



USAID
FROM THE AMERICAN PEOPLE

#50MM UKRAÏNA

2019 ANNUAL REPORT

FOREWORD

Dear beneficiaries, partners and colleagues,

In 2019, Ukraine continued to experience dynamic changes, not least of which were the election of a new president by an overwhelming majority and a new Parliament, 80 percent of whose members are first-time legislators. USAID was proud to support our local and international partners to ensure that the elections were held in line with Ukraine's international commitments, deploying thousands of election observers as well as parallel vote tabulation, exit polling, and public opinion polling to reduce the space for disinformation. We worked closely with the Central Election Commission to strengthen electoral cybersecurity and ensure that over 60,000 election commissioners were trained in their duties and, as a result, citizen confidence in the election results soared. As the year ended, the new Parliament approved a new electoral code that included many of the changes USAID's partners had advocated for and which make Ukraine's election system more democratic and inclusive.

USAID continued to partner with the Government of Ukraine (GOU) in developing and strengthening anti-corruption institutions. We supported the launch of the High Anti-Corruption Court including training 38 judges and 100 staff and vetting judicial candidates. USAID also provided assistance to an extensive process including international experts to select a new head of the National Agency for the Prevention of Corruption, which was completed in January 2020, laying the foundation for this critical institution to fulfill its mandate.

In 2019, USAID also moved significantly forward to partner with communities in the regions of eastern and southern Ukraine with the goal of mitigating the impacts of Russia's aggression and energizing a growth-oriented economic climate. The Mission began to vigorously implement two five-year activities in this region totaling \$120 million. One is focused on making local government more responsive to residents' needs while also encouraging local civic activism; the other on supporting economic recovery and development.

USAID is now coordinating efforts with Mariupol, a large industrial city in southeastern Ukraine, to promote the city's economic development, placing special emphasis on supporting the growth of small and medium businesses, cultivating the city's nascent IT sector, and fostering new partnerships with universities. In the neighboring city of Berdiansk, USAID supports the same objective by helping align city, business, and citizen interests, focusing on strengthening the hospitality industry and developing tourism. To promote investment in the region, USAID sponsored the Mariupol Investment Forum, which was kicked off by Ukraine's President Volodymyr Zelenskyy and received considerable national and international media exposure. International businesses responded positively and quickly. On December 10, the Irish company Alstom Energy Limited signed a memorandum of understanding with Mariupol to invest in photovoltaics, supporting the city's efforts to develop its renewable energy sector.

USAID supported improved trust and confidence between citizens and the government through increased participation in community problem-solving; diversified citizen engagement with inclusive and democratic civic values; and more efficient, modern service delivery. In October, Mariupol opened the largest administrative service center (ASC) in the region, the Mariupol Multicenter, which is part of USAID's ongoing effort

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to help Ukraine provide efficient and transparent government services at the local level. Located six kilometers from the non-government-controlled area (NGCA), the Multicenter services 1,200 citizens daily and provides easier access to Ukrainians living in the NGCA. As the year ended, USAID began work on three more ASCs at crossing points with Crimea in Kherson Oblast, which will serve Ukrainians living in Russia-occupied Crimea. USAID has opened more than 20 ASCs in eastern Ukraine over the last five years, increasing Ukraine's self-reliance and citizens' trust in the government's ability to provide essential services.

Self-reliance also played a large role in USAID's continuing support for Ukraine's health reform efforts. USAID continued to help build and strengthen the capacity of several new Ministry of Health agencies, including the Center for Public Health, the Central Procurement Agency, which is responsible for procuring essential drugs, and the National Health Service of Ukraine (NHSU), which serves as the single purchaser of all health care services in the country. The NHSU reduced informal health care payments for patients, increased health care salaries, and created more transparent pricing in the health sector. USAID assistance enabled the NHSU to sign contracts with 99 percent of all primary health care providers and supported the development of the eHealth System Central Database. More than 7,000 pharmacies began using the NHSU's e-prescription system, providing five million electronic e-prescriptions for Ukrainians, allowing more direct and efficient communication between doctors and pharmacies and reduced opportunities for falsification of prescriptions.

In 2019, USAID continued to support Ukraine's battle with tuberculosis (TB). We helped improve the quality and availability of TB services by implementing effective TB infection control measures and strengthening the quality of laboratory diagnostics. We also introduced new treatment options for multi-drug-resistant (MDR)-TB patients, such as the life-saving drug bedaquiline, which cured 91 percent of the 2,900 MDR-TB-positive individuals who were treated.

USAID also continued to help develop agriculture and strengthen Ukraine's rural sector. We provided support to increase the sustainability of small- and medium-sized agricultural enterprises by strengthening value chains through private sector engagement. USAID leveraged \$800,000 in private sector resources in 15 joint projects that increased income opportunities for more than 184,000 farmers, made their businesses more sustainable, and also strengthened rural communities.

These are just a few examples of our support to Ukraine as the country moves forward with sustainable reforms that will advance self-reliance and the ability to address its own development challenges. It's an exciting time in Ukraine, which continues along its Euro-Atlantic path. As Ukraine progresses on its journey to self-reliance, USAID will continue to support the Ukrainian people in their efforts to defeat corruption, strengthen the rule of law and democratic institutions, and build a prosperous economy.

Susan K. Fritz
Mission Director

USAID IN UKRAINE

Ukraine plays a critical role in United States government efforts to help former Soviet countries establish democratic institutions and globally integrated free-market economies. USAID's Country Development Cooperation Strategy (CDCS) is based on the foundational demand expressed by Ukrainians during the Revolution of Dignity that they should live in an independent, democratic, prosperous, and healthy Ukraine united around core European values that is self-reliant and able to support its development needs. USAID partners with Ukrainians to make their government more participatory, transparent, and accountable to its citizens, while helping communities to transition to a more democratic and participatory future. We help the government to develop policies to stimulate inclusive economic development that is sustainable and provides opportunities within a fertile business climate for small- and medium-sized businesses. We also work for better access to health services to improve the health of Ukrainians. In addition, USAID works to counter the impacts of Russia's aggression through reform of Ukraine's electricity, district heating, and natural gas markets to integrate them into Europe's markets and grid in order to build Ukraine's energy security. USAID prioritizes efforts to counter trafficking in persons and provide humanitarian support to those in conflict zones. A breakdown of USAID activities and the successes we've achieved follows.

ECONOMIC GROWTH

A market-driven and inclusive economy is critical if Ukraine is to become a democratic, prosperous, and self-reliant country. To realize this goal and unlock new revenue sources that can finance Ukraine's journey to self-reliance, USAID works with its partners to secure a reliable supply of affordable energy, enhance access to finance, increase strategic investments in agriculture, and promote entrepreneurship and economic competitiveness. Our programs support a regulatory environment that welcomes startups, fosters fair competition and reduces the economic impact of corruption.



A representative from the Delfast bikes startup pitches his business idea during the *Open Call Pitch Event* organized by USAID's Competitive Economy Program (Photo courtesy: CEP).

AGRICULTURE

A more diversified, competitive, and inclusive agricultural sector is critical for sustaining economic growth in rural areas, where 14 million Ukrainians live, and where small- and medium-sized farms will be the driving force for increased employment and income opportunities. USAID promotes the inclusive development of Ukraine's agricultural sector by stimulating private sector investment and technical innovation, and encouraging regulations that promote competition. USAID implements activities that help smallholder farmers add value to their products, increase their quality, and penetrate new markets. In 2019, in partnership with the private sector, USAID co-financed and implemented 15 joint projects valued at \$800,000 that engaged small farmers in fruit, vegetable, milk, and dairy value chains to increase their incomes. In order to increase access to finance to smallholders farmers, which catalyzes investments in the sector, USAID partners with agri-financial consulting companies who provide professional advice to farmers. This approach has resulted in more farmers successfully applying for and receiving \$3.2 million (UAH 80 million) in new loans.

To create a better enabling environment for farmers and other rural businesses, USAID helped implement an innovative local land management system based on Geographic Information System (GIS) technology in 79 consolidated communities across eastern and southern Ukraine. The new system has paved the way for new investment in rural communities and radically increased transparency, and represents one component of comprehensive land reform. The experiences and lessons learned during implementation informed national level legislation and empowered communities to more transparently and responsibly manage their land.



\$800,000

Value of private sector resources that USAID leveraged to invest in 15 joint projects that engaged small farmers in fruit, vegetable, and dairy value chains with increased income opportunities.



79

Number of consolidated communities from six oblasts in the east and south that implemented a transparent Geographic Information System (GIS) land management system, making their land data current and accessible to the public.



UAH 80 mln

Value of new loans received by 115 small farmers as a result of increased financial literacy resulting from USAID's partnership with a local financial consulting firm.

ECONOMIC COMPETITIVENESS

USAID is partnering with government and private sector partners to transition Ukraine's economy from one dominated by large firms to a more broad-based economy driven by small and medium enterprises (SMEs). Our programs accelerate economic growth, unlock business opportunities both in Ukraine and abroad, spur competition, and empower entrepreneurs to transform their ideas into viable businesses. In eastern Ukraine, USAID helped 164 conflict-affected people, including IDPs and PWDs—to become entrepreneurs and start their own businesses. Through our partner WNISEF, USAID provided \$1.3 million in loans and equity investments to four Ukrainian IT startups. In Kyiv and Kharkiv, USAID launched an innovative business incubation program that trained and mentored 22 startups, trained 74 women-owned enterprises, and awarded 15 grants totaling UAH 26.4 million to support SME modernization and digital transformation.

In the conflict-affected city of Mariupol, USAID supported the launch of the *1991 in Mariupol*, an IT incubator that is helping to propel Mariupol's industrial economy into the future. USAID also helps Ukrainian entrepreneurs, farmers, and businesses find new markets for their goods and to promote fair competition. USAID partnered with Ukraine's Anti-Monopoly Committee to strengthen their ability to develop and implement policies that support competition and collaborated with the State Regulatory Service and MEDTA to identify a priority reform agenda for improving the business-enabling environment.



Amount of loans and investments in 4 startups in the science, innovation, and information technology sectors.



Number of jobs created for IDPs, people with disabilities, and other groups affected by conflict.



Number of businesses receiving USAID support in conflict-affected oblasts.



Number of entrepreneurs receiving USAID-provided training to strengthen business skills.

FINANCE

A financial sector that effectively allocates resources to businesses of all sizes and is transparent and corruption free is critical to fostering an economy driven by SMEs. With a view towards sustained transparency, USAID continued working with the National Bank of Ukraine (NBU) to expand access to banking services, effectively utilize deposit guarantees, strengthen consumer protections, and bolster financial disclosure and transparency requirements. In 2019, USAID increased access to finance for SMEs via bank and non-bank services and helped the NBU to build confidence in the financial sector after a tumultuous few years in the banking sector. USAID also launched a pilot project on trading six agrarian futures on the Ukrainian Exchange. Given the promise of Ukraine's leasing industry to spur access to finance, USAID strengthened the Ukrainian Union of Lessors, catapulting growth of the leasing market from \$420 million in 2017 to \$919.5 million in 2019.

USAID also supported the development of critical reforms in 2019, including new legislation on tax reform, anti-money laundering, consumer protection, and regulatory oversight of the financial sector. USAID launched a new Development Credit Authority loan portfolio guarantee program, which will provide more than \$8 million in loans over eight years. These will go primarily to Ukrainian agricultural SMEs in western Ukraine, resulting in increased access to finance for farmers and leading to improved agricultural productivity. USAID also organized a nationwide awareness campaign to build confidence in Ukraine's financial sector. More than 356,600 students across the country participated in day-long events at their universities, and learned how to borrow responsibly and avoid financial fraud.



\$161,534

Value of low-interest social impact loans issued with USAID assistance to enterprises.



4

Priority laws adopted:
Split Law, Consumer Protection, Base Erosion and Profit Shifting Law, Anti Money Laundering Law.



\$919.5 mln

Value of SME leasing contracts concluded through Q3 of calendar year 2019.



356,631

Number of high school and university students who attended Global Money Week 2019.

ENERGY

USAID assists Ukraine to strengthen its energy security by advancing reforms in the gas, electricity, and district heating sectors. Specifically, USAID supports the development of competitive energy markets and the diversification of Ukraine's energy resources, including sustainable generation from renewable energy, and the implementation of the EU's *Third Energy Package* reform program. USAID also works to improve transparency and reduce corruption in the energy sector. In 2019, USAID helped the Government of Ukraine to launch a wholesale electricity market in line with EU requirements. To protect Ukrainian consumers from price shocks, USAID developed and helped implement a "safe mode" framework, which limited trading products and introduced price-caps. USAID also developed a comprehensive financial model for the electricity market that incorporates electricity generation costs, including renewables, transmission, distribution tariffs, and revenue requirements of utilities, and provided estimates for end-user electricity tariffs. USAID also conducted the first-ever national end-user energy survey of Ukrainian households, which found that many individuals suffer from energy poverty, i.e., their energy bills exceed 30 percent of their income, which forces them to sacrifice other necessities. The results will be used in designing targeted assistance to address energy poverty. In addition, USAID supported the electricity system operator's efforts to integrate with European power networks. We assisted the upstream petroleum sector by preparing a model production sharing agreement (PSA), the evaluation criteria for PSA tenders, and provided legal assistance in the GoU's evaluation of the nine onshore block PSA submissions by the PSA tender winners to increase domestic gas production. USAID also released the second iteration of the *Energy Transparency Index*, an important anti-corruption tool and a barometer of how compliant energy sector stakeholders are with national requirements for access to open data.



First Ever End-User Energy Survey

USAID conducted the first-ever national end-user energy survey to better understand consumer demand, which is critical for addressing energy poverty and designing a pro-consumer energy strategy for Ukraine.



Second Energy Transparency Index

USAID released the second iteration of the Energy Transparency Index, which identifies information gaps and level of compliance with national requirements for open data by energy sector stakeholders.



First Wholesale Electricity Market

USAID helped launch Ukraine's wholesale electricity market in "safe mode" to protect Ukrainian consumers.

USAID continued to partner with the GOU and civil society in 2019 to realize the country's commitment to broad reforms, including decentralization, a judiciary that upholds the rule of law, a transparent and accountable election system, and measures to stem systemic corruption. In 2019, USAID assisted in improving the transparency and accountability of the legislative process and helped decentralize government resources to consolidate and empower local communities. USAID promoted the transparent and competitive election of the President and the national legislature, as well as supported more representative and inclusive political parties. USAID support helped bolster civil society as an advocate for the public interest and strengthened Ukraine's independent media sector. USAID efforts also promoted the foundations of transitional justice for resolving conflict in Ukraine, particularly in the country's east, and protected human rights by monitoring violations and assisting victims of human trafficking.

DEMOCRACY & GOVERNANCE



An elderly woman casts a ballot at home in the mobile voting box.

Photo credit: Vladyslav Sodel

ANTI-CORRUPTION/E-GOVERNANCE

USAID assists Ukraine in fighting endemic corruption by strengthening judicial independence, improving financial disclosure, conducting anti-corruption risk assessments and action plans with the Government of Ukraine, and working with youth and civil society to hold the government accountable. In 2019, USAID assisted the reform of the National Agency for the Prevention of Corruption through a transparent process for the selection of new agency leadership. USAID also helped automate many standard government processes, thus making corrupt practices more difficult. USAID helped Ukraine's government further improve *ProZorro*, its electronic public procurement system, which has saved the state budget an estimated \$4.3 billion since 2016. To support increased use of open data to counter corruption, USAID helped amend a GOU decree that obliges the government to open up 300 additional datasets.

USAID was among the first to support the newly created Ministry of Digital Transformation (MDT) with the technical development of a citizen's e-cabinet – the backoffice to the GOU's new single digital platform called *Diia* (<https://plan.diia.gov.ua/en>), the *State in a Smartphone*. USAID helped the MDT launch a comprehensive, identifiable, and popular branding of state digital services promoting transparency, accountability, and corruption prevention. USAID also contributed to the adoption of an anti-money laundering law bringing Ukrainian legislation into compliance with international standards. USAID also provided expert assistance for the development of the draft *Base Erosion Profit Shifting* legislation to strengthen tax transparency and increase the tax revenues. USAID supported the customization of software for the Financial Reporting System (IFRS), which will consolidate and standardize financial reporting of 4,000 public entities and make it available to regulators, analysts, investors, and the public.



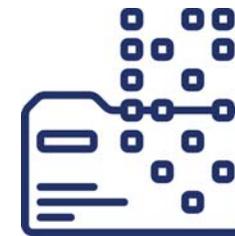
249

Number of government officials receiving anti-corruption training.



4.3 bln

Amount that the ProZorro public procurement system has saved the state budget.



300

Number of government data sets opened to the public.

JUDICIAL REFORM

USAID continues to assist Ukraine to establish an independent, accountable, transparent, and effective justice system that upholds the rule of law and is empowered to fight corruption. In 2019, USAID supported the launch and institutional development of the High Anti-Corruption Court by training both judges and court staff on the importance of the rule of law, communications, and case management, assisting in modern courthouse design, and promoting the development of long-term strategic planning. USAID's cooperation with the newly elected Verkhovna Rada Committee on Legal Policy resulted in improved legislation for vetting the integrity of current Supreme Court justices, streamlined judicial disciplinary procedures, and championed more transparent operations of the High Council of Justice and High Qualification Commission of Judges. USAID also provided expert assistance to the Presidential Commission on Legal Reform in developing a strategy for reforming the justice sector by promoting the rule of law, safeguarding judicial independence, and avoiding backsliding. USAID supported civil society oversight of the judiciary through the vetting of judges by the Public Integrity Council, assessing the quality of Supreme Court case law and judicial disciplinary decisions by the High Council of Justice, as well as citizen evaluations of the performance of more than 600 courts. USAID legal education reform support led to the introduction of an independent exit exam for law school graduates, with more than 15,800 students expected to take the exam starting in 2021. The exam will limit opportunities for corruption and ultimately improve the quality of judges, prosecutors, and lawyers.



38,000

Number of citizens providing inputs and feedback to justice sector reform.



613

Number of courts that received performance improvement recommendations based on feedback from citizens.



1,682

Number of judges whose performance was reviewed by civil society through the Public Integrity Council.

LEGISLATIVE TRANSPARENCY AND ACCOUNTABILITY

In 2019, USAID continued to assist Ukraine's parliament, the Verkhovna Rada (VR) to improve how it functions. USAID assistance assured effective communication among new MPs and their constituents. USAID helped the VR Secretariat to organize 26 training sessions for newly elected MPs and their aides, both in Kyiv and the oblasts, including the training of two new parliamentary factions (Sluha Narodu and Holos) on legislative processes and procedures. USAID also helped the VR Secretariat to develop and launch the Parliamentary Education Center in July 2019. To improve the quality of legislation and increase public participation in the legislative process, 64 Secretariat staffers and representatives of NGOs were trained in public policy analysis.



80%

Percent of new MPs receiving basic training on parliamentary processes and procedures.



75

Number of USAID-supported public forums in which national legislators and constituents held open discussions.



4,500

Number of school children who visited the Parliamentary Education Center in its first 6 months of operation.

ELECTIONS AND POLITICAL PARTIES

USAID continued to promote political processes that lead to more representative, transparent, and accountable governance. USAID supported the Central Election Committee (CEC) and its Training Center to strengthen the administration of the three major national elections held in 2019, including two rounds of presidential elections and parliamentary elections. In support, USAID and the CEC Training Center conducted a series of educational activities with 99,091 election commissioners at all territorial levels throughout Ukraine. USAID also strengthened the cybersecurity of the electoral process through support to the CEC and through cyber hygiene modules for political parties and civil society organizations and the training of 642 individuals nationwide. USAID-supported voter education efforts in the three nationwide elections provided information to an average of 19 million Ukrainians during each election cycle. USAID trained 1,111 political party activists from a broad range of parties on methods for effective communication with constituents. USAID also strengthened elections-based grassroots activism; highlighted polling and analytics to promote the development of issues-based political platforms; developed domestic long-term and short-term observation of the 2019 presidential and early parliamentary elections; and promoted women as political party leaders and candidates for elected bodies. A total of 22 universities successfully participated in the USAID-funded civics course “Democracy: from Theory to Practice,” with students learning about the fundamental concepts of democratic citizenship, good governance, civil society, civic participation, and human rights. These efforts improved electoral legislation and administration, increased citizen turnout, made political parties and elected officials more responsive to constituents, and improved the credibility of election results, as well as contributed to an overall improvement in Ukraine’s democratic political culture.



16

Number of initiatives to increase women's political participation.



99,091

Number of election officials trained.



5,000

Number of domestic long-term and short-term observers trained to monitor 2019 presidential and early parliamentary elections.

CAPACITY BUILDING AND EDUCATIONAL OPPORTUNITIES

USAID is helping to cultivate a new cadre of Western-trained Ukrainian leaders by offering competitive opportunities to learn from American and European experts. Through its legacy fund, the Western NIS Enterprise Fund (WNISEF), USAID continued a third year of assistance to the Ukrainian Emerging Leaders Program, which hosted three leading Ukrainian reformers and activists at Stanford University's Center on Democracy, Development and the Rule of Law. WNISEF also provided scholarships to four Ukrainian college students to study business, public policy, or law at top U.S. universities. To inspire and cultivate the next generation of young Ukrainian leaders, USAID continued to support the Ukrainian Leadership Academy (ULA), a rigorous gap-year program that brings together Ukrainian teenagers to develop leadership skills before entering university. In 2019, USAID helped launch a new ULA branch in the city of Mariupol, bringing the number of such academies in Ukraine to seven, and the total number of participants through its five years of existence to 648. USAID also provided resources for more than 300 ULA alumni to attend a Youth Leadership Forum with Ukraine's recently elected president. USAID funding to WNISEF also supported IT initiatives to promote youth entrepreneurship and enable the growth of a startup ecosystem, including the Technovation Challenge, a global IT education program for teenage girls.



9

Total number of alumni of the Ukrainian Emerging Leaders Program at Stanford University since the program's initiation.



648

Number of Ukrainian students who have participated in the Ukrainian Leadership Academy over five years.



4

Number of scholarships awarded to Ukrainian students to participate in advanced degree programs in the United States in 2019.

CIVIL SOCIETY

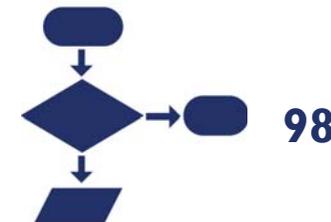
USAID continued to build the organizational capacity of Ukrainian civil society to become stronger citizen advocates and government watchdogs as well as to assist them to better represent citizens' interests and drive reforms through oversight and advocacy. This support increased the capacity of 15,187 CSOs to build coalitions, advocate, and monitor government performance, and helped 98,162 CSOs increase their organizational capacity, contributing to Ukraine's Civil Society Sustainability Index score of 3.2, the highest in the region. A total of 142 CSOs were engaged in advocacy interventions, shaped public agendas, changed public policies, and influenced other processes that impact people's lives. Additionally, 800 individuals received anti-corruption training, building their advocacy skills. USAID also worked to maintain the civil society legal enabling environment. As a result of USAID's assistance, today it is easier for citizens to organize and for organizations to take action to advocate for the public interest.



Number of people affiliated with NGOs receiving anti-corruption training.



Number of CSOs that are engaged in advocacy interventions with USAID support.



Number of CSOs that increased their organizational capacity.

INDEPENDENT MEDIA

In 2019, USAID continued to strengthen the civically relevant role of media in upholding democratic processes in Ukraine and expanding citizens' access to quality information to counter malign influence and support European integration. Institutional support to Ukraine's public broadcaster and other independent media outlets helped produce marketable, quality content, including balanced elections coverage, unbiased political talk shows, reform-oriented content, and other socially important media products to increase Ukrainians' access to quality unbiased information. Furthermore, media CSOs advocated for needed media legislation and promoted the establishment of community broadcasting. Additionally, USAID supported media literacy training for teachers, and advocacy initiatives to include media literacy as a permanent part of school curricula, a key reform of the Ministry of Education and Science. To counter the Kremlin's malign narratives, USAID supported media literacy interventions, including media monitoring directed at journalists, community leaders, and citizens.



11.4 mln

Number of viewers of socially relevant stories.



129

Number of educational institutions that adopted a media literacy curriculum.

LOCAL GOVERNANCE

As part of a coordinated package of international donor assistance to the GOU to implement nationwide decentralization reforms, USAID continued to assist local governments to be more effective, responsive, and capable of delivering tangible benefits to citizens. This included assisting the Parliament, line ministries, and local governments to draft decentralization-enhancing legislation consistent with the European Charter of Local Self-Government. USAID helped draft 64 local governance laws and 60 strategies, and facilitated the consolidation of 292 communities. The tangible benefits of decentralization, which include increased budgets and budget control at the local level, are helping to improve education, healthcare, and administrative and maintenance services at the local level, as well as ensure that infrastructure is repaired, businesses licensed, and routine governmental actions are implemented close to home. USAID assisted local governments to ensure that their voices were heard during key constitutional and legislative discussions. USAID provided assistance to 1,829 consolidated communities in 2019. Greater financial autonomy and resource management at the local level also remained a priority for USAID-supported fiscal decentralization efforts in 2019, and resulted in increasing local budgets by \$8.7 billion, a 7.1% increase. Overall, engagement with these communities is helping to develop models of effective and efficient local governance for replication and dissemination nationwide.



2,375

Number of consolidated or consolidating communities that received technical assistance.



10

Number of mechanisms for external oversight of new public resources.



86

Number of USG-supported activities that promote and strengthen the participation of women at the local level.

TRAFFICKING IN PERSONS

Countering Trafficking in Persons (CTIP) remained a key U.S. Government priority, particularly since the GOU continued to maintain a Tier 2 ranking in the 2019 Trafficking in Persons (TIP) Report. In 2019, USAID partnered with the Ministry of Social Policy (MSP) to reduce TIP and make the Ministry's efforts sustainable by supporting the implementation of the National Referral Mechanism, which provides assistance to victims of trafficking (VOTs), including those newly identified among Internally Displaced Persons (IDP) from eastern Ukraine. USAID continued its advocacy efforts with the MSP to integrate the State Rehabilitation Center into the national social and health care system. USAID also co-supported the operations of the *National Toll-Free Counter Trafficking and Migrant Advice Hotline* to ensure access to TIP prevention services by the general public -- and vulnerable groups specifically -- and to facilitate assistance to victims.

USAID's CTIP program assisted local governments to allocate meaningful resources to implement the state policy on countering TIP. In 2019, other notable achievements included providing assistance to more than 400 VOTs and training 1,500 individuals in practices and procedures to combat human trafficking. USAID continued to support underprivileged populations and at-risk groups, including IDPs, through vocational skills training and small grants for income-generating activities in partnership with state employment centers, CSOs, small businesses, and the private sector. For example, 30 VOTs received micro-enterprise grants ranging from \$800 to \$2,500 to start individual businesses.

To raise awareness about the dangers of TIP, USAID continued implementing counter trafficking information campaigns to alert Ukrainians to the problem of modern-day slavery and how to protect themselves from being trafficked.



413

Number of victims of trafficking directly assisted.



1,500

Number of people trained on TIP-related issues.

HUMAN RIGHTS

USAID continued to support efforts to lay the foundations of transitional justice in Ukraine. This included strengthening the capacity of civil society to document and report human rights abuses and war crimes arising from the conflict in eastern Ukraine and the purported annexation of Crimea as well as promoting reconciliation through mechanisms that expose the truth. Ukraine continues to face serious human rights challenges, including continued armed conflict in the Donbas by Russia-led forces. In 2019, USAID responded by supporting human rights monitoring across Ukraine; local, national, and international human rights advocacy efforts; strategic litigation before the Ukrainian courts and the European Court of Human Rights; awareness-raising and citizen empowerment activities; and assistance to survivors of torture and conflict. In one specific example, the Human Rights Abuse Documentation Center, originally piloted in 2017 with USAID's support, collected evidence of human rights violations concerning 52,459 conflict-affected individuals in 2019. Additionally, 4,288 conflict-affected individuals from the Donbas and Crimea received legal assistance, and 276 armed-conflict human rights defenders and other legal practitioners improved their human rights monitoring skills and knowledge of international humanitarian law. The protection and promotion of human rights, particularly regarding vulnerable groups, is crucial for Ukraine as it works to strengthen a rule of law-based system that upholds international and European standards.



4,288

Number of individuals from low income or marginalized communities receiving free legal aid or victim's assistance.



276

Number of Human Rights Defenders trained and supported.



52,459

Number of people that USAID helped to collect evidence that their human rights were violated.

HEALTH

In 2019, USAID provided critical support to introduce a transparent and efficient health care system that better responds to the needs of Ukrainians. Jointly with partners from the World Bank and the World Health Organization, USAID assisted the Ministry of Health and the newly established National Health Service of Ukraine to prepare for the second stage of health financing reforms at the specialized out-patient and in-patient care level. USAID also continued to help Ukraine respond to its high burden of infectious diseases, including HIV/AIDS, viral Hepatitis C, and MDR-TB, and to counter widespread misinformation about vaccines.



A nurse draws blood to test for HIV.
Photo credit: Vladyslav Sodel

HEALTH REFORM

USAID support was crucial to the institutional strengthening of key Government of Ukraine agencies including the NHSU, the single government purchaser of health services; the Central Procurement Agency; the Center for Public Health; and the *e-Health* state-owned enterprise. With USAID assistance, five supra-regional branches of the NHSU and 10 regional Public Health Centers were established. These will strengthen the engagement between local authorities and health care facilities to better sustain health reforms and high-quality service delivery.

USAID significantly contributed to the implementation of primary health care (PHC) reform by assisting the NHSU to sign contracts with all 1,361 state primary care facilities, allowing them to be reimbursed for services based on the number of patients they serve. As a result, Ukrainians now have the ability to receive free services at a primary health care facility of their choice. USAID also provided critical support for the roll-out of the second stage of financing reform which will be the single program for the payment of all medical services at the hospital level. USAID worked with hospitals across 21 oblasts to inform investment decisions and develop effective and efficient hospital networks. Lviv was the first oblast that approved new hospital network recommendations, identifying an opportunity to focus resources on nine (of the current 40) hospitals. In 2019, the *Affordable Medicines* program was transferred to the NHSU and introduced e-prescription as its hallmark intervention. A total of 6.8 million e-prescriptions were issued by family doctors, resulting in easier access for patients at a more affordable government-controlled cost. In February 2019, the National Health Technology Assessment (HTA) department was established at the State Expert Center. This department helps make evidence-based and transparent decisions regarding which technologies are to be included in government-supported health programs, significantly reducing opportunities for corruption in the pharmaceutical sector.



6.8 mln

Number of e-prescriptions issued by family doctors.



28.5 mln

Number of Ukrainians who signed up to free primary care services under the new reforms.



7,638

Number of pharmacies reimbursed for essential drugs via e-prescriptions.



1,361

Number of primary health care facilities that signed contracts with NHSU (100%).

HIV/AIDS

Ukraine has the highest burden of HIV/AIDS in Eastern Europe, with an estimated 241,376 people living with HIV. Through the U.S. President's Emergency Plan for AIDS Relief, USAID supported efforts to reduce the transmission of HIV among key affected populations: people who inject drugs (PWID) and their sexual partners, men who have sex with men (MSM), and female sex workers as well as incarcerated individuals. In 2019, USAID helped to significantly increase the number of people identified as HIV positive -- testing more than 260,000 individuals and identifying more than 7,000 with HIV. To do this, USAID partners piloted and rolled out a risk screening tool to identify potential patients before symptoms appeared and provided treatment. USAID also scaled up index testing efforts, both in the civil and penal sector, identifying partners and contacts of HIV positive patients to test them and provide treatment if necessary. In the penal sector, USAID connected all prisons to an electronic health information system to monitor HIV patients and services; gained approval for and implemented an updated test algorithm to put the penal system in line with the civil sector; and increased the capabilities of penal health care workers to routinely screen for HIV, TB, and Hepatitis C without further USAID assistance.

To increase access to and quality of HIV medication, the newly established Central Procurement Agency (CPA) launched HIV and TB pharmaceutical procurements for the Global Fund and demonstrated a 38 percent cost savings. The CPA also set up pharmaceutical e-catalogs on the *ProZorro Marketplace*, which is a government procurement platform. These e-catalogs simplify purchasing and streamline and standardize care across regions. Additionally, USAID supported the National Center for Public Health in its first public-private partnership for logistics in Odesa Oblast. The pilot covered 53 HIV treatment sites and 21 TB treatment sites, enabling public health facilities to establish regular delivery schedules and adequate medicine management storage systems.



265,603

Number of individuals who underwent HIV testing and received their results.



7,024

Number of HIV-positive people identified.



4,787

Number of adults newly enrolled in antiretroviral therapy.



37,188

Number of individuals within key populations reached with HIV prevention interventions.

TUBERCULOSIS (TB)

Ukraine is among 10 priority countries under the U.S. National Action Plan for Combating MDR-TB and is part of the USAID Global Accelerator to End Tuberculosis. Overall, the TB treatment effectiveness rate in the country is 76.5 percent, below the World Health Organization's recommended minimum standard of 85 percent. The MDR-TB treatment effectiveness rate is exceptionally low at 49.5 percent compared to the global average of 80 percent.

USAID's TB Control activity assists in the prevention and treatment of TB, MDR-TB, extensively drug-resistant TB (XDR-TB), and TB/HIV co-infection. Using a patient-oriented approach, USAID has improved the quality and availability of TB services through effective TB infection control measures, introducing new treatment options for MDR-TB patients such as Bedaquiline, and improving the quality of laboratory diagnostics. Through support to the Ukrainian Stop TB Partnership, USAID continued to support civil society advocacy and mobilization efforts to improve TB care. USAID helped develop roadmaps for collaborative HIV/TB programs in target oblasts. This improved the quality of services and led to a 15 percent increase in early initiation of HIV treatment in TB/HIV co-infection cases.



91%

Percentage of 2,900 people with MDR-TB (2017 cohort) successfully treated with Bedaquiline in USAID target oblasts.



2,328

Number of HIV-positive patients on antiretrovirals during TB treatment in six USAID target oblasts.



75%

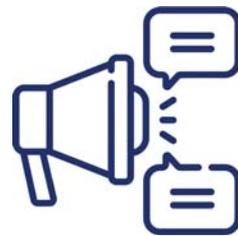
Percentage of people with drug-susceptible TB successfully treated in 11 USAID target oblasts.

IMMUNIZATION

USAID's support in the immunization sector resulted in increased vaccination rates for children and more positive overall attitudes towards vaccination among parents. According to the UkrVaccine database, vaccination coverage increased from January 2018 to January 2019 overall, with DTP3 vaccination rates increasing from 53.2 percent to 67.5 percent; Polio 3 vaccination rates up from 51.9 percent to 69.2 percent; and the rate for Hepatitis B rising from 77.4 percent to 82.9 percent.

According to the USAID-supported Knowledge, Attitudes, and Practices (KAP) household survey, which was conducted in February-March 2019, 88 percent of parents said they followed or tried to follow the national vaccination schedule, compared to 84 percent in 2017 and 63 percent in 2014. The number of parents who failed to vaccinate their child decreased from nine percent in 2014 to four percent in 2019.

In close cooperation with WHO, USAID supported the Ministry of Health to improve the forecasting of future vaccine needs through methodology to guide a three-year demand plan and a 25 percent national level buffer stock of vaccines. USAID provided support to the Ministry of Health and the Center for Public Health to conduct several catch-up measles campaigns to vaccinate schoolchildren during the measles outbreak in 2019. The measles campaign in Lviv reached 54,170 children under 18 years old and decreased measles morbidity by 80 percent. USAID raised the awareness of 1,450 health professionals (health workers and health managers) on the importance of immunization and supported the formation of teams of trainers in Zakarpattia, Donetsk, and Luhansk Oblasts. At the national level, USAID contributed to the revision and preparation of a Ministry of Health order on changes to contraindications to vaccination so that children and adults in Ukraine would not miss vaccinations due to a long list of unjustified contraindications.



80%

Percentage of measles morbidity decreased in Lviv due to a USAID-supported measles campaign.



1,450

Number of health professionals that raised their awareness on the importance of immunization.

HEPATITIS C

WHO estimates that five percent of Ukraine's population (approximately 2 million people) are infected with the Hepatitis C virus (HCV). In 2019, USAID completed piloting a new, simplified testing and treatment protocol among key populations to ensure more people complete treatment and are cured of the disease. USAID also helped Ukraine develop the National Strategy on HIV/AIDS, Tuberculosis, and Viral Hepatitis, approved by the Cabinet of Ministers. This strategic document sets the ambitious goal of detecting 90 percent of HCV-infected people and treating all of them by 2030.



1,446

Number of individuals tested for HCV through USAID support.



97%

Percentage of people cured of Hepatitis C in USAID target oblasts.



55%

Percentage of HIV/HCV co-infected individuals treated for HCV through USAID support. Of 868 treated, 842 were cured. Of 868 treated, 842 were cured.

In 2019, USAID provided conflict-affected populations with life-saving assistance, including food, healthcare, nutrition, shelter, and other humanitarian needs to vulnerable households in both government-controlled areas and non-government-controlled areas, while also laying the foundation for longer-term recovery. USAID's activities helped connect areas close to the conflict to the rest of Ukraine, demonstrated the benefits of reform, and provided information that counters malign and divisive narratives. USAID was also a proud supporter of the *First Investment Forum* initiated by the President of Ukraine, and a *Unity Forum*, both of which were held 12 miles from the line of contact in the conflict-affected city of Mariupol. USAID also supported the *Mariupol Multiservices Center*, the newest, and largest, administrative services center in Ukraine. It will provide services to approximately 1,200 citizens a day, up to 20 percent of which are from the non-government-controlled areas.



President Volodymyr Zelenskyy visits the Mariupol Multiservices Center, which opened on October 30 as part of a series of events bringing attention to efforts to turn Mariupol into a model city for eastern Ukraine.
Photo Credit: Vitaliy Chumak/USAID DG East Activity

HUMANITARIAN ASSISTANCE

In 2019, USAID provided more than \$12.4 million in humanitarian assistance to support conflict-affected Ukrainians in government and non-government controlled areas, including nearly \$8.4 million from USAID's Office of U.S. Foreign Disaster Assistance (USAID/OFDA) and more than \$4 million from USAID's Office of Food for Peace (USAID/FFP). The United Nations reports an estimated 3.5 million people in this region remain in need of humanitarian assistance to address the impact of ongoing conflict, including insufficient access to basic services, psychosocial trauma, and widespread unexploded ordnance posing significant protection risks. In addition, the conflict continued to severely impact water, sanitation, and hygiene (WASH) infrastructure, with 86 incidents recorded in 2019. The UN reports that in 2019, 4.8 million people remained at risk of losing access to safe drinking water and heat due to the conflict.

USAID/OFDA also supported agriculture and food security activities; multipurpose cash assistance; mental health, psychosocial support, and protection interventions targeting vulnerable populations; and shelter and WASH assistance for conflict-affected households. In addition, USAID/FFP provided more than \$3.7 million in cash transfers for food to help vulnerable households along the line of contact to meet their needs.



\$12.4 mln

Amount of USAID humanitarian assistance in 2019.



14,500

Number of people receiving cash transfers to meet their basic food needs during the winter season.



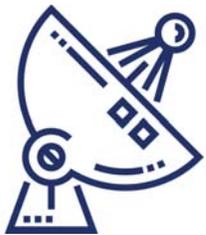
297,000

Number of people reached through protection, water, sanitation, and hygiene (WASH), emergency shelter, agricultural/food security, multi-purpose assistance.

STABILIZATION

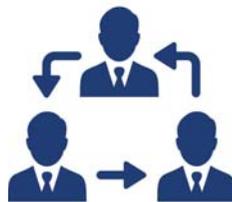
USAID's Office of Transition Initiatives (OTI) expanded its stabilization programming in 2019 to western and southern Ukraine as two new USAID activities, Democratic Governance East and the Economic Resilience Activity, began providing development support in the east. USAID also expanded its focus to national-level media production and increased narratives about unity and positive change. USAID's overarching goal -- to expand acceptance of a pluralistic Ukrainian civic identity based on common values -- remained a valid guiding framework for the OTI program. The activity adapted to take advantage of the opportunities presented with the election of a new President and appointment of a new government, and maintained flexibility to respond to key threats to stability.

USAID's OTI pivoted to the south in response to the Azov Sea crisis to mitigate the effects of Russia's aggression by inspiring confidence in economic transformation, supporting mass media that counters disinformation, strengthening and expanding the reach of vibrant civil society initiatives, and helping to forge new relationships between citizens and local government. Approaches that proved effective in the east were scaled up for the south as well. In the west, OTI worked with civil society to increase tolerance and pluralism through activities that built connectivity to the east and debunked stereotypes while promoting a message of unity and acceptance. At the national level, USAID supported the development of a wide variety of online and TV media content. One major OTI activity was *Pitch UA*, which brought together top national creative sector talent with experts from the U.S. film and television industry to develop and pitch ideas for new, socially relevant content for national television. OTI selected several pitches to underwrite for production -- in some cases with co-funding from TV channels or the Ukrainian Cultural Foundation. The shows range from *Better at Home*, a travel show that explores the beauty and diversity of Ukraine to increase optimism about the country and promote pride in its rich history and diverse culture; *Borsch*, a docu-travel series that explores diversity and unity in Ukraine through regional recipes for the quintessential Ukrainian dish, borscht; and *Startuppers*, a scripted comedy series about a group of young entrepreneurs from across Ukraine who are trying to launch their IT startup. Another significant activity was the installation of TV transmitters along the line of contact with Donetsk and Luhansk, and in southern Ukraine near Crimea, allowing national broadcasters to provide an additional 2 million viewers with Ukrainian news and TV content.



2 mln+

Number of people in the NGCAs reached through new TV transmitters along the line of contact in Donbas and in southern Ukraine near Crimea.



360,000+

Number of Ukrainians receiving improved government services annually in the Azov Sea region.



10,000+

Number of civic leaders and volunteers receiving support to build confidence in a new Ukraine.



4,211

Number of media pieces produced supporting national unity.

CONTACT INFORMATION:

Please visit us online at: <https://www.usaid.gov/ukraine>
<https://www.facebook.com/USAIDUkraine/>
<https://twitter.com/usaidukraine>
https://www.youtube.com/channel/UCVceCp4NEN5_epzT86xdOLg

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