

Development Cooperation Strategy for Ukraine 2022–2025

Ukraine situation analysis

Ukraine is one of the top priorities on Lithuania's foreign affairs and development cooperation policy agenda. Economic and cultural links with the country and its society are a key factor in our attention to the country and in our successful cooperation. The agenda for relations between the European Union and Ukraine is defined by the implementation of the objectives of the Association Agreement signed in 2014, including its provisions on the Deep and Comprehensive Free Trade Area. Ukraine's Euro-integration aspirations are also reflected in its Constitution. Lithuania has consistently supported Ukraine's aspirations to move closer to the EU and the reforms it is pursuing to that end. Under pressure from the challenges posed by Russian aggression since 2014 and the COVID-19 pandemic, Ukraine is making further progress in implementing an ambitious reform programme, which is vital for the successful development of democracy and Ukraine's progress towards the EU. In recent years, the country has contained inflation and has continued to focus on maintaining fiscal discipline, reducing corruption, and implementing important sectoral reforms of national importance in a way that is irreversible, most notably in the areas of an independent judiciary and anti-corruption.

In 2020, Ukraine's economy was affected by the COVID-19 pandemic, with a 4.5 % drop in GDP, which had a corresponding impact on the country's economic modernisation. It is important to continue to maintain the support of international donors, in particular the EU, for the country's euro-integration course.

In response to Ukraine's needs, Lithuania has consistently continued to share good practices, providing support to victims of the annexation of Crimea and the conflict in Eastern Ukraine, promoting women's empowerment and entrepreneurship, as well as focusing on assisting in the implementation of education and health reforms.

Activities of international donors, in particular of the EU, in the country

Ukraine has a large international donor community, including not only bilateral donors, but also branches of many UN organisations (UNICEF, UNDP, WHO, the World Bank, etc.), the OSCE, the EIB, the EBRD, etc., as well as NGOs from foreign countries (the US, Germany, Canada, Sweden, etc.).

The EU remains the country's main donor. Since 2014, support for Ukraine's reform process has amounted to EUR 4 billion. The EU–Ukraine Association Agreement defines areas for action: closer political ties, development of economic ties and respect for common values. The EU's programmes in Ukraine are guided by the principles set out in the Association Agreement, the priorities of the Eastern Partnership and the Sustainable Development Goals. For the period 2021–2027, the EU has adopted the following priorities for its agenda with Ukraine: 1) sustainable economic growth, including increased trade volumes, the development of the digital economy, and the transformation of the transport sector; 2) good governance, including strengthening administrative capacity, implementation of the necessary reforms, the rule of law, reform of the rule of law, the strengthening of democracy, civil society, and the realisation of the principles of gender equality; 3) development and strengthening of human resources, focusing on education, science, health system reform; 4) implementation of the Green Agenda, covering climate change, circular economy, green energy; 5) conflict management, focusing on the social and economic integration of displaced people, reducing their health problems.

Needs of the partner country

The country's main challenges are as follows: strengthening the rule of law, strengthening democracy, reducing political polarisation, ensuring the independence of the legal system, developing social and medical services, promoting and diversifying exports, attracting foreign investment, reducing poverty and social exclusion.

Potential niches for Lithuania's contribution (partnership): needs of the partner country or society, activities of other donors and opportunities for engagement of the Lithuanian public sector, NGOs and business

In line with the EU Development Cooperation Guidelines, pursue the implementation of programmes in a targeted manner to respond to Ukraine's needs:

- strengthening the country's institutional capacity to ensure the rule of law, support democracy, combat disinformation and reform the education sector;
- transferring good practice in reforming the country's health care sector;
- ensuring equal opportunities and women's empowerment, while addressing the integration of displaced people;
- active participation of Lithuanian experts in EU programmes (Twinning Programme, TAIEX).

Content and objectives of Lithuania's development cooperation activities

The Ministry of Foreign Affairs of the Republic of Lithuania, as one of the main policy makers and implementers of development cooperation, as well as coordinator of the assistance provided to Ukraine by Lithuanian institutions and NGOs, consistently assesses the needs for assistance, delivers humanitarian aid, and maintains regular contacts with partners in Ukraine. In 2014–2020, Lithuania's assistance to Ukraine totalled EUR 16.2 million, of which EUR 1.89 million was for humanitarian aid to people affected by the conflict.

It is also important that support for Ukraine is a priority not only for Lithuanian government institutions, but also for non-governmental organisations. Lithuanian and Ukrainian NGOs involved in project activities are already making a significant contribution to support to Ukraine, implementing development cooperation initiatives to ensure the integration of internally displaced persons into local communities, to strengthen women's confidence and entrepreneurship, to build the competences of education sector staff, to develop the skills of civil society actors, and to contribute to the strengthening of the State of Ukraine in other ways.

Lithuania supports Ukraine not only through bilateral and regional projects, but also by participating in international initiatives and EU programmes. In 2010–2020, Lithuanian institutions won 13 EU Twinning projects worth a total of EUR 19.4 million in the following areas: strengthening the institutional and regulatory capacity of the National Bank (2020 PL), support to the Antitrust Committee (2020 DE/RO), strengthening the capacity of the Communication and Information State Regulatory Commission (2019 LV), plant production (2016 LV/DE), strengthening the Ombudsman institution (2016 AT), modernisation of rail services (2016 ES), state border protection (2016 DE/PL), strengthening of the Competition Authority (2015 DE), strengthening of the Food and Veterinary Office (2015 IT), customs (2015 DE/PL), road transport safety (2014 DE/PL), development of the land market (2013 DE/NL), and strengthening of the administrative courts (2010 FR).

Accredited by the European Commission and authorised to manage EU grants, the Central Project Management Agency (CPA) is participating in the implementation of the EU-funded Public Finance Management Support Programme in Ukraine from 2018 to 2022.

Supporting reforms in the education system. Since 2015, Lithuania has been implementing development cooperation projects in Ukraine's education system, focusing on Donetsk and Luhansk oblasts. In 2018, Ukraine launched a major reform of its education system, implementing the New Ukrainian School concept, which is based on an innovative approach to education and aims to develop children's competences for independent living. The largest development cooperation project in Ukraine, "Support for the construction of Avdiivka School No. 2 in the Donetsk region of Ukraine and the improvement of the school environment", started in 2019 and will be completed in 2021, with a total value of EUR 1 million. The aim of the project is to create a modern education centre with a comprehensive model of infrastructure, equipment and organisation of the educational process, acting as a pilot centre for school reform and dissemination of educational experience in the whole region. The main objective of Lithuania's support to Ukraine's education sector is to create a majority of progressive and change-oriented students, their parents, teachers and the administration of institutions.

Support to the areas of eastern Ukraine to continue the **transformation of the psychosocial rehabilitation sector**. Ukraine's health system, especially in the field of psychosocial rehabilitation, still lags far behind EU standards, and the ongoing health reform has so far overtaken the field of psychiatry. Psychological rehabilitation is one of the key areas where Ukraine needs help. Such rehabilitation is needed not only for Ukrainian soldiers who took part in hostilities, but also for their families, those displaced from the war zone and other people facing difficulties. With the help of the Ministry of Health of the Republic of Lithuania and specialists from mental health institutions, a comprehensive analysis of the mental health system in the regions of Ukraine was carried out and the needs for reform were identified. Long-standing project implementers in the field of mental health, when implementing development cooperation activities in Ukraine, promote continuous institutional cooperation and transfer of good practices between Lithuanian and Ukrainian experts, improve their qualifications through trainings, and provide the opportunity for Ukrainian health professionals to visit the most advanced Lithuanian mental health institutions – crisis intervention and psychosocial rehabilitation centres. With the ongoing Russian aggression in Eastern Ukraine and the growing need for psychosocial rehabilitation, Lithuanian psychiatrists are seeking to introduce a new model of multifunctional medical support for patient care, where the patient receives psychological counselling or treatment in addition to therapeutic and surgical care.

Support for internally displaced persons, gender equality and women's empowerment. Development cooperation projects supported by Lithuania help victims of the annexation of Crimea and the conflict in Eastern Ukraine (especially women and children) to integrate into their host communities, promote entrepreneurship and self-employment skills, and create a positive public image of Crimean Tatars. Lithuania's development cooperation activities and initiatives aim to strengthen the post-traumatic stress management system of the Ukrainian population, to promote entrepreneurship among internally displaced persons, especially women, and to restore their full participation in society and the labour market.

Lithuania's development cooperation policies in the partner country for 2022–2025 (up to 3 directions)

Lithuania's strategic objectives for development cooperation are based on Ukraine's needs, the Programme of the Government of the Republic of Lithuania and the EU's Neighbourhood Policy priorities.

The key principles are as follows: 1) to increase targeted support for Euro-integration, democracy and freedom in the EU neighbourhood; 2) to reduce the fragmentation of development cooperation, to build on long-term objectives; 3) to take into account the EC *Team Europe* principles when planning activities, to

strengthen joint efforts in a coherent manner; 4) to prioritise specific changes in targeted areas where the added value of Lithuania's experience from the transition period is evident; 5) to share *public sector expertise*; and 6) to maintain the compactness and focus of bilateral interventions; 7) to actively apply the existing instruments in development cooperation, most notably EU Twinning projects and delegated cooperation in EU projects; 8) to apply in parallel the provisions of the EU's Gender Equality Action Plan (GEAP III).

The sectoral priorities of Lithuania's development cooperation strategy in Ukraine are as follows:

STRATEGIC PRIORITY 1: STRENGTHENING UKRAINE'S ADMINISTRATIVE AND INSTITUTIONAL CAPACITY TO IMPLEMENT REFORMS RELATED TO THE ASSOCIATION AGREEMENT, TRANSFERRING EXPERIENCE IN THE AREA OF PUBLIC SECTOR REFORMS

Objective: To support the implementation of the necessary reforms and strengthen the administrative capacity of public institutions.

Activities: 1) to exchange knowledge and experience in optimising the public sector, bringing it closer to EU standards; 2) to provide support for the reform of the Ukrainian education system by modernising educational institutions (mainly in Eastern Ukraine); 3) to actively engage in the implementation of programmes and projects funded by international donors, EU funds; 4) to provide support for reforms that enable the rule of law (reform of the justice sector, support for the law-enforcement sector in the fight against hybrid threats etc.); 5) to deploy infrastructure; to provide public education; and to cooperate with the Ukrainian authorities, the private sector (producers, importers) and NGOs; to provide support to the Green Deal.

STRATEGIC PRIORITY 2: ENSURING SUPPORT FOR THE REFORM OF THE COUNTRY'S HEALTH SYSTEM, ESPECIALLY ACCESS TO PSYCHOSOCIAL REHABILITATION SERVICES.

Objective: To transfer the experience gained in the reform of the health care system, to help increase the availability of psychosocial services and psychological rehabilitation to the public.

Activities: 1) to exchange knowledge and experience to bring the country closer to EU standards; 2) to provide support for cooperation projects between NGOs; 3) to provide support for large-scale regional projects and programmes to increase the accessibility of psychosocial and psychological rehabilitation services to the public; 4) to strengthen communication, support for the introduction of the multifunctional medical assistance model of patient care.

STRATEGIC PRIORITY 3: DEVELOPING GENDER EQUALITY

Objective: To continue and develop projects that mainstream gender equality in development, as foreseen in the Law on Development Cooperation and Humanitarian Aid, EU Gender Equality Action Plan III 2021–2025 and UN Resolution 1325.

Activities: 1) to support projects that respond to the special needs of women and girls during their repatriation or displacement, ensuring their rights to participate in rehabilitation, reintegration and reconstruction programmes after armed conflict; 2) to ensure women's participation in peace implementation measures; 3) to encourage interest in and choice of the sciences (science, technology, engineering and mathematics) for careers, training, retraining, overcoming gender stereotypes, thus opening up greater opportunities for equal pay for identical work, a marketable profession and a reliable source of living.