



Government of Ukraine



*Empowered lives.
Resilient nations.*

COUNTRY PROGRAMME ACTION PLAN
between
the Government of Ukraine
and
the United Nations Development Programme
for
2012-2016

Kyiv – Ukraine

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The Framework

The Government of Ukraine and the UNDP 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 Development Goals and the United Nations Conventions and Summits to which the Government of Ukraine and UNDP are committed, including: i) sustained economic growth, poverty reduction and social development, ii) governance and local development, and iii) environment and climate change,

Building upon the experience gained and progress made during the implementation of the previous Country Programme 2006 to 2010, subsequently extended through 2011,

Entering into a new period of cooperation 2012 to 2016,

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

Part I. Basis of 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.

1.2 Based on Article I, paragraph 2 of the SBAA paragraph 1 of the Standard Annex: Supplemental Provisions to the Project Documents: The Legal Context ("Supplemental Provisions"), attached to and forming part of this CPAP, 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 an Annual Work Plan (AWP) (which shall form part of this CPAP, and is incorporated herein by reference) concluded hereunder constitute together a project document as referred to in the SBAA. 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 AWP.

Part II. Situation Analysis

2.1 Ukraine is a middle-income country with GDP per capita of US\$ 6,698 (in PPP terms) in 2010.¹ Seven years of average annual economic growth of 7.5 per cent from 2000 until mid-2008 was followed by severe economic crisis, with GDP slumping by 14.8 per cent in 2009. In 2010, Ukraine's economy resumed growth on the back of moderate improvements in external demand. In 2011, the real GDP growth is estimated to reach 5 per cent compared to 4.2 per cent in 2010. Since 2005, Ukraine has implemented a series of key reforms, in particular adoption of a new budget code, establishment of a Single Treasury Account, adoption of the new Joint Stock Company law, introduction of agriculture land titling, among others. In 2008 Ukraine became the 152nd member of the World Trade Organisation (WTO). In October 2011, Ukraine signed an agreement on the creation of a free trade area with the member states of the Commonwealth of Independent States (CIS). Creation of a free trade area with the European Union (EU) could serve as an additional anchor for further reforms.

2.2. After twenty years of independence, the economy of Ukraine has yet to regain the real income level it had during Soviet times, and to reach its full potential. Ukraine's human development is below the average for countries of

¹ IMF World Economic Outlook 2011 <http://www.imf.org/external/index.htm>

Eastern Europe. Ukraine is ranked 76th out of 187 countries according to the Human Development Index 2011. Despite economic growth until mid-2008, progress towards achieving the Millennium Development Goals (MDGs) remains uneven. Ukraine reduced absolute poverty² from 9 percent in 2005 to 2.5 percent in 2010 and relative poverty, measured according to the nationally defined poverty line³, from 27.1 percent in 2005 to 24.1 percent in 2010. The poverty level in rural areas remains almost twice as high as in urban areas. While most of the targets for the education, maternal health, and child mortality goals have been reached or exceeded, the goal related to HIV/AIDS and tuberculosis remains a major concern. Ukraine is the country with the highest estimated HIV prevalence (1.3%) in Europe. Furthermore, the growing number of newly reported infections and death from AIDS related causes in 2010 (20,500 and 3,100 people respectively) is alarming and requires quick action.

2.3 An unfriendly business climate (the World Bank Doing Business index for 2011 ranks Ukraine 145th out of 183 countries) prevents the country from realizing its entrepreneurship potential fully. Similarly, the agriculture sector, a critical pillar of Ukraine's economy, shows low and declining productivity levels. The overall spending on social benefits is very high, but only 56.8 per cent of those who live below the absolute poverty line receive any social assistance and only 23 per cent of social transfers reach the poor.⁴ Pension expenditures amounted close to 16 per cent of GDP in 2011, one of the highest in the world. Increased financing for health care and education, unaccompanied by reforms to improve the management of these services, has not improved their quality and accessibility.

2.4 Since 2005, Ukraine has made progress in the area of democratic governance and human rights. However, the country still needs to overcome institutional challenges, including weak public sector governance. The civil service remains politicized with no clear distinction between political appointees and civil servants. Despite progress towards improvement of local governance, policy and legal frameworks still do not provide clear mandates, division of responsibilities, or access to resources for improved public service delivery between different tiers of government. Further decentralization and optimization of local administration is hindered by the lack of administrative and territorial reform. Potential for civic engagement is hindered by an out-dated legal framework that limits opportunities for CSOs to serve public interests and become self-sustaining.

2.5 Ukraine is a signatory to all UN conventions and most multilateral human rights documents, and international human rights law forms an integral part of the legislation of Ukraine. Meeting its international obligations and adherence to international law has been regarded as a priority by the Government. Representation of women in the Parliament at 8 percent remains well below the nationally set MDG target. The exclusion of women from decision making at the highest political level contrasts with relatively high participation indicators at lower levels. The gap between incomes of women and men remains significant, at around 23 per cent.

2.6 According to the 2011 data of Framework Convention on Climate Change Secretariat Ukraine's greenhouse gas emission has decreased by 58.9 per cent during 1990-2009, per capita emissions of CO₂ is around 4.75 tons of carbon per year. With the ratification of the Kyoto Protocol, the country is obliged to stabilize its GHG emissions at the 1990 levels by 2012, and has pledged to reduce them by 20 per cent by 2020. Some 80 thousand hectares of arable land are lost to erosion each year. Protected areas form only 5.6 percent of Ukrainian territory, in comparison to the international average of 10 percent. Rivers in Ukraine are experiencing accelerated erosion due to the lack of poor embankments along danger zones. Obsolete pesticide storage facilities in flood-prone areas pose a major environmental threat. As the water table is very close to the surface across much of the country, small amounts of abnormal rainfall can carry toxic pollutants over large areas.

2.7 Since 1991, Ukraine has experienced over 70 disasters, which have affected over 2.7 million people and caused over \$2.5 billion in economic damages⁵. Moreover, the Ministry of Emergencies of Ukraine reports that mining accidents between January and July 2011 alone have led to over 100 casualties—an average of one casualty every two or three days. While emergency responses to these disasters have been commendable, recovery efforts show that disaster risk reduction (DRR) activities could have considerably reduced the number of casualties, injuries and damages. Thus, implementing the Hyogo Framework for Action, the UN's 10-year plan for DRR, has become of crucial importance in Ukraine.

² Share in the population whose daily consumption is below US\$ 5 (in PPP).

³ 75% of the median level of equalised expenditures per reference adult.

⁴ Presidential Committee for Economic Reforms for 2010-2014 (June 2010)

⁵ EM-DAT: The OFDA/CRED International Disaster Database – www.emdat.be – Universite Catholique de Louvain – Brussels – Belgium.

Part III. Past Cooperation and Lessons Learned

3.1 Overall, the results of the implementation of the past Country Programme were more prominent at sub-regional and local levels than at the national level, which partly can be attributed to frequently changing governments and corresponding changes in priorities.

3.2 The MDGs served as a single development framework for the Government and were mainstreamed into various national and sectorial policies and programmes. Among the key achievements are the adoption of the National AIDS Programme for 2009-2013 with increased allocations from the state and local budgets, and mobilization of additional resources from the Global Fund to Fight AIDS, Tuberculosis and Malaria, the ratification of the UN Convention on the Rights of Persons with Disabilities by the Parliament and strengthening of the national gender mechanism. At the national level UNDP played an important role during the accession process to WTO and provided expert support to the Government in the discussions on the EU-Ukraine Deep and Comprehensive Free Trade Agreement (DCFTA), as well as the adoption of the pension reform.

3.3 UNDP enhanced national capacities for inclusive participatory planning at local level by promoting a community-based approach for the implementation of over 1,000 micro-projects in rural communities. Also, it assisted communities and authorities in the Chernobyl-affected regions to gain a better access to information about health and healthy life-styles. Recognizing the need to address human development needs in the multi-ethnic Autonomous Republic of Crimea, UNDP focused on social mobilization, small business development and policy advisory support to the newly established Regional Development Agency.

3.4 Progress was achieved in the area of environment protection, namely via the introduction of institutional and policy initiatives fostering activities under the Kyoto Protocol Joint Implementation mechanism. In partnership with the Global Environment Facility (GEF) a national capacity self-assessment was performed which served as a basis for the national environmental policy and energy security assessment. A disaster risk reduction strategy was developed with active involvement of UNDP, national and international experts.

3.5 To a large extent, UNDP's inclusive approach to programme development and implementation contributed to the overall success of the past Country Programme strategy. For instance, empowering people to form community organizations and take initiative on matters of concern enabled them to participate in local decision making and contribute to the success and sustainability of local development interventions. Engaging local communities in strategic planning for the economic viability of protected areas helped to increase the territory of Ukraine covered by protected areas from 4 to 5.4 per cent.

3.6 Diversifying partners, brokering innovative partnerships and engaging media and communication technologies helped make a stronger development impact. UNDP considered the private sector as an important partner and contributor to country's development, and as such, actively pursued public-private partnerships under the UN Global Compact (GC) initiative. UNDP successfully involved the private sector in development projects. It channeled knowledge and resources of the private sector towards such important areas as youth development, climate change mitigation, biodiversity conservation, water resources management. Last but not least, UNDP promoted innovative forms of public-private partnerships in the area of municipal services and public utilities.

Part IV. Proposed Programme

4.1 The 2012-2016 Country Programme Document for Ukraine (Country Programme) addresses priorities identified by the Government of Ukraine (as defined in the State Program for Economic and Social Development of Ukraine for 2012 and the main directions of development for 2013 and 2014), is consistent with the provisions of the Program for Economic Reforms 2010-2014, and is fully aligned with the United Nations - Ukraine Partnership Framework (UNPF) 2012-2016. The country programme was prepared through an extensive process of consultations with the host country and external partners. It is in line with the UNDP Strategic Plan 2008-2013, and with the UNDP gender strategy, and reflects findings in the outcome-based evaluation of the Local Development and Human Security programme area (2007), mid-term Country Programme Action Plan review (2008), the common country assessment (2010) and outcome evaluation of the Democratic Governance programme area (2011).

4.2 In a middle-income country like Ukraine, UNDP fills an important niche in provision of policy advice and capacity development by focusing on human development and MDGs, promoting innovation and institutional change, and supporting the European integration processes through joint projects with the European Union. For all these efforts, UNDP brings in the global perspective, knowledge and best practices on sustainable development.

4.3 The current programme provides a financial framework for UNDP cooperation with Ukraine. The focus areas proposed in the programme will build upon the work carried out under the country programme 2006-2010, which was extended till 2011, and the previous country programme action plan. In the new programme, UNDP has focused on i) sustained economic growth, poverty reduction and social development, ii) governance and local development, and iii) environment and climate change. In all of the above-mentioned focus areas, UNDP will work towards complementarity and cohesiveness of its programme vis-à-vis other UN agencies. Capacity development of governmental and non-governmental counterparts will be a key consideration for reaching country programme outcomes. Accountability and evidence-based reporting will be strengthened through rigorous benchmarking, monitoring and evaluation against MDG and other outcome and output targets. The three focus areas and outcomes are presented below:

Sustained economic growth, poverty reduction and social development

4.4 UNDP will support the Government in developing and implementing inclusive pro-poor strategies and policies aimed at ensuring sustainable development in line with national MDGs targets and international commitments. It will support the achievement of national MDGs, monitoring the progress and mainstreaming MDG targets into the national development agendas. It will facilitate improvements in the business environment and investment climate, focusing on the growth of micro and small enterprises as well as on local business support institutions, cooperatives, and value chains.

4.5 UNDP will promote and advocate for social inclusion of vulnerable groups, such as people with disabilities, the elderly, the youth, homeless, people living with HIV/AIDS among others through the design and implementation of evidence-based policies and programmes, introduction of enabling institutional frameworks and legislations, and more effective and targeted social, health and education services. In particular, UNDP will support the Government in accelerating the implementation of social sector reforms, with the focus on pension system, social security, decentralization of social assistance and community-based social services. Furthermore, UNDP will work to increase the inclusion and participation of disadvantaged groups, particularly young people and women, in the labour market.

4.6 UNDP will focus on the development dimensions of HIV and health, recognizing that development actions outside the health sector can often contribute to better health outcomes. UNDP will strengthen capacities of selected agencies at the national and sub-national levels in designing and implementing the effective strategies and programmes to fight the HIV/AIDS epidemic, and advocate for equal access to prevention, treatment and care for people affected by HIV, thereby also promoting their human rights.

Governance and Local Development

4.7 UNDP will work with all levels of government to ensure sustainable results and coherence between local and national legal frameworks, and to engage a wide range of stakeholders in policy dialogue. Also, it will support reforms to professionalise and depoliticise the civil service, and will contribute to the initiatives increasing the transparency, accountability and quality of services provided by local authorities. UNDP will help improve the legal and regulatory framework for civil society and community organizations thereby facilitating their integration and sustainability as viable partners in decision making and service provision. Capacity development of national partners to adopt mechanisms and practices that advance gender equality, integrate the gender dimension into regional and local development and create an environment conducive to reduction of gender based and domestic violence will be undertaken.

4.8 UNDP will support further administrative and territorial reforms and decentralisation focusing on local capacity development to improve living standards and participatory decision making at sub-national, district and community levels. In particular, it will promote better cooperation between the state and the citizens and foster joint implementation of locally designed projects. Partnership and cooperation among municipalities will be promoted through innovative inter-municipal cooperation projects which would aim to increase the overall quality of communal service delivery. Measures to improve the governance of the housing sector, which include but are not limited to water supply, solid waste management, as well as energy efficiency in the housing and communal sector will be emphasized. Support to introduction of E-governance, ISO standards, and compliance with the international rule of law principles by municipal administrations will be continued.

4.9 Lastly, a special focus will be placed on promoting the rule of law, human rights, access to justice, legal empowerment of disadvantaged and vulnerable groups and anti-corruption. By addressing the need to improve legal aid systems, particularly to protect land, property and other socio-economic rights, UNDP will develop the capacity

of legal service providers and will raise legal awareness and knowledge of the citizens. Assistance to the implementation of border management projects with particular focus on institutional reform and capacity development of national border and law enforcement institutions will be also provided.

Environment and climate change

4.10 UNDP will enhance capacities for integrated natural resources management, sustainable mechanisms to increase the financing of protected areas for bio-diversity conservation, and for disaster preparedness and response. Moreover, development and popularisation of bioenergy technologies in the municipal sector, energy efficient lighting, and rehabilitation of the heat, gas and hot water supply systems especially in rural areas will be supported.

4.11 Climate change mitigation will remain at the core of UNDP interventions. Specifically, the reduction of greenhouse emissions in the communal sector at national and local level will be prioritized. In cooperation with the Government, private sector, and international partners, targeted interventions to support Ukraine's progress toward a low emission long-term economic development will be undertaken. To this effect, institutional capacity to design and implement low carbon growth strategies, develop new models and calculate projections of future greenhouse gas emissions, including the measures to improve necessary reporting and verification will be strengthened.

4.12 UNDP, together with GEF, will support biodiversity and ecosystem programmes throughout the country. UNDP will also promote the sustainable management of forests and prairies, development of new markets for ecosystem services, conservation of protected areas, and sustainable water use and management of the Dniro River and Black Sea basins.

UNDP interventions in the Autonomous Republic of Crimea (ARC), the Chernobyl affected areas, and promotion and dissemination of local knowledge

4.13 UNDP will continue promoting sustainable regional and local development in the ARC, in close cooperation with republican and local governments. It will concentrate its efforts and resources on the diversification of economic opportunities for rural territories, development of a dynamic sector of rural and cultural tourism and supporting small farming initiatives. In close cooperation with the republican partners, in particular the Parliament of Crimea, UNDP will support the sustainability of the ARC Human Security Council, and will pursue new initiatives on gender and ethnic equality, youth civic education and volunteerism, as well as the protection of the environment. UNDP will also continue building the capacities of the Regional Development Agency to plan strategically and to attract investors' and donors' interest in the region.

4.14 UNDP will give a special consideration for the Chernobyl-affected regions when selecting the areas for pilot programmes that could help overcome stigmatization.

4.15 UNDP will continue sharing its extensive and multifaceted experience with all partners and will actively facilitate East-East cooperation and sharing of best practices and knowledge.

Part V. Partnership Strategy

5.1 Effective partnerships are crucial for the achievement of the results expected from and the Ukraine - United Nations Partnership Framework 2012-2016 (UNPF) and the Country Programme Document 2012-2016. To ensure that the UNDP supported country programme remains aligned to the Ukraine's priorities, is harmonised with the programmes of other development partners and that sufficient resources are available for implementation, UNDP will implement its programme of support under the active leadership of the Government. UNDP's partnership strategy will also aim to support the mobilisation of human, financial and technical assets and capacities and help Government use these in a cost effective and transparent manner with full accountability. More generally, in pursuit of these aims, UNDP will work with each of the partnership groups listed below in paragraphs 5.2 to 5.6.

5.2 Government of Ukraine: UNDP's key partner and stakeholder, as well as its primary client for building capacity, will be the Government – at both national and local levels. A key cross cutting result expected from the UNDP supported programme will be strengthened capacity in government ministries and agencies to perform their mandates effectively. These institutions will increasingly take responsibility as implementing partners in the programme, subject to assessments that minimum capacities are present. This should facilitate ownership and sustainability of results. The Ministry of Economic Development and Trade, as the Governments Coordinating authority for UNDP, will provide overall policy direction and the lead in monitoring progress towards expected

results. The Government will provide : (a) overall leadership and co-ordination; (b) an enabling environment with enhanced accountability, transparency and responsive governance; (c) promote the involvement of local communities, civil society and the private sector in the formulation, implementation, monitoring and evaluation of programmes, (d) local funding, cost-sharing and resource mobilization; and (e) physical and organisational infrastructure.

5.3 The UN system: UNDP and other UN agencies in Ukraine are committed to manage and seek synergies within their respective programmes so as to better contribute to the strategic outcomes expected from UNPF 2012-2016. To facilitate this, the Resident Coordinator will endeavour to mobilize additional resources for the UN system as a whole. The UN Country Team (UNCT), through its working groups, is also committed to increasingly work together both to enhance the total UN impact in Ukraine and to reduce the transaction costs of Government in overseeing UN operations in the country. Progress towards UNPF outcomes will be jointly monitored and evaluated by the Government and the UNCT and the monitoring and evaluation of UNDP's supported country programme will be aligned to this. To the extent possible, UNDP will also actively establish and implement joint programmes with other UN agencies and act in the spirit of "Delivering as One".

5.4 Civil society: recognizing the pivotal role of civil society in building a sustainable democracy as well as its roles in development advocacy and in promoting responsive governance, UNDP will continue to maintain strong partnerships with civil society organizations including NGOs, CBOs, academia and others to implement components of this programme. Civil society organizations will complement the outreach of government agencies in reaching vulnerable groups and will be valuable partners in community mobilization and community level interventions.

5.5 Development Partners: Building on existing partnerships and developing areas of common interest, UNDP will closely coordinate its support interventions with development partners in Ukraine, most importantly the European Union, but also including the World Bank, and other bilateral development partners and institutions, so as to enhance synergies and maximize impact. When feasible, programme co-financing will be sought with some partners. Development Partners will also be expected to contribute to partnerships by (a) availing of expertise and knowledge; (b) contributing in-kind or direct financial resources; (c) collaborating in advocacy initiatives, leading and contributing to policy discussions; (d) implementing parallel and complementary programmes in support of the Government's priorities, and (e) participating in international working groups.

5.6 Private Sector: UNDP recognizes the private sector as an important and strategic partner and contributor to Ukraine's development. UNDP will intensify its engagement with the private sector with a view to coordinate development efforts and mobilize support for its programmes. Furthermore, UNDP will help broker partnerships, which enable the private sector to engage with the Government at central and local levels, the donor community and investment partners to achieve sustainable and inclusive economic growth. UNDP will encourage Public-Private Partnerships at all levels as an important form for linking policy objectives, provide support and taking initiatives that support human development.

Part VI. Programme Management

6.1 The programme will be nationally executed under the overall coordination of the Ministry of Economic Development and Trade of Ukraine (Government Coordinating Agency). Government ministries, NGOs, IGOs, UN agencies including UNDP will implement the programme activities. The Government Coordinating Agency will nominate the Government Co-operating Agency directly responsible for the Government's participation in each UNDP assisted AWP. The 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 works closely with key partners. The country programme builds on the United Nations reform principles, especially simplification and harmonization, by operating in line with the harmonized common country programming instruments such as the UNPF results matrix, joint monitoring and evaluation, and programme resources frameworks in the CPAP and the AWPs.

6.3 To the extent possible UNDP and partners will use the minimum documents necessary, namely the signed CPAP and signed AWPs to implement programmatic initiatives⁶ However, as necessary and appropriate, project

⁶ In some exceptional cases, it may be necessary to prepare a project document outside the CPAP. While the use of project documents outside the CPAP should be avoided, if necessary, such project documents could be prepared (for example, in crisis situations not envisaged before). In such

documents would be prepared using, inter alia, the relevant text from the CPAP, and AWP. UNDP will sign the project documents with partners in accordance with corporate practices and local requirements. In line with the UNDG Joint Programming Guidance Note, the scope of inter-agency cooperation is strengthened through joint programmes and geographical convergence.

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

6.5 Cash transfers for activities detailed in AWP can be made by UNDP using the following modalities:

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. 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.

6.9 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 expected UNPF results and the UNPF monitoring and evaluation plan. An M&E Framework/Plan more specifically focused on monitoring and overseeing the results that are being supported directly by UNDP will be prepared and implemented within the UNPF/National M&E processes. The Government and UNDP will be responsible for setting up the necessary M&E mechanisms, (including those needed to monitor outcomes), tools and conducting reviews in order to ensure continuous monitoring and evaluation of the CPAP, and with the view to ensuring efficient utilization of programme resources as well as accountability, transparency and integrity⁷. 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 in accordance with the procedures and harmonized with UN agencies to the extent possible.

cases, the AWP format will be used as project document ensuring that it reflects the mandatory clauses such as the legal context, management arrangements and for cash transfer.

⁷ For more details: [Harmonized Approach to Cash Transfers](#) (HACT)

7.2 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 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.

7.3 To facilitate assurance activities, Implementing partners and UNDP may agree to use a programme monitoring and financial control tool allowing data sharing and analysis.

7.4 The audits will be commissioned by UNDP and undertaken by private audit services.

7.5 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, UNPAF results matrix and MDGs, including M & E reporting. Through annual reviews and periodic progress reporting, responsibilities between UNDP, the Government and the 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 [here insert the number of days as per agency schedule].

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 five business days as per agency schedule.

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 honour its commitments in accordance with the Convention on Privileges and Immunities of the United Nations, Convention on Privileges and Immunities of the Specialized Agencies, the Agreement between the United Nations and the Government of Ukraine relating to the establishment of a United Nations interim office in Ukraine of 6 October 1992, and the Agreement between the Government of Ukraine and the United Nations Development Programme of 18 June 1993.

9.2 In case of government cost-sharing through the CPAP, the following clauses should be included:

- i. The schedule of payments and UNDP bank account details.

Beneficiary: United Nations Office in Ukraine Beneficiary's address:

1, KloviskyUzviz, 01021 Kyiv, Ukraine

Bank: The State Export-Import Bank of Ukraine Bank's address: 127, Gorkogo str., 03150 Kyiv, Ukraine

Account: 2600201285318
SWIFT: EXBSUAUX

- 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 endeavours 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 paragraph [vi] 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 for 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 no less than 3%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.
- 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 sectorial and thematic development partners groups to facilitate the participation of donors, civil society, the private sector and UN agencies. In addition, the Government will facilitate periodic monitoring visits by UNDP staff and/or 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 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, 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 UN agency 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, 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 timely statements of the acceptance or rejection of any audit recommendation to the auditors and UNDP so that the auditors can include those statements in their audit report and submit it to UNDP.
- Undertake timely actions to address the accepted audit recommendations.
- Report on the actions taken to implement accepted recommendations to the UNDP on a quarterly basis (or as locally agreed).

Part X. Other Provisions

10.1 Where a Government agency is the Implementing Partner of a particular project under this CPAP, consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), 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. To this end, each 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 the Implementing Partner's obligations under this CPAP, and its constituent AWP.

Each Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document (CPAP and AWP) 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/further to each Project Document”.

The foregoing shall also apply to Projects under this CPAP where the Implementing Partner is an Inter-governmental organization that has signed a standard basic executing agency agreement with UNDP.

Where UNDP or other UN Agencies serve as Implementing Partners, they shall (a) comply with the policies, procedures and practices of the United Nations safety and security management system, and (b) undertake all reasonable efforts to ensure that none of the project funds/UNDP funds received pursuant to a 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). This 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 unto under each Project Document.

10.2 This CPAP enters into force on the date signed by both Parties and in the case the CPAP is signed on different dates, then it shall enter into force on the date of the later signature. The CPAP shall continue in force until 31 December 2016.

10.3 This CPAP supersedes any previously signed CPAP between the Government of Ukraine and UNDP 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 in Kiev, the Ukraine.

For the Government of Ukraine

For the United Nations Development Programme
Ukraine

Signature: _____

Signature: _____

Name:

Name: ***Mr. Olivier Adam***

Title:

Title: Resident Representative

Date: _____

Date: _____