They showed strong willingness for their increased participation in the decision-making process making the development more people-centred. The Governments since then have responded to these demands by promising a fundamental change in the relations between State and citizens and a new emphasis on individual freedom, civil society, democracy, inter-ethnic harmony and social equity.

Development strategy of Ukraine is guided by commitments taken on the World Summit on Sustainable Development (Johannesburg, 2002) and by its policy to get integrated into European Union. Ukraine has signed and committed to Millennium Development Goals (MDG), Agenda 21 and other international agreements, conventions, and covenants pertaining to good governance and sustainable development. There are many pre-conditions to be met by the country to implement WSSD decisions, to realise EU integration policy and achieve UMDG. One of the most important pre-condition and at the same time tool for this is the integration of the participatory approach into the process of governance and the sustainable development values into economic, social and environmental development policies. A decentralisation process is already under way towards this end.

Municipal Governance and Sustainable Development Programme (MGSDP) of UNDP Ukraine is to assist the Government, municipalities in meeting these pre-requisites through strengthening participatory governance to address social, economic and environmental issues by building local/national institutional capacities.

### A 1. Justification - Problem and Opportunity Analysis

**Municipal Governance.** About 67 percent of Ukrainian 48 million population lives in urban area. In conditions of decentralization, responsibility for providing community-related services and addressing big variety of local economic, social and environmental problems is largely devolved to Ukraine's self-governing local bodies. However, municipalities, very often, are not fully aware of this and consider the decentralization just as an opportunity to get more power. They still adhere to the soviet management system - inflexible, top-down, centralized and command-driven and lack mechanism for effective dialogue with citizens. They are also constrained with experience, knowledge on up-to-date strategic planning; performance based budgeting; management skills and sufficient resources. More than 50% of the council members elected through the local election of 2006 were first time elected and did not have prior experience. There is necessity to raise their knowledge and know how in managing local development in a participatory manner. Since local governments can determine policies and improve management practices, there is hope that realistic and effective solutions can be found in time to resolve the social, economic and ecological crises that grip urban areas.

Decentralization process in Ukraine provides local communities with more power in making decision and, at the same time, raises the level of their responsibility. However, most of the people stay relatively passive, because of the habit inherited from Soviet Union times, and wait for the state/municipality to deliver basic community services. For many, the information related with governance and service delivery is not accessible due to lack of adequate ICT capacity or lack of willingness at the level of executive wing of the city councils. Some of the municipalities have broken the norms by successfully involving citizens in decision-making process while citizens in certain areas have demonstrated active

participation in development and sustainable delivery of community services. Such success cases ought to be documented and disseminated for wider adoption.

Various models have been proposed by the policy makers and scientific community for reform in the sphere of administration, finance and local self-governance. The common feature of these proposals is that they have strongly emphasized for strong local self-government with enlarged administrative and financial authorities. However, their emphasis on citizens' participation into decision-making process and local development and is inadequate. Weak policy/legislation provisions on registration, taxation, budget code for community financing and property ownership constrain their effectiveness of citizens' participation in the development process. There has been difficulty in reaching consensus on these models due to inadequate awareness among stakeholders across the country. In practice, various components of on-going decentralisation process are not taking place in a reconciled and coordinated manner due to duplication and lack of clarity in the legal provisions meant for various actors and various levels.

**Economic Governance.** Economic transition of Ukraine is still incomplete. The economy has continued to expand albeit at a slower rate than previous years. A large number of inherited capital infrastructures threaten Ukraine's ability to generate sustained economic growth because these infrastructures are inefficient and require major capital repair/investment. Often municipalities are unable to generate enough income or attract national/international support for long-term financing of infrastructures, some of which are for meeting basic (such as sewage, water, heating) human needs. Many municipalities do not understand the complex set of elements that must be put in place for them to successfully secure long term financing for a project.

About one fourth of population lives below nationally defined poverty level. Poverty mostly originates from low wage level and unemployment. Official unemployment rate in Ukraine is about 2.8%. However, hidden unemployment rate is much higher (about 12.5%). There is persistent exodus of workers seeking gainful employment abroad. Moreover, unemployment in Ukraine is becoming "younger". Share of young people in total number of unemployed constitutes about 40% in urban areas. In absence of adequate capital investment to generate sufficient employment, micro, small and medium level enterprises (MSME) offer a greater opportunity to address economic poverty and unemployment issues. Current share of SME sector in industrial output Ukraine is 11% which is considerably lower than in most of the EU countries. Nonetheless, MSME sector is expanding over years but its growth has been severely constrained by availability of poor friendly micro-credit; skills and management tools; registration and taxation policies; and market information. Specially, those new/potential entrants in the MSME sector who lack physical collateral/guarantor are the most vulnerable.

In conditions of decentralization the responsibility for generating revenue and mobilising resources is devolved to local authorities. However, the provision is inadequate in terms of income-formation opportunity and autonomy over utilisation of earned income. Smaller cities are the most vulnerable as they are highly constrained in terms of opportunity and authority. It warrants for a systematic management and institutional capacity encouraging participatory resource mobilisation from multiple sources and private-public partnerships, and this capacity of municipalities needs to be upgraded or built using up-to-date technology solutions.

**Social Governance.** In spite of remarkable economic growth in Ukraine its independence in 1992, 21.7% of Ukrainian population remains affected by poverty. The quality of and access to health care, education and other social services has deteriorated over years.

HIV/AIDS is estimated to affect 1.4% of the total adult population and the rate of increase in the new infection numbers is among the most rapid in Europe. The number of drug users

registered with the Ministry of Interior has doubled in the past five years. Domestic violence is a problem, and more than half of first marriages end in separation. Participation of young people and women in decision-making is low. Health institutions are playing a key role in ensuring community healthcare services. Activity of local health institution is normally limited to protection of people's health, but, their capacity in participatory action planning, implementation and monitoring is weak and needs to be developed.

Traditionally, high level of education is observed in Ukraine and average educational coverage exceeds the level of education in the middle-income countries. However, the education quality has deteriorated specially at school level due to poor school infrastructures and basic amenities. Similarly, teaching curricula lack adequate information on latest available knowledge on local sustainable development. Thus, participation of educational institutions needs to be enhanced in education process improvement so as to build adequate awareness among future generation regarding sustainable development values in community life style, and participatory planning, implementation and monitoring of development processes.

Due to historical/traditional reasons, there exists clear regional difference in the perception of the people towards the nature of governance – eastern region (east and south) favouring strong, centralized and economically interfering state with the citizens at its service while the western region (west and central) favouring more decentralized state at the service of responsible citizens. This difference could prove as an opportunity if used for benefiting each other. It could also yield a concern for unity and security if sparked negatively. The issue of regional identity ought to be dealt indirectly by means of fostering convergence in the understanding and aspirations on the forms of governance, regional and local development.

**Environmental Governance.** With ratification of the Kyoto Protocol in 2004, Ukraine has endorsed all major UN's conventions related with environment. Yet communities through out the country remain vulnerable to the consequences of wasteful and harmful energy and environmental practices. Heavy industry in Ukraine is extremely energy intensive and residential heating and urban transport are highly polluting. Often sewage system, hot/cold water supply system and heating system in the residential buildings are broken and or inefficient. Capacity of the municipality to maintain the system and provide satisfactory service delivery is highly limited leading to dissatisfaction and serious frustration among the citizens. Although existing Municipal Social and Economic Development Programs stipulate some measures for solving urgent environmental problems, however, there are no adopted municipal policies for development and implementing participatory strategies for sustainable development and, consequently, environmentally sound management is being not introduced. As a result, many of the environmental problems are continuing to persist.

Despite different scales, all municipalities, large and small, have capacity-building needs in the area of environmental governance, and all face environmental problems that put their citizens at risk, are in conflict with international covenants, and cause environmental pollution and degradation within and beyond their borders. Local governments, private sector and NGOs of Ukraine in coordination with central governments and international agencies have to operate increasingly using innovative partnership mechanisms, information technology and existing experiences worldwide.

Usually the environment is not closely linked to economic and social development in the mentality of Ukrainian authorities and people - most of them still consider environmental problems/activities as something "separate" from economic and social development. Therefore serious efforts need to be undertaken with the purpose to persuade that environmental problems can't be tackled separately. In perspective of longer term sustainability, measures taken in this direction must be embedded into the governance

framework of Municipal Sustainable Development Strategy and, as a result, into the mind set of the people.

## **A2. Prior Assistance Analysis**

UNDP in Ukraine is engaged since 90s in piloting and implementing projects to promote good governance and participatory mechanism for addressing social, economic and environmental issues by use of social mobilisation/area-based development approach. Municipal Governance and Sustainable Development Programme (MGSDP) began as a pilot project in April 2004 with objective to build institutional capacity at local/regional/national level for addressing the local development agenda and for improving the national legal/policy environment for strengthening of participatory governance. Its initial success in three pilot municipalities led to initiation of demonstration phase for April 2005 – December 2007.

To reach its objective, MGSDP works through local communities of citizens, academia, small businesses, NGOs; local government and regional state bodies. At national level, it is associated with national government institutions, especially Ministry of Housing and Municipal Economy (MoHME), Parliamentary Committee on the State Construction, Regional Policy and Local Self-government, the Ukrainian Association of Local and Regional Authorities (UALRA), Fund for Local Self-Governance, the National Forum of Partner Municipalities (NFPM), Forum of Partner Universities (FPU) and others. Through social mobilization process, these stakeholders are mobilised to forge partnership among themselves; make joint decisions; share resources and contribute towards strengthening of participatory governance and achieving sustainable development. Details on partnership structure are given in Annex-I.

Under UNDP management, the MGSDP is implemented by a project management unit (PMU) in Kyiv and a Municipal Support Unit (MSU) placed within the partner municipalities (Annex – II). MSU is established and sustained by the partner municipalities to translate the local vision of the Programme into action. MSU works, under guidance of PMU, through organized citizens, schools, small businesses, NGOs in the municipality and coordinates activities with municipality, local government bodies and PMU. PMU coordinates activities at national level, builds capacity of its partners at all level and monitors for quality results.

By September 2007, the Programme has mobilised 28195 citizens, 210 schools, 31 small businesses, 47 NGOs from 17 municipalities across the country (Annex - III). Besides building their capacity through training, it has supported 111 local community projects of social/economic/environmental nature worth USD 2.7 million. The total cost is shared by UNDP/SDC, municipalities, beneficiary communities and others (private and public sectors) in the ratio 38.3%, 45.1%, 11.8% and 4.8% respectively. A total of 23810 women, 18359 men and 42590 children are direct beneficiary of this support (Annex - IV).

Besides this, the Programme has provided support on capacity building and policy-related activities. In partnership with Parliamentary Committee on State Construction, Regional Policy & Local Self-government, it has supported preparation of draft legislation on community participation in local development. The draft is waiting to be registered in the Parliament for debate. Similarly, a few municipalities (e.g. Ivano-Frankivsk) utilised the lesson in developing municipal policy on energy efficiency and communal infrastructure improvement in participation of local community. Other municipalities are yet to adopt similar policies. Programme's support to them is deemed essential for this purpose. These activities must continue further as they have a far reaching effect in the country.

Activities have been effectively supported for raising public awareness on HIV/AIDS, gender, territorial reform, etc. In total, the Programme has carried out 196 training activities benefiting 4508 persons from various cohort of the society.

The Programme has recently started experimentation on group-based micro-credit for MSME development and forged partnership with universities to introduce the participatory approach for sustainable development in their curricula. Both experiments are on-going successfully and their success indicates need for continuation of Programme's support to achieve meaningful end.

Various studies, assessments, missions and observations have indicated that in organised form people have become empowered to participate with other development partners into decision-making process. As a result -

- A significant amount of resources could be mobilised for implementation of local sustainable development initiatives;
- Development initiatives were cost effective through community participation;
- Local ownership has developed towards the development process and development outcome resulting in sustainability of the project benefits;
- People have become confident to take up more active role in local development and decision-making process;
- Local government, government institutions and private sectors have become more supportive as they recognise the value of development through community participation;
- Living quality at the local level has significantly improved through improvement in communal infrastructures and service delivery mechanism – with people playing active role;
- Education quality in the schools has improved due to improvement in water and sanitation system, heating system and sport facilities;
- Clear increase in awareness among the people regarding issues like HIV/AIDS and gender has taken place. Similarly, the officials of local authorities have clearly gained knowledge on participatory approach advocated by the Programme. The Programme has also been successful in developing human resource in the partner municipalities to carry out/continue the participatory approach on their own, if necessary;
- National policy makers have recognized the need to improve legislation in favour of participatory governance;
- National/regional universities have shown commitment to improve their curricula to introduce course on social mobilization approach for sustainable development.

The Programme has successfully built in the model elements of exit, sustainability and created room for national scaling of the approach. The Programme is facing heavy demand for its support from municipalities, rayon/oblast level authorities across the country. To capitalise this opportunity, still substantial conceptual input is required to sharpen and consolidate the approach especially with regard to -

- Element of community empowerment ought to be focused further by increasing their participation in the decision making process and sustainable delivery of communal services;
- Institutional mechanism (knowledge hub or resource centre) at regional level for intra-regional expansion scenario and linkage building with oblast/rayon administration;
- Regionalization of planning process initiated by the Project at the local level;
- Strengthening of comprehensive Operation and Maintenance (O&M) concept for sustainable service delivery at local level;
- Deepening of east-west cohesion through inter-municipal exchange, experience sharing and cooperation mechanism;
- Developing human resource at local, regional and national level for wider acceptance and adoption of the approach in future through curriculum development, building capacity of the civil servants, council members, scientists etc.;
- Consolidating the current experiment on MSME development and test it for wider application;

- Consolidating the on-going experiment on urban level social mobilisation on key issues such as environment and test for further adaptation;
- Developing and testing mechanism for sustainable exit of the Programme from the older municipalities
- Building/strengthening partnership with key national players for furtherance of policy dialogues to improve policy/legal provisions related with community-based local development, decentralisation and participatory governance

The Programme has received, since 2006, financial support and technical backstopping from donor like SDC, which has global experience in the field of social mobilization approach. SDC has showed commitment to continue its support until 2009. This support is valuable in enriching the quality of the Programme and achieving its overall vision (Annex – V).

The Programme is closely linked with Local Development Programme (LDP) of UNDP Ukraine along with three other programmes namely Community Based Approach, Equal Opportunity, Governance of HIV/AIDS, Consumer Society and Citizens Network, Human Security for Ukrainian Youths

### **A3. National Strategy**

The country has developed national strategies for social, economic and environmental components. Followings are some areas focused in the national strategies in context of the proposed project:

#### Environmental domain

- Stabilising and improving ecological conditions in the cities and industrial centres;
- Erecting new and restructuring the operating communal sewage treatment facilities;
- Forming the balanced system for use of natural resources and making manufacturing, energy, construction, agriculture and transportation technologies environment friendly;

#### Social domain

- Intensive development of education, of environment knowledge in particular;
- Enhancing condition of children, youth, women and family
- Improving public health protection, reducing spread of HIV/AIDS

#### Economic domain

- Reducing unemployment, alleviating poverty and enhancing living standards of residents
- Implementing scientific and technological innovations, mastering and applying new managerial methods as the main factors for sustainable economic development
- Reinforcing the economic premises for profound restructuring in social domain

Furthermore, national policies on ‘Sustainable Development of Human Settlement’ emphasises upon socially, economically and environmentally balanced development of rural and urban settlements. This includes –

- Development of engineering infrastructure (application of new technologies as well as new power supply, heat supply, water supply and drainage networks and systems), application of energy efficient systems;
- Improvement of sanitary-hygienic and environmental situation in human settlements, arranging safe and healthy life conditions, application of modern systems for collection, transportation, processing and neutralisation of wastes;
- Measures on clearing of atmospheric air according to air quality standard;



## **B. PROGRAMME STRATEGY**

Ukrainian municipalities are key development players in promoting sustainable development. In this context, the strategic goal of Municipal Governance and Community Empowerment Programme (MGCEP) is to build capacity for political participation of the local communities and municipalities into decision making process and using this capacity for multi-stakeholders cooperation and multi-sectoral interventions geared towards strengthening of urban/social/economic/environmental governance ultimately leading to sustainable development.

To ensure local ownership of the process, the programme will be implemented through participating municipalities, local communities (of citizens, educational institutions, NGOs and small businesses) and other stakeholders taking participatory governance as the entry point. To achieve synergy, it will work closely with other UNDP-programmes namely Community Based Approach, Equal Opportunity, Governance of HIV/AIDS, Consumer Society and Citizens Network, Human Security for Ukrainian Youth. Also, good experience of MGCEP will be transferred to other projects which use ABD approach. Following strategies will be followed to materialise the objectives of the Programme -

### **B.1 Geographical Coverage and Partnership**

The Programme will focus on bringing regional balance in course of its expansion. Also, it will focus on making intra-oblast expansion for wider impact within the oblast. The efforts at the local level will be linked with rayon and oblast level authorities (councils/administrations) as well as with national bodies. Partnership with local/regional/national level bodies will be established in this very respect.

The Programme will operate in all oblasts of Ukraine in priority of regional balance and in order of severity of social economic and environmental hardship. Partnership with oblast/rayon administration and oblast/rayon council will be established based on their commitment and willingness. Selection of municipalities for launching the Programme will be done based on competition, commitment (to contribute resources and play active role in implementation of the Programme), willingness for partnership and level of social/economic/environmental hardship facing the municipality. Before forging partnership, the potential partners will be provided with orientation about the concept, strategies, procedures, and terms of partnership offered by the Programme; exposure to concrete results obtained; and opportunity for peer to peer learning. A regional knowledge hub (resource centre) will be developed in each oblast to create regional synergy and intra-regional transfer of skill during the expansion of the Programme within the region. This ensures ownership of the programme activities and sustainability of the knowledge base. Partnership will be established with national (government/non-government) agencies related with the objectives of the Programme to seek their support for achieving of the objectives.

### **B.2 Institutional Development and Consolidation**

The Programme will continue implementation of social mobilisation approach to promote political participation of the local community (of citizens, academia, small businesses and NGOs) in the decision-making process and use this capacity for participatory governance and sustainable development at the local level. Networking of the local communities, local governments and other stakeholders will be promoted at municipal/regional/national level to materialise the project objectives, to build local capacity and to render sustainability of the knowledge base. Following support organisations will be developed and or strengthened in this regard:

- (a) **Neighbourhood Organisation (NOs):** 70-80% of the families in the selected multi-apartment buildings or the street in the municipality will be mobilised through consultative and iterative dialogues to form self-governing NO by representation of at least one person (preferably a female) from the family. An NO will function under statute that guarantees norms of good governance. It will serve as a broad based organisation with a mandate to (a) prepare sustainable development plans by bringing together social, economic and ecological plans of the citizens and link these plans with that of the municipality's plans; (b) mobilise resources and implement the plans; and (c) monitor the local level activities.

A NO will have a Neighbourhood Development Fund (NDF), formed from capital generated locally and from external sources. Resources in NDF will be utilised to implement various development activities identified and prioritised through participatory process and meet its management cost. Transactions of the NDF will be recorded appropriately through a transparent book keeping system and will be subject to formal as well as public auditing.

NO will implement sustainable development activities through functional groups of various forms reflecting consumer groups, women's groups, youth groups, disabled groups coming from *doms/ulitsa* in the micro-raiyon. Such functional groups will have informal/quasi-formal/formal status and will observe all norms of good governance.

NOs in the municipality will be closely linked with the municipal governance system and will effectively contribute to the strengthening of the system. As necessary, they will federate vertically to raise their common voice.

- (b) **Network of Education Institutions:** 80-100% schools in the partner municipality will be mobilised to form different forms of support organizations (teachers, youth, and parents) in the form of network for social oriented sustainable development. This Network will function under statute that guarantees norms of good governance and will serve as a '**social development centre**' with a mandate to (i) prepare social oriented sustainable development plans for themselves and for the communities in their vicinity and link these plans with that of the municipality's plans; (ii) mobilise resources and implement the plans; and (iii) monitor the local level social activities.

The Network will have a 'social development fund' (SDF), formed from capital generated locally and from external sources. Resources in SDF will be utilised to implement various social development activities identified and prioritised through participatory process and meet its management cost. Transactions of the SDF will be recorded appropriately through a transparent book keeping system and will be subject to formal auditing.

School Network will implement social oriented sustainable development activities through functional groups of parents, students (youths), teachers etc. Such functional groups will have informal/quasi-formal status and will observe all norms of good governance.

It will be closely linked with the municipal governance system and will effectively contribute to the strengthening of participatory social governance and sustainable development.

- (c) **Network of Small Businesses:** Micro, small and medium enterprises (MSMEs), potential entrepreneurs/starters of MSMEs, and employment promotion agencies (employment centre, vocational training centers, micro-financial institutions, MFIs, municipality) in the municipalities will be mobilized and networked into self-governing support organisation for economic oriented sustainable development. This Network will function under statute that guarantees norms of good governance and will serve as a '**business promotion centre**' (BPC) with a mandate to (i) prepare economic oriented sustainable development plans and link these plans with that of the municipality's plans; (ii) mobilise resources and implement the plans; and (iii) monitor the local level economic activities.

The Network will have a 'business development fund (BDF)' formed from capital generated locally and from external sources. Resources in this Fund will be utilised to implement various economic development activities identified and prioritised through participatory process and

meet its management cost. Transactions of the Fund will be recorded transparently and will be subject to formal auditing.

The Network will be closely linked with the municipal governance system and will effectively contribute to the strengthening of participatory economic governance and sustainable development.

- (d) **Network of Civil Society Organisation:** 25-50% of NGOs, especially those related with environment, in the partner municipalities will be mobilized and networked into self-governing support organisation for environment oriented sustainable development. This Network will function under statute that guarantees norms of good governance and will serve as an ‘**ecological development centre**’ (EDC) with a mandate to (i) prepare ecological oriented sustainable development plans for themselves and for the communities in their vicinity and link these plans with that of the municipality's plans; (ii) mobilise resources and implement the plans; and (iii) monitor the local level environmental activities.

The Network will have an ‘ecological development fund (EDF)’ formed from capital generated locally and from external sources. Resources in this Fund will be utilised to implement various ecological development activities identified and prioritised through participatory process and meet its management cost. Transactions of the Fund will be recorded transparently and will be subject to formal auditing.

The Network will implement ecological oriented sustainable development activities through functional groups of youths, local residents etc. Such functional groups will have informal/quasi-formal status and will observe all norms of good governance.

The Network will be closely linked with the municipal governance system and will effectively contribute to the strengthening of participatory ecological governance and sustainable development.

- (e) **Municipal Sustainable Development Council (MSDC):** Environment will be created to enable the above NOs and Networks to form a municipality level forum upon they have gained maturity. This forum will also be attended by authorities of the municipality, oblast/rayon administration, and service delivery agencies in the municipality. MSDC will focus on identifying challenges and opportunities related with sustainable development in the municipality and explore future course of action to improve participatory governance linking the action path with other actors at oblast/national level. Possibility will be explored to establish a ‘municipal sustainable development fund (MSDF)’ at matured MSDCs to support NOs/Networks in carrying out local sustainable development initiatives.
- (f) **National Forum of Partner Municipalities (NFPM):** The NFPM formed in 2005 by the partner municipalities is able to play significant role in promoting inter-municipality cooperation, identifying legal/policy issues and remedial options and promoting/strengthening local actors on participatory governance for sustainable development. It has its secretariat with UALRA to implement the decisions and coordinate the activities of the Forum. The NFPM and its secretariat will be strengthened further to make its role more effective.
- (g) **National Forum of Partner Universities (NFPU):** National/regional universities were mobilised during 2006/07 and networked with a purpose to introduce lessons of the Programme into their curriculum and for updating of the knowledge from time to time. This network (national forum of partner universities) has successfully pursued activities towards the objective, which remain to be fully achieved. Therefore, this network will be further strengthened and supported to meet the end.

Besides developing new NOs/Networks in the Programme area, focus will be placed towards consolidation of the NOs/Networks developed during previous phases. It will include internalizing of the mechanism and the process for their longer term impact. It will be done through –

- Enabling the institutions developed during previous years to attain appropriate legal form – especially the housing committees registered with the city councils will be supported for taking up the shape of association of co-owners of multi-apartment building;
- Enabling NO/Networks to create regular source of income for meeting their management costs;
- Building human resource and adequate logistics
- Networking and linkage with other development agencies

### **B.3 Building capacity**

Capacity of the stakeholders at all level will be built as required to ensure effective implementation of the Programme and quality outputs. In particular, capacity of the local communities will be built in participatory planning, management, implementation, monitoring of development initiatives and sustainability of communal services.

Capacity of the municipality will be built in terms of human resources to implement local component of the Programme activities; enhancing citizens' access to information; envisioning participation based local development in the municipality through strategic planning; improving efficiency through performance based budgeting. Capacity of the best performing municipal partner in an oblast will be built to serve as social laboratory for national/international knowledge transfer through developing them into resource centre.

To integrate the process and value of local sustainable development at rayon/oblast level, capacity of the relevant rayon/oblast councils/administrations will be built in close cooperation with the 'decentralisation support project' of the SDC in Ukraine.

Capacity of the national government bodies including Parliamentary Committee on State Construction, Regional Policy & Local Self-government; Ministry of Environmental Protection; Ministry of Economy; Ministry of Regional Development; Ministry of Housing and Municipal Economy will be enhanced as necessary to strengthen the process of decentralisation and participatory governance in Ukraine.

Likewise, capacity of the national non-government bodies related with decentralisation and local self-governance in Ukraine including Ukrainian Association of Local and Regional Authorities; Fund for Local Self-Governance; Association of Ukrainian cities; National Forum of Partner Municipalities.

To impart the concept and value propagated by the Programme among civil servants and future generations, capacity of the relevant universities, especially the members of the 'national forum of partner universities' established under the Programme's initiation, will be built to develop appropriate training and teaching materials and human resources.

Training, exposure visits, dialogues and various other forms of techniques will be utilized for skill/knowledge transfer in course of building capacity. Value to local knowledge will be added through transfer of knowledge from other CIS countries; Europe, Canada etc. Besides, equipment and other logistics will form the part of technical support for building capacity. ICT support to municipalities will be provided to establish and upgrade their websites so as to enhance people's access to information; citizens' dialogue with municipal authorities and investment opportunities in the municipality.

### **B.4 Participatory planning, prioritisation and mainstreaming**

Under facilitation of support organisation in the partner municipality, NOs and the Networks will undertake bottom up participatory planning process. On regular basis, such planning will

be done annually during which the support organizations will prepare sustainable development plans in their respective area of focus.

NO-members (citizens) in the neighbourhoods/micro-raiyon will analyse existing situation in the locality and prepare sustainable development plans by identifying their social, economic and ecological needs. The list of needs identified will be debated at the respective level and will be prioritized according to the level of their importance. The prioritised plan will be incorporated in the municipality's plan

The members of the school-Network will carry out participatory planning exercise with participation of 80% or more of the parents, teachers and members of the pupils' council and make their social plan for the year and prioritise them. The prioritised plans of each school will be discussed at the School Network for coordination. The Network will further work to make its own plan, which will be common to all. The plan prepared thus, will be incorporated into Municipal plan.

Members of the business Network will identify their needs related with promoting MSME in the municipality and prioritise these needs. Once finalised, the plan will be incorporated into the municipal plan.

Similarly, 80% or more members of the NGO-Network will carry out an analysis of ecological situation in the municipality, draw plan of action and prioritise them based on level of importance and subject to their capacity to implement such plans on their own or with the support of municipality and other support agencies. The prioritised plan will be incorporated in the municipality's plan

An annual planning workshop will be held at municipality level in participation of municipality-officials, officials from rayon/oblast administration, NOs, service providers, NGO-Network, School-Network, Business-Network and others. Aggregated social/economic/ecological plans of all the actors are presented in this workshop. Municipalities and other agencies also present their own individual plans. This workshop will serve as a forum to match the demand and supply of resources to carry out prioritised plans. Agencies, including municipality, will indicate their commitment to provide resources. The municipality will take a lead to present the people's plans for discussion into higher level forum and get them incorporated into rayon/oblast plan so that adequate support could be expected in the forthcoming year.

In older municipalities, the bottom up planning process will be further consolidated and strengthened.

### ***B.5 Implementation of Plans***

The NOs and the Networks will carry out campaign for resource mobilisation to implement their plans that require external support. The project (MGSDP) could be one of the external supporters. It will support implementation of projects that will –

- Serve as pilot/demonstration project leaving a wider effect/knowledge base at local level;
- Contribute to strengthening of participatory governance and improving of living condition;
- Satisfy criteria of public-private partnership in cost sharing;
- Satisfy the criteria of (technical, social, economical and environmental) feasibility, equity (i.e. benefiting almost all), productivity (i.e. raising income or lowering cost of living), sustainability (i.e. the beneficiaries will maintain the continuation of the project in future) and necessity (e.g. basic human need).

The support will be provided on the basis of competition, transparent selection procedure and upon proper technical appraisal.

The proposal to be supported will be might be of following types –

- Sectoral – It could be for social sector (related with health, education, gender etc.) or economic sector (e.g. legal services, business planning, export/import services and others for enterprise development) or ecological sector (solid waste management, greenery etc.)
- Physical form - It could be for physical infrastructure (e.g. drinking water, heating system, waste management, and greenery) or awareness raising type (advocacy, campaigning etc.) or contributing to human resource development (training, equipment etc.)

Resource will be released from the Programme in installments as mentioned in the memorandum of agreement signed between the Programme and the support receiving NO/Network/functional group. The resource (instalments) will be transferred to the local partners through bank. To ensure accountability and ownership, the message on installment transfer will be made public and public auditing will be done by the general members of the NO/Network during or upon completion of the project.

Functional group involved in implementation will be adequately trained in handling the technical aspects of the project and financial management so as to ensure smooth implementation of the project. A quality supervision committee established at the municipality level will provide technical backstopping to the functional group as necessary to ensure quality output.

In case the project is of longer-term nature (e.g. drinking water, heating system) institutional arrangement will be made for operation and maintenance of the project by the beneficiary NO/Network using various options for raising income for this purpose.

## **B.6 Monitoring and Impact Assessment**

Appropriate management and information systems (MIS) will be established in new municipalities to make the stakeholders directly involved in the process of monitoring and assessment. Consolidation of MIS will be done in older municipalities to enhance the quality of MIS. To this end, following mechanism will be established –

*(a) Local level monitoring and impact assessment system* will be established for all components involving –

- Process monitoring will involve progress on institutional aspects and will comprise such indicators as (a) coverage of target population (citizens, schools, NGOs, small businesses, and membership by gender), (b) organisation development (e.g. NOs/Networks formed), (c) capital generated and its status (d) human resource development by gender.
- Input monitoring will involve progress on investment made into programme activities such as amount disbursed in HRD, community projects, advocacy, studies for policy changes etc.
- Output monitoring will reflect what people get at the end to achieve intended impact on their lives. It involves physical progress made out of input such as number of schemes completed, number of advocacy campaign held, and number of households (men, women, children) benefiting from the investment etc.
- Impact monitoring will cover changes taking place in the life of the people as a result of the outputs achieved. It will include indicators related with change in change in health status, change in employment and so on.

Necessary data/information on above variables will be collected from partner agencies/organisations, processed and analysed to prepare periodical/annual progress reports.

**(b) Independent and regular peer and expert reviews** will be carried out from time to time involving -

- Participatory Assessment whereby general assembly members of the organisations (NOs/Networks) will assess quality of their organisation in terms of governance and the services delivered (i.e. utility) to the members such as:
  - Ownership (*Whether or not members are willing to own NOs/Networks*)
  - Level of transparency (*Whether or not decisions, transactions and information are transparent*)
  - Equity consideration (*Whether or not the benefit has been enjoyed by all/most of the members*)
  - Accountability (*Whether or not the members, managers and the organisation-leaders are accountable to the decisions made*)
  - Performance of NOs/Networks in fulfilling the needs/interest of the members (*by improving governance, service delivery and environment in the area*)

The ongoing system of participatory assessment followed by NO/Network will be consolidated and its use will be further promoted.

- Independent Assessments on the Programme activities and their outcome will be carried out through appropriate missions and agencies. Design of such assessment will vary according to the nature of activities and objective of the assessment.

## **B.7 Policy and Institutional Reform**

**(a) Policy reform:** Documentation of lessons learned on municipal, social, economic and ecological governance will be continued further and utilised in developing national policy and strategy on each component of governance for sustainable development and community empowerment. Similarly, the lessons will also be utilized in developing national municipal sustainable development framework and strategy. Support will be provided to the national partners to intensify the on-going process of decentralisation and territorial reform in the country. Action research, opinion surveys and roundtable consultations will be supported to generate innovative technologies and approaches and regional/international experiences will be utilized as necessary.

**(b) Institutional change and development:** For securing benefit in a longer term and for national scaling up of the Programme approach, manuals and training courses will be prepared based on documentation, policies and strategies. Documentation will include national as well as international experiences and training materials will be used for transfer of knowledge. Training for national government, municipalities and other partners to learn from successful experiences in sustainable development will be conducted for effectiveness of current implementation and for scaling up.

**(c) Inter-municipal cooperation and regional cohesiveness:** Environment will be created to raise regional cohesiveness by engaging municipalities from different regions in activities focused on inter-regional and inter-municipal cooperation

**(d) Approach localisation and exit:** The Programme will initiate experiment on making an exit from the municipalities which become matured enough to continue the Programme approach on their own. For this the municipalities will be provided with technical/financial backstopping for -

- Consolidation of MSU, MSDC and related departments of the municipality
- Adoption of participatory mechanism through local policy/legislation
- Formulation of strategic plan that is based on community participation and sustainability promoted by the Programme

## **ANNUAL WORKPLAN BUDGET SHEET**

Following the Programme strategies, a set of activities will be carried out in line with the UNDAF outcomes, country programme (CP) outcomes and CP-outputs for 2006-10. These activities will ensure achievement of stated objectives of the Programme.

The estimated budget of the Programme for 3 years is USD 5.3 million of which USD 0.5 million is expected from TRAC fund, USD 0.5 million is expected from SDC, USD 1.9 million is expected from the partner municipalities, USD 0.5 million will be borne by the target beneficiaries. Remaining USD 1.9 million will be mobilised over time from other sources.

Details of the Results and Resource Framework are given in Table - I. Related workplan and budget are given in Annex – VI.



**Table - I**  
 UNDP Municipal Governance and Community Empowerment Programme  
**PROJECT RESULTS AND RESOURCE FRAMEWORK<sup>1</sup>**

<b>Intended Outcome as stated in the Country Programme Results and Resource Framework:</b>
<b>UNDAF Outcome by the end of Programme Cycle:</b>
Government institutions at national and local levels function on transparent, accountable and participatory basis that ensures the human rights of all people in Ukraine
All individuals in Ukraine are empowered to claim and enjoy their rights consistent with international standards through the strengthening of civil society, with a focus on protection of women and other disadvantaged groups
<b>Country Programme Outcome</b>
Strengthened transparency of people centred, public governance operations, frameworks and mechanisms
Civil society strengthened and supported to promote participatory decision-making process
<b>Country Programme Output</b>
Decentralised institutional arrangements for local governance developed; citizen-based partnerships for municipal development developed
Urban employment, targeting economically and socially disadvantaged groups, achieved through vocational training, SME and micro-finance
Strengthened national capacities to improve strategic planning systems, develop economic and social policies and programmes
Institutional capacities of municipalities and civil society organizations strengthened through ICT, improved policies and practices related to environment and energy services
<b>Outcome indicators as stated in the Country Programme Results and Resource Framework, including baseline and targets</b>
<b>Key Result Areas of UNDP Strategic Plan 2008-2011</b>
2.1 Fostering inclusive participation: empowering the poor, women, youth, indigenous peoples, and other marginalized groups, through expanding the core channels of civic engagement, at the national, regional and local levels
2.2 Strengthening responsive governing institutions: strengthening accountable and responsive governing institutions at national, regional and local decentralized levels that reflect and serve the needs, priorities, and interests of all people, including women, the poor, youth, and minorities
3.3 Restoring the foundations for development at local level
4.4 Developing local capacity to manage the environment and expand access to energy service delivery

<sup>1</sup> Further details given in Annex - VI

## Partnership Strategy

The project shall foster partnership at national, regional and local level. At national level, the project will forge/continue partnership with relevant ministries, parliamentary committee, association of municipalities or local/regional authorities or bodies on local self-governance, universities. This partnership will be helpful in developing policy recommendation as well as internalisation of the participatory approach in the national development framework. On the local level, the project will implement its activities through partnership with city councils and local communities. This arrangement will help in mobilising local resources for local sustainable development.

### Project Title and ID (ATLAS Award ID):

**Municipal Governance and Community Empowerment Programme** (Former Municipal Governance and Sustainable Development Programme) –

Project ID- 00035582; Award ID: 00033935

Intended Outputs and indicators	Output Targets				Planned Activities	Responsible Parties	Planned Inputs
	Total	2008	2009	2010			
<b>OUTPUT 1</b>					<b>Activity - 1.1</b>		
<b>Improved capacity of central government to decentralize fiscal and administrative powers/responsibilities in support of local development</b>  <b>Indicators:</b> 1. Draft amendment law on BSP; 2. Draft amendment law on financing of community organisations; 3. Policy recommendation to draft legislation and procedures for decentralised administrative and fiscal structure; 4. No. of central government officials	Two Draft amendment legislations	1	1	0	Policy recommendations formulated on enabling environment for local self-governance and community-led development  <u>Actions:</u> 1. Carry out policy studies and legislation drafting 2. Organise roundtables and public hearings for policy discussions  <u>Quality Criteria:</u> - At least two draft legislations on community-based approach is available for national discussion  <u>Quality Method:</u> - UNDP review of the copy of the draft legislations	UNDP, municipalities	Consultancy Travel cost Roundtables  <b>Total US \$ 90,000</b>
	A set of policy recommendations on decentralisation	0	1	0			
	3 advocacy events on decentralisation	1	1	1			
	350 municipal/government officials/scientists trained	150	150	50	<b>Activity - 1.2</b>  Capacity developed among national government bodies, politicians and civil servants from relevant central institutions to support participatory local development planning and decision-making  <u>Actions:</u> 1. Provide support to national bodies for promoting administrative and financial decentralization;	UNDP, SDC, ministries, parliamentary committees, association of municipalities (UALRA, FLGS)	Equipment/logistics

<p>trained on concepts/ processes of sustainable local development</p> <p>5. Draft 'local sustainable development' addition to curriculum of selected fields of study</p> <p>6. No. of events to advocate decentralization reforms</p> <p><b>Baseline:</b></p> <p>1. Drafted amendment law on BSP and submitted to parliamentary committee;</p>				<p>2. Organise training and study tour for civil servants, elected officials and scientists including roundtable of the NFPM;</p> <p>3. Enhance infrastructural capacity of the relevant government bodies (e.g. MoHME, parliamentary committee) and non-government bodies (e.g. UALRA, FLSG)</p> <p><u>Quality Criteria:</u></p> <ul style="list-style-type: none"> <li>- At least one draft amendment legislation on administrative/financial reform is available for national discussion</li> <li>- National bodies capable of strengthening the decentralization process</li> </ul> <p><u>Quality Method:</u></p> <ul style="list-style-type: none"> <li>- UNDP review of the copy of the draft legislation</li> <li>- UNDP review of assessment report</li> </ul>		<p>Training cost Supplies Consultancy Advocacy cost</p> <p><b>Total US \$ 150,000</b></p>
<p>2. Amendment law on financing of COs not yet drafted;</p> <p>3. First round of initial inputs provided on policy recommendation</p> <p>4. First round of initial inputs on training government officials provided;</p> <p>5. First draft of teaching curriculum on SD developed and one university started teaching;</p> <p>6. First round of initial inputs for advocacy on decentralisation reform provided</p>	<p>Curriculum on SD is finalized and adopted by 3 universities</p>	<p>2</p>	<p>1</p>	<p>0</p> <p><b>Activity - 1.3</b></p> <p>Current and future generations of civil servants, policy makers, CSOs, private sector and representatives of academia and scientific community are trained on concepts and processes of participatory and sustainable local development.</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>1. Organise training and conferences for representatives of universities;</li> <li>2. Provide support to develop/enrich and finalise curriculum;</li> <li>3. Support universities for research, internships, seminar/workshops/roundtables on the subject</li> </ol> <p><u>Quality Criteria:</u></p> <ul style="list-style-type: none"> <li>- At least two universities adopt the course in their curriculum</li> <li>- At least two research paper available for discussion in the national workshop/seminar</li> </ul> <p><u>Quality Method:</u></p> <ul style="list-style-type: none"> <li>- Decision of the relevant universities;</li> <li>- UNDP review of the research paper</li> </ul>	<p>UNDP, universities</p>	<p>Advocacy cost Training/conference Equipment/logistics Research grant Printing cost</p> <p><b>Total US \$ 120,000</b></p>
				<p><b>Activity - 1.4</b></p>		

3 occasional papers published	1	1	1	Communication and public relations  <u>Actions</u> 1. Bring out occasional policy papers for wider audience 2. Organise media events for wider outreach 3. Bringing out quarterly reports and annual report	UNDP, SDC	<b>Total US \$ 25,000</b>
3 media outreach	1	1	1	<u>Quality Criteria:</u> - At least three occasional papers are published		
12 reports issued	4	4	4	<u>Quality Method:</u> - UNDP review of the research paper		
				<b>Activity - 1.5</b> Good experience of the Programme incorporated into work of other projects, which are applying ABD approach  <u>Actions</u> 1. Organise training/visit on demand for staffs/stakeholders of other projects 2. Provide advisory/knowledge sharing support to other projects  <u>Quality Criteria:</u> - At least 100 staffs/stakeholders of other projects are trained  <u>Quality Method:</u> UNDP review of the QPR/APR		Training cost Travel cost <b>Total US \$ 15,000</b>
				<b>Activity - 1.6</b> Providing advisory and management support for effective implementation of the Programme activities  <u>Quality Criteria:</u> - The experts have vast experience in their respective fields - The experts are able to manage and transfer knowledge of high standard  <u>Quality Method:</u> - Experts will be selected through competitive method as set by the UNDP/Ukraine - Skill of experts will be further enhanced through various forms of learning sessions	UNDP, SDC	Advisory cost Office premises Utilities Vehicle O & M Equipment O & M Communication Insurance/security Petty cash/Misc.  <b>Total US \$ 600,000</b>

<p><b>OUTPUT 2:</b> <b>Improved capacity of local authorities to transparently define and implement local development strategies, deliver public services, and foster local economic development</b></p> <p><b>Indicators:</b></p> <ol style="list-style-type: none"> <li>No. of regional and municipal administrations trained in joint strategy development;</li> <li>No. of municipalities where public hearings facilitated;</li> <li>Set of recommendations to improve public service delivery at local level;</li> <li>No. of municipality administrations targeted by advocacy event on policy recommendations for improved PS delivery;</li> <li>No. of local civil servants and local officials trained on improving local public service delivery;</li> <li>No. of municipalities where feasible joint projects identified</li> </ol>					<p><b>Activity - 2.1</b></p> <p>Joint planning and participatory budgeting for sustainable local development methodology and manual developed</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Support joint planning and participatory budgeting in selected municipality;</li> <li>Support municipality for developing strategic plan/performance-based budgeting/ISO;</li> <li>Support municipalities for improved service delivery and community participation into local development</li> </ol> <p><u>Quality Criteria:</u></p> <ul style="list-style-type: none"> <li>At least two beneficiary municipalities accept strategic plan/ISO/PB-budget</li> </ul> <p><u>Quality Method:</u></p> <ul style="list-style-type: none"> <li>UNDP review of the decision of the plenary sessions of the city councils</li> </ul>		
	15 regional and municipal administrations trained on joint strategy;	10	5	0			
	One set of recommendations on PS	2	2	1			
	3 district/ municipal administrations targeted by advocacy event for PS delivery	1	1	1		UNDP, Municipality, SDC	<p>Technical support Travel cost Training cost</p> <p><b>Total US \$ 100,000</b></p>
					<p><b>Activity – 2.2</b></p> <p>Build capacity of relevant civil servants and officials at regional and municipal level – to improve local public service delivery</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Organise training, exposure visits, east-west exchange visits related with public service delivery;</li> <li>Organise roundtables on the agenda of consumer rights;</li> <li>Support municipalities for public hearings on the agenda of public service delivery and consumer rights;</li> <li>Promote dialogue among local development actors (communities, local authorities, civil society, private sector) through ICT support;</li> <li>Support preparation and adoption of local policy framework on community-based development initiative;</li> <li>Support municipalities for LED strategy development</li> <li>Carry out study on existing experience and publish the study report</li> </ol> <p><u>Quality Criteria:</u></p> <ul style="list-style-type: none"> <li>Local policy frameworks will be discussed in the plenary session of at least three city councils;</li> <li>At least two guidelines will be published for use of local partners</li> </ul>		
	120 local officials trained	40	40	40			
	3 city councils organise public hearing	0	1	1			
	2 LED strategy preparation supported	0	1	1		UNDP, Municipality, SDC	<p>Local consultancy Training/visit cost Advocacy cost Public hearing Printing cost Study cost Legal drafting</p> <p><b>Total US \$ 100,000</b></p>

7. Local economic development strategy preparation supported					<u>Quality Method:</u> - UNDP review of the partner municipalities' plenary session decisions - Published materials		
<b>Baseline:</b> 1. Not yet initiated 2. Initial inputs provided 3. One municipality supported for energy service delivery 4. Not targeted yet 5. Not yet initiated 6. Initial input provided through guidelines on inter-municipal cooperation 7. Support on LED strategy preparation not yet initiated	4 city councils participate in joint projects	4	0	0	<b>Activity – 2.3</b> Promoted inter-municipal cooperation for improved service delivery through joint ventures (e.g. solid waste management, health services, transport services, etc)  <u>Actions:</u> 1. Conduct feasibility study on inter-municipal joint venture in areas like solid waste management etc. 2. Provide seed grant to local authorities in carrying out joint venture 3. Communication and public relations - Organise media events on joint activities and service delivery  <u>Quality Criteria:</u> - At least one feasibility study is available for joint venture  <u>Quality Method:</u> - UNDP review of the feasibility study	UNDP, Municipality, SDC	Study cost Seed grant Training cost  <b>Total US \$ 138,000</b>
<b>OUTPUT – 3:</b>					<b>Activity 3.1</b>		
<b>Enhanced capacity of communities to realize improvements in local social, economic and environmental conditions</b>  <b>Indicators:</b> 1. No. of community organizations established 2. No. of community organization leaders trained; 3. Total members of CO-members	140 persons from MSUs, RCSD, MSDC trained  6 MSDCs are formed  6 MSUs are established  3 oblast level RCSDs functioning	60	60	20	Create environment for promotion of citizen-based partnership and participatory development vision  <u>Actions:</u> 1. Provide equipment and logistics for MSUs, resource centres and MSDC etc. 2. Prepare and publish guidelines and training materials 3. Provide training and exposure to the representatives of MSU, resource centre and MSDC (including MSU conference)  <u>Quality Criteria:</u> - MSDC makes decision to support Programme activities;  <u>Quality Method:</u> - UNDP review of the decision of the MSDC	UNDP, Municipality, SDC	Consultancy Equipment/logistics Training cost Technical support  <b>Total US \$ 80,000</b>
					<b>Activity – 3.2:</b>		

4. No. of Municipal Support Unit/RCSO established	200 NOs/Networks formed/grafted;	100	100	0	<p>Build capacity of target communities for participatory actions</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>1. Organise training, study tour and provide logistics to promote networking (NO/Network) and empowerment of local communities of citizens, academia, small businesses and NGOs for participatory decision-making;</li> <li>2. Provide seed grant to local communities for undertaking sustainable development initiatives;</li> <li>3. Provide technical support and seed grant for employment generation through micro-credit/cooperative development;</li> <li>4. Provide technical support to the municipalities to adopt community financing (without seed grant) in line with MGSDP approach</li> </ol> <p><u>Quality Criteria:</u></p> <ul style="list-style-type: none"> <li>- Partner municipalities and local communities of at least 10 municipalities are able to make joint decision for funding community projects</li> </ul> <p><u>Quality Method:</u></p> <ul style="list-style-type: none"> <li>- UNDP review of community project proposals</li> </ul>	UNDP, Municipality, SDC	<p>Consultancy Equipment/logistics Training cost Technical support Seed grant/Risk fund</p> <p><b>Total US \$ 3,819,000</b></p>
5. No. of Municipal Sustainable Development Council established	600 persons from local communities trained	230	230	140			
6. No. of local development projects supported with seed funding and technical support	150 local initiatives supported	70	50	50			
7. No. of local development projects supported with technical support (no of seed grant)							
8. No. of communities/community members targeted by sensitization workshops on human development issues							
					<b>Activity 3.3:</b>		
<b>Baseline:</b>	1100 persons from NO/Networks trained in gender, HIV/AIDS, SD, MDG etc.	380	380	340	<p>Raise public awareness on crucial sustainable human development agenda</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>1. Organise training, roundtables, campaigns and media events for raising public awareness on gender equality in line with UMDG;</li> <li>2. Organise training, roundtables, campaigns and media events for raising public awareness on prevention of HIV/AIDS;</li> <li>3. Carry out communication and public relation activities at local level to widely disseminate the experience on community-based sustainable development</li> </ol> <p><u>Quality Criteria:</u></p> <ul style="list-style-type: none"> <li>- Increase in awareness of men, women and students in the partner municipalities regarding gender, HIV/AIDS, SD, UMDG</li> </ul> <p><u>Quality Method:</u></p> <ul style="list-style-type: none"> <li>- UNDP assessment of change in awareness</li> </ul>	UNDP, Municipality	<p>Training cost Media activities Advocacy/Campaigning cost</p> <p><b>Total US \$ 60,000</b></p>
1. 246 NOs/Networks formed/grafted;	40 media events/awareness campaigns organised	13	15	12			
2. 400 NO/Network leaders trained;							
3. 28500 NO/Network members;							
4. 17 MSUs/RCSO established;							
5. 4 MSDCs established							
6. 111 community projects supported with technical + seed grant support;							
7. No project supported with technical support and without seed grant support;							
8. 3 rounds of inputs							

provided on raising public awareness on human dev issues							
						<b>Grand Total - US \$ 5297000</b>	



## MANAGEMENT ARRANGEMENT

This project will be implemented by UNDP Ukraine under Country Programme Action Plan 2006-2010 (See Annex VII). UNDP will provide support, management, and oversight under the requirements and guidelines of UNDP's Direct Execution (DEX) Modality and shall be responsible for the achievement of the outputs (results), impact and objectives. Similarly, it will be accountable for the use of project resources. Management arrangements for the Programme will be based on PRINCE2 project management methodology.

### Management Structures

**Project Board:** The Project Board is the group responsible for making by consensus management decisions for the project when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance to standards<sup>2</sup> that shall ensure best value to money, fairness, integrity transparency and effective international competition. In case a consensus cannot be reached, final decision shall rest with the UNDP Programme Manager. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when PM tolerances (normally in terms of time and budget) have been exceeded.

Based on the approved annual work plan (AWP), the Project Board may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities.

In addition, the Project Board plays a critical role in UNDP commissioned outcome evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning.

Project Board will consist of five members that will assume three roles, including:

- 1) An Executive: A senior programme manager of UNDP
- 2) Senior Supplier: SDC from among the international donors
- 3) Senior Beneficiary: Partner ministry (MoHME)/Parliamentary Committee on State Construction, Regional Policy and Local Self-government; UALRA and the national forum of partner municipalities)

Representatives under these three roles will function as follows:

#### **Executive**

The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier.

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<sup>2</sup> UNDP Financial Rules and Regulations: Chapter E, Regulation 16.05

The Executive is responsible for overall assurance of the project as described below. If the project warrants it, the Executive may delegate some responsibility for the project assurance functions.

**Senior Beneficiary**

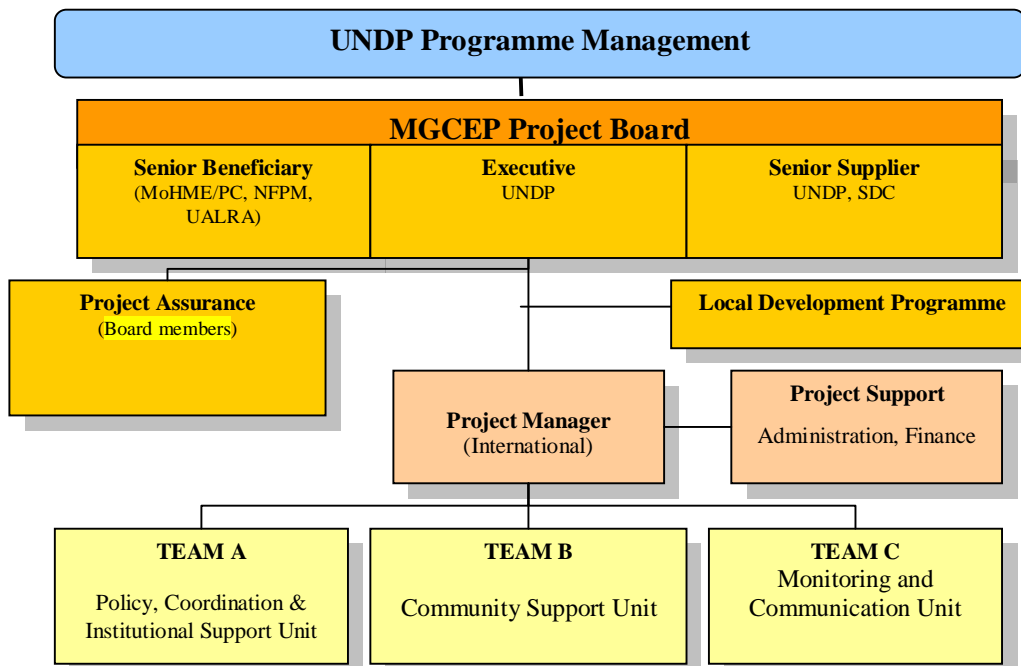
The Senior Beneficiary is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The role represents the interests of all those who will benefit from the project, or those for whom the deliverables resulting from activities will achieve specific output targets. The Senior Beneficiary role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests.

**Senior Supplier**

The Senior Supplier represents the interests of the parties which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Senior Supplier’s primary function within the Board is to provide guidance regarding the technical feasibility of the project. It has the authority to commit or acquire supplier resources required. Typically, the implementing partner, UNDP and/or donor(s) are represented under this role.

**Project Assurance**

Project Assurance is the responsibility of each Project Board member, however the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Programme Officer typically holds the Project Assurance role.



**Local Development Programme (LDP):** The Programme will be closely linked with the LDP of UNDP for implementation of its activities. Some of the relevant areas of MGCEP, such as national policy, knowledge management etc. will be taken care of by LDP in cooperation with other projects of UNDP namely CBAP, CIDP, CRDP and HS4Y. LDP will provide coordination support to MGCEP. Thus, resource framework and annual workplans of the MGCEP will be reconciled with that of LDP to ensure coordinated implementation of the activities.

**Project Manager** will run the project on a day-to-day basis on behalf of the Project Board and within the scope/constraints laid down by the Project Board. He/she will be responsible for day-to-day management and decision-making for the project and ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Project Manager will be supported by a project team in Kyiv. Specifically key team will consist of professionals in the field of governance, engineering, enterprise, monitoring/communication and support staff related with administration and finance. Terms of Reference of such staffs is given in Annex - VIII. The project management unit (PMU) will carry out its functions through its local/regional/national partners to achieve the intended results under the framework of established partnership agreements and established operational manuals/guidelines during phase II of the Programme. New guidelines will be developed or improvement in the old guidelines will be made as necessary for effective implementation.

**Governance:** Project implementation will be governed by provisions of the present Project Document and UNDP User Guide. The project will utilize a direct payment modality. Country office support services will be charged in accordance with the UNDP rules and the agreement with national/international donors. Governance of the Project will be supported through annual work planning as well as reporting and monitoring the delivery of results and impact on the basis of the results framework. The annual work plans as well as progress reporting will be the responsibility of the project management in close consultation with UNDP.

The work plan will be implemented upon its endorsement from the UNDP management. The endorsed work plan will serve as an authorization to the Project Manager to disburse funds. The Project Manager will implement project activities under guidance and support of the Sr. Programme Manager of UNDP.

External and internal audit of the project will be organized in accordance with UNDP finance/operations rules and procedures.

Services of short term international and national experts will be utilised for technical backstopping and specific advisory needs so as to improve effectiveness of specific Programme activities.

## **MONITORING FRAMEWORK AND EVALUATION**

Monitoring and evaluation of the Programme shall be carried out in accordance with the programming policies and procedures outlined in the UNDP User Guide, as follows:

### Within the annual cycle:

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods;
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change;

- Based on the initial risk analysis submitted (see annex X), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation;
- Based on the above information recorded in Atlas, a Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot;
- A project 'Lesson-learned Log' shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually:

- Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

The Project is subject to UNDP regular audit. Issues concerning this audit will be governed by the UNDP Operations Manual.

Progress on completion of planned activities, expenditures and achievement of results will be monitored through AWP Monitoring tool (Annex – IX).

**RISK**

As such there is no strong risk in making experiments on community participation in local development. Lack of clear policy for community financing and slow progress on series of national reforms on local self-government (i.e. civil service reforms, fiscal reforms, etc) may slow down the pace of implementation, especially in the light of forthcoming national election, which is expected to lead to a coalition government. Similarly, the regional authorities still carry strong mind set of administering development in a top-down command manner and therefore may take more than the stipulated time to appreciate and adopt the approach promoted by the Project. Furthermore, a part of the estimated resource need for the project is still unfunded and must be met through resource mobilisation. A slow down in achievement of the results may occur as a result of the delay in resource availability.

During the project implementation monitoring mechanisms will regularly assess the risks, determine the consequences for the project and lead to appropriate action to be taken. Activities for management and mitigation of Project risks will be integral part of the Project Action Plans (Annex – X).

The potentials against the risk are that the Project builds upon positive results of the social mobilisation and bottom-up and community-based approaches tested in the municipal context by UNDP/SDC.

## **LEGAL CONTEXT**

This Project Document shall be the instrument referred to as such in Article 1 of the Standards Basic Assistance Agreement (SBAA) between the Government of Ukraine and the UN Development Programme, signed by the respective parties on 3 June 1993. The host country Implementing Partner shall, for the purposes of the SBAA, refer to the government cooperating agency described in the latter Agreement. The project shall be also governed by the Country Programme Action Plan (2006-2010) between the Government of Ukraine and the United Nations Development Programme, signed by the respective parties on 17 August 2006 and Agreement between the United Nations Development Programme and Swiss Agency for Development Cooperation

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

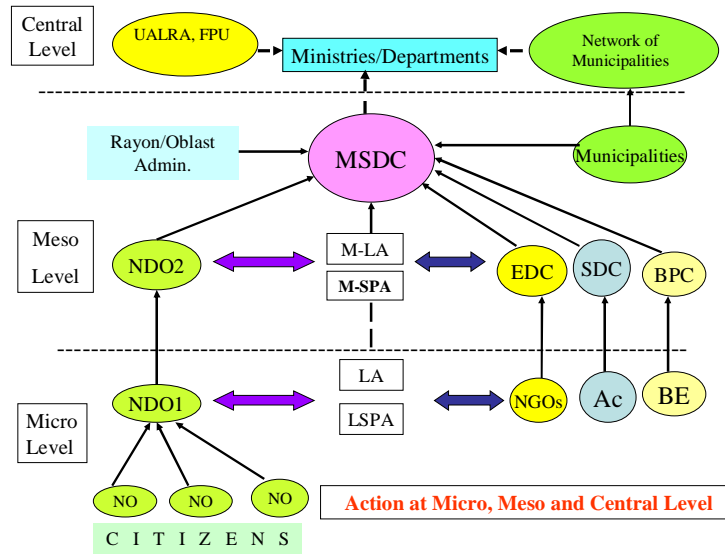
UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

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

## **LIST OF ANNEXES**

Annex - I:	Institutional Support Mechanism of MGSDP
Annex – II:	Programme Management Structure
Annex – III:	Programme Area
Annex – IV:	Programme Progress Data
Annex – V:	Cost Sharing Agreement between UNDP and SDC
Annex – VI:	Project Budget Sheet
Annex – VII:	CPAP (2006 – 10)
Annex – VIII:	ToR of key project staffs/unit
Annex – IX:	Project Workplan Monitoring Tool
Annex – X:	Risk Log

**Annex – I**  
**Institutional Support Mechanism of MGSDP**

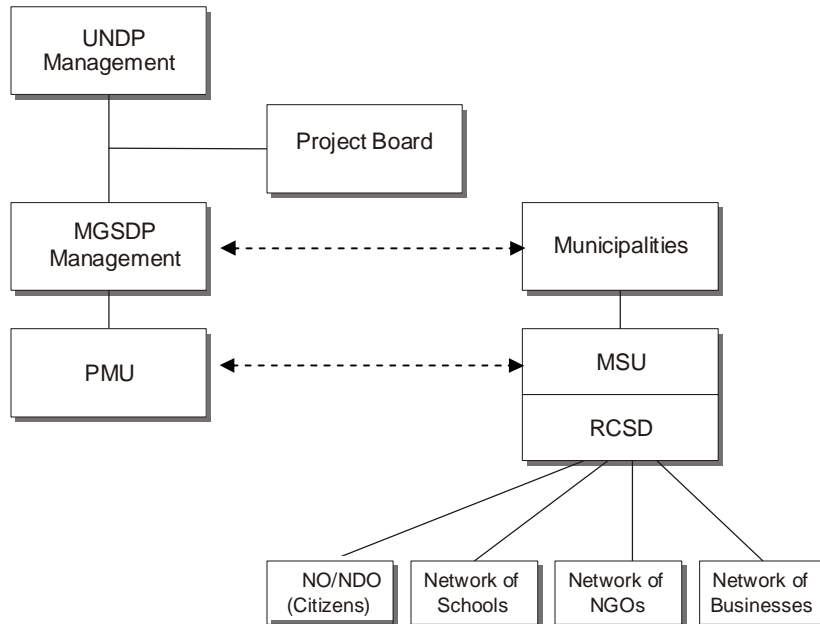


- Ac = Academia (schools)
- BE = Business Enterprises
- BPC = Business Promotion Centre
- EDC = Ecological Development Centre
- FPU = Forum of Partner Universities
- LA = Local Authorities (city council)
- LSPA = Local Level Service Providing Agencies

**Legend**

- M-LA = Meso Level Local Authorities Agencies
- MSDC = Municipal Sustainable Development Council
- M-SPA = Meso Level Service Providing Agencies
- NO = Neighbourhood Organisation
- NDO = Neighbourhood Development Organisation
- SDC = Social Development Centre Organisation
- UALRA = Ukrainian Association of Local and Regional Authorities

**Annex - II**  
**Organogram of MGSDP**



Annex – III  
**Programme Area of MGS DP (May 2007)**



● 3 Pilot municipalities (2004); ■ 3 New municipalities (2005); ▲ 8 Municipalities in 2006; ○ 6 New municipalities 2007

Annex – IV

**UNDP/MGS DP: Key Statistical Information on Programme Activities (3<sup>rd</sup> Quarter 2007)**

SN	Activities	Up to 2006	2007	Cum. since '04
1	<b><i>Area coverage</i></b>			
a	Oblasts	10	1	11
b	Municipality	14	3	17
2	<b><i>Institutional development</i></b>			
a	Neighbourhood organisations	111	121	232
b	Networks of schools	6	1	9
c	Network of businesses	2	0	2
d	Network of NGOs	3	0	3
e	Municipal Sustainable Development Council (MSDC)	2	0	2
f	National Forums:			
i)	of Partner Municipalities (NFPM)	1	0	1
ii)	of Partner Universities (NFPU)	1	0	1
3	<b><i>Membership</i></b>			
a	Number of citizens – total	17204	10991	28195
i)	Women	9915	6322	16237
ii)	Men	7289	4669	11958
b	Schools	150	60	210

c	NGOs	47	0	47
d	Businesses	31	0	31
4	<b><i>Human Resource Development</i></b>			
a	Number of HRD activities carried out	131	65	196
b	Beneficiary/participating - total	2938	1570	4508
5	<b><i>Improving Living Quality of People</i></b>			
a	Local community projects supported	62	49	111
b	Total cost of the projects (UAH '000)*	7630	5661	13291
i)	Community share (%)	10.7	13.4	11.8
ii)	Municipality's share (%)	43.9	46.6	45.1
iii)	UNDP/SDC share/Norwegian Embassy (%)	38.8	37.8	38.3
iv)	Share from others (%)	6.6	2.3	4.8
c	Status of project implementation			
i)	Completed projects	25	30	55
d	Direct beneficiaries of the projects	54588	30171	84759
i)	Women	17953	5857	23810
ii)	Men	15215	3144	18359
iii)	Children	21420	21170	42590
6	<b><i>Income generating activities**</i></b>			
a	Number of persons trained	90	-	90
b	Number of business plans prepared	60	-	60
c	Number of self-help groups formed	2	1	3
d	Number of members	10	15	25
e	Amount saved (UAH)	940	470	1410
f	Number of loans sanctioned	5	2	7
g	Amount of loan extended, UAH (including turn over)	26500	15080	41580
h	Recovery rate (%)	100	100	100

\* 1 US Dollar = 5.01 UAH (September 2007)

\*\* Data up to June 2007



**Cost Sharing Agreement Between UNDP and SDC for 2007-09**  
(For simplicity only the first page and the last page of the CSA is given )

**THIRD-PARTY COST-SHARING AGREEMENT**

**BETWEEN**  
**THE SWISS AGENCY FOR DEVELOPMENT**  
**AND COOPERATION – SDC (THE DONOR) AND**  
**THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis for the implementation of the project on “**Promoting Conditions of Participatory Governance and Development in Urban Areas Phase II**” in Vinnytska Oblast and the Autonomous Republic of Crimea, **7 May 2007 to 31 December 2007**, as part of the UNDP Ukraine “Municipal Governance Sustainable Development Programme (MGSDP)”,

WHEREAS UNDP is prepared to receive and administer the contribution for the execution/implementation of the project,

WHEREAS the Government of Ukraine has been duly informed of the contribution of the Donor to the project,

WHEREAS UNDP shall act as an Executing Agency for the implementation of the project (hereinafter referred to as “the Executing Agency”);

NOW THEREFORE, UNDP and the Donor hereby agree as follows:

**Article I. The Contribution**

1. (a) The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of USD 136’000 (one hundred and thirty six thousands dollars). The contribution shall be deposited in the following bank:

UNDP Representative in Ukraine USD Account  
Account No. 3752174579  
Bank of America  
Mail Stop DC1-701-07-08  
730 15<sup>th</sup> Street, N.W. 7<sup>th</sup> Floor  
Washington, DC 20005, USA  
ACH Routing Number 111000012  
SWIFT Address: BOFAUS3N

This contribution will be allocated in three installments:

The first installment of USD 68’000.- will be paid immediately after this agreement has been signed by both parties.

**Article IX. Donor Visibility**

UNDP ensures that appropriate visibility in Public Relations activities of the project will be given to the SDC as Donor.

**Article X. Amendment of the Agreement**

The Agreement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect shall become an integral part of the Agreement.

**Article XI. Entry Into Force**

This Agreement shall enter into force upon signature and deposit by the Donor of the first contribution-payment to be made in accordance with the schedule of payments set out in Article I, paragraph 1 of this Agreement and the signature of the project document by the concerned parties.

Because of planning/operational considerations, this Agreement only covers activities from May 7, 2007 to December 31, 2007, which is in contrast to the Project Document that covers the period from May 7, 2007 to December 31, 2009. In the case that the Swiss Parliament should make available funds within the next frame-credit for the Cooperation with the Countries of Eastern Europe and the CIS (decision anticipated by the end of 2007), the Donor intends to amend the present Agreement by extending the duration to December 31, 2009 and adding the amount of USD 356'000; this makes a maximum total amount of USD 492'000 for the whole period from May 7, 2007 to December 31, 2009. Should the Parliament, contrary to expectations, fail to approve the frame-credit or make less funds available, the Donor will enter into negotiations with UNDP. UNDP expressly waives all claims to compensation for damages resulting from a reduction of the project in terms of either volume or time.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Donor:

  
Name: Mr. Ueli Mueller

Title: Country Director, Ukraine  
Swiss Agency for Development  
and Cooperation

Date: 07/05 2007



For the United Nations Development Programme:



Name: Mr. Francis O'Donnell

Title: UNDP Resident Representative in  
in Ukraine

Date: 10/15/2007 2007

Annex – VI  
**Project Workplan Budget Sheet (2008-10)**  
 UNDP/MGSDP (Phase III: Municipal Governance and Community Empowerment)

Intended Outputs and indicators	Planned Activities	Responsible Parties	Planned Budget (US \$ '000)				
			Source of Funds	2008	2009	2010	Total
<p style="text-align: center;"><b>OUTPUT – 1: Improved capacity of central government to decentralize fiscal and administrative powers/responsibilities in support of local development</b></p> <p><b>Indicators:</b></p> <ol style="list-style-type: none"> <li>Draft amendment law on BSP;</li> <li>Draft amendment law on financing of community organisations;</li> <li>Policy recommendation to draft legislation and procedures for decentralised administrative and fiscal structure;</li> <li>No. of central government officials trained on concepts/processes of sustainable local development</li> <li>Draft 'local sustainable development' addition to curriculum of selected fields of study</li> <li>No. of events to advocate decentralization reforms</li> </ol> <p><b>Baseline:</b></p> <ol style="list-style-type: none"> <li>Drafted amendment law on BSP and submitted to parliamentary committee;</li> </ol>	<p><b>Activity - 1.1:</b> Policy recommendations formulated on enabling environment for local self-governance and community-led development</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Carry out policy studies and legislation drafting</li> <li>Organise roundtables and public hearings for policy discussions</li> </ol>	UNDP, municipalities	UNDP	0		10	30
			SDC	6	11	0	17
			Municipality	0	0	0	0
			Community	0	0	0	0
			Unfunded	24	9	10	43
			<b>Sub-total</b>	<b>40</b>	<b>30</b>	<b>20</b>	<b>90</b>
	<p><b>Activity – 1.2:</b> Capacity developed among national government bodies, politicians and civil servants from relevant central institutions to support participatory local development planning and decision-making</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Provide support to national bodies for promoting administrative and financial decentralization;</li> <li>Organise training and study tour for civil servants, elected officials and scientists including roundtable of the NFPM;</li> <li>Enhance infrastructural capacity of the relevant government bodies (e.g. MoHME, parliamentary committee) and non-government bodies (e.g. UALRA, FLGS)</li> </ol>	UNDP, SDC, ministries, parliamentary committees, association of municipalities (UALRA, FLGS)	UNDP	30	30	30	90
			SDC	0	0	0	0
			Municipality	0	0	0	0
			Community	0	0	0	0
			Unfunded	30	30	0	60
			<b>Sub-total</b>	<b>60</b>	<b>60</b>		<b>150</b>
	<p><b>Activity – 1.3:</b> Current and future generations of civil servants, policy makers, CSOs, private sector and representatives of academia and scientific community are trained on concepts and processes of participatory and sustainable local development.</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Organise training and conferences for representatives of universities;</li> <li>Provide support to develop/enrich and finalise curriculum;</li> <li>Support universities for research, internships, seminar/workshops/roundtables on the subject</li> </ol>	UNDP, universities	UNDP	30	30	30	90
			SDC	0	0	0	0
			Municipality	0	0	0	0
			Community	0	0	0	0
			Unfunded	10	10	10	30
			<b>Sub-total</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>120</b>

<p>2. Amendment law on financing of COs not yet drafted;</p> <p>3. First round of initial inputs provided on policy recommendation</p> <p>4. First round of initial inputs on training government officials provided;</p> <p>5. First draft of teaching curriculum on SD developed and one university started teaching;</p> <p>6. First round of initial inputs for advocacy on decentralisation reform provided</p> <p><b>Related CP Outcome:</b> Strengthened transparency of people-centred, public governance operations, frameworks and mechanisms</p>	<p><b>Activity – 1.4:</b> Communication and public relations</p> <p><u>Actions</u></p> <p>1. Bring out occasional policy papers for wider audience</p> <p>2. Organise media events for wider outreach</p> <p>3. Bringing out quarterly reports and annual report</p>	UNDP, SDC	UNDP	10	10	5	25
	<p><b>Activity – 1.5:</b> Good experience of the Programme will be incorporated into work of other projects, which are applying ABD approach</p> <p><u>Actions</u></p> <p>1. Organise training/visit on demand for staffs/stakeholders of other projects</p> <p>2. Provide advisory/knowledge sharing support to other projects</p>		SDC	0	0	0	0
			Municipality	0	0	0	0
			Community	0	0	0	0
			Unfunded	0	0	0	0
			<b>Sub-total</b>	<b>10</b>	<b>10</b>	<b>5</b>	<b>25</b>
<p><b>Activity – 1.6:</b> Providing advisory and management support for effective implementation of the Programme activities</p>	UNDP	UNDP	5	5	5	15	
		SDC	0	0	0	0	
		Municipality	0	0	0	0	
		Community	0	0	0	0	
		Unfunded	0	0	0	0	
		<b>Sub-total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>15</b>	
<p><b>Activity – 2.1:</b> Joint planning and participatory budgeting for sustainable local development methodology and manual developed</p> <p><u>Actions:</u></p> <p>1. Support joint planning and participatory budgeting in selected municipality;</p> <p>2. Support municipality for developing strategic plan/performance-based budgeting/ISO;</p> <p>3. Support municipalities for improved service delivery and community participation into local development</p>	UNDP, SDC	UNDP	192	192	200	584	
		SDC	8	8	0	16	
		Municipality	0	0	0	0	
		Community	0	0	0	0	
		Unfunded	0	0	0	0	
		<b>Sub-total</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>600</b>	
<p><b>OUTPUT – 2:</b> <b>Improved capacity of local authorities to transparently define and implement local development strategies, deliver public services, and foster local economic development</b></p> <p><b>Indicators:</b></p> <p>1. No. of regional and municipal administrations trained in joint strategy development;</p> <p>2. No. of municipalities where public hearings facilitated;</p>	<p><b>Activity – 2.2:</b> Build capacity of relevant civil servants and officials at regional and municipal level – to improve local public service delivery</p> <p><u>Actions:</u></p> <p>1. Organise training, exposure visits, east-west exchange visits related with</p>	UNDP, Municipality, SDC	UNDP	20	15	15	50
			SDC	5	5	0	10
			Municipality	0	0	0	0
			Community	0	0	0	0
			Unfunded	25	15	0	40
			<b>Sub-total</b>	<b>50</b>	<b>35</b>	<b>15</b>	<b>100</b>
<p>UNDP, Municipality, SDC</p>	UNDP	25	25	20	70		
	SDC	7	0	0	7		

<p>3. Set of recommendations to improve public service delivery at local level;</p> <p>4. No. of municipality administrations targeted by advocacy event on policy recommendations for improved PS delivery;</p> <p>5. No. of local civil servants and local officials trained on improving local public service delivery;</p> <p>6. No. of municipalities where feasible joint projects identified</p> <p>7. Local economic development strategy preparation supported</p>	<p>public service delivery;</p> <p>2. Organise roundtables on the agenda of consumer rights;</p> <p>3. Support municipalities for public hearings on the agenda of public service delivery and consumer rights;</p> <p>4. Promote dialogue among local development actors (communities, local authorities, civil society, private sector) through ICT support;</p> <p>5. Support preparation and adoption of local policy framework on community-based development initiative;</p> <p>6. Support municipalities for LED strategy development</p> <p>7. Carry out study on existing experience and publish the study report</p>		Municipality	0	0	0	0
<p><b>Baseline:</b></p> <p>1. Not yet initiated</p> <p>2. Initial inputs provided</p> <p>3. One municipality supported for energy service delivery</p> <p>4. Not targeted yet</p> <p>5. Not yet initiated</p> <p>6. Initial input provided through guidelines on inter-municipal cooperation</p> <p>7. Support on LED strategy preparation not yet initiated</p>	<p><b>Activity – 2.3:</b> Promoted inter-municipal cooperation for improved service delivery through joint ventures (e.g. solid waste management, health services, transport services, etc)</p> <p><u>Actions:</u></p> <p>1. Conduct feasibility study on inter-municipal joint venture in areas like solid waste management etc.</p> <p>2. Provide seed grant to local authorities in carrying out joint venture</p> <p>3. Communication and public relations - Organise media events on joint activities and service delivery</p>	UNDP, Municipality, SDC	UNDP	30	30	18	78
<p><b>OUTPUT – 3:</b></p> <p><b>Enhanced capacity of communities to realize improvements in local social, economic and environmental conditions</b></p> <p><b>Indicators:</b></p> <p>1. No. of community organizations established</p> <p>2. No. of community organization leaders trained;</p> <p>3. Total members of CO-members</p> <p>4. No. of Municipal Support Unit/RCSD established</p> <p>5. No. of Municipal Sustainable</p>	<p><b>Activity – 3.1:</b> Create environment for promotion of citizen-based partnership and participatory development vision</p> <p><u>Actions:</u></p> <p>1. Provide equipment and logistics for MSUs, resource centres and MSDC etc.</p> <p>2. Prepare and publish guidelines and training materials</p> <p>3. Provide training and exposure to the representatives of MSU, resource centre and MSDC (including MSU conference)</p>	UNDP, Municipality, SDC	UNDP	5	5	10	20
	<p><b>Activity – 3.2:</b> Build capacity of target communities for participatory actions</p> <p><u>Actions:</u></p>	UNDP, Municipality, SDC	SDC	29	11	0	40
			Municipality	0	0	0	0
			Community	0	0	0	0
			Unfunded	8	15	0	23
			<b>Sub-total</b>	<b>40</b>	<b>40</b>	<b>20</b>	<b>100</b>
			SDC	3	19	0	22
			Municipality	0	0	0	0
			Community	0	0	0	0
			Unfunded	27	11	0	38
			<b>Sub-total</b>	<b>60</b>	<b>60</b>	<b>18</b>	<b>138</b>
			UNDP	103	0	0	103
			SDC	110	104	0	214

<p>Development Council established</p> <p>6. No. of local development projects supported with seed funding and technical support</p> <p>7. No. of local development projects supported with technical support (no. of seed grant)</p> <p>8. No. of communities/community members targeted by sensitization workshops on human development issues</p> <p><b>Baseline:</b></p> <p>1. 246 NOs/Networks formed/granted;</p> <p>2. 400 NO/Network leaders trained;</p> <p>3. 28500 NO/Network members;</p> <p>4. 17 MSUs/RCSD established;</p> <p>5. 4 MSDCs established</p> <p>6. 111 community projects supported with technical + seed grant support;</p> <p>7. No project supported with technical support and without seed grant support;</p> <p>8. 3 rounds of inputs provided on raising public awareness on human dev issues</p> <p><b>CP Outcome:</b></p> <p>Civil society strengthened and supported to promote participatory decision making process</p>	<p>1. Organise training, study tour and provide logistics to promote networking (NO/Network) and empowerment of local communities of citizens, academia, small businesses and NGOs for participatory decision-making;</p> <p>2. Provide seed grant to local communities for undertaking sustainable development initiatives;</p> <p>3. Provide technical support and seed grant for employment generation through micro-credit/cooperative development;</p> <p>4. Provide technical support to the municipalities to adopt community financing (without seed grant) in line with MGSDP approach</p>	<table border="1"> <tr> <td>Municipality</td> <td>595</td> <td>705</td> <td>605</td> <td>1905</td> </tr> <tr> <td>Local Community</td> <td>130</td> <td>160</td> <td>160</td> <td>450</td> </tr> <tr> <td>Unfunded</td> <td>441</td> <td>728</td> <td>683</td> <td>1852</td> </tr> <tr> <td><b>Sub-total</b></td> <td><b>1379</b></td> <td><b>1805</b></td> <td><b>1555</b></td> <td><b>4739</b></td> </tr> </table>	Municipality	595	705	605	1905	Local Community	130	160	160	450	Unfunded	441	728	683	1852	<b>Sub-total</b>	<b>1379</b>	<b>1805</b>	<b>1555</b>	<b>4739</b>									
	Municipality	595	705	605	1905																										
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<p><b>Activity – 3.3:</b> Raise public awareness on crucial sustainable human development agenda</p> <p><u>Actions:</u></p> <p>1. Organise training, roundtables, campaigns and media events for raising public awareness on gender equality in line with UMDG;</p> <p>2. Organise training, roundtables, campaigns and media events for raising public awareness on prevention of HIV/AIDS;</p> <p>3. Carry out communication and public relation activities at local level to widely disseminate the experience on community-based sustainable development</p>	<table border="1"> <tr> <td>UNDP</td> <td>15</td> <td>15</td> <td>15</td> <td>45</td> </tr> <tr> <td>SDC</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Municipality</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Local Community</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Unfunded</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>Sub-total</b></td> <td><b>15</b></td> <td><b>15</b></td> <td><b>15</b></td> <td><b>45</b></td> </tr> </table>	UNDP	15	15	15	45	SDC	0	0	0	0	Municipality	0	0	0	0	Local Community	0	0	0	0	Unfunded	0	0	0	0	<b>Sub-total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>45</b>
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Annex – VII  
Country Programme Action Plan (2006 – 10)



Country Programme Action Plan (2006 -2010)

Between  
The Government of Ukraine  
and  
The United Nations Development Programme



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## **The Framework**

The Government of Ukraine and the UNDP-Ukraine are in mutual agreement to the content of this document and their responsibilities in the implementation of the Country Programme.

Furthering their mutual agreement and cooperation for the realization of the Millennium Declaration, Millennium Development Goals and the United Nations Conventions to which the Government of Ukraine and UNDP are committed,

Building upon the experience gained and progress made during the implementation of the previous Country Programme (2001-2005),

Entering into a new period of cooperation (2006-2010),

Declare that these responsibilities will be fulfilled in a spirit of close cooperation and have agreed as follows:

### **Part I. Basis for Relationship**

1.1. WHEREAS the Government of Ukraine (hereinafter referred to as "the Government") and the United Nations Development Programme (hereinafter referred to as UNDP) have entered into a basic agreement to govern UNDP's assistance to the country (Standard Basic Assistance Agreement (SBAA), which was signed by both parties on June 18, 1993. Based on Article I, paragraph 2 of the SBAA, UNDP's assistance to the Government shall be made available to the Government and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP. In particular, decision 2005/1 of 28 January 2005 of UNDP's Executive Board approved the new Financial Regulations and Rules and along with them the new definitions of 'execution' and 'implementation' enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDG simplification and harmonization initiative. In light of this decision, this CPAP together with Annual Work Plans (which shall form part of this CPAP, and be incorporated herein by reference) concluded hereunder constitute together a project document as referred to in the SBAA .

### **Part II. Situation Analysis**

2.1. The political transformations that took place in late 2004 and early 2005 were a watershed for Ukraine. Citizens showed an unprecedented determination to exercise their rights and defend their freedoms, taking to the streets to demand free and fair elections as well as far-reaching governance reforms and better economic opportunities. The new Government has responded to these demands by promising a fundamental change in the relations between State and citizen and a new emphasis on individual dignity and freedom, civil society and democracy, a united and lawful State, inter-ethnic and interfaith harmony, and social equity and well-being.

2.2. The upheaval of 2004 was a response to flawed and incomplete political and economic reforms. Ukraine's transition from communism has been difficult. Although the country has established many democratic institutions and practices, the system of government is overly centralized, cumbersome, and bureaucratic. Corruption is widespread. The division of powers and responsibilities between central and local authorities is ill defined. The justice system and the mass media have been subject to political pressures. Public oversight of state bodies is weak.

2.3. The economic transition of Ukraine is likewise incomplete. After a decade of decline, gross domestic product (GDP) growth resumed in 2000 and reached 9.3 per cent and 12 per cent in 2003 and 2004, respectively – some of the highest rates in the world. The economy has continued to expand in 2005, although at a slower pace than previously. Macroeconomic stabilization was

sustained except in the period leading up to elections in 2004, and regulatory reforms were implemented to promote growth. Yet despite five years of vigorous expansion, Ukraine remains one of the poorest countries in Europe. Roughly one fourth of the population lives below the nationally-defined poverty level. The poorest 30 per cent of the population receives 12.5 per cent of all income, according to the *Human Development Report 2004*.

2.4. Moreover, a large number of inherited structural problems threaten Ukraine's ability to generate sustained economic growth. State control over enterprises remains extensive, bureaucratic interference in commerce is common, and property rights remain insecure. Corporate legislation, particularly in the regulation of joint-stock companies, is flawed or absent. Excessive government regulation is harmful to the health of small and medium-sized businesses (SMEs). Markets are distorted by artificial monopolies. Structures such as these provide incentives to rent-seeking and corruption.

2.5. Economic growth has also failed to stem deterioration in the quality and availability of such public services as education, health care, and social welfare benefits. The 2004 human development index (HDI) for Ukraine was 0.766 (using data for 2003). This figure is still lower than that for 1991, primarily because life expectancy has continued to worsen, and GDP overall has failed to recover to its pre-independence level. The three most striking symptoms of social malaise are demographic: (a) Ukraine has a low fertility rate; (b) life expectancy is low, especially for men (56.5 years); and (c) there is a persistent exodus of workers seeking gainful employment abroad. The population of Ukraine is in decline, falling from 50.2 million to 47.5 million between 1997 and 2003. Rural communities are markedly poorer than urban settlements, which account for 67 per cent of the Ukrainian population.

2.6. Young people and women are particularly vulnerable to the consequences of widespread poverty and an inadequate social safety net. In particular, the share of the young people in the total number of the unemployed constitutes about 40% in urban and 25.2% in rural areas. HIV/AIDS is estimated to affect 1.4 per cent of the total adult population, and the rate of increase in new infection numbers is among the most rapid in Europe. The number of drug users registered with the Ministry of Interior has doubled in the past five years. Domestic violence is a problem, and more than half of first marriages end in separation. Participation of young people and women in decision-making is low. Human security is also of concern: Ukraine records around 18,000 criminal cases related to human trafficking each year.

2.7. Human security in Crimea and regions affected by the Chernobyl nuclear disaster of 1986 are of both national and international concern. Resettlement of the indigenous Tatar community, which was forcibly deported from Crimea to Central Asia, still requires intensive effort to promote inter-ethnic integration and strengthen regional security. Similarly, communities affected by the Chernobyl disaster continue to suffer from the uncertainties surrounding prolonged exposure to low-level radiation as well as limited opportunities for social and economic development. Pronounced regional differences in attitudes, outlook, and expectations between the western and eastern regions of Ukraine emerged with clarity during the 2004 presidential elections, and need now to be addressed.

2.8. With the ratification of the Kyoto Protocol in 2004, Ukraine has endorsed all major United Nations conventions related to the environment. Yet communities throughout the country remain vulnerable to the consequences of wasteful and harmful energy and environmental practices. Heavy industry in Ukraine is extremely energy-intensive and residential heating and urban transport are highly polluting. As a result, Ukraine produces around 2 per cent of global carbon dioxide emissions. The Carpathian forest and mountain ecosystem is under pressure from business and residential expansion. Deforestation in the Carpathian region has compromised the Tisza River basin. Industrial pollution, past agricultural practices and the Chernobyl legacy all endanger biodiversity in the Polesie wetlands and the quality of water throughout Ukraine.

2.9. The new Government of Ukraine sees greater integration with the European Union, as well as with the global economy through membership of the World Trade Organization, as the key to many

of the social, economic, and human development challenges that the country faces. The top priority task for the next few years will be to complete reforms that started in late 1990s – early 2000.

### **Part III. Past Cooperation and Lessons Learnt**

3.1. The country cooperation framework for 2001-2005 defined three major programme areas: (a) *strengthening democratic governance*; (b) *promoting human security and development*; and (c) *enhancing environmental protection and sustainable development*. All programmes were to include attention to gender, information and communications technology (ICT), and human rights. The Assessment of Development Results and the visit to Ukraine by the Executive Board in 2004 concluded that the UNDP programme was strongly linked to Ukrainian priorities.

3.2. *Democratic governance*. The most notable contribution in this area was the formation by UNDP, in mid-2004, of a blue-ribbon commission of national and international experts. With elections due later in the year, this body was charged with preparing policy recommendations for a new president. This endeavor produced a concise document, *Proposals to the President: a new wave of reform*, containing more than 100 specific recommendations for the new government team. The report was of acknowledged assistance to the new Government in preparing its inaugural programme, and also helped win international support for efforts on the part of Ukraine to launch a 'second wave' of economic, political, and social reforms.

3.3. UNDP was active in efforts to help educate young people to become citizens of a democratic society, and to assist municipal authorities in the provision of adequate public services and involving citizens in these efforts. Capacity has been created in the Accounting Chamber, the Office of the Ombudsman, and the Parliament, to improve public accountability, awareness of human rights and parliamentary oversight. UNDP worked to build the capacity of civil-society organizations, the private sector and academia to participate in policy-making processes. Work with communities in Crimea and areas affected by the Chernobyl disaster is helping create viable grass root institutions for citizen-oriented democratic governance, decentralization and area-based development.

3.4. *Human security and development*. UNDP played a lead role in shaping the response of the United Nations system and the Government to the threat of HIV/AIDS. As a result, awareness and understanding of HIV/AIDS in Ukraine has substantially improved. UNDP efforts also helped provide input into debates on the policies and legislation needed to promote economic recovery, civic participation, educational reform, labor market flexibility, and the healthy development of commercial agriculture.

3.5. Social mobilization and institutional arrangements for the political, social, economic, and cultural integration of the multi-ethnic population in Crimea have yielded positive results in maintaining peace, stability, and development. Similarly, citizens in communities affected by the Chernobyl disaster have been actively engaged in implementing projects aimed at social, economic, and ecological recovery.

3.6. Advocacy and training have inspired government leaders to incorporate gender in their public policies. Equal opportunities have been enshrined in the legal framework of Ukraine, the family code has been revised to reflect gender concerns and the legal basis to combat human trafficking and violence against women has been strengthened.

3.7. *Environment and sustainable development*. UNDP assistance was instrumental in fostering public dialogue on and integration of sustainable development concepts into national policies. The capacity for formulating and implementing environmental legislation has improved. Drawing on its experience in Crimea and Chernobyl, UNDP helped local authorities engage in community-based approaches to sustainable development by offering an effective methodology of social mobilization in municipalities.

3.8. The Assessment of Development Results conducted in 2004 attributes the success of UNDP in delivering development results to three factors: (a) using the Millennium Development Goals

(MDGs) as a guide to programming; (b) standing at the forefront of international efforts to address key challenges through the use of partnerships with multiple stakeholders, and directing attention to human rights and improvements in living standards; and (c) responding to government priorities and ensuring government ownership of programming. The assessment also stresses the need to focus on key programmes.

3.9. Looking ahead, UNDP will redouble its efforts to foster good governance; promote policies supportive of broad-based growth to overcome excessive inequality; develop twinning arrangements for government, civil society and private-sector organizations with similar institutions in neighboring countries; support the Government in scaling up successful practices for nationwide impact; and focus programming on MDGs, the European Union and the effectiveness and coordination of aid programmes.

#### **Part IV. Proposed Programme**

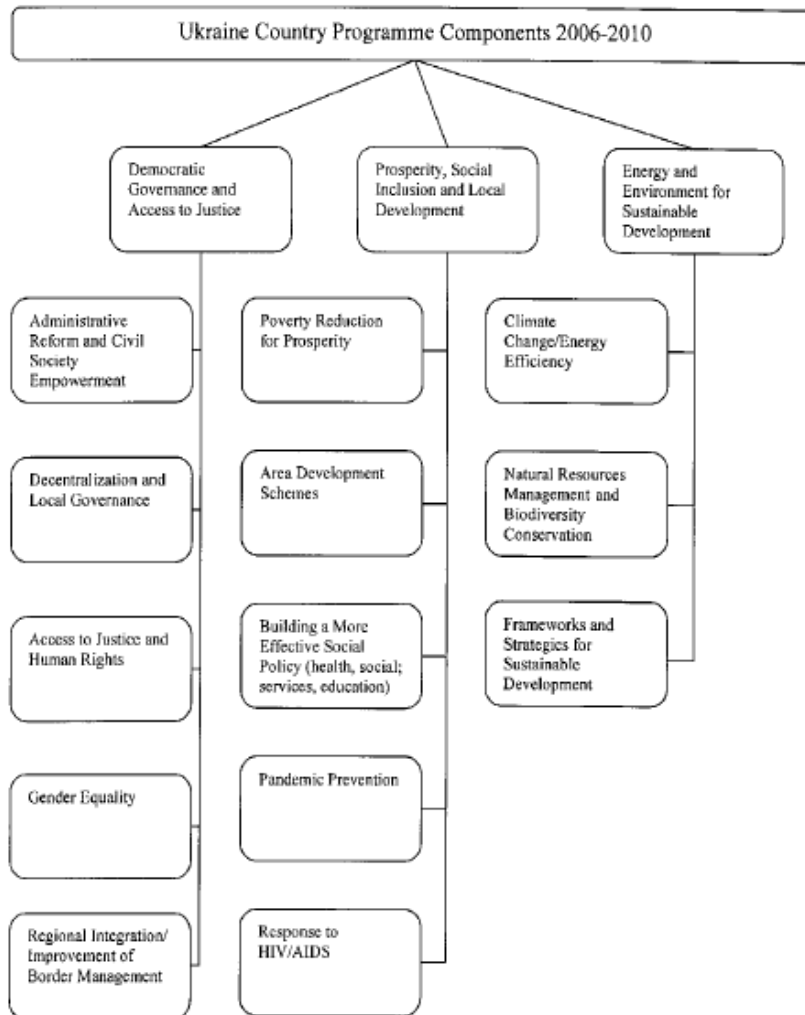
4.1. The Country Programme for 2006-2010 will support national priorities enshrined in the Government's Programmes and assist Ukraine in attaining higher level economic and social standards as well as in implementing its European Choice. UNDP's approach to programming will be guided by coordination with donors and other development partners, networking for knowledge exchange and strengthening partnerships with government, civil society, business community and international development actors. The neutrality of the UN will be utilized to create a platform for policy debates and consensus building on issues that are of critical importance for the development of Ukraine. Furthermore, the new country programme will build on UNDP's comparative advantage in human development and MDGs advocacy. It will also benefit from the organization's strengths and past experiences in rendering high level policy advice as well as from the capacity to launch innovative demonstration projects at the local level and promote the "know how" from these interventions in national programming.

4.2. Regular policy consultation process, supported by UNDP in the framework of the Blue Ribbon Commission (BRC) initiative, will continue in the next programme cycle. Ongoing policy advice will be ensured through regular meetings with the leadership of the country as well as through ad hoc and regular notes and strategic papers, comments on draft legal acts, BRC, MDG and National Human Development Reports. These documents will provide a continuous analysis of the socio-economic situation in Ukraine, highlight emerging development trends and/or concerns and provide policy recommendations. In addition, policy development component will remain an integral part of all UNDP projects to ensure support in elaboration of sectoral development strategies. National stakeholders, particularly civil society leaders will be actively involved in the production of all policy documents to increase national ownership and enhance national policy formulation capacities.

4.3. Area-based and local development approaches successfully tested in Crimea, Chernobyl and several pilot municipalities will be replicated in other regions. Partnerships among community organizations, businesses and local authorities will be facilitated and capacities built to jointly plan and manage local development. Lessons from the ground will be promoted to inform policy discussions and to implement decentralization reforms.

4.4. UNDP will continue building the Government's capacity to effectively coordinate and manage technical assistance resources. Pursuing recommendations of the Paris Declaration on Aid Effectiveness, UNDP will support the dialogue between the Government of Ukraine and the donor community to ensure alignment of external aid with the national development priorities, policies and strategies, avoid duplication of donors' efforts and secure national ownership over the development strategies produced with donors' support. To maximize the impact of UNDP's assistance, gradual transition towards the programmatic and sector-wide approaches will be undertaken.

(2) prosperity, social inclusion and local development, and (3) energy and environment for sustainable development. The new programme will fully correlate with MYFF\* goals and further support the government in achieving the MDGs. Gender mainstreaming practices as well as civil society empowerment and specific initiatives targeted at the youth will be integrated in each of the programme's components.



\* MYFF (Multi-year Funding Framework) is a UNDP framework, which outlines UNDP's global priorities and strategies for the period of four years. At the country office level, MYFF is used for mid-term and annual planning and reporting.

4.6. UNDP's support will facilitate democratic governance reforms in two UNDAF assistance areas: (1) institutional reforms that enable all people enjoy their human rights and (2) civil society empowerment to enable citizens to access services and enjoy their rights.

4.7. UNDP will assist the government of Ukraine in developing a strategic vision on good governance that will be in line with the best international practices and facilitate Ukraine's integration with the EU structures. UNDP will chair the Institutional Reforms Thematic group to contribute to better coordination of the technical assistance in this field. Consistent with the priorities of the Government's Programmes and the EU-Ukraine Action Plan, the *Democratic Governance and Access to Justice Programme* will focus on the following areas: (i) administrative reform and civil society empowerment, (ii) decentralization and local governance, (iii) judicial reform and human rights, (iv) gender equality and regional integration/improvement of border management.

4.8. Administrative Reform and Civil Society Empowerment. The success of Ukraine's EU integration aspirations will depend on its progress in transforming the relations between the citizens and the State towards the ones that are built on mutual trust and respect to democratic values and the rule of law. UNDP will support this transformation by enhancing institutional capacities of the central and local Government bodies to efficiently deliver quality services to citizens and by creating a favorable environment for civil society to participate in the decision making process. Human rights based approaches in public administration will be promoted country-wide.

4.9. UNDP will provide policy advice on the civil service reform and anti-corruption measures, including the development of accountability-related legislation, like a new Code of Administrative Procedures and Civil Servants Ethics Code; build the educational capacity of the Public Administration Academy and other training institutions; and demonstrate new civil service approaches through pilot projects with selected government institutions.

4.10. Best international expertise will be utilized to enhance open government practices, increase citizens' participation, develop e-governance and promote public access to information. UNDP will build the capacity of the government, business and civil society actors to engage in policy dialogue and open decision making process. In partnership with the EC, a new initiative on consumer rights protection will be launched with the aim to develop capabilities of civil society organizations to safeguard economic rights of Ukrainian population. UNDP will continue developing the capacity of non-state actors to participate in the MDG-based long-term policy formulation and to monitor implementation of the legislative and normative acts at the national and local level. Public access to information will be strengthened through capacity building of the government bodies and the mass media. UNDP will facilitate promotion of e-governance concepts and integration of e-governance tools into public administration to enhance transparency and operational efficiency of government operations.

4.11. Decentralization and Local Governance. UNDP will support the decentralization processes initiated by the Government by providing policy advice on legislation improvement and by building the capacity of the regional, municipal and local authorities to function in the decentralized manner. Based on the best practices of Chernobyl, Crimea, Integrity in Action and Municipal Sustainable Development Programmes, UNDP will strengthen decentralized institutional practices by supporting governments in forging partnerships with civil society and business organizations, promoting transparent management of public resources, improving service delivery and facilitating inter-municipal and regional cooperation. Training programmes for civil servants will be introduced to build their capacities to take over the delegated responsibilities and good governance resource centers will be established in pilot regions. UNDP will also facilitate the interaction of all levels of government to ensure the development of locally sensitive national policies.

review of the new legislation will be provided. Specific attention will be given to supporting national efforts aimed at establishment of the Administrative Courts system. Introduction of ICT tools will be widely promoted to improve efficiency and transparency of courts' operations and to ensure public access to courts decisions.

4.13. UNDP will continue strengthening national capacities to comply with the international human rights obligations. Close cooperation with Parliament, Government and civil society institutions will be ensured to strengthen national response to human rights violations and to improve human rights monitoring and reporting capacities. UNDP will advocate the idea of establishing a network of the Ombudsperson's offices that will work on different types of human rights violations.

4.14. Building on the successful experiences of pilot Citizen Bureaus created in the framework of Integrity in Action Program, UNDP will provide policy support in improving the legislation on free legal aid and build the capacity of national stakeholders to establish an effective free legal aid system.

4.15. All UNDP projects will mainstream human rights based approaches in their work with the national partners. Civil society organizations and the media will be empowered to counteract different types of discrimination and human rights abuse.

4.16. Gender Equality. UNDP will develop recommendations on introduction of gender sensitive approaches in state policies; assist the government in implementation of the National Action Plan for Achieving Gender Equality 2006 – 2015; and build the capacity of central and local governments and CSOs to develop gender mainstreaming strategies and to conduct gender expertise of regional budgets. Comprehensive information campaign on gender violence prevention will be organized and the capacity of local NGOs, Men against Violence Centers, social services and police to prevent gender based family abuse will be built.

4.17. Regional Integration/Improvement of Border Management. In close collaboration with the EC, UNDP will contribute to enhancement of the overall border management capacities of Ukraine and their approximation with the EU standards and best practices thus assisting the country to fulfill its commitments under the EU-Ukraine Action Plan. It is expected that UNDP's activities in this area will reduce customs fraud (including smuggling of weapons or drugs), decrease human trafficking and illegal migration across the border, enhance customs revenue and facilitate flows of legitimate goods in Ukraine. A particular attention will be paid to development of regional and sub-regional cooperation to counteract drug trafficking and support drug demand reduction programmes. In addition to effective border control, these measures will include: improvement of legal and regulatory framework, development of drug intelligence system for law enforcement bodies, and promotion of the harm reduction campaign.

#### *PROSPERITY, SOCIAL INCLUSION AND LOCAL DEVELOPMENT*

4.17. UNDP will support the Government in achieving its major goal of overcoming poverty, reducing inequality and improving living standards across the country. UNDP will be active in two UNDAF assistance areas: (1) prosperity against poverty through balanced development and entrepreneurship and (2) health and basic social services, with a special focus on improving accessibility and quality. The activities of this programme area will directly contribute to attainment

of three MYFF goals: (i) achieving the MDGs and reducing human poverty; (ii) crisis prevention and recovery and (iii) responding to HIV/AIDS.

4.18. Poverty Reduction for Prosperity. UNDP will support a new wave of social and economic reforms linked to national MDG targets, the EU-Ukraine Action Plan and BRC recommendations. National socio-economic data collection as well as monitoring, forecasting and strategic planning capacity will be enhanced. Support in elaboration of annual, mid- and long-term national programs of socio-economic development and assistance in creation of national UMDG monitoring and reporting system will be provided. UNDP will facilitate introduction of European social inclusion indicators into the national discussions on MDGs as well as establishment of institutional arrangements, which will ensure that sectoral programs have linkages to national MDG framework. At the local level, government bodies and civil society organizations will be trained in elaboration of regional UMDG-based development strategies.

4.19. In cooperation with the national stakeholders and the donor community, UNDP will assist in creation of a legislative, regulatory and institutional environment conducive to investment, trade and private sector development. Strategic advice will be provided on economic restructuring, tax, financial and regulatory policy reforms. In particular, the government will be supported in simplifying and improving the transparency of Ukrainian tax system. UNDP will facilitate development of a new Tax Code, reduction of the tax burden (i.e. lowering corporate profit tax, VAT rate and payroll taxes) and improvement of tax administration and tax discipline. National stakeholders will also be supported in creation of an adequate and consistent legal basis for development of financial sector. UNDP will contribute to improvement of the Civil Code and advocate for the adoption of laws that will protect owners' rights and introduce internationally accepted mechanisms of financial markets regulation. Policy advice will be provided on the measures to enhance the inflow of capital into the financial sector. These will include: liberalizing the rules for foreign investment in banks and insurance companies; reducing currency regulations; and allowing the entrance of foreign banks into Ukraine. UNDP will continue working with the government counterparts to ensure that Ukraine makes full advantage of the WTO membership opportunities.

4.20. The new Country Programme will adopt an integrated approach to support private sector development and involvement. Partnerships with the private sector will be established and joint initiatives implemented to demonstrate the role of the private initiative in the development process and to promote corporate social responsibility in line with the *Unleashing Entrepreneurship Report* and the *Global Compact*. Positive image of the private sector as the driving force of development and innovation will be fostered. UNDP will also engage in advocacy, capacity building and policy development to facilitate effective cooperation between the private sector and the government and improve investment attractiveness of Ukrainian enterprises. Public-private dialogue will be encouraged to: 1) improve the legislative basis for granting permits, licensing and state control of economic activities; 2) make regulatory agencies accountable for the results of their regulatory activities; 3) and protect businesses from arbitrary inspections. National partners will also be supported in development of a comprehensive policy on competition, strengthening the independency of the Anti-monopoly Committee, and promotion of competition in network industries.

4.21. UNDP will continue developing capacities of local actors in economic governance, service delivery and resource management. Targeted area based programs will provide support in elaboration of economic and entrepreneurship development programs, improve business infrastructure, enhance access to micro-credit schemes, modern technologies and markets. Employment generation at the local level will be facilitated by opening of new training opportunities and creation of new jobs through public-private partnerships. Particular attention will be given to women empowerment and employment to overcome excessive rates of unemployment among women and feminization of poverty.



4.22. Current UNDP support to agricultural policy formulation will be expanded to include rural development initiatives. Policy advice in the elaboration of a comprehensive national program on rural development will be provided and pilot projects will be launched to support community governance and grass roots self-employment initiatives (particularly in non-agricultural sectors) in rural areas.

4.23. Area Development Schemes. UNDP will continue promoting innovative area development approaches through targeted initiatives for vulnerable regions and disadvantaged communities. The Sub-Component on Area Development will be closely linked with the Decentralization and Local Governance initiatives discussed in paragraph 4.11. of this document. In particular, recovery and development processes will be facilitated through a strengthened dialogue between national and regional stakeholders, improvement of community governance, support to entrepreneurship development, enhancement of infrastructure and better access to quality public utilities and social services. UNDP will promote and empower networks of community organizations, educational and medical institutions, business associations, volunteer and youth groups to undertake grass roots initiatives aimed at improvement of social, economic and environmental conditions in selected areas. Economic development and employment generation will be stimulated by capacity building for local economic development planning, establishment and support to business promotion centers, development of community based saving and credit schemes and access to business training.

4.24. The overall strategy for promotion of area development mechanisms will be based on two steps. At first, expansion of existing community and area development initiatives currently running in rayons and villages of four Chernobyl-affected oblasts, the Autonomous Republic of Crimea as well as in Ivano-Frankivsk, Mykolaiv, Halych and Novohrad-Volynskiy municipalities will be undertaken. Then, based on the experience of these localities, community development and social mobilization initiatives will be introduced in other regions with a particular focus on the East of Ukraine.

4.25. UNDP will continue supporting specific policy initiatives in Chernobyl-affected areas and Crimea. In particular, assistance in development of new legislation and programmes related to mitigation of Chernobyl consequences will be provided and sub-regional cooperation among Ukraine, Russia and Belarus will be promoted. In Crimea, policy recommendations on improvement of social integration and promotion of tolerance among multi-ethnic communities will be developed and continuous human security monitoring and analysis will be ensured.

4.26. Building a More Effective Social Policy. UNDP will assist the Government of Ukraine in translating the benefits of economic growth into a more efficient and humane social policy. Systemic dialogue with Government and civil society counterparts on reforms of current system of social assistance as well as on modernization of Ukrainian pension system will be launched. The capacity of government institutions to monitor poverty and design and evaluate targeted social assistance programs aimed at supporting the most vulnerable will be built. Support will also be provided in design and implementation of the key components of pension reform aimed at enhancement of sustainability and trustworthiness of Ukrainian pension system.

4.27. UNDP will work with the national partners to improve the quality and accessibility of educational and medical services (particularly in rural areas) advocating for a greater devolvement of management authorities to local governments. Support will be provided in attaining Ukrainian MDG Goal 2 – “Quality life-long education”. In particular, government stakeholders will be assisted in: (i) decentralizing educational management; (ii) increasing the transparency of budget spending on educational needs (including through the introduction of public control mechanisms at the local level); (iii) development of modern curriculum that responds to the demands of the labor market; and (iv) introduction of education quality monitoring. Continuous policy advice will be provided to facilitate harmonization of Ukrainian legislation on education with the EU standards.

4.28. Joint programming opportunities will be explored to respond to the increasing deterioration of health standards and the quality of medical services in Ukraine. National debate on the major reforms of the structure of health care in Ukraine as well as on the optimal mechanisms of medical services provision will be supported. UNDP will promote policy and institutional reforms, which will facilitate establishment of a well-managed and adequately financed health care system that provides quality, accessible, patient-focused and efficient services. Particular attention will be paid to improvement of the preventive and primary health care as well as to the healthy life-styles promotion. UNDP will also work with the national and international stakeholders to develop uniform quality standards for public and private health care providers.

4.29. Pandemic Prevention. UNDP will facilitate a comprehensive multi-sectoral and multidisciplinary approach to addressing complex animal and human health emergencies such as Avian and Human Influenza. A joint UN programme will be designed to provide the Government with the network of international experts and best global practices in the field of pandemic preparedness and prevention. The programme will build on UNDP's in-country donor and stakeholder coordination capacity and support the Government in development and implementation of the comprehensive response action plan that will draw on the contributions of the government, donor community, civil society and the private sector.

4.30. Response to HIV/AIDS. Building on the United Nations joint strategy and the UN division of labor, UNDP will support national efforts to prevent the spread of HIV/AIDS and to ensure human rights of vulnerable groups as well as of the people living with AIDS. Assistance will be provided to major ministries in elaboration of sectoral HIV/AIDS strategies and leadership development programs. Regional authorities will be supported through sensitizing and awareness building about the HIV issue and strengthening of the regional coordination mechanisms. The capacity of local governments and civil society institutions to develop and implement HIV/AIDS action plans based on the national strategy will be built and local breakthrough initiatives will be promoted.

4.31. Countrywide targeted and gender sensitive advocacy campaign to address the challenges posed by the epidemic will be scaled up. Building on the successful experience of private sector mobilization in support of the Race for Life, UNDP will further expand its cooperation with the businesses.

#### *ENERGY AND ENVIRONMENT FOR SUSTAINABLE DEVELOPMENT*

4.33. UNDP will support the government of Ukraine in improvement of environmental governance and meeting its international environmental commitments. National capacity self-assessment (NCSA) will be undertaken and a National Action Plan on Ukraine's implementation of its environmental obligations (on biodiversity, degradation/desertification and climate change mitigation) will be developed. It is expected that NCSA process as well as other policy initiatives supported by UNDP will facilitate dialogue, information exchange and cooperation among Ministries, scientific institutions, National Academy of Sciences, NGOs and the private sector and ensure integration of global sustainable development principles in the national and local policies on human and economic development.

4.34. Climate Change/Energy Efficiency. UNDP will support the Government of Ukraine in achieving the global environmental objective of climate change mitigation through reduction of overall fossil fuel consumption and associated green house gas emissions. Enhancement of Ukraine's energy efficiency will also contribute to achievement of a national objective – reduction of the present high level dependency on external fuel suppliers. UNDP will facilitate implementation of Kyoto Protocol's "flexible mechanisms", introduce large scale energy efficiency improvements in Ukraine's communal heat supply sector; and promote renewable energy sources.

4.35. UNDP will support Ukraine in harnessing benefits and economic advantages available through the implementation of Kyoto Protocol, ratified by Ukraine in 2004. Assistance will be provided in (i) development of legislative documents and procedures for complying with the UN Framework Convention on Climate Change; (ii) creation of the relevant infrastructure; and (iii) preparation and management of the Joint Implementation Projects.

4.36. Local capacity for systematic energy efficiency activities will be built and integrated approach of supply and demand improvements promoted in a pilot city of Rivne. Support will be provided to an energy service company – ESCO, which is seen as an innovative mechanism to design, finance and implement energy efficiency projects at municipal, regional and, eventually, national level. Furthermore, energy efficiency will also be promoted through community mobilization schemes discussed in paragraph 4.23. Partnerships between the private sector and “state-owned” institutions (e.g. schools, hospitals public utilities companies) will be fostered to facilitate investment in energy saving projects. In addition, an educational energy efficiency program will be elaborated and introduced in high schools around Ukraine.

4.37. UNDP will play a catalytic role in assisting Ukraine to develop sustainable renewable energy industries. Technical support will be provided to improve legislative and regulatory framework, build institutional capacities of key national players involved in clean energy development and attract private sector investment. For example, UNDP will assist Ukraine in utilizing its wind power potential, through the creation of pilot wind farms along the coastline of southern Ukrainian regions.

4.38. Natural Resources Management and Biodiversity Conservation. UNDP will assist the Government of Ukraine in protecting and recovering natural and disturbed ecosystems, habitats and landscapes and in transforming the Soviet era policies and practices on management of natural resources (particularly forestry, land and water) towards the ones that are based on the principles of sustainable development.

4.39. Biodiversity conservation will be promoted through improvement of legislative and regulatory framework; enhancement of institutional capacities; facilitation of transboundary cooperation; and implementation of demonstration projects in selected regions/areas of Ukraine. For example, with support from GEF, UNDP will assist national stakeholders in averting land degradation and promoting environmentally-friendly forestry practices in the Carpathians and Crimea as well as in sustainable use of wetlands and forests in Polissya. A two-fold approach will be applied to preserve globally significant biodiversity: (1) strengthening of “traditional conservation” in selected protected areas will be continued and (2) innovative conservation mechanisms for productive landscapes will be designed. In the course of the projects’ implementation, new or adapted economic activities and production systems that enhance biodiversity will be developed and the capacity of forestry and agricultural institutions to effectively integrate sustainable management objectives in their sector’s programs will be developed. The UNDP-supported projects will envisage elaboration of specific replication mechanisms that can be utilized for biodiversity conservation in other parts of the country or through a broader internationally/transboundary protected areas system.

4.40. UNDP will continue supporting transboundary cooperation between Ukraine, Russia and Belarus to remedy the serious environmental effects of pollution and habitat degradation in the Dnipro River Basin. Support will be provided to implement the Dnipro Basin Strategic Action Programme, which will involve development of monitoring mechanisms, harmonization of environmental legislation with that of the EU and introduction of clean production methods.

4.41 Frameworks and Strategies for Sustainable Development. UNDP will promote policy frameworks and institutional mechanisms that will facilitate introduction of sustainable

development practices throughout Ukraine. UNDP will build on the area development and community mobilization approaches (described in paragraphs 4.23-4.24) to improve environmental governance at the local/municipal level. The capacities of local authorities, environmental NGOs, community organizations and businesses to jointly prioritize environmental needs and prepare and implement local/municipal sustainable development plans will be improved. Based on the experience in pilot localities, policy recommendations on sustainable development in Ukraine will be produced.

**Summary budget table\***

<i>Programme Area</i>	<i>Regular Resources(USD)</i>	<i>Other Resources(USD)</i>	<i>Total (USD)</i>
Democratic Governance and Access to Justice	3 631 880	32 686 920	36 318 800
Prosperity, Social Inclusion and Local Development	2 583 560	23 252 040	25 835 600
Energy and Environment for Sustainable Development	2 663 760	23 973 840	26 637 600
<b>Total</b>	<b>8 879 200</b>	<b>79 912 800</b>	<b>88 792 000</b>

\* These are estimated amounts, which will depend on the actual availability of UNDP global resources and partners' contributions.

**Part V. Partnership Strategy**

5.1. UNDP will maintain and expand existing partnerships with the government institutions, Parliament, UN agencies, donor community and civil society organizations to realize the ambitious goals set in the new Country Programme. Multi-stakeholder cooperation around the EU integration agenda and national MDGs will be promoted through support of various consultation mechanisms like Blue Ribbon Commission, sector specific task forces and donor coordination meetings.

5.2. UNDP will strive to create a neutral platform for policy debates and consensus building on issues critical to development of Ukraine. Utilizing its operational capacity, core resource base and ability to respond to new opportunities, UNDP will offer a platform for creation of system-wide programme of assistance to Ukraine. Partnerships with the Government will be reinforced to better respond to national priorities and to ensure national ownership. UNDP will continue providing policy support to Presidential Secretariat, Verkhovna Rada of Ukraine, Ministries, State Committees, and the National Bank in design and implementation of democracy and market oriented reforms. Increasingly, partnerships will be made with the regional administrations and elected local authorities to support them in taking over new competences throughout the decentralization process. Regional administrations and municipalities will take a lead in determination of priority areas of support and specific capacity building needs as well as in management of the joint projects. Government bodies at all levels will play a greater role in monitoring and evaluation of joint projects.

5.3. UNDP will remain a trusted partner of civil society, including: think tanks, academia and research institutions, mass media, local communities and various NGOs. Participation of civil society actors in policy formulation and decision making process will be widely promoted at both national and local level. UNDP will strengthen the capacity of Ukrainian think tanks and experts and engage them in organization of surveys and carrying out different kinds of research and policy initiatives. Besides, partnerships with civil society will be crucial for country-wide advocacy campaigns, localizing MDGs, community mobilization and promotion of social inclusion.

5.4. UNDP will deepen its cooperation with the private sector to promote corporate social responsibility and to facilitate public-private partnerships at the national and local level. UNDP will bring together the government and private sector actors for a productive policy dialogue to support elaboration of legislation and regulatory framework favorable to private sector (particularly SMEs) development.

5.5. Within the UN system, interagency cooperation will be strengthened to support national priorities and UNDAF implementation. Joint programming initiatives will be scaled to address the issues covered by the UN Country Team Thematic Groups. Joint monitoring activities and annual and mid-term UNDAF reviews will be organized and strategies and implementation modalities updated to ensure coherence and synergies of UN agencies' programmes in Ukraine.

5.6. Creation and maintenance of strategic alliances and partnerships with the international development actors and donor organizations will continue. UNDP will provide a platform for regular donor consultation and support donor organizations in alignment of their country strategies with the national priorities as per the Paris Declaration on Aid Effectiveness. International partners and donor organizations will be increasingly involved in UNDP programmes formulation, monitoring and implementation.

5.7. For all programmes, core UNDP funds will be used as seed resources, to which cost sharing of Government, municipalities, donor organizations, private sector and other partners will be mobilized.

#### **Part VI. Programme Management.**

6.1 The programme will be nationally executed under the overall coordination of Ministry of Economy of Ukraine. Government ministries, NGOs, UN agencies including UNDP will implement the programme activities. The Annual Work Plans (AWPs) describe the specific results to be achieved and will form the basic agreement between UNDP and each implementing partner on the use of resources. The reference to "Implementing Partner(s)" shall mean "Executing Agency(ies)" as used in the SBAA.

6.2 In programme design and implementation, UNDP will work closely with key partners. The country programme will build on the United Nations reform principles, especially simplification and harmonization, by operating in line with the harmonized common country programming instruments such as the UNDAF results matrix, monitoring and evaluation, programme resources frameworks the CPAP and the AWPs. To the extent possible UNDP and partners will use the minimum documents necessary, namely the signed CPAP and signed AWPs to implement programmatic initiatives. However, when necessary and appropriate, project documents will be prepared using, inter alia, the relevant text from the CPAP, and AWPs. UNDP will sign the project documents with partners in accordance with corporate practices and local requirements. In line with the UNDG Joint Programme Guidance Note, the scope of inter-agency cooperation will be strengthened to cultivate new programme and geographical convergence.

6.3 Atlas\* will contribute to timely, efficient delivery of activities and more effective financial monitoring will be used in the management of projects and the UNDP programme.

6.4 All cash transfers to an Implementing Partner will be based on the Annual Work Plans agreed between the Implementing Partner and UNDP.

6.5 Cash transfers for activities detailed in AWPs will be made by UNDP using one of the following modalities:

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\* Atlas is a software used by UNDP globally for project planning, financial management and reporting

1. Cash transferred directly to the Implementing Partner:
    - a. Prior to the start of activities (direct cash transfer), or
    - b. After activities have been completed (reimbursement);
  2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner;
  3. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.
- 6.6 Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UNDP shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.
- 6.7 Following the completion of any activity, any balance of funds shall be reprogrammed by mutual agreement between the Implementing Partner and UNDP, or refunded.
- 6.8 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN Implementing Partner. A qualified consultant, such as a public accounting firm, selected by UNDP may conduct such an assessment, in which the Implementing Partner shall participate. The Implementing Partner may participate in the selection of the consultant.
- 6.9 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.
- 6.10 Resource mobilization efforts will be intensified to support the RRF and ensure sustainability of the programme. Mobilization of other resources in the form of cost sharing, trust funds, or government cash counterpart contributions will be undertaken to secure funding for the programme.

#### **Part VII. Monitoring and Evaluation.**

- 7.1 Monitoring and evaluation of the CPAP will be undertaken in line with the UNDAF results matrix and monitoring and evaluation plan. The Government and UNDP will be responsible for setting up the necessary M&E mechanisms, tools and conducting reviews, in order to ensure continuous monitoring and evaluation of the CPAP, with the view to ensuring efficient utilization of programme resources as well as accountability, transparency and integrity. The implementing partners will provide periodic reports on the progress, achievements and results of their projects, outlining the challenges faced in project implementation as well as resource utilization as articulated in the AWP. The reporting will be organized in accordance with the procedures harmonized with UN agencies to the extent possible.
- 7.2 The Millennium Development Goals Report for Ukraine will be produced regularly and will serve as the primary means for reporting on UNDAF activities, complemented by the Annual Report and Workplan of the Resident Coordinator. A linkage will be established between the indicators to measure UNDAF outputs and the contribution of these outputs to the achievement

of the MDGs. UNDP will also continue producing Results oriented Annual Reports to analyze major development results achieved during a given year.

- 7.3 All programs will be guided by advisory boards or steering committees, which will meet at least once a year to review programs' achievements, adjust programs' strategies and provide specific recommendations on future activities. The practice of project and outcome evaluations will continue in the next program cycle and will enable UNDP management to assess the status of outcomes achievement, to document lessons learnt and obtain recommendations for future strategy and collect background information for next country programme formulation.
- 7.4 Implementing partners agree to cooperate with UNDP for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and personnel responsible for the administration of cash provided by the UNDP. To that effect, Implementing partners agree to the following:
  1. Periodic on-site reviews and spot checks of their financial records by UNDP or its representatives,
  2. Programmatic monitoring of activities following UNDP's standards and guidance for site visits and field monitoring,
  3. Special or scheduled audits. UNDP, in collaboration with other UN agencies (where so desired: and in consultation with the Ministry of Economy of Ukraine will establish an annual audit plan, giving priority to audits of Implementing Partners with large amounts of cash assistance provided by UNDP, and those whose financial management capacity needs strengthening.
- 7.5 To facilitate assurance activities, Implementing partners and UNDP may agree to use a programme monitoring and financial control tool allowing data sharing and analysis.
- 7.6 The audits will be commissioned by UNDP and undertaken by private audit services.
- 7.7 Assessments and audits of non-government Implementing Partners will be conducted in accordance with the policies and procedures of UNDP.

#### **Part VIII. Commitments of UNDP**

- 8.1 UNDP will ensure coherence between the CPAP/AWP, UNDAF results matrix and MDGs, including M&E reporting. Through annual reviews and regular progress reporting, responsibilities between UNDP, the Government and implementing partners will be emphasized.
- 8.2 In case of direct cash transfer or reimbursement, UNDP shall notify the Implementing Partner of the amount approved by UNDP and shall disburse funds to the Implementing Partner in the period of no longer than 14 banking days.
- 8.3 In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by UNDP in support of activities agreed with Implementing Partners, UNDP shall proceed with the payment within the period of no longer than 14 banking days.
- 8.4 UNDP shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third party vendor.

- 8.5 Where more than one UN agency provides cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN agencies.

#### **Part IX. Commitments of the Government**

- 9.1 The Government will honor its commitments in accordance with the provisions of the Standard Basic Assistance Agreement (SBAA) of June 18, 1993. The Government shall apply the provisions of the Convention on the Privileges and Immunities of the United Nations agencies to UNDP's property, funds, and assets and to its officials and consultants. In addition, the Government will accord to UNDP and its officials and to other persons performing services on behalf of UNDP, the privileges, immunities and facilities as set out in the SBAA.
- 9.2 When the Government provides cost-sharing through the CPAP, the following clauses shall apply and will be included in the cost-sharing agreement between UNDP and the Government institution:
- i. The schedule of payments and UNDP bank account details.
  - ii. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the CPAP may be reduced, suspended or terminated by UNDP.
  - iii. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of CPAP delivery.
  - iv. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
  - v. All financial accounts and statements shall be expressed in United States dollars.
  - vi. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to obtain the additional funds required.
  - vii. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with the paragraph above is not forthcoming from the Government or other sources, the assistance to be provided to the CPAP under this Agreement may be reduced, suspended or terminated by UNDP.
  - viii. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures
  - ix. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to



cost recovery by UNDP for two distinct cost categories related to the provision of support services, namely:

(a) Indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 7% or no less than 5%.

(b) Direct costs incurred for implementation support services (ISS) provided by UNDP and/or an executing entity or implementing partner. As long as they are unequivocally linked to the specific programme/project, these costs are built into the project budget against a relevant budget line and, in the case of clearly identifiable transactional services, charged to the project/programme according to standard service rates.

The aggregate of the amounts budgeted for the CPAP, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the CPAP under this agreement.

- x. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
  - xi. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP
- 9.3 Mechanisms for participatory planning, monitoring and evaluation on the progress of the country programme involving civil society and other development partners will be implemented. The Government is also committed to organize periodic programme review, planning and joint strategy meetings and where appropriate, coordination of sectoral and thematic development partners groups to facilitate the participation of donors, civil society, private sector and UN agencies. In addition, the Government will facilitate periodic monitoring visits by UNDP staff and designated officials for the purpose of monitoring, meeting beneficiaries, assessing the progress and evaluating the impact of the use of programme resources. The Government will make available to UNDP in a timely manner any information about policy and legislative changes occurring during the implementation of the CPAP that might have an impact in co-operation.
- 9.4 A standard Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the Annual Work Plan (AWP), will be used by Implementing Partners to request the release of funds, or to secure the agreement that UNDP will reimburse or directly pay for planned expenditure. The Implementing Partners will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE will be certified by the designated official(s) of the Implementing Partner.
- 9.5 Cash transferred to Implementing Partners should be spent for the purpose of activities as agreed in the AWP's only.
- 9.6 Cash received by the Government and national NGO Implementing Partners shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities as agreed in the AWP's, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds. Where any of the national regulations, policies and procedures is not consistent with international standards, the UNDP regulations, policies and procedures will apply.

- 9.7 In the case of international NGO and IGO Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended for activities as agreed in the AWP's, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds.
- 9.8 To facilitate scheduled and special audits, each Implementing Partner receiving cash from UNDP will provide UNDP or its representative with timely access to:
- all financial records which establish the transactional record of the cash transfers provided by UNDP;
  - All relevant documentation and personnel associated with the functioning of the Implementing Partner's internal control structure through which the cash transfers have passed.
- 9.9 The findings of each audit will be reported to the Implementing Partner and UNDP. Each Implementing Partner will furthermore
- Receive and review the audit report issued by the auditors.
  - Provide a timely statement of the acceptance or rejection of any audit recommendation to the UNDP that provided cash
  - Undertake timely actions to address the accepted audit recommendations.
  - Report on the actions taken to implement accepted recommendations to the UN agencies on a quarterly basis.

**Part X. Other Provisions**

10.1 This CPAP supersedes the Country Cooperation Framework 2001 – 2005 and may be modified by mutual consent of both parties on the recommendations of the joint strategy meeting.

*IN WITNESS THEREOF the undersigned, being duly authorized, have signed this Country Programme Action Plan on this day \_\_\_\_\_*

For the Government of Ukraine  
  
 \_\_\_\_\_  
 Musina

For the United Nations Development Programme in Ukraine

Signature: 

Name: Francis H. O'Donnell

Title: Deputy minister  
 17.08.06.

Title: RESIDENT REPRESENTATIVE

Annex – VIII  
**Terms of Reference of Key Project Staffs**

**1. Project Manager** (International, Full Time)

**a. Duty station:** Kyiv, Ukraine; with frequent travel to project sites

**b. Duties and Responsibilities:**

Under the supervision of Senior Programme Manager and Deputy Resident Representative of UNDP, the incumbent will lead the project team and provide professional support in the area of area-based development approach. Specifically he/she will:

- Manage day-to-day programme implementation, conceptualization and exit strategies
- Coordinate project's objectives and activities with other local partners, ensuring that the projects are efficiently integrated with other development efforts;
- Ensure proper operational, financial and administrative management in the project, as well as adherence of all UNDP rules and procedures;
- Ensure decentralised operations of the program with high involvement of concerned stakeholders;
- Maintain dialogue with government officials, both local and national, NGOs, partners, donors and communities regarding the project's activities;
- Ensure proper monitoring and evaluation procedures are instituted in all projects;
- Coordinate and oversee the preparation of the substantive and operational reports from the Programme;
- Prepare and oversee the development of terms of reference for consultants and contractors;
- Participate in PR and media activities. Ensure project web-site update. Coordinate distribution of the project related information;
- Catalyse mobilization of additional cost-sharing resources from the government, donors and other partners;
- Implement social mobilisation concept throughout the relevant component of the Program;
- Ensure timely preparation and dissemination of the work plans/ progress reports/budget forecasts
- Align the programme activities with the national programmes/strategies and contribute to identification of development needs and potential solutions relevant to the project activities;
- Participate in selection, recruitment and supervision of the Programme staff
- Report to the UNDP management and donors on regular basis

**Qualifications**

Master's degree in social sciences and/or development related studies; highly competent and knowledgeable in issues related to environment, governance and policy development; 10 years of practical experience in implementing social mobilization approach and human resource development; Experienced in working with central and local administrations and senior government officials; must possess good programme management skills, including administrative and financial aspects and must be computer literate.

**2. Governance and Sustainable Development Expert** (Full Time)

**a. Duty station:** Kyiv, Ukraine; with frequent travel to project sites

**b. Duties and Responsibilities:**

Under the supervision of the Project Manager, the incumbent will:

- Provide professional platform for networking and partnership building with the government, local authorities, non-government, private sector, academic institutions;
- Review institutional, management and human capacity of the partner municipalities and assist the municipalities in strategy development/planning; performance-based budgeting and carry out activities to build their capacity for implementation;
- Assess capacity of the partner municipalities in terms of governance and find solution for strengthening governance and assist them in establishing municipal support units, mobilizing local communities and forming municipal sustainable development councils;
- Ensure establishment/strengthening of the participatory planning process at the grassroots and incorporation of community's plan into the municipal plans;
- Assist the municipal support team of the municipalities in preparing workplans and incorporate these plans into Programme level plan;
- Document grassroots level lessons to draw policy recommendations. Carry out activities to achieve policy/legislation changes in coordination with the local/national authorities;
- Monitor the progress of field level Programme activities;

- Organise training, workshops and conferences in context of the Programme objectives; develop appropriate operational manuals and guidelines for effective implementation;
- Leads the governance unit of the PMU and supervise the unit team ensuring the effective performance and delivery of results and impact;
- Review community project appraisal reports and process them for approval, sub-contracting and assist MSUs in successful execution of sub-contracts;
- Provide advisory support to Project Manager, taking responsibility for making policy and institutional impact. In this regard, ensure availability of up to date information on all critical issues in the areas of governance, decentralisation and sustainable development
- Others as deemed essential in course of Programme implementation.

#### **Experience and Qualifications**

Masters degree in social sciences; Five years experience in relevant field; excellent interpersonal and communication skills; strong organizational and time management skills; resourceful in finding solutions; ability to work with a wide cross-section of partners: Government, NGO's, communities, academic institutions, media and international donors; sound knowledge of Ukrainian legislative, policy and human resource issues related with local governance; gender sensitive; fluent in Ukrainian, English and Russian; sound computer skill; should be able to present himself/herself in a role model in the Programme area.

### **3. Monitoring and Communication Expert (Full Time)**

**a. Duty station:** Kyiv, Ukraine; with frequent travel to project sites

#### **b. Duties and Responsibilities:**

Under the supervision of the Project Manager, the incumbent will:

- Design and carry out process documentation on the Programme activities; ensure documentation of all project experience, activities and results;
- Prepare monthly, quarterly and annual progress reports of the Programme in timely and quality manner based on the requirements of the UNDP and project donors;
- Publish occasional paper series and information communication materials;
- Ensure updating of website for dissemination of information at the level of country office of UNDP, Programme and the partner municipalities;
- Ensure communication outreach; arrange PR and media activities that enhance knowledge dissemination and recognition of UNDP/MGSDP as a core partner of the government and people. Serve as contact point for local/national media and participate in planning media related strategy to ensure a wide dissemination of information concerning the objective and achievements of the Programme;
- Build capacity of the municipal support units in the partner municipalities ensuring maintenance of appropriate MIS at local level and linkage of the same at the Programme level;
- Provide professional platform for networking and partnership building with the government, local authorities, non-government, private sector and other development organizations in the subject area;
- Contribute to enhancing capacity of the partner municipalities for strengthening democratic governance through ICT;
- Work with the universities for improving the knowledge base on community-based development approach through development of the curriculum on the subject
- Carry out monitoring, evaluation and analysis of the results of all activities undertaken relating to information and outreach; provide analysis of the achievements, facilitate project reviews and evaluations;
- Carry out other duties as deemed essential in course of Programme implementation.

#### **Experience and Qualifications**

Master's degree in social science or the relevant field; excellent interpersonal and communication skills; five years of practical experience in monitoring and evaluation of project activities; sound skill in writing technical reports, editing and publishing of documents; ability to work with a wide cross-section of partners: Government, NGO's, local authorities, communities, media and international donors; fluent Ukrainian/Russian and English; knowledge of computer applications (including PowerPoint, PageMaker, photo designer etc.); good contacts with the communication/media agencies.

### **4. Civil Engineers - 2 (Full Time)**

**a. Duty station:** Kyiv, Ukraine; with frequent travel to project sites

**b. Duties and Responsibilities:**

Under the supervision of the Project Manager and under coordination with the Governance and Sustainable Development Expert of MGSDP, the incumbent will be primarily responsible for planning, implementation, monitoring, supervision and quality assurance of social, economic and communal infrastructure projects in the partner municipalities. Specifically, s/he will:

- Assess the technical capacity of the partner municipalities for high quality project planning and designing in context of participatory approach promoted by the Programme and find solution for enhancing their capacity;
- Coordinate with partner organizations (city councils/local authorities/Municipal Support Units, NOs/Networks) and sectoral departments to ensure timely and successful implementation of community led infrastructure projects;
- Together with the technical representative of local communities and MSUs, identify experienced and qualified institutions/firms to prepare necessary engineering documents (such as feasibility studies, working drawings and cost estimates) of the proposed communal infrastructure projects;
- Check all working drawings and cost estimates submitted by the local partners; ensure full participation of the stakeholders in planning and designing processes and assist in the project appraisal process.
- Build capacity of the local partners for efficient implementation of the projects under standard technical norms/specifications and standard practices of budget expenditures as established by UNDP.
- Carry out regular monitoring/supervision of project implementation and ensure high quality outputs; liaise with Quality Supervision Committee, check the documents/bills submitted by the implementing agencies for their validity and consistency and assist local partners in conducting public audits.
- Assist beneficiary communities in developing appropriate/legal mechanism for operation and maintenance of local projects; provide training to the functional/users groups as required.
- Document the process and develop quality standards and practical guidelines based on the lessons learned from the Programme activities and facilitate their application within the context of Programme activities;
- Prepare progress reports, technical reports and workplans as required by the Programme; provide technical/advisory inputs for the preparation of high-quality funding proposals to donors in the area of communal infrastructure.
- Maintain a proper electronic and paper filing system including documentation and application of legislations/policies related with community-based service delivery system

**Experience and Qualifications**

Master's degree in civil engineering with five years of practical experience in planning, design, construction, operation and maintenance of standard building and related engineering components (e.g. water and heating supply systems, drainage, sewage systems, solid waste management, etc.) in the Ukrainian context; fluent in Ukrainian/Russian and English; excellent computer skills, in word processing, spreadsheet and PowerPoint; knowledge of international design rules and technical requirements for different engineering works; knowledge of Ukrainian construction standards; mature judgment; excellent interpersonal and communication skills; strong organizational and time management skills; ability to work under pressure.

**5. Programme Assistant (Finance) – Full Time****a. Duty Station: Kyiv****b. Functions and responsibilities:**

Under the supervision of the Project Manager, the incumbent is in charge of the financial operation of the project implementation. Specifically he/she will:

- Manage Petty Cash;
- Maintain files, account books, cashbooks, ledgers etc. related with finance unit;
- Facilitate the process of procurement and delivery of project goods and services;
- Prepare documents for contracts and payments (including that related with NOs/NGOs/Networks – the local partners of MGCEP) ensuring established operational rules and procedures;
- Participate in collection, analysis and maintenance of project related data on finance
- Contribute to the project annual and quarter work-plans preparation, progress report preparation and reporting – based on the requirements of the UNDP and project donors;
- Monitor expenditures and prepare financial reports and forecasts;
- Liaise with Business Centre for reconciliation of budget and expenditures and prepare fortnightly/monthly status report
- Facilitate project audit, monitoring and evaluation.
- Assist in preparation on project TPRs/APRs.

- Maintain updated networks of project counterparts, contractors, consultants, and suppliers; collect relevant information on best services and expertise providers.
- Advise MSUs in financial management, filing system and equipment maintenance
- Translate finance related documents from Ukrainian to English and English to Ukrainian;
- Participate in project finance/budget related activities to ensure application of the appropriate operational rules and procedures;

## **6. Programme Assistant (Administration) – Full Time**

**a. Duty Station:** Kyiv

### **b. Functions and responsibilities:**

Under the supervision of the Project Manager, the incumbent is in charge of the operational facilitation of the project implementation by means of:

- Contributing to the project annual and quarter work-plans preparation and reporting;
- Assuring smooth operational running of the project by means of following established operational rules and procedures, including preparation of the documents for contracts and payments;
- Participating in data collection, analysis and maintenance of projects related data base and files;
- Providing logistical support (travel arrangements, including visas, tickets, etc.) to the project team;
- Facilitating project staff recruitment and personnel management; .
- Keeping updated project inventory and assuring that UNDP regulations on the equipment use, storage and proper maintenance are adhered; assuring that the project equipment transfer/disposal is being done under UNDP rules.
- Facilitating project audit, monitoring, evaluation, field visits, missions of the experts,
- Participating in preparation on project TPRs/APRs.
- Maintaining updated networks of project counterparts, contractors, consultants, suppliers and collecting relevant information on best services and expertise providers.
- Contributing to the preparation of the project bulletins, promotion materials and project web-site update;
- Assisting in project outreach/communication efforts.
- Preparing project related correspondence; maintaining contacts with governmental and non-governmental institutions, local authorities, NGOs, academia, etc.
- Facilitating project related training/learning activities
- Assuring that due security measures are in place with regard to the project office
- Performing other functions/tasks when required.

### **Experience and Qualifications:**

University degree in law, finance, business administration or economy; 3 years of experience in the area of operational support, personnel management, procurement preferably in the international environment; knowledge of the Ukrainian laws and local commercial procedures; excellent knowledge of English, Russian and Ukrainian languages; ability to work in team; ability to work under continuous pressure and meet deadlines; strong computer skills are mandatory.

## **7. Driver (Full Time)**

**a. Duty Station** – Kyiv with frequent travel to field area

### **b. Functions and responsibilities:**

Under overall supervision of the project manager and direct supervision of the project administrative assistant the incumbent should perform the following functions:

- Timely and safe driving of project employees, consultants, project guests, project visitors, UNDP staff in the project official vehicles at the authorization from the project management;
- Assures timely meeting of guests in the airport and other facilities;
- Performs tasks related to the daily maintenance of the vehicle;
- Maintains daily vehicle logs (mileage, fuel consumption, routs) and submits logs to the project administrative assistant on a timely basis;
- Ensures that repair and maintenance services are done on project vehicles in time;
- Ensure that project vehicles are clean and tidy any time;
- Ensures that all instructions regulating safe driving behavior and Rules of the Road are in hand and strictly followed;
- Assures that the vehicle has valid insurance;
- Performs other duties when requested;

**Requirements for the post:**

Valid Ukrainian driving license (minimum category B, preferable - all); at least 5 years of professional driving experience; technical proficiency in vehicle maintenance; excellent knowledge of the Ukrainian Rules of the Road; minimum knowledge of English language; fluency in Ukrainian/Russian language; good interpersonal skills, punctuality.

**8. Municipal Support Unit (MSU)**

Under the supervision of the Mayor of the partner municipalities and under guidance of the project manager, the MSU will undertake following key responsibilities -

- Carry out baseline survey, collect data related with territorial units and potential partner institutions in the Programme area. Analyse and maintain projects related data-base;
- Mobilise local communities, NGOs, academia and business communities in the municipality and organize them in the form of NOs/NDOs/Networks in line with the vision of the project;
- Establish municipal sustainable development council and act as its secretariat;
- Carry out activities to build capacity of the local partners in planning and implementation of local plans;
- Mainstream local plans with the municipal/regional/national level planning process;
- Assist the NOs/NDOs/Networks in carrying out feasibility tests of the prioritized needs, develop proposals and mobilize resources to implement the plans;
- Liaise with local development agencies and link them with NOs/NDOs/Networks developed/promoted under facilitation of the Programme;
- Coordinate with oblast administration and other local partners from public and private sectors related with the Programme;
- Document process, prepare quarterly/annual progress reports;
- Work with local/regional/media for disseminating experiences/advocacy;
- Follow up regularly the NOs/NDOs/Networks and their functional groups to ensure the quality of their institutions and transparency in their affairs so that they remain active and intact;
- Facilitate public audit, public hearing and other form of mass awareness
- Host visits to the Programme sites; exchange ideas and experiences
- Disseminate skills through technical backstopping to other municipalities in the vicinity in replicating the approach

Annex – IX  
**Project Workplan Monitoring Tool**  
 UNDP/MGSDP Phase III (Municipal Governance and Community Empowerment)

Intended Outputs and indicators	Planned Activities	Planned Budget (US \$ '000)				Results of Activities	Progress Towards Achieving Outputs	
		2008	2009	2010	Total			
<p><b>OUTPUT – 1:</b>  <b>Improved capacity of central government to decentralize fiscal and administrative powers/responsibilities in support of local development</b></p> <p><b>Indicators:</b></p> <ol style="list-style-type: none"> <li>Draft amendment law on BSP;</li> <li>Draft amendment law on financing of community organisations;</li> <li>Policy recommendation to draft legislation and procedures for decentralised administrative and fiscal structure;</li> <li>No. of central government officials trained on concepts/ processes of sustainable local development</li> <li>Draft 'local sustainable development' addition to curriculum of selected fields of study</li> <li>No. of events to advocate decentralization reforms</li> </ol> <p><b>Baseline:</b></p> <ol style="list-style-type: none"> <li>Drafted amendment law on BSP and submitted to parliamentary committee;</li> <li>Amendment law on financing of COs not yet drafted;</li> <li>First round of initial inputs provided on policy recommendation</li> <li>First round of initial inputs on training government officials provided;</li> <li>First draft of teaching curriculum on SD developed and one university started teaching;</li> <li>First round of initial inputs for advocacy on decentralisation reform provided</li> </ol>	<p><b>Activity - 1.1:</b> Policy recommendations formulated on enabling environment for local self-governance and community-led development</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Carry out policy studies and legislation drafting</li> <li>Organise roundtables and public hearings for policy discussions</li> </ol>	10	10	10	30			
		6	11	0	17			
		0	0	0	0			
		0	0	0	0			
		24	9	10	43			
		<b>40</b>	<b>30</b>	<b>20</b>	<b>90</b>			
		<p><b>Activity – 1.2:</b> Capacity developed among national government bodies, politicians and civil servants from relevant central institutions to support participatory local development planning and decision-making</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Provide support to national bodies for promoting administrative and financial decentralization;</li> <li>Organise training and study tour for civil servants, elected officials and scientists including roundtable of the NFPM;</li> <li>Enhance infrastructural capacity of the relevant government bodies (e.g. MoHME, parliamentary committee) and non-government bodies (e.g. UALRA, FLSG)</li> </ol>	30	30	30	90		
		0	0	0	0			
		0	0	0	0			
		0	0	0	0			
		30	40	0	70			
		<b>60</b>	<b>70</b>		<b>160</b>			
		<p><b>Activity – 1.3:</b> Current and future generations of civil servants, policy makers, CSOs, private sector and representatives of academia and scientific community are trained on concepts and processes of participatory and sustainable local development.</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Organise training and conferences for representatives of universities;</li> <li>Provide support to develop/enrich and finalise curriculum;</li> <li>Support universities for research, internships, seminar/workshops/roundtables on the subject</li> </ol>	30	30	30	90		
		0	0	0	0			
		0	0	0	0			
		0	0	0	0			
		10	10	10	30			
		<b>40</b>	<b>40</b>	<b>40</b>	<b>120</b>			
		<p><b>Activity – 1.4:</b> Communication and public relations</p> <p><u>Actions</u></p> <ol style="list-style-type: none"> <li>Bring out occasional policy papers for wider audience</li> <li>Organise media events for wider outreach</li> <li>Bringing out quarterly reports and annual report</li> </ol>	10	10	5	25		
		0	0	0	0			
		0	0	0	0			
		0	0	0	0			
		<b>10</b>	<b>10</b>	<b>5</b>	<b>25</b>			



	<p><b>Activity – 1.5:</b> Good experience of the Programme will be incorporated into work of other projects, which are applying ABD approach</p> <p><u>Actions</u></p> <p>1. Organise training/visit on demand for staffs/stakeholders of other projects</p> <p>2. Provide advisory/knowledge sharing support to other projects</p>	5	5	5	15		
		0	0	0	0		
		0	0	0	0		
		0	0	0	0		
		0	0	0	0		
		<b>5</b>	<b>5</b>	<b>5</b>	<b>15</b>		
	<p><b>Activity – 1.6:</b> Providing advisory and management support for effective implementation of the Programme activities</p>	192	192	200	584		
		8	8	0	16		
		0	0	0	0		
		0	0	0	0		
<b>200</b>		<b>200</b>	<b>200</b>	<b>600</b>			
<p><b>OUTPUT – 2:</b></p> <p><b>Improved capacity of local authorities to transparently define and implement local development strategies, deliver public services, and foster local economic development</b></p> <p><b>Indicators:</b></p> <ol style="list-style-type: none"> <li>No. of regional and municipal administrations trained in joint strategy development;</li> <li>No. of municipalities where public hearings facilitated;</li> <li>Set of recommendations to improve public service delivery at local level;</li> <li>No. of municipality administrations targeted by advocacy event on policy recommendations for improved PS delivery;</li> <li>No. of local civil servants and local officials trained on improving local public service delivery;</li> <li>No. of municipalities where feasible joint projects identified</li> <li>Local economic development strategy preparation supported</li> </ol> <p><b>Baseline:</b></p> <ol style="list-style-type: none"> <li>Not yet initiated</li> <li>Initial inputs provided</li> <li>One municipality supported</li> <li>Not targeted yet</li> <li>Not yet initiated</li> <li>Initial input provided through guidelines on inter-municipal cooperation</li> <li>Support on LED</li> </ol>	<p><b>Activity – 2.1:</b> Joint planning and participatory budgeting for sustainable local development methodology and manual developed</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Support joint planning and participatory budgeting in selected municipality;</li> <li>Support municipality for developing strategic plan/performance-based budgeting/ISO;</li> <li>Support municipalities for improved service delivery and community participation into local development</li> </ol>	50	50	50	150		
	5	5	0	10			
	0	0	0	0			
	0	0	0	0			
	25	15	0	40			
	<b>80</b>	<b>70</b>	<b>50</b>	<b>200</b>			
	<p><b>Activity – 2.2:</b> Build capacity of relevant civil servants and officials at regional and municipal level – to improve local public service delivery</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Organise training, exposure visits, east-west exchange visits related with public service delivery;</li> <li>Organise roundtables on the agenda of consumer rights;</li> <li>Support municipalities for public hearings on the agenda of public service delivery and consumer rights;</li> <li>Promote dialogue among local development actors (communities, local authorities, civil society, private sector) through ICT support;</li> <li>Support preparation and adoption of local policy framework on community-based development initiative;</li> <li>Support municipalities for LED strategy development</li> <li>Carry out study on existing experience &amp; publish the study report</li> </ol>	25	25	20	70		
	7	0	0	7			
	0	0	0	0			
	0	0	0	0			
	8	15	0	23			
	<b>40</b>	<b>40</b>	<b>20</b>	<b>100</b>			
	<p><b>Activity – 2.3:</b> Promoted inter-municipal cooperation for improved service delivery through joint ventures (e.g. solid waste management, health services, transport services, etc)</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Conduct feasibility study on inter-</li> </ol>	30	30	23	83		
	3	19	0	22			
	0	0	0	0			

	<p>municipal joint venture in areas like solid waste management etc.</p> <p>2. Provide seed grant to local authorities in carrying out joint venture</p> <p>3. Communication and public relations - Organise media events on joint activities and service delivery</p>	0	0	0	0			
		27	11	0	38			
		<b>60</b>	<b>60</b>	<b>23</b>	<b>143</b>			
<p><b>OUTPUT – 3:</b></p> <p><b>Enhanced capacity of communities to realize improvements in local social, economic and environmental conditions</b></p> <p><b>Indicators:</b></p> <ol style="list-style-type: none"> <li>No. of community organizations established</li> <li>No. of community organization leaders trained;</li> <li>Total members of CO-members</li> <li>No. of Municipal Support Unit/RCS D established</li> <li>No. of Municipal Sustainable Development Council established</li> <li>No. of local development projects supported with seed funding and technical support</li> <li>No. of local development projects supported with technical support (no of seed grant)</li> <li>No. of communities/ community members targeted by sensitization workshops on human development issues</li> </ol> <p><b>Baseline:</b></p> <ol style="list-style-type: none"> <li>246 NOs/Networks formed/granted;</li> <li>400 NO/Network leaders trained;</li> <li>28500 NO/Network members;</li> <li>17 MSUs/RCS D established;</li> <li>4 MSDCs established</li> <li>111 community projects supported with technical + seed grant support;</li> <li>No project supported with technical support and without seed grant support;</li> <li>3 rounds of inputs provided on raising public awareness on human dev issues</li> </ol>	<p><b>Activity – 3.1:</b> Create environment for promotion of citizen-based partnership and participatory development vision</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Provide equipment and logistics for MSUs, resource centres and MSDC etc.</li> <li>Prepare and publish guidelines and training materials</li> <li>Provide training and exposure to the representatives of MSU, resource centre and MSDC (including MSU conference)</li> </ol>	5	5	10	20			
			29	11	0	40		
			0	0	0	0		
			0	0	0	0		
			0	15	5	20		
			<b>34</b>	<b>31</b>	<b>15</b>	<b>80</b>		
		<p><b>Activity – 3.2:</b> Build capacity of target communities for participatory actions</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Organise training, study tour and provide logistics to promote networking (NO/Network) and empowerment of local communities of citizens, academia, small businesses and NGOs for participatory decision-making;</li> <li>Provide seed grant to local communities for undertaking sustainable development initiatives;</li> <li>Provide technical support and seed grant for employment generation through micro-credit/cooperative development;</li> <li>Provide technical support to the municipalities to adopt community financing (without seed grant) in line with MGSDP approach</li> </ol>	103	108	107	318		
			110	104	0	214		
			595	705	605	1905		
			130	160	160	450		
			441	728	683	1852		
			<b>1379</b>	<b>1805</b>	<b>1555</b>	<b>4739</b>		
		<p><b>Activity – 3.3:</b> Raise public awareness on crucial sustainable human development agenda</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> <li>Organise training, roundtables, campaigns and media events for raising public awareness on gender equality in line with UMDG;</li> <li>Organise training, roundtables, campaigns and media events for raising public awareness on prevention of HIV/AIDS;</li> <li>Carry out communication and public relation activities at local level to widely disseminate the experience on community-based sustainable development</li> </ol>	15	15	15	45		
			0	0	0	0		
			0	0	0	0		
			0	0	0	0		
			0	0	0	0		
		<b>15</b>	<b>15</b>	<b>15</b>	<b>45</b>			

Annex – X  
**Risk Log: Monitoring of Identified Risks**

**Project Title:** Municipal Governance and Community Empowerment Programme

**Award ID:** 00033935

**Date:**

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted/ updated by	Last Update	Status
1	Coalition government upon national election of 30 September 2007 might have difficulty in making policy decisions	Justifying a Project Stage	Political	The policy component of the project may be negatively affected  Probability on scale 1-5: 1  Impact on scale 1-5: 1	Partners of the Programme such as UALRA, Parliamentary Committee, NFPM, MoHME will be mobilized for advocacy	Project Manager	Assurance (Programme Officer of UNDP/Ukraine)		
2	Delay may take place in mobilizing external resources to meet estimated project cost	Justifying a Project Stage	Financial	Delay in completion of the Programme activities  Probability on scale 1-5: 1  Impact on scale 1-5: One	Reduce share of UNDP in the community projects;  Take action on mobilizing additional resource from donors	Project Manager  Sr. Programme Manager	Assurance (Programme Officer of UNDP/Ukraine)		
3	Regional authorities carry strong mind set of administering development in a top-down command manner	Justifying a Project Stage	Social and Cultural	Delay in appreciation and adoption of the approach  Probability on scale 1-5: 1  Impact on scale 1-5: 1	Organise orientation, exposure visits to successful sites and roundtables	Project Manager	Assurance (Programme Officer of UNDP/Ukraine)		