

## **BACKGROUND**

Due to its abundance of fertile farmlands, Ukraine has long been a major exporter of various agricultural products. The country also has a diversified industry that manufactures a range of products from steel and iron products, to jet engines and railway cars. With high levels of education and an extensive social protection system, it has enjoyed relatively high levels of human development in the past. In recent years however, Ukraine has faced a series of challenges that have stalled needed reforms and aggravated many existing problems. Institutions, which often date back to the Soviet era, have become frail and increasingly vulnerable to corruption.

Over the past two years, Ukraine struggled with the twin challenges of post-revolutionary political reform and the defence of its territorial integrity. These challenges arose out of a series of events starting in 2013, when then President Viktor Yanukovych suspended negotiations on an association agreement with the EU. This decision resulted in large protests in Kiev and eventually snowballed into the 2014 Ukrainian revolution, known as Maidan for the square where the protests took place. As a result, President Yanukovych fled the country, and was subsequently removed from his position by the Parliament, leading to early elections. This in turn was followed by the Russian annexation of Crimea and conflict with armed separatists in the eastern Donbas region of Ukraine.

The ongoing conflict in the Donbas region has created a humanitarian crisis, with significant loss of human life and more than 1.5 million peo-

ple displaced¹– a situation that, if not resolved, may drive further conflict, worsen the country's already dire economic situation, and erode confidence in government. The conflict has had a large negative economic impact, including currency devaluation, high inflation, a credit crunch and slowdowns in the economies of neighbouring countries, and estimates that real GDP decreased by 6.8 percent in 2014 and by a further 10 percent in 2015.² In addition, the conflict has impinged on the human rights of individuals living in conflict-affected regions, and further exacerbated issues such as inequality, social exclusion, and a lack of trust among communities.

Yet, Ukrainians are showing a strong commitment towards democracy, with the new political leadership pursuing a comprehensive reform agenda, and civil society, including human rights organizations, playing an important role during and after the revolution. In this regard, 2015 was a critical year for Ukraine, not only in terms of efforts towards economic and political stabilization and reform, but also in terms of seeking a peaceful settlement to the armed conflict in the east of the country.

## ASSISTANCE AND IMPACT

There were a number of positive outcomes for democratic governance in 2015. The post-2014 coalition government has developed Ukraine's most comprehensive governance reform programme to date, which emphasizes anti-corruption, rule of law and decentralization reforms in line with European standards. Important reform initiatives include new open data legislation, a State Anti-Corruption Programme for 2015-2017, and the launch of the National Agency for Prevention of Corruption. All of these developments were supported by UNDP.

Since 2008, UNDP has been working to empower rural communities to take part in the decisions that affect their lives. Using a community-based approach, UNDP has helped to facilitate joint decision-making and bottom-up planning processes, leading to the development of local partnerships and real improvements in people's lives. In 2015, the living conditions of more than 600,000 people were improved through 500 micro-projects, including the installation of water pipelines, energy efficient street lighting and windows, and the renovation and reequipping of local kindergartens and rural health clinics.

There were also important achievements for human rights, with the first National Human Rights Strategy and Action Plan being adopted following an inclusive process involving civil society, the Government and a number of development partners. UNDP also funded the development of the National Human Rights Strategy portal (http://hrstrategy.com.ua/) by the Ministry of Justice, promoting the engagement of public institutions and individuals in the development of the strategy. The UNDP-supported international conference on the specific topic of the role of NHRIs in conflict and post-conflict situations resulted in the signing of the Kyiv Declaration, which calls for a stronger role for NHRIs in conflict and post-conflict settings. The Kyiv Declaration was adopted and signed by 19 NHRIs.



Guests arriving for the international conference on the role of NHRIs in Kviv

Photo by: Eugene Zelenko/UNDP Ukraine

OHCHR, "Report on the human rights situation in Ukraine 16 August to 15 November 2015", 9 December 2015. Available from http://www.ohchr.org/Documents/Countries/UA/12thOHCHRreportUkraine.pdf

<sup>&</sup>lt;sup>2</sup> The World Bank, "Ukraine Overview". Available from http://www.worldbank.org/en/country/ukraine/overview#1 (accessed 3 June 2016)

UNDP has developed a comprehensive approach to integrate anti-corruption efforts across its programmes. In addition to sector-based integrity initiatives such as health sector procurement services, UNDP also launched a dedicated support project with the National Agency for Prevention of Corruption to prevent corruption through a range of measures including the creation of conflict-of-interest rules and asset declarations. Complementing this, UNDP helped to restore local governance functions in conflict-affected areas of Donetsk and Luhansk Oblasts, and has worked closely with oblast administrations to identify and minimize corruption risks in recovery and regional economic development efforts. UNDP also continued to improve the knowledge and resources of civil society, enabling them to act as local corruption monitors. In early 2015, the first UNDP Anti-Corruption School kicked off, offering civil society and other organizations exposure to some of the leading experts on national transparency and integrity. As a result, local civil society organizations produced significant results, including cancellation of US\$1.2 million worth of dubious public procurement contracts.

In a combined effort to combat corruption and improve health services, at the request of the Ministry of Health, UNDP has been procuring a range of medicines and related medical products for the diagnosis and treatment of tuberculosis, hepatitis, haemophilia and orphan diseases in children, and HIV/AIDS, and has begun to build the capacity needed for a transparent and cost-effective procurement system for the Ministry.

Arguably the biggest challenge facing Ukraine at present is the conflict in the eastern part of the country, resulting in large numbers of IDPs and conflict-affected people who lack access to adequate services. An estimated 50,000 people, including IDPs and their host communities, in 19 communities of the Donbas region benefited from a UNDP programme to rehabilitate social infrastructure, including healthcare facilities. UNDP also worked to assist the affected individuals, financially supporting 30 civil society organizations to provide 3,620 IDPs with psychological assistance and 6,900 with legal aid. Furthermore, a case management system used to keep track of IDPs assistance was introduced,

allowing assistance to be extended to around 1,700 people. Complementing this, UNDP is promoting community security and access to justice in conflict-affected areas, working with local communities and security providers on measures that are aimed to enhance local security and social cohesion.



Working out at the Artemivsk Territorial Center of Social Services for elderly and people with disabilities in Donetsk

Photo by: UNDP Ukraine

"UNDP proved to be a very good and reliable partner not only in terms of community development but also in terms of shelter projects for IDPs. This project is highly necessary and very interesting: people learn from it, they can see that cooperation with UNDP allows us to introduce the European standards of living. Together we managed to provide shelter to children who are going through a difficult period, who lost their family, until we find some durable solution for them. We appreciate these social projects very much."

 Ms. Olga Lishyk, Deputy Head of Luhansk oblast state administration In a forward looking programme, UNDP is supporting civic partnerships that document human rights violations in the east and has launched a database for storing the evidence. To date, 120 individual and group cases in 15 localities have been filed. Based on this work, eight monitoring reports have been prepared, five criminal investigations launched and three applications filed with the European Court of Human Rights.

## CHALLENGES, LESSONS LEARNED AND THE WAY FORWARD

After the recent instability, there are some positive signs for Ukraine. Economic growth is expected to stabilize, with the World Bank predicting 1-2 percent growth in 2016.<sup>3</sup> The benefits of positive reforms in recent years will also begin having an impact, with anti-corruption and transparency initiatives expected to result in positive changes.

On a less positive note, although a ceasefire agreement in the Donbas region has stemmed most of the violence, violations continue to occur and the situation remains extremely fragile. In addition, the implementation of the Minsk II package of measures to defuse the conflict remains incomplete.

Ukraine also faces other substantial challenges. The pace of reform slowed during 2015, with po-

litical instability leading to the formation of a new government following the fracture of the earlier broad reform coalition. As a result, many key reform agenda items, such as constitutional changes on decentralization, have been delayed and have led to disillusionment among the wider public. UNDP will continue to push for these reforms to be reprioritized.

UNDP will also continue working to combat corruption. In addition to the continuation of the UNDP Anti-Corruption School, UNDP will look to support the development of anti-corruption strategies and risk assessment methodologies, at both the national and local level.

Lastly, restoring peace and addressing the consequences of the conflict also remain priorities for both the Ukrainian authorities and for UNDP. Work to rebuild physical and social infrastructure, and improve social cohesion will continue, with the case management system for IDPs expected to further expand the ability of UNDP and service providers to assist people in need. Recovery activities more generally will increasingly incorporate governance, peacebuilding and gender elements, while options are being explored for a comprehensive mine action project. Work started in 2015 to record and document human rights violations and to improve access to justice and community security will also continue.



National Human Rights Strategy was adopted by Presidential decree



Open data legislation was approved by the Parliament



UNDP Anti-Corruption School
opened, offering exposure
to some of the
leading experts
on national
transparency
and integrity



50,000 IDPs
and their host
communities
benefited from
a UNDP programme to rehabilitate social
infrastructure

The World Bank, "Ukraine Overview". Available from http://www.worldbank.org/en/country/ukraine/overview#1 (accessed 3 June 2016)