

**United Nations Development Programme
Country: Ukraine**



Project Document

Project Title: Recovery and Peacebuilding Programme (RPP)

UNDAF Outcome(s):

- PF Area 1: Sustained Economic Growth and Poverty Reduction
- PF Area 2: Social Development

Expected CP Outcome(s):

- Outcome 1.1: Local socio-economic recovery supported and living conditions of at-risk/vulnerable groups improved by restoration and rehabilitation of critical infrastructure.
- Outcome 2.1: Improved access to utilization of quality health, education and social services.

Expected Output(s): 10 critical social and economic infrastructure facilities restored or rehabilitated

Implementing Partner(s): UNDP

Responsible Parties: UNDP

Brief Description

Under UNDP's Recovery and Peacebuilding Programme, this project aims to support local socio-economic recovery and improve living conditions of at-risk/vulnerable groups (i.e., displaced, disabled, elderly, women and youth) by restoration and rehabilitation of critical infrastructure in government controlled areas (GCA) of eastern Ukraine. The project will aim to consolidate and build on the gains of the current projects funded by the Government of Japan, for expanding the renovation of critical socio-economic infrastructure and service delivery in GCA's of Donetsk and Luhansk oblasts. Based on the actual needs of local authorities and target communities 10 social and economic infrastructure facilities will be selected and reconstructed/rehabilitated.

Programme Period:	20 months
ATLAS Award ID:	0000084715
Start Date:	March 2016
End Date:	October 2017

Total resources required:	USD 2,600,000
Total allocated resources:	USD 2,600,000
• Government of Japan	USD 2,600,000

Agreed by:

Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine:

Mr. Hennadii Zubko, Vice Prime Minister of Ukraine, Minister

Date (D/M/Y)

Donetsk Regional State Administration:

Mr. Pavlo Zhebrivskiy, Head of Donetsk Regional State Administration

Date (D/M/Y)

Luhansk Regional State Administration:

Mr. Yuriy Harbuz, Head of Luhansk Regional State Administration

Date (D/M/Y)

United Nations Development Programme:

Mr. Janthomas Hiemstra
Country Director

Date (D/M/Y)

Embassy of Japan in Ukraine

Mr. Michio Harada, Deputy Head of Mission, Minister-Counsellor of the Embassy of Japan in Ukraine

Date (D/M/Y)

LIST OF ACRONYMS

CP	Country Programme
CPAP	Country Program Action Plan
DIM	Direct Implementation Modality
DPR	Donetsk People's Republic
GCA	Government Controlled Areas
GOJ	Government of Japan
GOU	Government of Ukraine
IDPs	Internally Displaced Persons
LDA	Local Development Agency
LPR	Luhansk People's Republic
PAC	Project Appraisal Committee
POPP	Programme and Operations Policies and Procedures
QPR	Quarterly Progress Report
RPA	Recovery and Peacebuilding Assessment
RPP	Recovery and Peacebuilding Programme
SBAA	Standard Basic Assistance Agreement
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

I. SITUATION ANALYSIS

Political Context

Large-scale demonstrations in Ukraine's capital, Kyiv and other cities, were held in protest against endemic corruption, and called for the adherence to European standards of governance. These protests led to a change in government in February 2014, and were followed by the annexation of Crimea by Russia in March 2014.

Conflict in Donbas

In the wake of the Euromaidan protests, armed conflict erupted with Russian-backed separatists in the eastern regions or oblasts of Donetsk and Luhansk (collectively known as the 'Donbas'). At the outset, rebel groups had taken control of many towns and cities, and declared the independence of both regions, as the Donetsk People's Republic (DPR) or Luhansk Peoples Republic (LPR), respectively. In response, forces loyal to the Government of Ukraine (GOU) regained much of the territory by August 2014. This led to the division the Donetsk and Luhansk Oblasts into areas controlled by government and non-government forces. Hundreds of thousands were displaced, especially from the areas outside government control, with roughly half of the Internally Displaced Persons (IDPs) temporarily settling in neighbouring regions under government control. The Oblast administrations of Donetsk and Luhansk were forced to relocate from their previous headquarters to Kramatorsk and Sieverodonetsk, respectively. In Donetsk Oblast, some state institutions also relocated to Mariupol.



Peace Process & Ceasefire

Although a ceasefire and an outline for a political settlement were agreed in the Minsk Memorandum in September 2014, as well as a Package of Measures for its implementation in February 2015, it took until September 2015 for the ceasefire to hold for a longer period. The parameters for a political settlement include the creation of a special status for certain areas of

Donetsk and Luhansk, anchored in constitutional law, and the return of the entire area under Ukraine's sovereign control and legislative supremacy. While the original target date of the end of 2015 for the required legislation and special local elections is unlikely to be met, parties agree that the Minsk process remains the only available option for finding a lasting settlement for the conflict.

Socio-economic Situation

The conflict has had a significant and detrimental impact on human welfare, and on social and economic conditions overall. Even prior to the conflict, the Donbas region had faced significant long-term challenges related to poverty, demography and its economic structure. Many of the country's key heavy industries are located in the Donbas, and have experienced long-standing decline. This has been further exacerbated by trade disputes and the conflict. The conflict has led to an overall decline of the country's socio-economic situation, but has had an acute negative impact on the political and socio-economic situation in Donbas in particular. Productivity has decreased and unemployment increased due to large-scale displacement of local populations and closure of mining and construction related industries. The confluence of these factors is further compounded by annual inflation that reached 60% in early 2015, and the IMF predicts the economy will shrink by 9 percent this year. Unemployment is expected to continually increase due to the decline in economic output and thereby limited livelihood and income generating opportunities in Donbas.

Internal displacement: Of some 6.5 million people in the Donbas (i.e., 4.3 million in Donetsk, and 2.2 million in Luhansk), approximately 3.9 million have been directly affected by the conflict. In addition, the three adjoining oblasts of Dnipropetrovsk, Kharkiv and Zaporizhzhia, have been particularly affected by economic disruption and the influx of a large number of internally displaced persons (IDPs). Recent estimates indicate that the crisis has displaced over 2.7 million people (internally and refugees). However, this figure does not account for those IDPs that have not registered. IDP populations and other vulnerable groups, particularly disabled persons, the elderly, women and youth are currently facing a high degree of vulnerability.

Infrastructure and social services: Recent assessments conducted through the UN Humanitarian Country Team's cluster system have indicated that both public and private infrastructure, including water and power supply systems, as well as educational and health facilities have been further damaged in Donetsk and Luhansk oblasts as a result of the ongoing conflict. In addition to the direct damage to businesses and housing, transport infrastructure to and from the region has been disrupted. This has contributed to the negative impact on the economy and livelihoods through reduced levels of investment and economic opportunities. Total recovery needs for the infrastructure and social services component are estimated at USD 1.26 billion. The sustainable restoration and improvement of infrastructure and social services holds the key to normalizing and stabilizing society in the crisis-affected areas, and to creating conditions for IDP return and (re)integration within areas of origin and or host communities.

Community security and social cohesion: The conflict has also significantly deteriorated levels of social cohesion, trust, and cooperation throughout the country, which were already eroded from years of divergent and politically charged narratives about history, language, and patriotism. A recent survey commissioned by UNDP in the Donbas region provided evidence for a very low level of trust in institutions of governance. In many ways, the conflict and resulting displacement from Donetsk and Luhansk oblasts has magnified Ukraine's pre-conflict fragility. In the government-controlled areas, pressure on local resources, service delivery, livelihoods, and governance has been building up, as the numbers and the duration of stay of the IDPs increase, of which an estimated two-thirds are women and children. Women are disproportionately affected by the conflict due to persistent gender inequality and discrimination, as well as further entrenchment of gender stereotypes. Failure to address these severe human welfare and social development concerns will likely worsen the impact of the conflict. This would have serious implications in terms of further eroding confidence in the state, as well as deteriorating social cohesion within and between crisis-affected communities.

II. STRATEGY

Recovery and Peacebuilding Assessment

In response to this situation, the European Union, United Nations and World Bank Group supported the Government of Ukraine in finalizing a joint “Recovery and Peacebuilding Assessment (RPA)” in February 2015. The RPA was formally endorsed through the Government of Ukraine’s Cabinet of Ministers Resolution on 5 August 2015. It provides an initial assessment of the priority needs for recovery and peacebuilding in Ukraine, through three strategic components:

1. Infrastructure and social services,
2. Economic recovery, and
3. Social resilience, peacebuilding and community security.

The RPA is the Government of Ukraine’s official framework to identify, plan and prioritize strategic recovery and peacebuilding initiatives over the short to medium term, and UNDP is realigning its current programming accordingly.

Programming Principles & Approach

UNDP is consolidating and realigning its current recovery portfolio with the RPA, under its overarching Recovery and Peacebuilding Programme (RPP); transitioning from a projectized to a more integrated programme- and area-based approach in Donbas and neighbouring regions. The RPP will consolidate ongoing and new projects under the following three components:

1. Economic Recovery and Restoration of Critical Infrastructure;
2. Local Governance and Decentralization Reform;
3. Community Security and Social Cohesion.

Accordingly, the project is programmed as an ‘output’ under the Economic Recovery and Restoration of Critical Infrastructure component of UNDP’s umbrella Recovery and Peacebuilding Programme, in line with the following guiding principles:

- **Coherence and comprehensiveness**: The project will be consistent with national recovery and development policies and strategies. It will contribute to achieving policy targets on socio-economic development agreed by the government and UN. The project will be implemented in close coordination with other UN agencies, international organizations, national and international NGOs, national and local governments as well as target communities and other stakeholders.
- **Conflict sensitivity**: The project will undertake a conflict-sensitive approach throughout implementation of all activities to mitigate potential risks and contribute towards achieving a positive socio-economic impact.
- **Do no harm**: The project will avoid harmful spill-over effects on individuals, communities, society and the economy, including the possible distortion of existing markets. Rapid assessments and analyses will underpin and inform project planning, management and implementation.
- **Gender equality**: The project will mainstream gender sensitivity to facilitate engagement and empowerment of women to benefit equally from recovery initiatives.
- **Sustainability**: The project will integrate processes and approaches to build local ownership as well as enhance the capacity of local authorities and communities to ensure the sustainability of the project.

The Project is aligned with the UNDP Strategic Plan, specifically with the following outcomes:

3. Countries have strengthened institutions to progressively deliver universal access to basic services;
6. Early recovery and rapid return to sustainable development pathways are achieved in post-conflict and post-disaster settings.

Since the Project aims to address the needs of most vulnerable groups in the conflict-affected regions by rehabilitation of critical infrastructure, it responds to the “social protection” emerging area.

Target Area(s) & Beneficiaries

The geographic coverage of the project will include urban as well as rural areas of Luhansk and Donetsk oblasts under control of the Government of Ukraine. The targeted beneficiaries are: (1) local population and vulnerable groups, including IDPs, (2) local businesses, and (3) regional and local authorities. The project will engage the targeted beneficiaries in its implementation in a selection of sites to be rehabilitated through participation in locally-organized consultations and public hearings. Also, local companies will be invited to participate in tenders for construction works, as well as tender documentation will be shaped in a way to encourage local companies to create jobs for and purchase services from targeted beneficiaries, including IDPs.

Partnership Strategy

UNDP will coordinate project implementation in partnership with regional and local authorities in the target areas, local businesses, and at the central level – with the Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine. To avoid potential overlap and/or duplication, UNDP’s RPP team will coordinate its activities with UN and other development agencies at all levels.

UNDP will identify and pursue opportunities for the deployment of experts from Japan for short-term missions (i.e., assessments, monitoring, technical assistance, etc.) to engage on some project components. UNDP will encourage secondment of Japanese experts to its offices in eastern Ukraine, subject to clearance of administrative arrangements by UNDP headquarters. Japanese candidates will have equal opportunity to apply for international staff posts, United Nations Volunteer and/or consultancy assignments within the project, based on the allocation and availability of sufficient funds and in accordance with UNDP’s rules and regulations on recruitment and procurement through competitive and transparent processes. A representative from Japan will be invited to participate as an observer during such processes. There is potential for Junior Professional Officers (JPO) from Japan to be involved in the project, subject to mutual agreement on the creation and terms of reference on relevant posts in this regard. While not formally considered as official staff or paid positions, UNDP will also welcome Japanese candidates for potential internship opportunities within the project. UNDP will continue its strong partnership approach that includes representatives of the Embassy of Japan’s participation in monitoring missions to project sites, including engagements with local and national counterparts and beneficiaries, as well as in project board meetings for steering ongoing UNDP recovery projects. UNDP’s recovery team will ensure close coordination with representatives of the Embassy of Japan and JICA in Ukraine. All procurement actions undertaken will be conducted through transparent and competitive processes in line with UNDP rules, regulations policies and procedures, providing equal opportunity for Japanese companies and NGOs to apply for tenders.

The Project will be applying Human Rights-Based approach in the course of its implementation. Specifically, UNDP will conduct public consultations in the target regions to ensure that the voice of the people affected by the conflict was documented and that they were able to express their views with regard to the recovery process. UNDP will be also promoting principles of equal access to services and the universal design principles through requirements listed in the tender documentation to ensure inclusion, equality and non-discrimination and accountability, as well as by informational materials prepared for local authorities, communities and partners. The Project will use of various forms of media to disseminate information on services available in the restored infrastructures.

Key Result and Activities

Under the RPP this output aims to support local socio-economic recovery and improve living conditions of at-risk/vulnerable groups (i.e., displaced, disabled, elderly, women and youth) by

restoration and rehabilitation of critical infrastructure in government controlled areas (GCA) of eastern Ukraine. The project will aim to consolidate and build on the gains of the current projects funded by the Government of Japan, for expanding the renovation of critical socio-economic infrastructure and service delivery in GCA's of Donetsk and Luhansk oblasts.

Key Result: At least 10 facilities will be rehabilitated in government-controlled areas of Donbas, prioritized based on the actual needs of local authorities and target communities. Cost-sharing with local authorities and communities will be encouraged in selecting specific objects for reconstruction. Proposed activities are as follows:

Key Activities:

1. Project initiation. Recruitment of personnel.
2. Identify and prioritize restoration/rehabilitation of damaged critical public infrastructure, particularly social, education, health and shelter facilities, as well as water, energy supply systems and transportation systems, based on conflict-sensitive, needs assessments and gender-sensitive, evidence-based planning with local governments and communities. Select at least 10 social, education, health and shelter facilities and/or energy supply and transportation systems in priority target areas for restoration/rehabilitation;
3. Conduct baseline and technical assessments of the infrastructure facilities that are selected for restoration/rehabilitation;
4. Develop engineering design and tender documentation for restoration/rehabilitation of selected infrastructures;
5. Procure and implement civil works to rehabilitate the infrastructure facilities that are selected for restoration/rehabilitation;
6. Equip selected facilities to ensuring proper functioning (including, but not limited to heating and ventilation systems, water and sanitation, critical medical equipment, etc.).

UNDP will subcontract the engineering design and construction and repair works through local companies to the greatest extent possible, in order to generate local employment opportunities and promote social cohesion in the conflict-affected regions. The selected companies will be tasked to deploy women, youth eligible for work and men - particularly from IDP settlements and their host communities.

Activity 1: Project Initiation

UNDP will recruit qualified project staff (including Component Coordinator, Civil Engineer and two Engineering Assistants) to be located with technical team at its local Field Offices in Kramatorsk (Donetsk region) and Sieverodonetsk (Luhansk Region). The project will be managed by Component Coordinator (Economic Recovery and Restoration of Critical Infrastructure), who will be responsible for implementation, coordination and monitoring of project activities, in close cooperation with regional and municipal government counterparts, as well as project beneficiaries and other stakeholders. A detailed Project Implementation Plan will be developed by the Component Coordinator with support from the Civil Engineer.

Activity 2: Identify and prioritize needs for infrastructure restoration/rehabilitation

The UNDP RPP Team will work with the regional and local authorities, as well as with local businesses to identify the most critical and pressing needs in the rehabilitation of social¹ and economic infrastructure² necessary to enable the socio-economic recovery in conflict-affected

¹ Social infrastructure includes centers of social services, such as but not limited to centers of social rehabilitation for people with disabilities, baby day care centers, centers of socio-psychological assistance, social centers for mothers and babies, shelters for homeless, kindergartens, schools, institutes, universities, polyclinics, hospitals, maternity hospitals, medical and obstetric centers, etc.

² Economic infrastructure are internal facilities of a country that make business activity possible, such as communication, transportation, and distribution networks, financial institutions and markets, and energy supply systems. This may also include business logistics facilities and systems, manufacturing infrastructures, including industrial parks and special

areas. The list of facilities that require reconstruction will be ascertained through a transparent, participator and consultative approach, based on the needs of local authorities, communities and businesses. Selection of specific objects for reconstruction under this project will be based on confirmation of cost-sharing from local authorities and business to ensure sustainability. The design of the intervention will be built into mechanisms – such as a dedicated budget line in the local budget or collection of user fees – to ensure coverage of maintenance and routine repairs.

Activity 3: Conduct baseline assessment and technical assessments

The RPP Team will develop and implement a methodology for assessing the selected infrastructure (including both technical aspects measured by quantitative/qualitative indicators, and the effects for local economy and livelihoods) as well as a project baseline assessment. The results of the baseline and technical assessments will be used to identify baseline values and indicators for measuring progress, as well as preparing terms of reference for technical services to develop engineering designs and tender documentation for further procurement of civil works. Project monitoring and evaluation will be based on the results of the baseline assessment. Monitoring missions will be conducted based on the findings of these assessments against an established M&E framework for quarterly and final progress reporting.

Activity 4: Engineering Designs and Tender Documentation

Based on the results of the baseline and technical assessments, technical services will be procured to develop engineering designs and tender documentation for repairing targeted socio-economic infrastructure. Independent engineering companies will be contracted based on their relevant experience and valid licenses, as well as qualifications of its engineering specialists that will be certified to perform design work in this regard. The service provider will be selected through a transparent and competitive procurement process in line with UNDP rules and regulations, to develop engineering designs and technical documentation, based on international and national technical standards (as appropriate). Following the approval of the engineering designs and technical assessments by the local government and project stakeholders, tender documentation for the rehabilitation of the selected facilities will be prepared. Construction works will be implemented through local labour hired from the target communities, ensuring equal employment opportunities for women. The bidders will be required to hire from local market, ensuring deploying women and men with basic, high-school and university education.

Activity 5: Civil Works to Repair the Social and Economic Infrastructure

Following the completion of tender documentation, the next stage will entail procurement and implementation of civil works to repair the selected infrastructure facilities. Qualified construction companies with valid licenses for necessary civil works will be selected and contracted. In addition, a qualified technical supervision company will be selected to provide independent technical supervision of the implementation of civil works by the selected construction companies. Under the overall guidance of the Component Coordinator and direct supervision of the Civil Engineer, the construction companies will perform the construction works in line with the technical documentation. The construction companies will be responsible for supplying necessary equipment and ensuring its proper installation and start-up.

Activity 6: Equip selected facilities to ensuring proper functioning

After completion of works under the approved design documentation and certification of performance of the renovated water supply infrastructure, the facilities will be adequately equipped to ensuring proper functioning (including, but not limited to heating and ventilation systems, water and sanitation, critical medical equipment, etc.) and duly handed over to the local communities.

III. RESULTS AND RESOURCES FRAMEWORK

Project title and ID (ATLAS Award ID): Recovery and Peacebuilding Programme, 000084715				
INTENDED OUTPUT	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output: Local socio-economic recovery supported and living conditions of at-risk/vulnerable groups improved by restoration and rehabilitation of critical infrastructure.</p> <p>Baseline: 1. 0 engineering designs of public undertaken 2. 0 critical public infrastructures renovated with use of universal design principles</p> <p>Indicators: 1. Number of engineering designs of public infrastructures undertaken 2. Number of critical public infrastructures renovated based on universal design principles and operational</p> <p>Gender Rating: 2</p>	<p>Targets: 10 socio-economic infrastructure facilities restored/rehabilitated</p>	<ol style="list-style-type: none"> 1. Identify, prioritize and select at least 10 critical public infrastructures, e.g. social, education, health and shelter facilities and/or energy supply and transportation systems in priority target areas for restoration/rehabilitation; 2. Conduct baseline assessment and technical assessments/examinations of the infrastructure facilities that are selected for restoration/rehabilitation; 3. Develop engineering design and tender documentation for restoration/rehabilitation of selected infrastructure; 4. Procure and implement civil works to rehabilitate the infrastructure facilities that are selected for restoration/rehabilitation; 5. Equip selected facilities to ensuring proper functioning; 6. Management, M&E Communications. 	<p>UNDP</p>	<p>Total budget for Output: USD 2,600,000:</p> <ul style="list-style-type: none"> • Construction services: USD 2,000,682.00 • Management, M&E and communications: USD 406,725.00. • F&A (GMS): USD 192,593.

IV. ANNUAL WORK PLAN

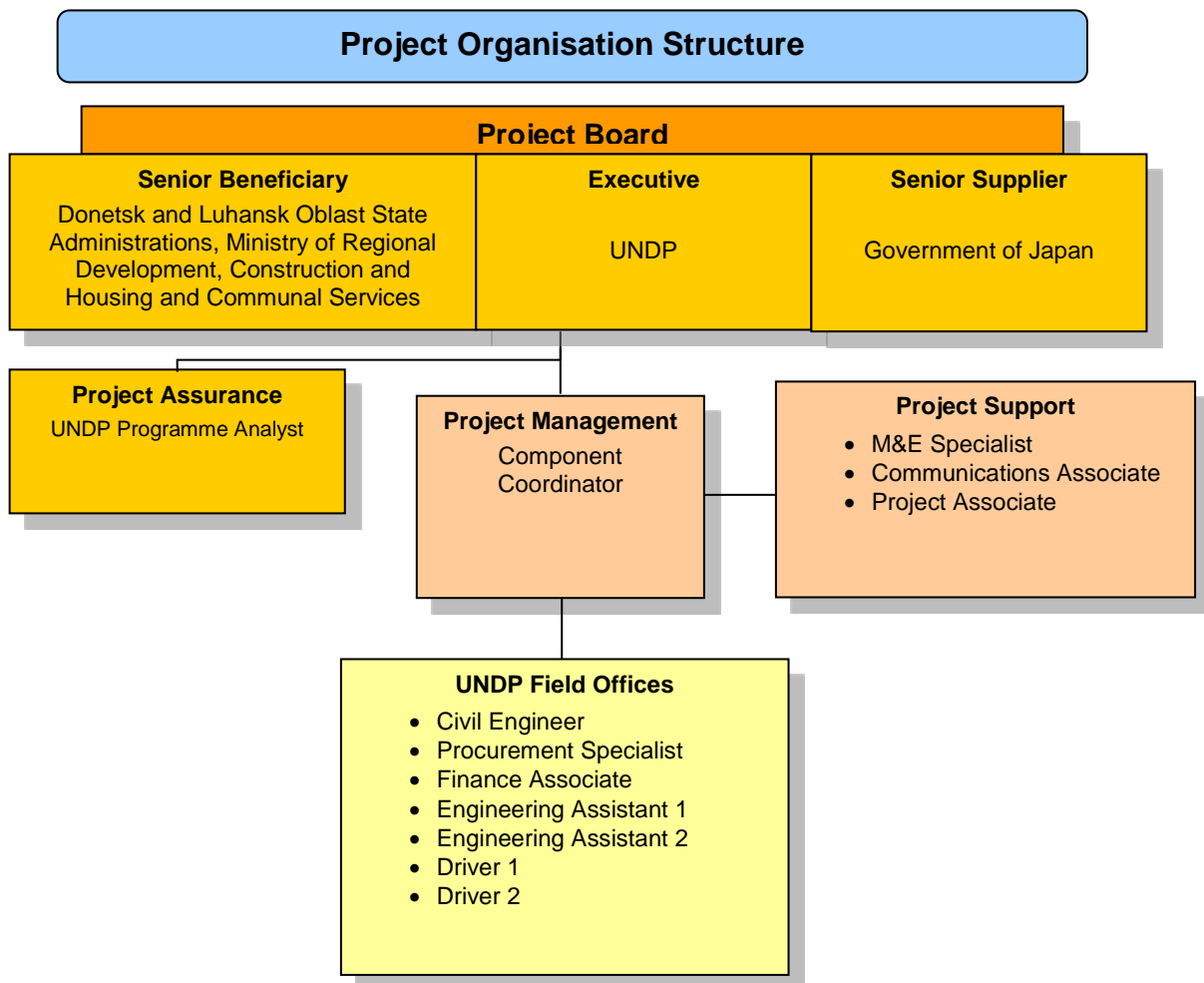
Year: 2016-2017

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount, USD
Output: Local socio-economic recovery supported and living conditions of at-risk/vulnerable groups improved by restoration and rehabilitation of critical infrastructure.	1. Identify, prioritize and select at least 10 social, education, health and shelter facilities and/or energy supply and transportation systems in priority target areas for restoration/rehabilitation	X				UNDP	GOJ	Costs of professional/contractual services (technical assessments, engineering design, technical supervision, and other services related with engineering and construction) Costs of construction works (including goods and materials) Costs of equipment and related services	2,000,682.00
	2. Conduct baseline assessment and technical assessments/examinations of the infrastructure facilities that are selected for restoration/rehabilitation	X	X						
	3. Develop engineering design and tender documentation for restoration/rehabilitation of selected infrastructure		X						
	4. Procure and implement civil works to rehabilitate the infrastructure facilities that are selected for restoration/rehabilitation		X	X	X				
	5. Equip selected facilities to ensuring proper functioning			X	X				
	6. Management, M&E Communications	X	X	X	X	UNDP	GOJ	Costs of management, M&E, and communications (staff, office, M&E, and communications)	406,725.00
	Indirect Cost (8%)								192,593
TOTAL								2,600,000	

V. MANAGEMENT ARRANGEMENTS

Project Board

The current Project Board that oversees the three recovery projects funded by the Government of Japan in 2015 will serve as the steering committee of the project, under UNDP's consolidated Recovery and Peacebuilding Programme. The proposed project will form an integral part of current UNDP programming on area-based recovery for Donbas, aligned to the RPA. The Project Board will comprise three key roles for decision-making on implementation of the project – i.e., 'Senior Executive', 'Senior Supplier' and 'Senior Beneficiary'. The Project Board will be chaired by the Ministry of Regional Development and co-chaired by UNDP in the 'Senior Executive' role of the Board. The Government of Japan will be a member of the Project Board, through the 'Senior Supplier' role. Representatives from the Donetsk and Luhansk Oblast State Administrations will serve as members of the Board in the 'Senior Beneficiary' role. Under this arrangement, UNDP will directly execute project activities for delivering the key result of the project in government controlled areas of Donetsk and Luhansk, respectively. The Project Board structure and composition may be expanded or revised to include other RPP and project stakeholders, based on consensus amongst all board members.



Project Management

A national UNDP Recovery and Peacebuilding Programme Coordinator on Economic Recovery and Restoration of Critical Infrastructure will be assigned to lead the Project Management role for implementing the project. This position will be responsible for day-to-day management of the project and supervision of the project teams in Kramatorsk and Sieverodonetsk, including coordination and monitoring of project activities with project stakeholders, including target beneficiaries, government counterparts and implementing partners and/or contractors. A Civil

Engineer and two Engineering Assistants will provide technical supervision on the design and implementation of the engineering components of the project, including construction/rehabilitation works by private contractors/companies. A Procurement Specialist will support the engineering team in preparing tender documentation and related procurement of goods and services through UNDP's Procurement Unit in Kyiv. The Finance Associate will be responsible for financial management, tracking of expenses to ensure budget compliance and expenditures reporting. Project support will be provided by an M&E Specialist, Communications Associate, and Project Associate. The M&E Specialist will be responsible for preparing a comprehensive M&E Framework for monitoring and reporting on project implementation, as well as coordinating the implementation of baseline and technical assessments. The Project Associate will support the Component Coordinator and project teams in Kramatorsk and Sieverodonetsk on day-to-day project and office administration issues, including logistical support. Two drivers (based in UNDP's Field Offices in Kramatorsk and Sieverodonetsk, respectively) will be assigned to provide transport services to project personnel in administering, managing and monitoring implementation of project activities. UNDP will leverage and consolidate an optimal configuration of its current field-based, project teams to expedite programming, management, coordination and joint monitoring of project results and activities, as well as ensure value-for-money and economy of scale for maximizing efficiency and complementarity with other programmatic components and projects that are currently being planned or implemented through its Field Offices in Donbas.

Project Assurance

A national Programme Analyst within UNDP's programme team at the country office in Kyiv will be assigned the responsibility for the project assurance role. This position supports the Project Board in carrying out objective and independent oversight, monitoring and coordination functions, throughout the duration of the project. This role ensures that: (1) the project is consistent with the project document and donor agreements, and implemented in line with UNDP policies and procedures, (2) appropriate project milestones are managed and completed, (3) emerging and/or relevant needs are addressed, and (3) addressing any changes, challenges and/or risks that affects the validity of the project.

Project Visibility and Strategic Communications

During the entire period of implementation, UNDP will take all appropriate measures to publicize the information that the Project has received funding from the Government of Japan. The main objective of visibility activities is the communication of positive results of the partnership between the Government of Japan, UNDP and the Government of Ukraine.

Information given to the press, the beneficiaries of the Project, all related publicity materials, official notices, reports and publications will acknowledge that the Project is carried out with funding of the Government of Japan and will display in an appropriate way the Japanese flag and logo. In addition to inputs, visibility activities will focus on outputs and the impact of the Project results via press releases, using social media, posting such activities photos and video to the Internet.

The UNDP Communications Associate will be responsible for project visibility and strategic communications, including the development and implementation of a communications strategy. Within the inception phase of the Project, a communication and visibility plan highlighting the related communication activities will be developed.

UNDP will further develop and introduce a strategic communications component to raise the visibility of project stakeholders and related achievements towards joint advocacy on recovery and peacebuilding in Ukraine. The strategic communications will include cooperation with other relevant international technical assistance projects in Ukraine, in particular, funded by Japanese government.

Throughout project implementation, the UNDP Communications Associate will take appropriate measures to publicize project achievements, to ensure positive visibility for all stakeholders, particularly the Government of Japan. Local and regional media will be invited to attend promotional events to raise awareness on the project amongst beneficiaries and stakeholders. Moreover, UNDP's field based team in Kramatorsk and Sieverodonetsk will disseminate

information on project activities and results through mass media, namely television - local TV channel and newspapers.

UNDP Country Office

The UNDP country office will provide oversight, quality assurance, as well as operational support services to the project, as follows:

- Recruitment and related human resource management and administrative support to project personnel;
- Procurement of commodities and services;
- Financial control, monitoring and reporting;
- Processing of direct payments and financial services;
- Oversight and quality assurance of project implementation, monitoring and assistance in project assessment;
- Security and safety of field/project office;
- Assistance with reporting requirements and direct payment.

The procurement of goods and services and the recruitment of project personnel by the country office will be conducted in accordance with UNDP rules, regulations, policies and procedures. If the requirements for support services by the country office change during the life of a programme or project, the list of services will be revised through mutual agreement between the Government of Ukraine and UNDP.

The relevant provisions of the Standard Basic Assistance Agreement (SBAA) between the Government of Ukraine and the United Nations Development Programme, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the current project document. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA. The manner and method of cost-recovery by the UNDP country office in providing the support services will be in line with UNDP's Cost Recovery Policy.

VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with the UNDP programme operation policies and procedures (POPP), the project will be monitored through the following:

Quarterly Reporting

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods.
- An Issues Log will be activated in Atlas and updated by the Component Coordinator to facilitate tracking and resolution of potential problems or requests for change.
- A Risks log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- A Quarterly Progress Reports (QPR) shall be submitted by the Component Coordinator to the Programme/Project Board in line with UNDP's standard reporting template. The QPR will include details on financial delivery of the project.
- Monitoring Plan shall be developed and implemented to ensure regular monitoring and that corrective actions are undertaken throughout project implementation.

Final/Annual Report

- A Final Project and Financial Report shall be prepared by the Component Coordinator and shared with the Board. As a minimum requirement, the Final Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information on issues, risks, mitigation measures and lessons learned, as well as a summary of results achieved against pre-defined annual targets at the output level.

Evaluation

- An independent evaluation team will be contracted to review and evaluate the project, following its expiration. The evaluation team will be comprised of national and/or international experts, or subcontracted to a specialized agency/institution. All members of the team will be independent, with absolutely no connection to the design, formulation or implementation of the project. The team will not include UN personnel, government civil servants, or any other person or entity that is directly or indirectly related to the project.

Quality Management for Project Activity Results

OUTPUT 1: Local socio-economic recovery supported and living conditions of at-risk/vulnerable groups improved by restoration and rehabilitation of critical infrastructure		
Activity Result 1.1 (Atlas Activity ID)	Recruitment of Project personnel	Start Date: Mar. 2016 End Date: June 2016
Purpose:	To recruit qualified project staff (including Component Coordinator, Civil Engineer and two Engineering Assistants) to be located with technical team at its local Field Offices in Kramatorsk (Donetsk region) and/or Sieverodonetsk (Luhansk Region).	
Description:	Collect all needs in renovation of critical infrastructure in Donetsk and Lugansk oblasts; Develop the criteria for selection of critical infrastructure; Preselect the critical infrastructure that need rehabilitation; Conduct consultations with the national authorities, local authorities and local communities; Prepare and approve the plan of infrastructure for restoration of critical infrastructures	
Quality Criteria: The Project personnel is required through open and transparent process.	Quality Method:	Date of Assessment: At the end of activities;
Activity Result 1.2 (Atlas Activity ID)	Carry out needs assessment for critical infrastructures and establish infrastructure plan in close consultation with the local authorities and communities	Start Date: Apr. 2016 End Date: June 2016
Purpose:	To identify the most important infrastructures that need renovation to ensure vulnerable people have access to quality services. In case of schools, to improve the water, sanitation and hygiene environment in the school for safety of children. To promote participatory planning process as well as to ensure the local authorities' infrastructure plan addresses the community needs.	
Description:	Collect all needs in renovation of critical infrastructure in Donetsk and Lugansk oblasts; Develop the criteria for selection of critical infrastructure; Preselect the critical infrastructure that need rehabilitation; Conduct consultations with the national authorities, local authorities and local communities; Prepare and approve the plan of infrastructure for restoration of critical infrastructures	
Quality Criteria: The needs assessment report prepared based on wide consultative and participatory processes. Recommended infrastructures met community needs in the target areas.	Quality Method: Availability of the needs assessment report with recommendation for renovation of specific infrastructures. Conducted at least two planning workshop and produced a regional critical infrastructure development plan.	Date of Assessment: At the end of activities;
Activity Result 1.3 (Atlas Activity ID)	Conduct baseline assessment and technical assessments.	Start Date: Apr. 2016 End Date: June 2016
Purpose:	To develop and implement a methodology for assessing the selected infrastructure (including both technical aspects measured by quantitative/qualitative indicators, and the effects for local economy and livelihoods) as well as a project baseline assessment.	
Description:	Identify baseline values and indicators for measuring progress, as well as preparing terms of reference for technical services to develop engineering designs and tender documentation for further procurement of civil works. Project monitoring and evaluation will be based on the results of the baseline assessment.	
Quality Criteria:	Quality Method:	Date of Assessment:

The needs assessment report prepared based on wide consultative and participatory processes. Recommended infrastructures met community needs in the target areas.	Availability of a methodology for assessing the selected infrastructure (including both technical aspects measured by quantitative/qualitative indicators. Conducted at least 10 technical assessments. Terms of reference for technical services prepared.	At the end of activities;
Activity Result 1.4 (Atlas Activity ID)	Carry out engineering design of the selected infrastructure facilities	Start Date: Mar. 2016 End Date: Jul. 2016
Purpose:	To conduct the engineering design before the construction and to ensure that the critical infrastructures are renovated based on “universal design principles”	
Description:	Prepare request for proposal (RFP) for engineering design and publish on UNDP website; Conduct bidding among potential design firms; Select a design firm based on value for money and experience; and sign a contract with a winning design firm; Supervise the engineering design process.	
Quality Criteria: The engineering design meets the requirements of “universal design principles” as well as Ukrainian norms and standards of specific infrastructure	Quality Method: Engineering drawings, cost estimates, technical specifications prepared; and got approval from architecture department and relevant government organizations.	Date of Assessment: At the end of activities
Activity Result 1.5 (Atlas Activity ID)	Civil works to repair critical infrastructure in target areas	Start Date: Aug. 2016 End Date: Feb. 2017
Purpose:	To procure and implement of civil works to repair the selected infrastructure facilities.	
Description:	Prepare tender documents and publish invitation to bid on UNDP website; Conduct bidding among potential construction firms; Select a construction firm based on value for money and strong experience on relevant work; and sign a contract with the winning construction firm for civil works; Supervise the construction process ; In case of schools, install heating system and upgrade water and sanitation facilities; Establish a Committee for commissioning repair/renovation works of critical infrastructures; Commission the completed restoration of social care infrastructures; Handover to relevant organization for operation and maintenance	
Quality Criteria: The bid invitation and opening followed UNDP procedures; the bidding committee evaluated the bids based on value for money and work experience. Construction/renovation works satisfied the technical specifications mentioned in the contract documents	Quality Method: The bid evaluation report prepared and approved by the CAP. The contract signed with terms and conditions that will be fulfilled by the contractor. Commissioning Committee approved the completion of civil works. The renovated critical infrastructures are in operational.	Date of Assessment: During the execution of activities and at the end of the project. At the end of project.
Activity Result 1.6 (Atlas Activity ID)	Equip selected facilities to ensuring proper functioning	Start Date: Nov. 2016 End Date: Feb. 2017
Purpose:	To procure equipment and equip the selected infrastructure facilities.	
Description:	Prepare tender documents and publish invitation to bid on UNDP website; Conduct bidding among potential suppliers; Select suppliers based on best value for money principle and sign contracts with the winning equipment suppliers; Supervise the equipment installation process; Handover the equipment to relevant organization for operation and maintenance.	
Quality Criteria: The bid invitation and opening followed UNDP procedures; the bidding committee evaluated the bids based on value for money. Equipment satisfied the technical specifications mentioned in the contract documents.	Quality Method: The bid evaluation report prepared and approved by CAP. The contract signed with terms and conditions that will be fulfilled by the contractor. The equipped infrastructure facilities are operational.	Date of Assessment: During the execution of activities and at the end of the project. At the end of project.

VII. LEGAL CONTEXT

This Project Document signed by the Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine and UNDP which is incorporated herein by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA); as such all provisions of the Country Programme Action Plan (CPAP) apply to this document. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner”, as such term is defined and used in the CPAP and this document. UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations safety and security management system.

UNDP will undertake all reasonable efforts to ensure that none of the project 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/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

Annex 1: RISK ANALYSIS

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Armed conflict and instability	Dec. 2015	Political	Despite the Cease-fire Agreement, the shelling and firing in Donetsk and Luhansk is continuing. In case the armed conflict escalates, it will have negative impact on the Project. P = 4 I = 5	UNDP will regularly consult with Regional Administrations and the Government to ensure the security of project staff members. The Project activities will be implemented in the Government controlled area only.	UNDP	Component Coordinator (Economic Recovery and Restoration of Critical Infrastructure)	March 2016	No change
2	Inflation	Dec. 2015	Financial	Ukraine is experiencing fluctuation of foreign exchange rate and inflation that will have direct impact on the Project cost. P = 3 I = 3	UNDP will sign contracts with implementing partners with clause ensuring the contract amount will not be changed.	UNDP	Component Coordinator (Economic Recovery and Restoration of Critical Infrastructure)	March 2016	No change