



Brussels, 26.11.2018
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COMMISSION IMPLEMENTING DECISION

of 26.11.2018

**on the Annual Action Programme 2018 (part 2) in favour of Ukraine to be financed
from the general budget of the Union**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) 1046/2018 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action², and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the Annual Action Programme 2018 (part2), it is necessary to adopt a annual financing decision, which constitutes the annual work programme, for 2018. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on financing decisions.
- (2) The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) The Commission has adopted the Single Support Framework⁴ for the period 2018-2020, which prioritises "strengthening institutions and good governance, including the rule of law and security", "economic development and market opportunities, including private sector development and improvement of the business climate", "connectivity, energy efficiency, environment and climate change", "mobility and people-to-people contacts, including social inclusion".
- (4) The objectives pursued by the annual action programme 2018 part 2 to be financed under the European Neighbourhood Instrument (ENI)⁵ are to support the

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.3.2014, p. 95.

³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

⁴ Commission Decision C(2017)8264 of 11.12.2017.

⁵ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p. 27).

modernisation of the Vocational Education and Training (VET) system in Ukraine and to promote people-to-people contacts between EU and Ukrainian society.

- (5) The first action entitled “EU4Skills: Better Skills for Moder Ukraine” supports reform and modernisation of the Vocational Education Training (VET) system in Ukraine to contribute to sustainable and inclusive socio-economic development via better economic governance, increased diversification and higher labour productivity. In addition the action can contribute to increase the employability and social integration of Internally Dispaced Persons (IDPs).The action will be implemented under direct management through procurement of services; and under indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and KfW Development Bank.
- (6) The second action entitled "People to People Contacts Programme: House of Europe" contributes to promote people-to-people contacts between the EU and Ukrainian society to share best practices and encourage mutual understanding. The action will be implemented under direct management through service and grant contracts.
- (7) It is appropriate to authorise the award of grants without a call for proposals, pursuant to Article 195 of Regulation (EU, Euratom) 2018/1046 to a consortium of EUNIC members and to the Ministry of Culture of Ukraine since actions have specific characteristics requiring a specific type of beneficiary for its technical competence, specialisation or administrative power.
- (8) The Commission should authorise the eligibility of costs as of a date preceding that of submission of a grant application, which is prior to the date of adoption of this Decision, for reasons of extreme urgency in crisis management aid or in other exceptional and duly substantiated emergencies, whereby an early engagement by the Union would be of major importance.
- (9) Pursuant to Article 4(7) of Regulation (EU) No 236/2014, indirect management is to be used for the implementation of the programme.
- (10) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of Regulation (EU, Euratom) 2018/1046.
- (11) To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of Regulation (EU, Euratom) 2018/1046 and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of Regulation (EU, Euratom) 2018/1046 before a contribution agreement can be signed.
- (12) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (13) The actions provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee established under Article 15 of the financing instrument referred to in recital 4.

HAS DECIDED AS FOLLOWS:

Article 1

The programme

The Annual Action Programme 2018 (part 2) in favour of Ukraine, as set out in the Annexes, is adopted.

The programme shall include the following actions:

- Annex 1: "EU4Skills: Better Skills for Moder Ukraine";
- Annex 2: "People to People Contacts Programme: House of Europe".

Article 2

Union contribution

The maximum contribution of the European Union for the implementation of the programme for 2018 is set at EUR 56 million and shall be financed from the appropriations entered in the following lines of the general budget of the Union:

- budget line 22 04 02 01: EUR 18 million;
- budget line 22 04 02 02: EUR 38 million;

The appropriations provided for in the first paragraph may also cover interest due for late payment.

Article 3

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annex 1, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 5.3 of the Annex 1.

Article 4

Non-substantial changes

Increases⁶ or decreases of up to EUR 10 million not exceeding 20% of the contribution set in the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 110(5) of Regulation (EU, Euratom) 2018/1046, where these changes do not significantly affect the nature and objectives of the actions. The use of contingencies shall be taken into account in the ceiling set by this Article.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

⁶ These changes can come from external assigned revenue made available after the adoption of the financing decision.

Article 5

Grants

Grants may be awarded without a call for proposals pursuant to Article 195 of Regulation (EU, Euratom) 2018/1046 to the bodies referred to in point 5.3 of the Annex 2.

The eligibility of costs prior to the submission of grant applications and which is prior to the date of adoption of this Decision shall be authorised as of the dates set out in the Annex 2.

Done at Brussels, 26.11.2018

For the Commission
Johannes HAHN
Member of the Commission



ANNEX I

**to the Commission Implementing Decision on the Annual Action Programme 2018 (part 2)
in favour of Ukraine to be financed from the general budget of the Union**

Action Document for EU4Skills: Better Skills for Modern Ukraine

ANNUAL PROGRAMME

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	EU4Skills: Better Skills for Modern Ukraine CRIS number: ENI/2018/41198 financed under European Neighbourhood Instrument	
2. Zone benefiting from the action/location	Ukraine The action shall be carried out at the following location: Ukraine	
3. Programming document	Ukraine Single Support Framework 2018-2020	
4. Sector of concentration/ thematic area	Sector 2: Economic development and market opportunities	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 58 million Total amount of EU budget contribution: EUR 38 million This action is co-financed in joint co financing by: Germany: EUR 17 million Finland: EUR 2 million Poland: EUR 1 million	
6. Aid modality(ies) and implementation modality(ies)	Project Modality <input type="checkbox"/> Indirect management with GIZ <input type="checkbox"/> Indirect management with KfW <input type="checkbox"/> Direct management – procurement of services.	

7 a) DAC code(s)	11330			
b) Main Delivery Channel	N/A			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>	
9. Global Public Goods and Challenges (GPGC) thematic flagships	Not applicable			
10. SDGs	<p><u>Main SDG Goals:</u> Goal 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Goal 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p><u>Secondary SDG Goal:</u> Goal 5 - Achieve gender equality and empower all women and girls.</p>			

SUMMARY

The proposed programme will contribute to the modernisation of the Vocational Education and Training (VET) system in Ukraine, making skills development demand-driven and responsive to labour market needs.

The expected results are the following:

- Clear policy: Ukraine is well equipped with national and regional VET strategies and action plans which set the vision for long lasting reforms in the sector, and the provision of better skills for better jobs in a modern Ukrainian economy.
- Balanced funding: A multi-channel VET funding mechanism ensuring focus and efficiency of the financial allocations.
- Higher quality: A National Qualifications Agency is established and operationalised, and the National Qualifications Framework (NQF) is consistent with the European Qualifications Framework (EQF). 100 new relevant qualifications are developed, delivered and awarded.

- Improved vocational guidance: A comprehensive and institutionalised Vocational Guidance and Career Development system is established and the Labour Market Information System (LMIS) is equipped with necessary methodology and tools to serve the skills matching at regional and national level.
- Modernised infrastructure: A number of Multifunctional Centres of Excellence are established in pilot regions including renovation or new construction of buildings, supply of appropriate training equipment and the setup of functional and viable governance and management structures in close collaboration with the private sector.

1 CONTEXT ANALYSIS

1.1 Sector/Country/Regional context/Thematic area

Socio-economic situation

Ukraine has a population of 42.6 million inhabitants (2016) and a GDP per capita of EUR 1,907 in 2015. Ukraine ranks among the top 30 oldest countries of the world by share of the population aged 60 years and above. Life expectancy at birth is around 70 years, which is among the lowest levels of life expectancy at birth in Europe¹. The old-age dependency ratio was 21.9% at the end of 2015 while the youth population (age group 15-24) accounted for only 16.4% of the population in 2014. The working-age population is expected to decline further².

It ranks as a lower-middle income country, down from middle income earlier in the decade. The UNDP Human Development Index 2016 rates Ukraine as highly developed (84/188). It ranked 69 out of 144 on the World Economic Forum global gender gap index in 2016. The Ukrainian labour market suffers from vertical and horizontal gender segregation. A number of (notably technical) professions became legally accessible to women only recently, after an occupational ban was lifted.

Following the Revolution of Dignity in early 2014, the Ukrainian economy contracted sharply, largely due to years of miss-management under the ousted Yanukovich government, but also exacerbated by Russia's illegal annexation of Crimea and the conflict in eastern Ukraine. Negative GDP growth of respectively – 6.6% in 2014 and – 9.9% in 2015 led to a major impoverishment of the population. The portion of the population living under the poverty level rose from 9% in 2013 to 17% in 2016.

Thanks to the combination of international support, an efficient monetary policy by the National Bank of Ukraine (NBU), and a sound fiscal policy, the macro-economic and financial environment has stabilized. Ukraine's economy progressively recovered in 2016 (+2.3%) and 2017 (+2.0). Pensions and the minimum wage were adjusted and raised in 2017, after a freeze of more than 3 years. This was set against a massive loss of purchasing power, due to high inflation (43% in 2015, 12% in 2016, 14-15% in 2017), and a devaluation of the national currency against US\$ of 300% since 2014. The country's economic recovery remains weak. The pace of reforms needs to be accelerated to improve the business climate and attract investors. Ukraine continues

¹ World Population Prospects, Key findings and advance tables, Revision July 2015, United Nations available at http://esa.un.org/unpd/wpp/Publications/Files/Key_Findings_WPP_2015.pdf.

² Ukraine National Progress Report on the Regional implementation Strategy of the Madrid International Plan of Action on ageing 2007-2011, Ukraine Ministry of Labour and Social Policy, 2012

to depend on external financing. From 2018, the country will face substantial repayments to its creditors, mostly for IMF credits received since 2014 (between USD 8 and 9 billion to be paid back both in 2018 and 2019). By contrast, loans under the EU Macro Financial Assistance have a longer maturity.

Severe deterioration of the economic situation and devaluation in real income has led to increased labour migration from Ukraine. Reliable data is complicated to establish, including due to diverse forms of labour migration, but according to the Centre for Economic Strategy, currently ca. 2.6-2.7 million people work abroad at any given time, out of a total of 4 million labour migrants, including short-term workers.³

The patterns and trends of Ukrainian migration point to a significant increase in the number of young people (18-29 years old) participating in international migration.

The effects of demographic change of population in Ukraine combined with the changes in the share of young people enrolled in upper secondary education and the decrease in enrolment in VET, is putting significant pressure on skills availability in the country. The nature of global and regional economy and the new type of jobs becoming available as part of the evolving knowledge based economy, increase the demand for new skills.

VET is also seen as an important tool in reducing social tensions resulting from the depression of the economy, the decrease in employment but also from the conflict in eastern Ukraine. According to the International Organisation for Migration, as of June 2018, Internally Displaced People are employed at a lesser rate (42%) than the general population (56% of those aged 15-70).⁴ By mainstreaming conflict sensitivity, VET can contribute to enhance the employability and access to education of Internally Displaced People and other conflict-affected population, thus improving social cohesion.

The developments in Information, Communication and Technology affect the professions, and while some professions disappear, new professions emerge. In this context, the key competencies to provide social integration and increasing productivity and competitiveness in economy have become very important.

Ukrainian VET system - short description

The Ukrainian VET system is characterised by an extensive number of VET institutions and subject to frequent changes. The Ministry of Education and Science (MESU) reports 792 VET institutions as of 1st September 2017, with 266.2 thousand students, 37.5 thousand total pedagogical staff including 13.5 thousand teachers and 16.6 thousand practical trainers (masters). In 2017 average staff salaries were equal to 6374 UAH (about 205 Euro) and 5648 UAH (about 182 Euro), respectively. There are 167 High VET Schools, 78 VET Centres, 351 Lyceums, 80 VET schools, 3 Colleges, 21 VET institutions that are divisions of Higher Educational Institutions, 22 other type VET institutions and 70 training centres within penitentiary institutions, vocational schools for social rehabilitation, and VET schools within penal colonies.

The State Employment Service under the jurisdiction of the Ministry of Social Policy has 11 Vocational Training Centres in Dnipropetrovsk, Donetsk, Ivano-Frankivsk, Luhansk, Lviv, Odessa, Poltava, Rivne, Sumy, Kharkiv and Kherson regions. In total, 630 trainers employed in those centres deliver vocational courses related to about 80 different qualifications for around

³ <https://ces.org.ua/en/how-many-ukrainians-have-departed-and-what-can-be-done-about-this/>

⁴ https://reliefweb.int/sites/reliefweb.int/files/resources/nms_round_10_eng_press.pdf

40,000 people annually. In addition, some 130 thousand people enjoy trainings in 2,000 private VET providers functioning in the country.

1.1.1 Public Policy Assessment and EU Policy Framework

Public Policy Assessment

Over the past four years Ukraine has initiated important structural reforms in public administration. A new Law on Civil Service entered into force in May 2016 and a comprehensive Public Administration Reform (PAR) Strategy and Action Plan was adopted in June 2016 and currently implemented. Ministry of Education and Science and the Ministry of Social Policy are among the pilot PAR Ministries. Apart from the injection of "fresh blood" into Ukraine's administration via merit-based, transparent recruitment, a reorganisation and reengineered policy-making processes (including revamped rules of procedures) are taking place.

The Mid-term priority actions of the Government 2017 - 2020 foresees an overall focus on human capital development.

The **Law on Education (2017)** regulates the social relations in the sphere of education, and establishes powers of the state authorities and bodies of local self-governance in the area of education. It also introduces the concept of the '**New Ukrainian School**'. The concept is based on a 12 year education system, consisting of nine year basic secondary education, followed by a three year specialisation. The focus is on competency-based education developing more than autonomous learners. The New Ukraine School will also have a significant impact on the curricula, teaching and learning practices in the VET system.

VET is mainly regulated by the Article 15 of the **Law on Education** which sets its goal (i.e. formation and development of professional competences of individuals necessary for professional activity, ensuring their competitiveness in the labour market and mobility and life-long career prospects), ways of obtaining levels, qualifications and further academic opportunities, as well as types and functions of VET providers. In addition, Articles 35-36 of the Law provide rather detailed regulations on the National Qualifications Framework, including e.g. descriptions of all 11 qualification levels, structure and components of curricula, and even a list of duties of the National Qualifications Agency, and a new 'permanent collegial body' to be established for implementing the public policy in the area of qualifications.

In May 2018, the Ministry of Education and Science board approved a proposal for a '**Modern Vocational Education – reform concept for the vocational education in Ukraine**' to be further adopted by the Government. The document sets out a vision on VET reforms to be implemented in 3 stages over the period 2018 – 2027. It envisages the consolidation of the draft legislation currently under revision and scheduled for adoption by the end of 2018. Accordingly a detailed action plan is to be formulated to roll out the full reforms. This will include decentralisation of governance and deployment of new funding mechanisms with close involvement of the private sector, restructuring and introduction of new VET institutions and an overhaul of qualification standards and (re-)training of teachers. Central to the new VET system in Ukraine will be the establishment of a network of multi-functional centres of professional excellence across the country.

The proposed VET reform incorporates and builds on changes introduced in 2016 as part of the reforms in administrative decentralisation and local governance, which transferred responsibility for VET financing from the central to the local budgets.

In 2011 Ukraine adopted a **National Qualifications Framework** that aims to classify qualifications in Ukraine on the basis of learning outcomes, in line with the principles of the European Qualifications Framework for Lifelong Learning and the Bologna Process. Later on, in 2016, the detailed Action Plan for the Implementation of the NQF 2016-2020 was adopted. Its implementation is overseen by a high level Interdepartmental Working Group that includes representatives from line ministries, social partners and scientific institutions, chaired by the Minister of Education and Science of Ukraine.

The **Law “On Higher Education”** (July 2014) is important to be mentioned as it regulates the so-called Pre-tertiary Vocational Education implemented in colleges. There are many political discussions in the country about the role and the place of this segment of education, and a separate law is expected to be adopted for that level. There are also indications that the Pre-tertiary Vocational Education can sooner or later be integrated into the VET system.

Through 2015-2017, the Ministry of Education and Science has carried out pilot implementation of **dual vocational education**. The first results of these pilot experiences are encouraging: a high level of employment of graduates (up to 97%), additional financial revenues for VET schools, improved cooperation with employers, etc. In 2017, a new order of the Ministry of Education and Science was issued to strengthen the pilots. In the academic year 2017-2018, 52 VET institutions began to implement “elements of dual education”.

Assessment conclusion: the Ukrainian Government is explicitly committed to human capital development, focusing on education and training reform, prioritising the development of new legislation, investing resources in the development of professions which have been part of the list of professions of State significance, taking steps in merging VET schools and centres to improve the efficiency of VET provision, etc. The VET reform is an essential component of broader efforts to stimulate growth and competitiveness, to develop the economy. Skills issues are becoming profoundly important, not only job-specific skills, but also creative, entrepreneurial and digital skills. These considerations will have a clear impact on reforms such as the design of new learning outcomes, new qualifications, new competences within the New Ukraine School; new mechanisms for developing and planning VET enrolments at state and regional level, as well as for a strongly needed efficient regional VET provider network.

EU Policy Framework

The EU-Ukraine Association Agreement in Article 432 stipulates that "Parties shall endeavour to increase the exchange of information and expertise, in order to encourage **closer cooperation in the field of vocational education and training** with a view, in particular, to: (a) developing systems of vocational education and training, and further professional training throughout the working life, in response to the needs of the changing labour market; (b) establishing a national framework to improve the transparency and recognition of qualifications and skills drawing, where possible, on the EU experience. Further in Article 433, the Agreement stipulates that the

Parties shall examine the possibility of developing their cooperation in other areas, such as secondary education, distance education, and life-long learning.

The **Single Support Framework for EU support to Ukraine 2018-2020** also identifies VET as a priority under the sector 'economic development and market opportunities': "Improved skills basis, including for entrepreneurship; reduced informality and undeclared work, reduced gender pay gap, reduced gendered labour market segregation, better working conditions including more formalisation of employment and higher remuneration throughout the country".

Long-term investment in VET with strong emphasis on employability is important for growth, competitiveness and innovation. Europe needs to equip its people with the right skills so that they can play an active role in the labour market and society. This is the core of the Riga Conclusions on Education and Training 2020 agenda. The New Skills Agenda adopted in 2016, triggers shared commitment of EU Member States in a number of areas where EU action brings most added value. It is centred on three key operational strands: improving the quality and relevance of skills formation; making skills and qualifications more visible and comparable; and improving skills intelligence and information for better career choices. The Council Recommendation on Key Competences for Lifelong learning provides a base for adults to develop and update their key competences through the provision of coherent and comprehensive lifelong learning.

1.1.2 Stakeholder analysis

The VET sector as a whole is regulated by the Ministry of Education and Science of Ukraine (MESU), which is also responsible for the management of most VET schools. Some VET schools are managed by ministries responsible for sectors such as transport, defence and agriculture. In addition a number of VET providers belong to the private sector. Within MESU itself, fragmentation occurs due to various reasons, one of which is the separation of functions between the VET and the Higher Education departments. Fragmentation also arises because the Ministry of Social Policy supervises Continuing VET (CVT), and provides training for those who are unemployed. Discussion for a future holistic VET approach has started only recently, and MESU is leading these discussions with a broad participation of key stakeholders. In some regions this dialogue on VET and skills issues is also addressed through regional economic development strategies.

Main stakeholders

The **Ministry of Education and Science of Ukraine** – MESU (<http://www.mon.gov.ua>) is the **leader of the ongoing VET reform** and it is responsible for the formulation and implementation of the public **policy** in the sphere of education, **including VET**. *It is expected to play a major role in the implementation and coordination of all the components of the proposed action.*

The Ministry of Finance – MoF (<http://www.minfin.gov.ua>) allocates funds in the State budget for the subvention of the general secondary education for VET schools, for training of specialists on professions of state significance and for the establishment of practical training centres. *It is expected to play a consultative role in the implementation of the programme activities related to VET governance and funding system.*

The **Ministry of Economic Development and Trade** – MoEDT (<http://me.kmu.gov.ua/>) estimates the mid-term demand of the labour market for workforce; and till 2015 (before decentralisation) was responsible for forming the yearly state order for VET. After VET decentralisation, projection of the regional labour market needs and the adoption of the regional order for the training of the working professions is a responsibility of the Oblast authorities. The Ministry remains responsible for the preparation of the state order for training of specialists on professions of state significance. *MoEDT is the Ministry in charge of coordination of all EU assistance and it will also play a consultative role in the EU project implementation.*

The **Ministry of Social Policy** – MoSP (<http://www.msp.gov.ua/en/>) has significant responsibilities for policies on adult learning and vocational training. It participates in drafting the education sector legislation, and develops and approves the classifier of occupations (VET professions), and occupational standards. MoSP is responsible for overseeing the development of occupational standards, Labour Market (LM) analysis including the forecast of the labour force demand, as well as for skilling and upskilling the people with special needs. Recently, the Ministry became engaged in the issues of VET funding within the decentralisation context, supplying training process with necessary equipment, organisation of VET students' internships and engagement employers in the training process. *This Ministry will also play an important role in the implementation of all aspects related to the VET relevance to the labour market needs.*

The **State Employment Service** – SES (<http://www.dcz.gov.ua/control/en/>) which acts under the jurisdiction of MoSP, provides a wide range of free of charge employment-targeted services to the population. It is directly engaged also in the short-term labour market forecast implemented particularly through employers' surveys. SES has 637 local employment centres with a total staff of 15,490 employees. It also has a role in the validation of non-formal and informal learning. *This service will also play an important consultative role in the implementation of all aspects related to the VET relevance to the labour market needs.*

Ministry for Regional Development, Building and Housing (<http://www.minregion.gov.ua>) covers the issues of local governance, decentralisation and regional development and indicates main tendencies of social-economic development in the sectors of industry, construction, agriculture, capital investments and domestic trade. *At present, the involvement of this Ministry in VET issues is limited but the resources of the State Fund of Regional Development could be used for addressing the urgent infrastructure needs of the VET system.*

The **Government Gender Policy Coordinator/Vice-Prime Minister for European and Euro-Atlantic Integration** is responsible for coordinating gender policy across all sectors at central level. She is operationally supported by the Government Commissioner for Gender Issues who needs to be involved – together with the gender advisor of the Ministry of Education and Science – in order to ensure gender responsiveness of the VET reform.

There are **Education and Science Departments under all regional (Oblasts) Administrations**. The role of those departments, under which VET divisions are acting, is to ensure the implementation of the state education policy at regional level in accordance with the regional development strategies. *Together with the MESU they will also play an important role in the implementation of all components of the EU programme.*

There are novelties that are introduced by the new Law on Education is in force since September 2017, one of which is the establishment of the **National Agency for Qualifications (NAQ)**. It is foreseen that the NAQ will become operational before end 2018. Other important entities foreseen in the Law on Education are the **Qualification Centres (QC)**, in charge of independent assessment of professional qualifications, and Sectoral and Professional Councils that develop occupational standards. *Both the NAQ and the IQC will received targeted capacity building support under the EU Programme.*

The **Institute for Modernisation of Educational Content** (<https://imzo.gov.ua/pro-imzo/>) is responsible for the development of educational standards, curricula, textbooks, manuals and other teaching and learning materials, for introduction of new teaching methodologies (not only for VET), for organisation of professional contests for VET students, and other events targeted to promotion of VET. *This institute will also receive targeted capacity building support given its important role also in the context of the New Ukrainian School.*

Non-governmental structures

Other key national stakeholders in the implementation of VET policies are the employers' organisations and the trade unions, *and they will play an important consultative role in the implementation of activities related to quality and relevance to the labour markets needs:*

The employers are officially represented at national level by the Joint Representative body of the Employers. The main organisation behind this is the **Federation of Employers (FEU)**. (<http://fru.ua/ua>) The FEU cooperates with public authorities in the issues related to vocational and higher education reforms, including drafting legislation via participation in working groups; participates in projects related to the qualifications reform, including NQF, Quality Assurance, occupational and educational standards development; supports implementation of dual VET and establishment of the Sector Skills Councils, Assessment (Qualification) Centres, etc. The FEU is one of the founding organisations behind the National Agency for Qualifications.

The FEU established the Institute of Professional Qualifications – IPQ (<http://ipq.org.ua>) in 2014 as an information-analytical platform for organising and conducting professional dialogue on the development of the professional qualifications system in Ukraine. IPQ has contributed to the development and promotion of the National Qualification Framework (NQF), closely working with the Sectoral Councils specifically in terms of occupational standards development, as well as with the education quality assurance and Validation of Non-formal and Informal Learning (VNFIL). The Institute established a Repository of Vocational Qualifications, and recently introduced also an interactive Qualification Map of Ukraine, where information about every region and specific data on VET providers, offered qualifications, number of students and teachers can be found.

Since autumn 2016, IPQ has lost political support from the FEU, and is now associated with the **Confederation of Employers of Ukraine – ConfEU** (<http://employers.org.ua>). ConfEU is no longer considered a representative institution from employers, but rather a NGO. Its role in qualifications will diminish further when the National Qualifications Agency is becoming operational.

Trade Unions have been mostly concerned with issues of social insurance and protection. Their influence on VET sector developments and skills aspects has been rather weak, but is gaining importance. The Joint Representative Body of the Trade Unions through the Federation of Trade Unions of Ukraine is a founding organisation of the National Qualifications Agency, together with the Joint Representative Body of Employers, the Ministry of Education and Science, the Ministry of Social Policy and the Ministry of Economic Development and Trade.

The **All-Ukrainian Association of VET Workers** (<http://vapp.in.ua/>) unites all VET institutions (there are also regional associations). The main role of the Association is to develop recommendations on different aspects of VET reforms; however the main focus of this organisation is to advocate the rights of the VET system employees and the students.

SMEs are a very important factor in the economy in Ukraine and are not well represented by the above institutions. This may be partially resolved with the involvement of professional councils in addition to sectoral councils, but other ways of involving networks of SMEs are very important. *Involving platforms in the consultation of the EU programme (like the "Ukrainian Business Club" <http://www.urb.org.ua/> or SME associations like the Ukrainian Entrepreneur's Union (<http://sup.org.ua/>)) will ensure that SMEs contribute to the VET reform process.*

Conclusion: There is a need to move up in designing and implementing concrete institutional mechanisms that will facilitate coordination and provide practical support for the realisation of a system for Life-Long Learning with higher accessibility and lower barriers to mobility for youth, adult learners and the unemployed. The EU4Skills project will also work in this direction, to ensure measures to improve the VET sector cooperation.

1.1.3 Priority areas for support/problem analysis

The **main identified challenges** of the Ukrainian VET system are the following:

- Inefficient network** of VET institutions accompanied with **outdated infrastructure** in the majority of VET institutions: the VET network needs to be optimised to respond to demographic trends, labour market needs and shrinking financial resources. In addition, in many schools no infrastructure improvements have been made for the last 30 years.
- Low quality** of VET provision: weak quality assurance system, skills mismatch with the labour market requirements; insufficient provision of training means and materials, lack of practical training; lack of viable post-VET professional perspectives.
- Growing **lack of human resources** (specifically masters of practical training).
- Poor VET governance and management** at all levels particularly as a result of insufficient understanding of VET system's benefits for the country and for the regions development; Lack of sector coordination (need to improve the role of the VET councils representing the interest of the VET community, employers, parent associations and civil society) ; low level of autonomy for VET institutions.
- Insufficient financing of VET**: inefficient funding schemes of VET institutions, lack of medium-term budget planning.

- **Stable decrease of the VET students' population** (and enrolment) due to **low attractiveness of VET** and demographic issues.
- **Labour market needs mismatch** due to ineffective organisation and outdated methods of Vocational Guidance; lack of sufficiently credible medium-term forecast of the labour market needs, at both national and regional levels; Poor motivation of partners to be engaged in any VET process or development.
- **Fragmentation** of the Vocation Education system into “Professional Technical” and “Professional Pre-tertiary”.

The **priority needs of the VET system** as reflected in the Government's principal planning document for Education and specifically VET Sector, notably Mid-term priority actions of the Government till 2020, will be:

- The establishment of an institutionalised **Sector Coordination Framework** to ensure the involvement of all key stakeholders in the VET system reform processes.
- The adoption of a **VET Action Plan based on the vision ‘Modern Vocational Education – reform concept for the vocational education in Ukraine’**, including among other the following **key reform areas**:
 - 1) Decentralisation of governance and autonomy of VET institutions to undertake reforms at local level.
 - 2) Modern competence-based content of vocational education oriented to education seeker's needs, which ensures that VET qualifications are in line with the National Qualifications Framework and the National Qualifications System, and allows the individuals to select their own educational path to obtain professional qualifications.
 - 3) Quality of vocational education guaranteed by an internal and external quality assurance system and independent centres for qualifications and learning outcomes assessment.
 - 4) Effective network and new types of VET institutions that enable the implementation of the lifelong learning policy, including work-based learning.
 - 5) New forms and methods of acquiring VET qualifications, including dual training.
 - 6) Public-private partnerships to respond to the labour market demand and individuals' needs for new qualifications, and to introduce innovative technologies, new content and an environment for further innovation in vocational education.
 - 7) Multi-channel sources of skills training funding to match the skills training supply and the labour market needs and to attract new investment projects in vocational education.
 - 8) Multi-level system for training a pool of high-quality VET teaching staff and engaging highly qualified industry specialists in order to provide proper educational services.

9) Creation of a modern educational environment enabling, accessibility, inclusiveness, gender responsiveness, transparency, openness and innovation of the education.

10) Implementation of new forms and methods for career guidance, popularising vocational education, its potential and accomplishments, as well as career-building and individual professional growth and contributing to overcome gendered labour market segregation.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Lack of progress of the national regulatory framework (VET).	M	Continuous policy dialogue and enhanced cooperation with the Ukrainian authorities.
High turnover of civil servants staff of ministries and agencies, low absorption capacity and inadequate professional competences of civil servants.	M	Support to Ukrainian authorities by targeted trainings and capacity building.
Public Administration Reform (PAR) risk: Reorganisation of MESU and other stakeholder ministries coincides with the key stages of the EU support programme design and implementation.	L	Use of support and guidance through the EU funded PAR programmes.
Lack of coordination between different VET stakeholders on National and regional levels	M	Steering Committee Mechanisms will ensure coordination.
Resistance to reform at different levels due to vested interests and/or lack of understanding	M	Consistent outreach to all key stakeholders, including teachers, staff, learners and parents. Communication on VET reform.
Assumptions		
<input type="checkbox"/> The VET Vision is fully developed and endorsed by the Government of Ukraine. <input type="checkbox"/> The Government of Ukraine remains committed to support the action. <input type="checkbox"/> The Law on Professional (Vocational) Education is approved during the expected time frame (2018 – 2020). <input type="checkbox"/> Ownership of the VET schools premises is transferred from the national to the regional level.		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

- Most successful EU projects are the ones in the reform areas where there is a strong Ukrainian ownership (Source: deregulation – FORBIZ project; decentralisation – U LEAD Project). The close dialogue with MESU in the preparation of this action demonstrates a high degree of ownership.
- MESU and other key ministries are undergoing a public administration reform and the future programme will need to design approaches adapted to the institutional situation. Source: Some recommendations made by the VET Twinning Project (2013-15) could not be implemented due to lack of institutional capacities.
- During the detailed design and implementation of the programme, it is highly advisable to analyse which fundamental themes and issues should be addressed primarily on the national level (i.e. updating classification of occupations and classification of school-system occupations) and which activities and themes will be primarily addressed on the regional level (i.e. optimization based on labour market, modernization of individual schools offer, the relevance of the offer and modernization of equipment). Source: ETF experience in the Neighbourhood region.
- The choice of regions to set centres of excellence should be based on expression of interest both from local government and private sector operators to ensure maximum participation and ownership and avoid unwanted overconcentration on specific types of schools and sectors. Source: EU4Business Network of Business Support Centers Project.
- The importance of quality of the policy/legislative development process as it affects the quality of policy/legislative outputs, and largely determine whether new laws and policies can be implemented and enforced. Source: ETF experience in the Neighbourhood region.
- EU Member States' experience in the VET sector could be a valuable source of inspiration to all parties involved in the VET reform in Ukraine. Source: U-Lead Project approach in using Member States' experience.

3.2 Complementarity, synergy and donor coordination

EU funded

"Improving Vocational Training System According to the Needs of the Volyn sub-regional Economy" (2014-2017, EUR 0.85 million; Departments of Education and Science of Rivne Regional State Administration and Volyn Regional State Administration, Volyn Resource Centre). The project focused on labour market researches, worked with the most problematic areas in workforce training, promoted access to career guidance and career choice instruments and instruments developing active behaviour on the labour market, and promoted the social dialogue between employers and the government on vocational training.

EU for Business (2016-2020, EUR 90 million): the full range of EU programmes to support business and SMEs in Ukraine (better regulation, business advice and access to finance) will benefit from a better skilled workforce.

U-LEAD (2016-2020, EUR 102 million) supports the roll out of decentralisation across Ukraine and includes also actions related to the decentralisation aspects of VET as well as pilot VET activities in Rivne and Lviv).

Public Administration Reform (PAR) (2018-2022; EUR 104 million): The PAR Sector Budget Support Programme (EUR 90 million) and the complementary technical assistance (EUR 14 million) will address structural issues of PAR, linked i.a. to (i) strategic planning and coordination of public policy, (ii) civil service and Human Resources Management, (iii) accountability, transparency and oversight and (iv) delivery of services.

European Training Foundation (ETF): ETF has supported a high number of VET sector development activities in Ukraine focused on analysing the VET system, sharing experience from the European Union and other partner countries, policy-making, decentralisation and qualification system development and curriculum innovation. A number of current ETF activities are preparing the ground for the future EU support ensuring synergies and coordination with other EU and Member States activities. These include: work on improving the skills anticipation, support for the establishment of the National Qualifications Agency and the register of qualifications, clarification of the methodological linkages between occupational standards, assessment standards, education standards and decentralised curricula, inclusion of key competences in curricula of secondary education and initial VET, development of concept of multifunctional VET centres, developing the role of regional VET councils in managing VET provision (including the optimisation of the network, establishing the regional VET needs, and funding for VET).

EU Member States

SWEDEN

The Swedish Association of Local Authorities and Regions (SALAR) and its subsidiary, SKL International, is implementing the Decentralization Support Project (2015- 2018). The overall focus is on fiscal decentralisation, and is also addressing the needs and priorities of Ukrainian stakeholders in the field of education decentralisation and finance, mainly in general secondary education.

GERMANY/GIZ:

GIZ has conducted several projects in the energy-efficiency area covering qualification and training issues; it also involved the Lviv High VET school of Arts into activities related to the urban development area and Lviv Old Town rehabilitation.

GIZ has launched in late 2017 the project Vocational Integration of Internally Displaced Persons in Ukraine (2017-2021; EUR 4 million). It is targeted at internally displaced persons, mothers with children and single mothers by means of short-time training courses and/or internship programs to better and/or increase their employability.

GIZ is also active in the agriculture sector involving VET and Higher Education institutions to upgrade and/or develop training programs for the food processing sector. It covers teachers training by German companies' instructors.

Furthermore GIZ is implementing an internship scheme (2014-2018; EUR 1 million). Approximately 30 students per year have an internship course in Germany at an appropriate enterprise to bring German business approaches into Ukraine.

There is also a training program (1-month internship course) for managers of Ukrainian companies aimed on providing ways and tools of cooperation with German companies.

POLISH AID

Polish Aid has a portfolio of related VET and education projects worth EUR 2.2 million under implementation for the period 2012-2019. They include a wide range of support at local level to youth, entrepreneurship, education reform, support to the development of academic business incubators, etc.

BRITISH COUNCIL

British Council Ukraine has implemented the “Skills for Employability” project (2010-2013) offering Ukrainian stakeholders access to UK expertise in the area of skills needs/gaps and qualifications. The project has explored the roles of Sector Skills Councils and the UK experience in qualifications reform to better inform policy and practice of the reform in Ukraine.

In 2014-16 British Council has continued to support a number of events arranged jointly by ETF and the Ministry of Education and Science by inviting UK experts, e.g. international conference "Institutional Aspects of Quality Assurance in the Ukrainian Education System", workshops "Qualification standards for National Qualification Framework in Ukraine", "Links between the lists of occupations and National Qualification Framework register", "Professional Qualifications system - towards an inclusive demand approach".

THE ESTONIAN DEVELOPMENT COOPERATION (INNOVE)

InnoVe is supporting the vocational colleges in Volyn oblast and the Ukrainian MESU on developing VET in the framework of “The Ukrainian Education Strategy until 2021“.

The project makes use of the experience of the Estonian VET school directors, key teachers and involved employers in the provision of training for 5 Ukrainian pilot school directors and key teachers, including internships in the Estonian vocational schools.

OECD PISA GLOBAL COMPETENCE FRAMEWORK

Ukraine is scheduled to participate for the first time in PISA 2018. PISA has developed a framework to explain, foster and assess adolescents’ global competence. The framework is designed as a tool for policy makers, leaders, and teachers interested in nurturing global competence among young people world-wide. Policy makers use PISA results to gauge the knowledge and skills of students in their own countries in comparison with those in other countries, set policy targets against measurable goals achieved by other education systems, and learn from policies and practices applied elsewhere.

Donor coordination

The Ministry of Education and Science of Ukraine organises regular donors meeting structured around 5 subgroups: New Ukrainian School (support to pre-school, primary, secondary and inclusive education); VET and skills development; Higher education and lifelong learning; Education in emergency (support to conflict affected educational institutions), and Decentralization and financing of education.

In recent times the European Training Foundation and the EU have facilitated numerous coordination and awareness raising events in the area of VET.

3.3 Cross-cutting issues

Gender: gender mainstreaming will be ensured throughout the programme. Ukraine shall be supported in modernising its VET system making it gender-responsive, aiming at educational and economic empowerment of women and at eliminating horizontal and vertical gendered labour market segregation. Furthermore, the creation of an inclusive learning environment throughout the VET system shall be supported. All data collected, such as on trends on educational access, participation and achievement will be sex disaggregated. All support activities related to sector strategy development, policy formulation, legislative drafting and capacity building shall ensure best-practice gender mainstreaming.

Transparency, governance and anticorruption: will be tackled across all project components.

Social inclusion: the project will also pay attention to aspects of inclusive education (social background, special needs, etc.), including accessibility to VET training buildings for people with disabilities. In line with the ENI Single Support Framework 2018-2020 for Ukraine, a conflict-sensitive approach will be adopted, including with regard to IDPs.

Environment sustainability: environmental impact assessments will be carried for any infrastructure construction or renovation carried out under this programme.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

Overall objective:

The **overall objective** is to reform and modernise the Vocational Education Training (VET) system in Ukraine to contribute to sustainable and inclusive socio-economic development via better economic governance, increased diversification and higher labour productivity.

Specific objectives:

SO1: To enhance the **effectiveness of VET reforms** in Ukraine through:

- a) The introduction of a **relevant and credible sector strategy** led by the Ministry of Education and Science in cooperation with other key stakeholders.
- b) The establishment of an **institutionalised sector coordination** framework at national and regional levels.
- c) The establishment of effective **VET governance** and **funding systems**, meeting the needs of regional development and the New Ukrainian School approach.
- d) **Outreach** and communication to stakeholders at **all levels** and the general public; mitigation of reform reluctance.

SO2: To improve the **quality and attractiveness** of VET for both female and male learners, and to increase its relevance to the **labour market needs**, including for overcoming gendered labour market segregation.

SO3: To optimise and modernise the VET infrastructure network.

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goals: **Goal 4** - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; **Goal 8** - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, but also promotes progress towards **Goal 5** - Achieve gender equality and empower all women and girls. This does not imply a commitment by the country benefiting from this programme.

Results:

COMPONENT 1 - SECTOR STRATEGY, COORDINATION FRAMEWORK, AND IMPROVED GOVERNANCE (SO1)

R 1.1. An inclusive and evidence-based development process of a National VET Action Plan based on the vision ‘Modern Vocational Education – reform concept for the vocational education in Ukraine’ is supported and approval advocated for. The Action Plan shall contribute to overcoming gendered labour market segregation; eliminate possible current discriminatory standards and/or practices and enshrine women's economic empowerment as a goal. It should also mainstream conflict sensitivity, including with regard to the employability, access to education and non-discrimination of IDPs and other conflict-affected population. Public consultations will need to be ensured during the drafting process, when required by the Ukrainian legislation.

R 1.2. The development of regional VET Action Plans is supported and their approval facilitated. They shall contribute to overcoming gendered labour market segregation, eliminate possible current discriminatory standards and/or practices and enshrine women's economic empowerment in the same manner as for the National VET Action Plan.

R 1.3. The establishment and operationalisation of a National VET Council, ensuring gender balance in its staffing, is supported.

R 1.4. The establishment and operationalisation of regional VET Councils, ensuring gender balance in their staffing, is supported in all regions.

R 1.5. The establishment of an effective multi-level governance and management framework is facilitated in line with the needs of the decentralised and optimised VET system.

R 1.6. The operationalisation of a new multi-channel VET funding mechanism ensuring focus and efficiency of the financial allocations and implementing the principles of gender-responsive budgeting is facilitated.

R 1.7. The application of gender-responsive multi-annual budget planning and programme budgeting systems is facilitated.

R1.8. The VET reform is properly communicated to stakeholders at all levels and the general public; mitigating measures towards reform reluctance are taken, notably via outreach activities.

COMPONENT 2 - VET QUALITY AND LABOUR MARKET (SO2)

R 2.1. The development of a National Qualifications Framework (NQF), consistent with the European Qualifications Framework (EQF) and gender-mainstreamed is supported and its adoption advocated for; it includes particularly:

- A revised and compatible Classifier of Occupations (professions) and at least 100 new VET qualifications developed, provided and awarded.
- A complete legal and methodological framework of occupational and educational standards development and approval.
- Newly developed (or revised) occupational and educational standards and corresponding curricula.

R 2.2. The establishment and operationalisation of a National Qualifications Agency is facilitated.

R 2.3. The establishment of Qualification Centers to serve the regional and sectoral needs is supported.

R 2.4. An operational Validation of Non-formal and Informal Learning (VNFIL) system is available for at least 15 qualifications of high demand; gender-responsiveness is taken into account.

R 2.5. An operational Education Management Information System (EMIS) equipped with a methodology and tools of sex-disaggregated data collection and analysis is established at regional and national level.

R 2.6. The establishment and operationalisation of a comprehensive and institutionalised, gender-responsive Vocational Guidance and Career Development system is supported. It shall contribute to overcoming gendered labour market segregation, eliminate possible current discriminatory standards and/or practices and enshrine women's economic empowerment as a goal.

R 2.7. The establishment and operationalisation of a Labour Market Information System (LMIS) equipped with the necessary methodology and tools to conduct skills anticipation exercises and address vertical and horizontal skills matching at regional and national level is supported.

R 2.8. The establishment of an operational social partnership model is facilitated, resulting in sustainable partnerships between regional authorities, training institutions, employers, businesses and other relevant stakeholders.

R 2.9. The optimisation of the network of public VET providers is supported in accordance with the regional and sectoral labour market needs.

COMPONENT 3 – MODERNISATION OF VET INFRASTRUCTURE (SO3)

R 3.1. A number of new Multifunctional Centres of Excellence are established in selected regions (new building and equipment, legal, organisational, methodological, gender and human resources aspects).

R.3.2. A number of regular existing VET centres are upgraded/modernised in selected pilot regions (refurbishment and equipment, legal, organisational, methodological, gender and human resources aspects).

4.2 Main activities

COMPONENT 1 - SECTOR STRATEGY, COORDINATION FRAMEWORK, AND IMPROVED GOVERNANCE (SO1)

1. Ensure support to the Ministry of Education and Science and other key stakeholders, as well as facilitation of public consultation process, in order for the responsible national and regional institutions/ authorities to draft and adopt national and regional VET strategies. Ensure support and facilitation in the preparation of the annual action plans, as well as their costing, implementing gender-responsive budgeting principles.
2. Discussion and formulation of VET policy and support to drafting of relevant secondary laws related to VET.
3. Strengthening the capacity of the national and regional authorities to formulate, coordinate, implement and monitor VET sector related reforms, with a particular focus on leadership and management of change trainings.
4. Capacity building trainings for the national and regional established VET Councils.
5. Ensure gender mainstreaming throughout the support to VET reform outlined above (sector strategies, action plans, capacity building) so that it contributes to overcoming gendered labour market segregation, eliminates possible current discriminatory standards and/or practices and enshrines women's economic empowerment as a goal.
6. Development of a concept and action plan for the optimisation of the VET network (optimal number of VET centers) taking into account both the effectiveness of the VET system, regional needs and possible gender issues. The concept/action plan should set the specific activities, outputs, deadlines, responsible bodies, and suggest the cost for each activity.
7. Revision of the VET funding system (at national and regional level), and identification of different funding options to put in place a multi-channel funding mechanism ensuring focus and efficiency of the financial allocations), implementing principles of gender-responsive budgeting.
8. Capacity building training (at national and regional level) for developing multi-annual budget planning tools), implementing principles of gender-responsive budgeting.
9. Capacity building for ensuring sound and effective financial management (at national and regional level), implementing principles of gender-responsive budgeting.
10. Communication and outreach efforts to ensure understanding of and support for VET reform at all levels and to mitigate reform reluctance.

COMPONENT 2 - VET QUALITY AND LABOUR MARKET (SO2)

1. Support the relevant authorities in the development of occupational and competence-based educational standards in accordance with the labour market needs and best-practice gender mainstreaming principles.
2. Support the relevant authorities in revision of gender-mainstreamed Classifiers of Occupations (professions) and VET Qualifications (specialties).
3. Capacity building for the to be established National Qualification Agency (as required by the Law on Education) as well as the Qualification Centres.

4. Support the relevant national and regional institutions to design new (modular, gender-mainstreamed) curricula and modern, gender-responsive teaching, learning and assessment materials.
5. Re-training of teachers to deliver training according to the new standards and competency-based approach curricula, including training on gender-responsive teaching approaches.
6. Enforcement of a gender-responsive Non-formal and Informal Learning (VNFIL) system and expansion of the list of qualifications covered (particularly relevant for internally displaced persons).
7. Development of a methodology and tools for the establishment of a modern Education Management Information System, including sex-disaggregated data collection.
8. Development and promotion of innovative professional orientation approaches such as exhibitions of educational institutions, festivals of professions, and the establishment of career guidance units in all VET institutions. Professional orientation shall be supported to be delivered in a gender-responsive manner, avoiding the reinforcement of societal stereotypes, aiming at eliminating vertical and horizontal labour market segregation related to gender and at promoting women's economic empowerment.
9. Development of a methodology and staff training for regional authorities to be able to perform the new tasks of the regional labour market needs in terms of skills anticipation and tackling skills mismatch.
10. Facilitation of partnerships between regional authorities, employers, training institutions and businesses.

COMPONENT 3 – MODERNISATION OF VET INFRASTRUCTURE (SO3)

1. Identification of pilot regions for the establishment of newly constructed Multifunctional Centres of Excellence.
2. Full inventory and audit of the VET school buildings, including the aspects of energy efficiency, gender aspects (sanitation facilities, facilities for mothers etc.) and accessibility for people with disabilities.
3. Identification of pilot regions and VET centers to be upgraded/modernised.
4. Preparation of tender dossiers for construction works for both, the new multifunctional centres of excellence and the existing VET regular centers to be upgraded.
5. Identified equipment needs according to the new curricula and tender dossiers for equipment procurement.
6. Construction works for the selected VET centers identified under point 1 and 3.
7. Procurement and delivery of equipment to the selected VET centers.

4.3 Intervention logic

Education, including vocational education and training is one of the top priorities for the Government of Ukraine as reflected in the mid-term priorities of the Government till 2020, the preparation of related laws and their agreement to have a VET Vision 2018 ready by June 2018.

The interest and ownership of the Ukrainian government to initiate cooperation in this sector is seen as an excellent opportunity to have a significant impact on the education and labour sector, and on economic development. This intervention is also complementary to other ongoing EU supported reforms: private sector development, decentralisation, and public administration reform.

The proposed set of interventions is based on the request of the Ministry of Education and Science of Ukraine, and the preparatory work carried out by the ETF and the EU Delegation. Technical assistance will be used to assist the national authorities and main stakeholders to develop and implement strategic documents, to implement measures targeting quality, qualifications, labour market policies, career guidance, the optimisation of VET networks, VET governance and VET funding at national and regional level.

Along with this broad set of measures, more in-depth assistance in the form of works and supplies will be provided to modernise the VET infrastructure in selected regions including the setup of new constructed centers of excellence.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is **60 months** from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁵.

5.3.1 Procurement (direct management)

Subject	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Evaluation	Services	1	1st trimester 2023

⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Subject	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Audit	Services	1	1st trimester 2023

5.3.2 *Indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)*

A part of this action may be implemented in indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (**GIZ**).

Implementation entails the support to the following components:

- Component 1 - Sector strategy, coordination framework, and improved governance (SO1), including contribution to the setup of governance and management structures of the centers set up under Component 3.
- Component 2 – VET quality and labour market (SO2).

This implementation is justified for several reasons:

- The size of the programme requires a solid implementer with extensive experience and presence in Ukraine and GIZ meets these requirements.
- VET is one of the key global competences of GIZ.
- In Ukraine, GIZ is implementing several VET related projects since 2002 with strong focus on training and capacity development. GIZ is currently implementing the project “Vocational Integration of Internally Displaced People”.
- Under the EU funded project U-LEAD programme to support decentralisation, GIZ has a Ukrainian nation-wide coverage and is also implementing VET-sector specific decentralization measures, especially together with experts from Poland.

The entrusted entity would carry out the following budget-implementation tasks: procurement and grant award procedures and management of corresponding contracts and payments.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in direct management via service contracts.

5.3.3 *Indirect management with KfW Development Bank*

A part of this action may be implemented in indirect management with KfW Development Bank.

This implementation entails the support to the following components:

- Component 3 – Modernisation of VET infrastructure (SO3) implementing rehabilitation and new construction works as also procurement and delivery of equipment.

This implementation is justified for several reasons:

- The size of the programme requires a solid implementer with extensive experience and presence in Ukraine and KfW meets these requirements.

- Implementing projects related to infrastructure equipment is one of the key competences of KfW.
- KfW is already implementing several infrastructure projects in Ukraine (water, schools, kindergarten, etc.) and it is familiar with the required and certainly not trivial Ukrainian procedures.
- With regards to VET, KfW has ample experience worldwide with an active portfolio worth EUR 1.2 billion.

The entrusted entity would carry out the following budget-implementation tasks: procurement and grant award procedures and management of corresponding contracts and payments.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in direct management.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Components 1,2, (Technical Assistance)	16 000 000	
5.3.2 – Indirect management with GIZ	16 000 000	2 000 000 By Germany 2 000 000 By Finland 1 000 000 By Poland
Component 3 (Works & Supplies)	21 000 000	
5.3.3 – Indirect management with KfW	21 000 000	15 000 000 By Germany
Evaluation, Audit	400 000	

Communication and visibility	600 000	
Totals	38 000 000	58 000 000

5.6 Organisational set-up and responsibilities

Detailed terms of reference/description of action will be developed for each individual action, including the management structure, the experts' team, and the composition of the Steering Committee in charge of the supervision of the project.

The project implementation will be done in close cooperation with Germany, Finland, Poland and Estonia.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

In addition, the European Training Foundation, and as part of its core functions, will exercise an important monitoring role through the life of the programme, including the participation as observer in the Steering Committee.

5.8 Evaluation

Having regard to the importance of the action, a **final evaluation** will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact of complementary actions in the future.

The Commission shall inform the implementing partner **at least 3 months in advance** of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract **in 2023**.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, 1 contract for audit services shall be concluded under a framework contract in **2023**.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX⁶ " EU4SKILLS: BETTER SKILLS FOR MODERN UKRAINE"

	Results chain	Indicators (all disaggregated by sex and rural/urban area when possible)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	The overall objective is to reform and modernise the Vocational Education Training (VET) system in Ukraine so it can better contribute to sustainable and inclusive socio-economic development via better economic governance, increased diversification and higher labour productivity.	<input type="checkbox"/> Employment by economic sector.	Agriculture, 15.3 % (2015) Industry, 24.7 % (2015) Services, 60.1 % (2015)	<i>To be completed during inception phase</i>	<input type="checkbox"/> Ukraine's Government annual reports. <input type="checkbox"/> State Statistics reports. <input type="checkbox"/> Donors and partners' reports.	
		<input type="checkbox"/> Employment by occupation.	<i>To be completed during inception phase</i>	<i>To be completed during inception phase</i>		
		<input type="checkbox"/> Employment rate among those aged 20–64, %⁷	64.4 % (2015)	66.0 % (2020) 68.0 % (2025) 70.0 (2030)		
		<input type="checkbox"/> Youth unemployment rates (aged 15-24) (%)	Total:23.0 % (2015) Male: 24.0 % (2015) Female:21.5 % (2015)	<i>To be completed during inception phase</i>		

⁶ The baseline and targets are presented as they are available from the last Ukraine Torino Process report 2016-2017 and Sustainable Development Goals (SDGs) 2017 Ukraine National report

⁷ Indicator 8.3.1. SDGs 2017 Ukraine National Report section Decent Work and Economic Growth

	Results chain	Indicators (all disaggregated by sex and rural/urban area when possible)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Specific objective(s): Outcome(s)	<p>SO1: To enhance the effectiveness of VET reforms in Ukraine through:</p> <p>a) The introduction of a relevant and credible sector strategy led by the Ministry of Education and Science in cooperation with other key stakeholders.</p> <p>b) The establishment of an institutionalised sector coordination framework at national and regional levels; and</p> <p>c) The establishment of effective VET governance and funding systems, meeting the needs of regional development and the New Ukrainian School approach.</p> <p>d) Outreach and communication to stakeholders at all levels and the general public; mitigation of reform reluctance.</p>	<input type="checkbox"/> Enrolment rate of adults and youth in formal and informal forms of education and professional training , % of population aged 15–70. ⁸	9.2 % (2015)	10.0 % (2020) 12.0 % (2025) 14.0% (2030)	<input type="checkbox"/> MESU. MSP.MEDT and other relevant bodies reports. <input type="checkbox"/> EU projects' reports.	<input type="checkbox"/> The VET Vision is developed and endorsed by the Government of Ukraine. <input type="checkbox"/> The Government of Ukraine remains committed to support the modernisation of VET. <input type="checkbox"/> Ownership of the VET schools premises is transferred from the national to the regional level.
		<input type="checkbox"/> Share of woman among the members of oblast councils and local councils of oblast significance (%). ⁹	14 % (2015)	20 % (2020) 30 % (2025) 50 % (2030)		
		<input type="checkbox"/> National, regional and sectoral spending in VET.	<i>To be completed during inception phase.</i>	<i>To be completed during inception phase.</i>		
		<input type="checkbox"/> Employment rate of recent graduates (age group 20–34) and programme orientation [%] per region.	<i>To be completed during inception phase</i>	<i>To be completed during inception phase</i>		

⁸ Indicator 4.5.1. SDGs 2017 Ukraine National report section Quality Education

⁹ Indicator 5.4.2. SDGs 2017 Ukraine National report section Gender Equality

	Results chain	Indicators (all disaggregated by sex and rural/urban area when possible)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		<input type="checkbox"/> VET vision is operationalized across and beyond government and closely related to lifelong learning, economic and growth agenda. [Qualitative]	<i>To be completed during inception phase</i>	<i>To be completed during inception phase</i>		
	SO2: To improve the quality and attractiveness of VET for both female and male learners, and to increase its relevance to the labour market needs, including for overcoming gendered labour market segregation.	<input type="checkbox"/> Share of VET students in secondary education (%).	8.1 % (2015)	<i>To be completed during inception phase</i>		
		<input type="checkbox"/> Share of VET students in upper secondary education (%).	29.4 % (2015)	<i>To be completed during inception phase</i>		
		<input type="checkbox"/> Competitiveness of VET graduates (labour market participation, productivity, employers satisfaction).	<i>To be completed during inception phase</i>	<i>To be completed during inception phase</i>		
		<input type="checkbox"/> Share of households whose members suffer from a lack of revenue to enable any member of the household to receive vocational training, % . ¹⁰	7.6 % (2015)	7.0 % (2020) 6.0 % (2025) 5.0 % (2030)		

10 Indicator 4.3.1. from SDGs 2017 Ukraine National report section Quality Education

	Results chain	Indicators (all disaggregated by sex and rural/urban area when possible)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		<input type="checkbox"/> Proportion of people aged 15–24 not in employment, education or training (NEETs). ¹¹	Total :17.6 % (2015) Male: 14.9 % (2015) Female: 20.5 % (2015)	Total: 17.0% (2020); 16.5% (2025) 15.5% (2030)		
		<input type="checkbox"/> High quality lifelong learning opportunities for Ukraine citizens are in place. [Qualitative]	<i>To be completed during inception phase.</i>	<i>To be completed during inception phase.</i>		
	SO3: To optimise and modernise the VET infrastructure network.	<input type="checkbox"/> Participation in training/lifelong learning (age group 25–64) by region [%].	<i>To be completed during inception phase.</i>	<i>To be completed during inception phase.</i>		
		<input type="checkbox"/> Number of people employed by SMEs per region.	<i>To be completed during inception phase.</i>	<i>To be completed during inception phase.</i>		

¹¹ Indicator 8.4.1. from SDGs 2017 Ukraine National report section Decent Work and Economic Growth

	Results chain	Indicators (all disaggregated by sex and rural/urban area when possible)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Outputs	<p>COMPONENT 1 - GENDER BALANCED SECTOR STRATEGY AND COORDINATION FRAMEWORK (SO1)</p> <p>R 1.1. An inclusive and evidence-based development process of a National VET Action Plan based on the VET Vision 2018 is supported and approval advocated for.</p> <p>R 1.2. The development of regional VET strategies and Action Plans is supported and their approval facilitated.</p> <p>R 1.3. The establishment and operationalisation of a National VET Council, ensuring gender balance in its staffing, is supported.</p> <p>R 1.4. The establishment and operationalisation of regional VET Councils, ensuring gender balance in their staffing, is supported in all regions.</p> <p>R 1.5. The establishment of an effective multi-level governance and management framework is facilitated in line with the needs of the decentralised and optimised VET system.</p> <p>R 1.6. The operationalisation of a new multi-channel VET funding mechanism ensuring focus and efficiency of the financial allocations and implementing the principles of gender-responsive budgeting is facilitated.</p> <p>R 1.7. The application of gender-responsive multi-annual budget planning and programme budgeting systems is facilitated.</p> <p>R1.8. The VET reform is properly communicated to stakeholders at all levels and the general public; mitigating measures towards reform reluctance are taken, notably via outreach activities.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Level of implementation of the national and regional strategies/actions plans (R1.1 and R1.2). <input type="checkbox"/> Number of National VET Council's recommendations taken into account by executive bodies while taking policy decisions (R1.3). <input type="checkbox"/> Number of Regional VET Council's recommendations taken into account by the relevant stakeholders while taking policy decisions (R1.4). <input type="checkbox"/> Number of well-functioning VET centers under the new multi-level governance management and multi-channel funding (R1.5, R1.6 and R1.7). <input type="checkbox"/> Number of stakeholders reached out to, disaggregated by sector (administrative staff, students, teachers, parents, employers, etc.) (R1.8). 	<i>To be set during inception phase.</i>	<i>To be set during inception phase.</i>	<ul style="list-style-type: none"> <input type="checkbox"/> MESU, MSP.MEDT and other relevant bodies' reports. <input type="checkbox"/> EU projects' reports. <input type="checkbox"/> Minutes of National and Regional VET Councils. <input type="checkbox"/> MESU and Oblasts' orders. 	<ul style="list-style-type: none"> <input type="checkbox"/> The Law on Professional (Vocational) Education is approved during the expected time frame (2018 – 2020).

	Results chain	Indicators (all disaggregated by sex and rural/urban area when possible)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
	<p>COMPONENT 2 - VET QUALITY AND LABOUR MARKET (SO2)</p> <p>R 2.1. The development of a National Qualifications Framework (NQF), consistent with the European Qualifications Framework (EQF) and gender-mainstreamed is supported and its adoption advocated for.</p> <p>R 2.2. The establishment and operationalisation of a National Qualifications Agency is facilitated.</p> <p>R 2.3. The establishment of Qualification Centers to serve the regional and sectoral needs is supported.</p> <p>R 2.4. An operational Validation of Non-formal and Informal Learning (VNFIL) system is available for at least 15 qualifications of high demand; gender-responsiveness is taken into account.</p> <p>R 2.5. An operational Education Management Information System (EMIS) equipped with a methodology and tools of sex-disaggregated data collection and analysis is established at regional and national level.</p> <p>R 2.6. The establishment and operationalisation of a comprehensive and institutionalised, gender-responsive Vocational Guidance and Career Development system is supported.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Level of completion of the methodological framework of occupational and educational standards (R2.1). <input type="checkbox"/> Officially established and fully staffed Agency (R2.2). <input type="checkbox"/> Officially established and fully staffed assessment centers in all regions (R2.3). <input type="checkbox"/> Number of newly developed (or revised) occupational and educational standards and corresponding curricula (R2.3). <input type="checkbox"/> Number of non-formal learning qualifications validated (R2.4). <input type="checkbox"/> Level of functionality of EMIS-LMIS (R2.5 and R2.7). <input type="checkbox"/> A national Vocational Guidance and Career Development established and fully staffed (R2.6). 	<p><i>To be set during inception phase</i></p>	<p><i>To be set during inception phase</i></p>	<ul style="list-style-type: none"> <input type="checkbox"/> MESU, MSP.MEDT and other relevant bodies' reports. <input type="checkbox"/> EU projects' reports. 	<ul style="list-style-type: none"> <input type="checkbox"/> The Law on Professional (Vocational) Education is approved during the expected time frame (2018 – 2020).

	Results chain	Indicators (all disaggregated by sex and rural/urban area when possible)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
	<p>R 2.7. The establishment and operationalisation of a Labour Market Information System (LMIS) equipped with the necessary methodology and tools to conduct skills anticipation exercises and address vertical and horizontal skills matching at regional and national level is supported.</p> <p>R 2.8. The establishment of an operational social partnership model is facilitated, resulting in sustainable partnerships between regional authorities, training institutions, employers, businesses and other relevant stakeholders.</p> <p>R 2.9. The optimisation of the network of public VET providers is supported in accordance with the regional and sectoral labour market needs.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Number of Career Guidance Units established in all VET institutions (R2.6). <input type="checkbox"/> LMIS success rate (R2.7). <input type="checkbox"/> Number of successful Private public partnerships (R 2.8). <input type="checkbox"/> Ratio - VET graduates employment/ population disaggregated by sex and by region (R2.9). 				
	<p>COMPONENT 3 – MODERNISATION OF VET INFRASTRUCTURE</p> <p>R 3.1. A number of newly constructed Multifunctional Centres of Excellence are established in selected pilot regions (new building and equipment, legal, organisational, methodological, gender and human resources aspects).</p> <p>R.3.2. A number of regular existing VET centers are upgraded/modernised in selected pilot regions (refurbishment and equipment, legal, organisational, methodological, gender and human resources aspects).</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Success rate (students enrolment and employability) of the established Multifunctional Centres of Excellences (R3.1) . <input type="checkbox"/> Number of regular centers upgraded /modernised (R3.2). <input type="checkbox"/> Success rate (students enrolment and employability)of the upgraded/modernised regular centers (R3.2). 	<i>To be set during inception phase</i>	<i>To be set during inception phase</i>	<ul style="list-style-type: none"> <input type="checkbox"/> MESU. MSP.MEDT and other relevant bodies' reports. <input type="checkbox"/> EU projects' reports. 	<ul style="list-style-type: none"> <input type="checkbox"/> The Law on Professional Education is approved during the expected time frame (2018 – 2020).



ANNEX II

to the Commission Implementing Decision on the Annual Action Programme 2018 (part 2) in favour of Ukraine to be financed from the general budget of the Union

Action Document for People to People Contacts Programme: House of Europe

<p>ANNUAL PROGRAMME</p> <p>THIS DOCUMENT CONSTITUTES THE ANNUAL WORK PROGRAMME IN THE SENSE OF ARTICLE 110(2) OF THE FINANCIAL REGULATION AND ACTION PROGRAMME/MEASURE IN THE SENSE OF ARTICLES 2 AND 3 OF REGULATION N° 236/2014.</p>
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1. Title/basic act/ CRIS number	"People to People Contacts Programme: House of Europe" CRIS number: 2018/041-201 financed under the European Neighbourhood Instrument	
2. Zone benefiting from the action/location	Ukraine The action shall be carried out at the following location: all of Ukraine and in EU Member States	
3. Programming document	Single Support Framework for EU support to Ukraine (2018-2020)	
4. Sector of concentration/ thematic area	Mobility and people-to-people contacts, including social inclusion	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 18 610 526 Total amount of EU budget contribution: EUR 18 000 000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 610 526	
6. Aid modality(ies) and implementation modality(ies)	Project Modality <ul style="list-style-type: none"> ▪ Direct management with the Directorate-General for Education, Youth, Sport and Culture (DG EAC) and the Education, Audio-visual and Culture Executive Agency (EACEA): Erasmus+ component. ▪ Direct management – grant – direct award to Ministry of Culture for participation of Ukraine in the EU Programme "Creative Europe". 	

	<ul style="list-style-type: none"> ▪ Direct management – grant – direct award to EU cultural institutions – members of EUNIC. ▪ Direct management – procurement of services for monitoring, audit and evaluation. 			
7 a) DAC code(s)	11420 Higher education 16061 Culture and recreation, including libraries and museums (voluntary codes 16066 Culture) 43081 Multisector education/training, including scholarships 43082 Research/scientific institutions			
b) Main Delivery Channel	For Creative Europe: 12000 - RECIPIENT GOVERNMENT For House of Europe-People to People: 22000 - DONOR COUNTRY-BASED NGO For Erasmus+ : 42000 - EUROPEAN UNION INSTITUTION For monitoring, evaluation, audit: 90000 - OTHER			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	7. Human development, including decent work, social justice and culture			
10. SDGs	Goal 16: Promote just, peaceful and inclusive societies Goals 3: Good Health and Well-Being Goal 4: Quality Education Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all			

SUMMARY

The programme aims at promoting people-to-people contacts between the EU and Ukrainian society to share best practices and encourage mutual understanding.

The programme will manage specific professional exchange, cooperation and mobility schemes for different target groups in culture, education, youth & health sectors, facilitate and increase Ukraine's participation in existing EU and Member States programmes (Erasmus+, Creative Europe, etc.), and ensure synergies between them.

The programme (EUR 18 million) will have the following components:

- 1) A professional exchange scheme, providing opportunities for short-term professional internships in EU Member States, primarily through existing Member States programmes and projects.
- 2) A programme and information hub "House of Europe" will manage cooperation, dialogue and exchange programmes, and ensure synergies with existing EU and possibly specific Member State programmes.
- 3) A dedicated Erasmus+ window for Ukraine (EUR 5 million).
- 4) 50 % reimbursement of Ukraine participation in the EU Programme "Creative Europe" for the years 2018-2020 (EUR 1 million).

In line with the 2017 Eastern Partnership (EaP) Summit declaration, such a programme offers the opportunity to complement the substantive EU support provided to wide-ranging governance reforms, with a component to engage individual citizens in developing a state and society based on shared values. It will enhance the implementation and sustainability of these reforms "bottom-up".

1 CONTEXT ANALYSIS

1.1 Sector/Country/Regional context/Thematic area

Ukrainian citizens have been increasingly looking to the European Union as a reference for reforms in governance and social and economic development. The Revolution of Dignity in early 2014 occurred as a reaction to the rent seeking and economic mismanagement under the Yanukovich government. Triggered by the refusal of the latter to sign the long negotiated Association Agreement, the demonstrations preceding the changes amplified the symbolic value of EU integration to become a widely shared national aspiration. Subsequent illegal annexation of Crimea and Sevastopol by the Russian Federation and the conflict in eastern Ukraine strongly re-enforced national identity in a context of economic, social and cultural reorientation and alignment to Europe and the 'western' world in general.

Implementation of the Association Agreement, its Deep and Comprehensive Free Trade Area as well as the Visa Liberalisation Action Plan, have been determining factors in the comprehensive governance reforms and modernisation of the economy undertaken by the Government of Ukraine since 2014. While major change management processes are implemented in the Ukrainian administration at national and local levels, direct impact on the society and livelihood of citizens is still slow.

Effective monetary and fiscal policies stabilised the economy after 2 years of severe reduction turning it back since 2016 to a modest 2–3% annual growth. In order to boost economic development, however, the pace of reforms needs to be accelerated. Prevailing resistance from vested interests by the oligarchic power structures within the political system needs to be further overcome. Structural issues such as profound shortages of sufficiently qualified human resources need to be addressed. Levels of education in Ukraine are comparatively high, but organisational processes and work cultures, both in public and private sectors are generally still in a stage of transition. Limited contacts and exchanges within the country and lack of international exposure hamper professional development. The potential of culture as a tool to promote creativity and independent and critical thinking remains underdeveloped.

In order to complement and re-enforce the institutional reform processes Ukraine is currently undergoing, this action seeks to promote opportunities for individual citizens to improve their professional qualifications with better attitudinal skills through a combination of support measures promoting cultural, educational and professional exchanges. This will enhance "bottom-up" the implementation and sustainability of reforms that the EU is supporting with other programmes.

1.1.1 Public Policy Assessment and EU Policy Framework

Ukraine Policy Commitments

Human capital development is one of the top five goals for the Ukrainian government under the mid-term Action Plan till 2020¹. Summarising different sector policies, it specifically aims at health and education system reforms; support for youth; improvement of the social safety net; promotion of physical activities and sport; and developing a public cultural policy.

EU Policy Framework

The articles 437 and 438 of the **EU-Ukraine Association Agreement**² specify that Ukraine and the EU "shall undertake to promote cultural cooperation in order to enhance mutual understanding and foster cultural exchanges, as well as to boost the mobility of art and artists from the EU and Ukraine"; and "shall encourage intercultural dialogue between the individuals and organisations representing organised civil society and cultural institutions in the EU and in Ukraine".

The **Joint Declarations of the Eastern Partnership Summits (2015, 2017)**³ re-affirm the centrality of "people-to-people contacts, including through education, youth, cultural and

¹ <https://www.kmu.gov.ua/ua/npas/249935442>

² https://eur-lex.europa.eu/legal-content/hu/TXT/?uri=uriserv:OJ.L_.2014.161.01.0003.01.ENG

³ <https://www.consilium.europa.eu/media/21526/riga-declaration-220515-final.pdf>

scientific exchanges, and mobility bring societies closer together" as well as "the importance for the Eastern Partnership of inclusive engagement of all parts of society."

The **Joint Communication “Towards an EU strategy for international cultural relations”**⁴ underlines the role of culture in the promotion of "the EU's fundamental values, such as human rights, gender equality, democracy, freedom of expression and the rule of law, as well as cultural and linguistic diversity", and how "inter-cultural dialogue can contribute to addressing major global challenges – such as conflict prevention and resolution, integrating refugees, countering violent extremism, and protecting cultural heritage".

The subsequent Council Conclusions⁵ states that the EU strategic approach to international cultural relations "should:

- (a) entail a bottom-up perspective, while respecting the independence of the cultural sector, reinforcing freedom of expression and artists' integrity, encouraging direct contacts between artists, cultural operators and civil society, and allowing for sufficient flexibility to take into consideration the rapidly changing global scenario;
- (b) be developed on the premise that international cultural relations can only take shape by fostering cultural diversity within the EU, thereby empowering citizens to broaden their cultural appreciation and knowledge, stimulate their creativity and encourage mutual learning and dialogue that is nurtured over time, with a view to further developing intercultural competences and promoting intercultural dialogue;
- (c) encourage consistency and coherence of efforts, whilst ensuring full complementarity with Member States' actions (...)."

EU cooperation context

Under the 4th priority 'Mobility and people-to-people contacts, including social inclusion' of the Single Support Framework for EU support to Ukraine (2018-2020), it is proposed to formulate as part of the AAP 2018, a dedicated action to enhance contacts between broad groups of citizens of Ukraine and the EU and responding to the widely prevailing demand within the Ukrainian society to re-enforce European identity. There is a strong demand from the government of Ukraine for EU programmes such as Erasmus+, COSME, Horizon 2020 and Creative Europe to be expanded where possible with a specific 'country window' to support stronger participation from Ukraine.

1.1.2 Stakeholder analysis

The primary stakeholders for this programme are citizens of Ukraine and the EU, and in particular those active in sectors such as health, education, culture, SME development and youth.

Ukrainian stakeholders

⁴ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=JOIN%3A2016%3A29%3AFIN>

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52017XG0615%2803%29>

- The **Ministry for Economic Development and Trade**, as officially coordinating EU assistance on behalf of the government and the line ministry in charge of COSME programme implementation.
- The **Government Office for European Integration**, in charge of promoting "European integration" in all its facets including through people to people contacts.
- **The Government Gender Policy Coordinator/Vice-Prime Minister for European and Euro-Atlantic Integration** supported by the Government Commissioner for Gender Equality Policy is responsible for coordinating gender policy across all sectors at central level.
- The **Ministry of Culture** will be the beneficiary of the grant for reimbursement of participation to the EU "Creative Europe" programme.
- The **Ministry for Education and Science** is in the lead for the bilateral ERASMUS+ window for capacity building activities and mobility grants and also for the support to Horizon 2020 programme desk. Education reform will be targeted through the exchange programme, for example at secondary education level, for exposure of teachers and key stakeholders of the reform (i.e. school heads and administrators, pupils) to EU best professional practices.
- The **Ministry of Health** will benefit indirectly through the exchange programme, aiming at supporting health workers such as family doctors and nurses.

EU stakeholders

Building on EU Member States actions and programmes and ensuring synergies with and between them is a central element of the programme. Therefore, key stakeholders include the EU Member States institutions and actors such as: EU Cultural Institutions, implementers of EU Member States exchange programmes and related institutions, EU and Member States institutions active in cultural, education and health cooperation.

Target groups and beneficiaries

The new action seeks to regroup and expand EU support aiming at promoting people-to-people contacts, better understanding of the EU as a lived reality and reinforcing shared democratic values. The envisaged target groups are broad groups of Ukrainian citizens, notably those who so far enjoy less institutionalised opportunities to take part in mobility schemes.

Specific targets groups will be those who are advancing the general reform programme in the country and for building a cohesive and democratic society on grass-root level:

- Professionals who work directly in areas of main sectoral reforms and have intense citizen contact, notably (but not limited to) education and health workers; media professionals, notably at local level, who are crucial for ensuring information integrity throughout the country;

- Cultural, research and innovation actors, SME representatives and active citizens;
- Youth and students, university staff involved in ERASMUS+.

The **beneficiaries** will include the people living in Ukraine (citizens and residents, with a special attention to vulnerable groups such as internally displaced people). In the framework of exchanges, citizens and residents of EU countries will be involved.

Civil society organisations may benefit from grants through this programme, as implementers of specific actions in the priority sectors.

1.1.3 Priority areas for support/problem analysis

Priority areas will be people-to-people contacts (within Ukraine and with the EU), with a specific focus on key sectors related to ongoing reforms and their direct effect on citizens: health, education, youth, journalism, culture and dialogue, with a specific focus on profession-related "soft" skills.

The main challenges identified include:

- Disconnection between the administration responsible for reform development management and the implementing level, perceived as a gap between Kyiv and the regions, especially the peripheries such as border areas, leading to a feeling that people are left alone.
- Lack of understanding of certain reform benefits and thus reluctance towards implementation.
- Lack of opportunities for those who are supposed to implement EU-supported reforms in their daily lives to gather short-term EU experience beyond academic and touristic ones, therefore lack of exposure to different professional cultures.
- Little opportunities for cultural and artistic exchanges and transfer between Ukraine and the EU, leaving fertile ground for disinformation and instrumentalisation of stereotypes.
- Need for enhanced information and guidance at national and regional levels on the opportunities available to Ukrainian participants on EU programmes and on the rules and procedures involved.
- The lack of synergy between and proper outreach of European activities results into an unclear EU response, seemingly scattered and not fitting people's needs and expectations as individuals. This sometimes leads to wrong perceptions that EU supports economic liberalism and much less social and human development.
- Existing grievances in different parts of the country, some of which have been triggered or reinforced by the conflict in the east and disinformation, contribute to eroding social cohesion and could also fuel tensions at community level. These grievances include economic inequality driven by inequitable access to economic opportunities as a result of corruption and clientelism, a lack of access to state services and the poor quality of basic service provision in healthcare and education, as well as the condition of minorities within society.

- Related to the above, grievances from minorities can easily be on the rise, when a common civic identity remains elusive for now. Voices calling for an inclusive and civic national building exist but are less heard and visible than more extreme forces that tend to polarise society, possibly for short term political gains.
- Despite high interest of youth to become involved as citizens, there are still often feelings of disconnectedness, due to, i.e., a formalistic education system, lack of information and lack of social elevators.

The on-going reforms aim at tackling some of these challenges. The "New Ukrainian School" is moving from a knowledge-based formal education to a competence based education. The health reform aims at moving towards a patient-oriented system, where responsibility of the doctors is increased. Notably the health financing reform, adopted in autumn 2017, will change substantially funding for medical professionals in which better quality work pays off.

But the societal changes related to these reforms need to be understood by those directly implementing them via their professional practice for sustainable bottom-up support to be ensured. In this context, e.g. exchange and mentoring programmes such as internship programmes for medical workers in the EU will provide chances for increasing skills and knowledge about European standards.

The action will address these issues, promoting exposure to the EU *acquis* as a lived reality, notably in people's professional lives, and to higher-quality healthcare and education thanks to the experience gathered by professionals in the EU; fostering mobility within the country and across its borders, thus promoting social cohesion on the basis of shared values; and encouraging cultural and artistic exchange to sustain a genuine societal dialogue which counteracts the effects of disinformation.

Enhanced exchanges with EU countries in different spheres will help to bring EU experience close to citizens. To help prevent both internal and external brain-drain, the programme will build up and sustain knowledge economy in Ukraine.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Low quality of proposal and candidates for cooperation and exchange.	L	Targeted support for candidates to prepare their proposals. Mentoring of candidates. Increased support to the desks for EU Programmes (Horizon 2020, Erasmus, COSME).
Brain drain – people uses exchange to migrate.	M	Careful selection of participants; duration of exchange is adapted to sustaining them in their professional position at home.
Scattered offer or duplication between the new mobility and cooperation programme, and	L	The mobility and cooperation programme will be implemented by EU MS, and when possible act as "top-up" to existing

existing initiatives of EU and MS programmes		programmes; the information hub will ensure outreach of EU and MS programmes
Assumptions		
<ul style="list-style-type: none"> ▪ No major escalation of the conflict in the east. ▪ Overall macro-economic stability. ▪ Continued European aspiration of the population. ▪ Continued reform efforts in key sectors. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

No similar EU programme focusing on people-to-people contacts has been implemented to such scale in Ukraine. We can nevertheless take into account the following lessons learnt from previous actions:

1) ENPI 2007–2013 and Special Measures 2014–2017:

- The importance of continuously supporting Ukraine's sovereignty and territorial integrity and mainstreaming conflict-sensitivity in all support measures. This will be done by ensuring the presence of the Programme in the regions, specifically also in conflict affected Donetsk and Luhansk; and by specific actions such as promoting Non-Violent Communication and other skills through activities and mentoring.
- The need for programmes to have both a critical size and a modular approach, notably with regard to innovative components, which allows them to be extended financially and thematically in case of very good take-up and/or recalibrate areas of intervention.
- The need for projects that produce tangible and visible results for Ukraine's citizens. This will be directly addressed by the demand-driven offer for exchanges and cooperation initiatives.
- The importance of fostering strategic communication on EU policies and support, thereby increasing the EU's visibility. This will also be directly addressed by the public outreach component, and by ensuring synergies between all relevant EU programmes and projects.

2) From the participation of Ukraine in **Erasmus+** programmes: Ukraine is one of the most active participants in Erasmus+ with 43% of the mobilities granted for the Eastern Partnership region allocated to Ukraine. Between 2015 and 2017, over 5,270 students and staff members from Ukraine came to study, teach or train in an Erasmus+ Programme Country in Europe. 1960 students and staff have been mobile from Europe to Ukraine. Between 2014 and 2017, over 9000 young people and youth workers from Ukraine participated in joint Erasmus+ Youth projects dedicated to trainings, exchanges, volunteering and policy debate. Between 2015 and 2017, 24 projects involving Ukrainian Higher Education Institutions have been selected for capacity building actions; 55 Jean Monnet actions have supported excellence in teaching, research and learning in the field of EU studies. These figures demonstrate the high level of demand for such programmes,

and the high impact of their activities on the lives and vision of youth in Ukraine. Building on these achievements through the deployment of the new Erasmus + Window for Ukraine will foster transformational changes, and increase the quality of higher education.

- 3) The first results of the EU funded programme "**Culture Bridges**" calls for applications, be it for mobility or exchange and cooperation, are compelling: the demand is very high (in 2 months: 212 applications received for international mobility, 176 applications for national mobility, and 156 applications for international cooperation), from all regions of Ukraine. The very high attendance of activities and workshops organised by this and other cultural and innovation programmes show a high demand for content and skills in this sector. This will be addressed through the cooperation, dialogue and exchange programme "House of Europe".
- 4) Several EU funded Civil Society programmes successfully used exchange visits, internships and exposure as a tool to build capacity, trust and cooperation between various stakeholders. For example a key element in the project "Bridging gaps for inclusive civic engagement" implemented by the Center for Cultural Management (CCM) was internships of Civil Society workers in organisations based in other regions.

3.2 Complementarity, synergy and donor coordination

As a principle and in order to remain complementary to other EU support for institutional reforms, the proposed action targets individuals or groups of individuals that are selected based on qualifications and motivation. The on-going programmes of the EU and Member States will be instrumental in identifying, selecting, and mentoring the beneficiaries of the programmes especially for the exchange, mobility, mentoring and cooperation sub-programmes.

The programme is by design complementary to existing and future Member States projects, since its exchange and mentoring activities will be implemented through Member States programmes and projects. It will also by design ensure synergies between them, in particular:

- **EU Programmes:** Erasmus+, Creative Europe, COSME, Horizon 2020, EU Volunteers Programme, etc. The action envisages providing complementary support to promote these programmes and create synergies among them as also with ENI bilateral programmes.
- **EU Member States programmes:** exchanges, mobility, fellowships, small grants to individuals, mentoring programmes, specifically but not limited to health and education sectors, will be promoted with possibilities to scale up with financial support, as appropriate.
- **EU outreach and public diplomacy activities** will also be hosted and coordinated from the Information Hub "House of Europe".
- **EU Member States Cultural institutions** will be encouraged to seek maximum synergies with the activities promoted under this action centered around the aforementioned House of Europe.

Other EU projects

Large EU funded programmes with offices in the regions provide opportunities for promotion of the programme:

- **ULEAD** with Europe programme through its Local Governance and Decentralisation Centres in all 24 regions.
- **EU4Business** support to Business Development Centers in 15 regions with a focus on SMEs.
- **EU support for eastern Ukraine:** the community resilience and economic components of the programme, including notably with regard to women's empowerment, could help address participants in conflict-affected regions of Ukraine, reaching out to more vulnerable groups.
- People centred projects implemented by civil society organisations funded from horizontal budget lines including EIDHR and the Instrument contributing to Stability and Peace.

Other donors

Avoiding overlap with other donors will be ensured, for example in terms of support to health reform and exchanges, with US, Canada, Israel, while recognising the different nature of this programme. Similarly, the programme will ensure complementarity at implementation level with programmes funded by other donors, such as USAID initiatives in confidence building and outreach to the regions (upcoming in 2019).

3.3 Cross-cutting issues

Gender: The Programme, through gender mainstreaming and women's empowerment, will seek to ensure that the needs of women and men, girls and boys are adequately considered and addressed through the interventions. Women are highly represented in the target professions for the exchange component; the programme will aim at ensuring their meaningful participation at all levels, aiming, beyond gender-neutral "soft" skills, at professional and economic empowerment.

Specific measures will be put in place to support equal participation and benefits for the most underrepresented and marginalised groups of women, such as women IDPs - given that women make up the majority of the IDP population - Roma and LGBTI. Wherever possible, exchange schemes shall be gender-responsive, providing women specific experiences and soft skills contributing to their professional and economic empowerment. It is also considered that activities supported by the programme such as cultural and youth cooperation and exchanges can focus on societal topics, such as women's rights and history, gender roles in the society and in education.

Gender will be also taken into account both in sex-disaggregated data, but also as a topic for discussions / exchanges. Promoting gender equality and tools to address vulnerable groups is an important cross-cutting issue to which participants should in their exchange be exposed to.

Sustainable development: the EU is fully committed to playing an active role to maximise progress towards the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), in the EU and worldwide, including in a country of its close neighbourhood like Ukraine. The action will contribute showcasing EU best practices in terms of fight against climate change, reduction of greenhouse emissions (green transports), circular economy (waste avoidance, recycling...), nature protection, etc. and the House of Europe will be a living place of reflections, debates and information on these important issues not yet perceived in the Ukrainian society as they are in EU Member States.

Conflict sensitivity and social cohesion: the exchange and cooperation programmes, building links across Ukrainian regions and across the borders, will support inclusive approach towards the population living in the areas not under the control of the Government. Wherever possible previous social linkages will be maintained or revived, especially between eastern Ukraine and other Ukrainian with an inclusive approach towards currently Non-Government Controlled Areas (NGCA).

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

Overall Objective:

The programme's overall objective is to promote people-to-people contacts between the EU and Ukrainian society to share best practices and encourage mutual understanding.

Specific objectives:

SO1: To enhance inter-regional and international cultural, intellectual and artistic exchanges, fostering mobility and mutual understanding.

SO2: To broaden people-to-people contacts and hands-on exposure to EU working cultures in key reform areas, enabling Ukrainian professionals to gain better understanding of EU *acquis* and realities and benefits of a partnership with the EU.

SO3: To enhance participation in EU and EU Member States programmes for Ukraine, including, but not limited to Erasmus+ and Creative Europe, increasing synergies between different EU/Member States programmes and activities throughout the country and thus enhancing cooperation and contacts between the Ukrainian society and the EU.

Main expected results:

For SO1: Increased opportunities for cultural, intellectual and artistic exchanges with the EU and within Ukraine (e.g. via joint projects, festivals, etc.), implementing gender responsiveness in participant and project selection.

For SO2: A significant and diverse portion of Ukrainian citizens, taking into account gender responsiveness and vulnerabilities – notably key reform professionals – are offered opportunities to gain direct experience of and in the EU, notably with regard to their work area to the benefit of their daily work in Ukraine.

For SO3: EU and EU MS programmes are coordinated from a single in-country hub, synergies and better outreach are fostered. Ukraine benefits from a dedicated Erasmus+ window for the remaining calls of the programme up to 2020 and Ukraine' participation in Creative Europe is supported financially.

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 16: *Promote just, peaceful and inclusive societies*, but also promotes progress towards Goal 3 "Good Health and Well-Being"; Goal 4 "Quality Education" and Goal 8: *Promote inclusive and sustainable economic growth, employment and decent work for all*. This does not imply a commitment by the country benefiting from this programme.

4.2 Main activities

Components of the action:

Component 1: Short-term professional exchange and internship programme in the EU (SO2)

- a) Specific **Professional exchange and mentoring programme** for Ukrainian professionals from key reform sectors:
- Implemented through **Member States exchange and mentoring** programmes and ad-hoc schemes when appropriate.
 - Short-term professional stays in EU Member States (job-shadowing, internships ,...) for those working in key **reform** sectors and/or having a central role in relaying information about reforms: education (primary and secondary education, VET, higher education, etc.); health (doctors, nurses, etc.); local journalists; SME and emerging leaders; cultural actors; youth.
 - Media-related actions shall aim to equip participants with gender-sensitive journalism skills.
 - The programme shall also ensure that alumni of professional exchange programmes remain connected via networks and help multiply the effects of the programmes as well as recruit new participants, including notably via the support and empowerment of women's networks among alumni.

Component 2: The "House of Europe" (SO1, SO2, SO3)

b) **Culture and dialogue programme:** mutual understanding and cultural diversity within Ukraine and between Ukraine and other European countries through mobility and project initiatives:

- Build the Ukrainian cultural and creative industries sectors' capacity and foster the development of local cultural and creative industries; promote and further develop the cultural heritage of Ukraine (through trainings exchanges, mentoring, re-granting, etc.).
- Support exchange and opportunities for artists, such as residencies, cultural exchanges and exposure possibilities.
- Support to initiatives of dialogue, history, archives, critical thinking – including on women's rights issues – and historiography (including women' history), translation from and into EU and minority languages, etc.
- Youth camps and exchanges, young entrepreneurs linked to EU networks, SME associations; support to informal education for youth and emerging leaders.
- Intercultural dialogue between Ukraine and the EU (international mobility and cooperation of cultural actors).
- Inter- and intra-mobility (not covered by Erasmus+): university exchanges including fellowships and visiting fellows from EU and other UA regions.

c) An **Information and Coordination hub**, acting as a "**single entry point**", will administer the Professional exchanges and Culture Programmes, support EU programmes as appropriate and ensure synergies with EU and Member States programmes, giving better outreach and communication:

- Administration of Professional exchanges and Culture Programmes (sub-components a) and b) above).
- For all EU Programmes: as relevant, support desks for Erasmus +, Horizon 2020, Creative Europe, EU volunteers, EUVS, EU4Youth, COSME, including Erasmus for entrepreneurs, other programmes. Depending on the take up of the project, additional support to Ukraine's participation in EU programmes may be considered (technical or financial assistance).
- For EU Public Outreach activities: alumni coordination support (i.e. College of Europe, Erasmus+, EU Study Days, EUVP, MS programmes), networking projects such as Team Europe; possibly, communication of EU funded projects.
- For Member States programmes, communication activities for better outreach of the programmes and synergies.
- "Single entry point": a physical hub for events, talks, communication and information activities of EU, Member States, projects, and European stakeholders.

Possibly, the same building may host several Member States cultural / public diplomacy antennas.

Component 3: Erasmus+ window (SO3)

This component will create a separate window for Ukraine under Erasmus+ for the following fields of interventions:

a) International Credit Mobility scheme, that includes mobility of learners and staff: opportunities for students, as well as for academic staff to undertake a learning and/or professional experience in another country.

b) Capacity-building in higher education projects (CBHE projects) provide for possibilities to:

- Improve the quality of higher education and its alignment with labour market needs.
- Improve the level of skills in higher education institutions through new education programmes.
- Strengthen the capacity of management, governance, and innovation, as well as internationalisation.
- Build the capacity of national authorities to modernise their own higher education systems.
- Foster regional integration and cooperation across different regions of the world.

d) Jean Monnet Activities are designed to promote excellence in teaching and research in the field of European Union studies worldwide. The activities also foster the dialogue between the academic world and policy-makers, in particular with the aim of enhancing governance of EU policies.

Component 4: Creative Europe (SO3)

- Reimbursement of up to 50% of Ukraine fee participation in the EU Programme "Creative Europe" for the years 2018, 2019, 2020, through a direct award to the Ministry of Culture of Ukraine.
- Participation in Creative Europe programme supports Ukraine's integration into the European audio-visual, cultural and creative sector. It will help cultural and creative organisations to operate transnationally and promotes the cross-border circulation of works of culture and the mobility of cultural players.

4.3 Intervention logic

If more synergies and links are created between people, more exposure to practices are facilitated, and more cultural, intellectual and artistic exchanges and cooperation take place, **then** empowerment can take place and people can better realise by themselves that they have the skills, possibility and means to improve their lives and the environment where they are, by teaming up with like-minded people, and living peacefully with those who have other points of view, and **therefore** cohesion around shared values and support for further political association and economic integration as well as the connected reform processes can take place.

Rationale

In order to ensure a quick stabilisation of the Ukrainian state and economy, EU support has so far focused on systemic governance reforms and economic stabilisation and revitalisation. With a number of key reforms underway and economic growth stably picking up, there is now an opportunity to reinforce work on people-to-people contacts in different areas:

- **Professional exchanges** in order to provide those whose jobs are primarily affected by the sectoral reform programme with the opportunity to experience a first-hand different working culture in their sector, thus equipping them with the necessary understanding and skills to support reform implementation on a day-to-day basis and to act as change agents and multipliers. In the context of the ongoing healthcare and education reforms, internship and cooperation programmes for medical and education workers in the EU will provide very timely chances for increasing skills and knowledge about European standards, while addressing local journalism will help foster informational integrity and reform communication throughout the country.
- **Enhanced cultural, intellectual and artistic exchanges** within Ukraine and between Ukraine and the EU including (i) the partial reimbursement of **Creative Europe** participation and (ii) a culture and dialogue programme to support mutual understanding and cultural diversity within Ukraine and between Ukraine and other European countries through mobility and project initiatives. These exchanges will contribute to fostering a genuine dialogue and thus preventing and combating disinformation and the instrumentalisation of stereotypes.
- Building on the remarkable success of Ukraine in the Erasmus + programme and in line with EU policy towards other Association Agreement/DCFTA countries, a **bilateral Erasmus+ window**, providing high-quality Ukrainian projects which so far could not withstand the extremely high international competition with the opportunity to be selected.

All of these actions aim at bringing the EU – and the process of political association and economic integration – closer to the citizens of Ukraine and Ukraine as a major partner closer to the citizens of the EU. Their ultimate objective is to help to building broad societal support for this process to contribute to a stable democratic, inclusive, equal, resilient Ukrainian society which coheres around the shared values which lies at its heart.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is **72 months** from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁶.

5.3.1 *Component 1 and 2 - Exchange Programme "House of Europe": Grant - direct award to a consortium of EUNIC members (direct management)*

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The objective of the grant is to implement Component 1 and 2: the exchange programme, information and coordination hub "House of Europe" that will coordinate the existing EU and possibly MS Programmes, and manage specific culture, dialogue and exchanges programme, allowing a wide range of Ukrainian professionals and youth to acquire short-term professional experience in an EU country.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to a consortium formed by Goethe Institut, British Council, Institut Français, and the Czech Centre as beneficiaries of the Action. All other members of the EUNIC Ukraine Cluster will be considered affiliated entities.

⁶ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the action has specific characteristics requiring a specific type of beneficiary for its technical competence, specialisation or administrative power.

EUNIC Ukraine Cluster members have a specific technical competence and administrative power considering:

- The 2016 Joint Communication "Towards an EU strategy for international cultural relations"⁷ adopted by the Commission and the EEAS, proposing, inter alia, 'Establishing European Culture Houses' and 'enhanced cooperation with Cultural Institutes through a new form of partnership between the EEAS, Commission services, national cultural institutes and their umbrella organization (EUNIC)'
- The Administrative Arrangement signed on the 16th May 2017 by EUNIC, EEAS and DG EAC, describing the specific added value and role of EUNIC clusters in third countries, in terms of information and coordination role, "financing and partnership models in line with the existing rules and regulations", proposing " 'enhanced cooperation' between EU Delegations (or Headquarters when relevant) and cultural institutes in partner countries, including aspects of planning, resourcing, implementation, monitoring and evaluation."

and

- The objectives of the programme: a) coordination information hub for EU and MS programmes and b) management of specific exchanges, culture, dialogue and programme (based on Culture Bridges on-going programme, implemented by EUNIC Ukraine Cluster members), and
- The specific role of EUNIC Ukraine Cluster in both activities: a) its unique mandate for coordination and information sharing between EU MS institutes; b) on-going management of Culture Bridges programme.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is **95 %**.

If full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement

First trimester of 2019.

⁷ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=JOIN%3A2016%3A29%3AFIN>

(f) Exception to the non-retroactivity of costs

The Commission authorises the eligibility of costs prior to the submission of the grant application as of 1 November 2018.

5.3.2 Component 3: grant – calls for proposals Erasmus+ special window for Ukraine – direct management with EACEA and DG EAC

Component 3 will be delegated under direct management to the Directorate-General for Education, Youth, Sport and Culture (DG EAC), and implemented by the European Agency for Culture, Education and Audio-visual (EACEA) and a network of National Agencies of Erasmus+. This component aims at increasing the available financial resources for Erasmus+ programme for Ukraine. This will cover the following actions: Capacity Building in Higher Education, International Credit Mobility and Jean Monnet actions.

This implementation mode is justified since EACEA and National Agencies for Erasmus+ are mandated to manage these actions. The DG EAC manages and oversees the overall Erasmus+ programme on behalf of the European Commission.

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The main objective is to create a separate window for Ukraine under Erasmus+ for the following fields of interventions:

- **International Credit Mobility** scheme, that includes mobility of learners and staff
- **Capacity-building in higher education projects (CBHE projects)**
- **Jean Monnet Activities**

The exact distribution per component will be defined at a later stage.

EACEA is responsible for the management of the capacity building in higher education and Jean Monnet actions under Erasmus+, under the supervision of DC EAC.

For credit mobility action in the field of higher education, DG EAC works under indirect management with National Agencies established in Erasmus + programme countries.

(b) Eligibility conditions: as specified in the corresponding headings of the Erasmus+ programme guide⁸.

(c) Essential selection and award criteria: as specified in the corresponding headings of the Erasmus+ programme guide.

(d) Maximum rate of co-financing: budgetary conditions as specified in the corresponding headings of the Erasmus+ programme guide.

⁸ https://ec.europa.eu/programmes/erasmus-plus/resources_en

(e) Indicative trimester to conclude the grant agreement: those are signed during the third trimester of each year.

5.3.3 Component 4 - Grant: direct award for participation of Ukraine in the EU Programme "Creative Europe" (direct management)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The objective is to co-finance the participation of Ukraine in the EU Programme "Creative Europe" for three years (2018, 2019 and 2020). This will be achieved by means of reimbursement of a share of the annual participation fee required from Ukraine for being part of this programme.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the Ministry of Culture of Ukraine. The recourse to an award of a grant without a call for proposals is justified because the action has specific characteristics requiring a specific type of beneficiary for its technical competence, specialisation or administrative power. The Ministry of Culture of Ukraine has been designated by Ukraine for being in charge of this programme and is responsible for topics relevant to the concerned EU programme.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the concerned institution. The essential award criterion is the relevance of the proposed action to the objectives, results and activities as described in sections 4.1 and 4.2 above. These criteria will be verified by ensuring that the institution is the one in charge of the payment of the participation fee and that the payment of the entire fee for the corresponding year has been done.

(d) Maximum rate of co-financing:

The maximum possible rate of co-financing for this grant is **50%**. This direct grant will be used to reimburse the financial contribution of Government of Ukraine foreseen for 2018, 2019 and 2020.

(e) Indicative trimester to conclude the grant agreement:

First trimester 2019.

(f) Exception to the non-retroactivity of costs

The Commission authorises the eligibility of costs prior to the submission of the grant application as of 1 January 2018.

5.3.4 Procurement (direct management)

Subject	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Monitoring, evaluation and audit	Services	2	3 rd trimester 2023

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

With regard to the aim of fostering regional and trans-regional cooperation, the Commission decides that natural and legal persons from the following countries, territories or regions shall be eligible for participating in procurement and grant award procedures: EFTA countries and other neighbouring States of the EU not covered by ENI Regulation. The supplies originating there shall also be eligible.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.3.1. – Component 1 + 2 Professional exchanges / House of Europe	11.600.000	610.526 EUR
5.3.1 – Direct grant (direct management)	11.600.000	610.526 EUR
5.3.2. – Component 3 - Erasmus+ programme	5.000.000	N.A.
5.3.2 – direct management with DG EAC and EACEA	5.000.000	N.A.
5.3.3. – Component 4 - Ukraine participation in the EU Programme "Creative Europe"	1.000.000	tbc
5.3.3 Direct grant: Participation in EU Programme Creative Europe (direct management)	1.000.000	tbc

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.3.4 – Evaluation, 5.10 - Audit	400.000	N.A.
Contingencies	0	N.A.
Total	18.000.000	610.526 EUR

5.6 Organisational set-up and responsibilities

Detailed terms of reference/description of action will be developed for each individual action, including the management structure, the experts' team, and the composition of the Steering Committee in charge of the supervision of the project.

In addition to the planned organisational set-ups such as management committee and implementation team, for the Components 1 and 2, it is foreseen that an advisory board will be composed of Ukrainian opinion leaders and intellectual / cultural authorities. Member States will be represented in the Steering structures through their membership in EUNIC Ukraine Cluster.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision, taking into account in particular the fact of complementary actions in the future).

The Commission shall inform the implementing partner **at least 3 months in advance** of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in **2023/24**.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract in **2024**.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The Action is expected to contribute to the communication strategy of the EU Delegation, and to create synergies with the nation-wide EU campaigns (currently Moving Forward Together campaign) taking into account also the communication activities of the EU funded projects where relevant.

▪ **APPENDIX - INDICATIVE LOGFRAME MATRIX – PEOPLE TO PEOPLE CONTACTS - HOUSE OF EUROPE**

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators (disaggregated by sex and other parameters when possible)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To promote people-to-people contacts between the EU and Ukrainian society to share best practices and encourage mutual understanding	<ul style="list-style-type: none"> ▪ Trust level in society. ▪ Ukraine’s position in the Global Competitiveness Report rating by the quality of higher education. 	<i>To be completed during the inception phase.</i>	<i>To be completed during the inception phase.</i>	National statistics. Sociological polls. PISA report. Index of social cohesion and reconciliation Global Competitiveness Report.	
Specific objective(s): Outcome(s)	<p>SO1: To enhance inter-regional and international cultural, intellectual and artistic transfer, fostering mobility and mutual understanding.</p> <p>SO2: To broaden people-to-people contacts and hands-on exposure to EU work cultures in key reform areas, enabling Ukrainian professionals to gain better understanding of EU realities and benefits of a partnership with the EU.</p>	<ul style="list-style-type: none"> ▪ Number and scope of cooperation projects – interregional and international. ▪ Number of students and teachers benefiting from Erasmus credit mobility. ▪ Extent to which inter-regional travel is increased (expressed in number of travellers). ▪ Number of synergies between EU MS activities promoted and supported through the programme. 	<i>To be completed during the inception phase.</i>	<i>To be completed during the inception phase.</i>	<p>Statistics of EU programmes, MS programmes.</p> <p>Statistics from the programme implementation.</p>	<ul style="list-style-type: none"> ▪ No escalation of the conflict in the East. ▪ Overall macro-economic stability. ▪ Continued European aspiration of the population. ▪ Continued reforms in key sectors, such as : rule of law, business climate, health, education.

	<p>SO3: To enhance participation in EU and EU Member States programmes for Ukraine, including, but not limited to Erasmus+ and Creative Europe, increasing synergies between different EU/Member States programmes and activities throughout the country and thus weaving tighter links between the Ukrainian society and the EU.</p>	<ul style="list-style-type: none"> ▪ Volume of UA participation in EU programmes (Horizon 2020 (RTD), Creative Europe, COSME, Erasmus +, etc.). ▪ follow-up projects (i.e. in R&D, education and culture) after participation in EU Programme ▪ Scientific publications in international journals and patents statistics. 				
Outputs	<p>For SO1: Increased opportunities for cultural, intellectual and artistic exchanges with the EU and within Ukraine (e.g. via joint projects, festivals, etc.), implementing gender responsiveness in participant and project selection.</p> <p>For SO2: A significant and diverse portion of Ukrainian citizens, taking into account gender responsiveness and vulnerabilities – notably key reform professionals – are offered opportunities to gain direct experience of and in the EU, notably with regard to their work area.</p> <p>For SO3: EU and EU MS programmes are coordinated from a single in-country hub, synergies and better outreach are fostered. Ukraine benefits from a dedicated Erasmus+ window for the remaining calls of the programme up to 2020 and Ukraine's participation in Creative Europe is supported financially.</p>	<ul style="list-style-type: none"> ▪ Number of projects supported by EU Programmes (Horizon 2020, Creative Europe, Erasmus). ▪ Number of students benefiting from credit mobility. ▪ Number of individuals benefiting from mobility scheme. ▪ Number of cooperation projects – interregional and international. ▪ Number of EU/ MS activities promoted and supported. ▪ Number of EU/MS events hosted by the House of Europe. 	<i>To be completed during the inception phase.</i>	<i>To be completed during the inception phase.</i>	Idem as above for the corresponding indicator.	