



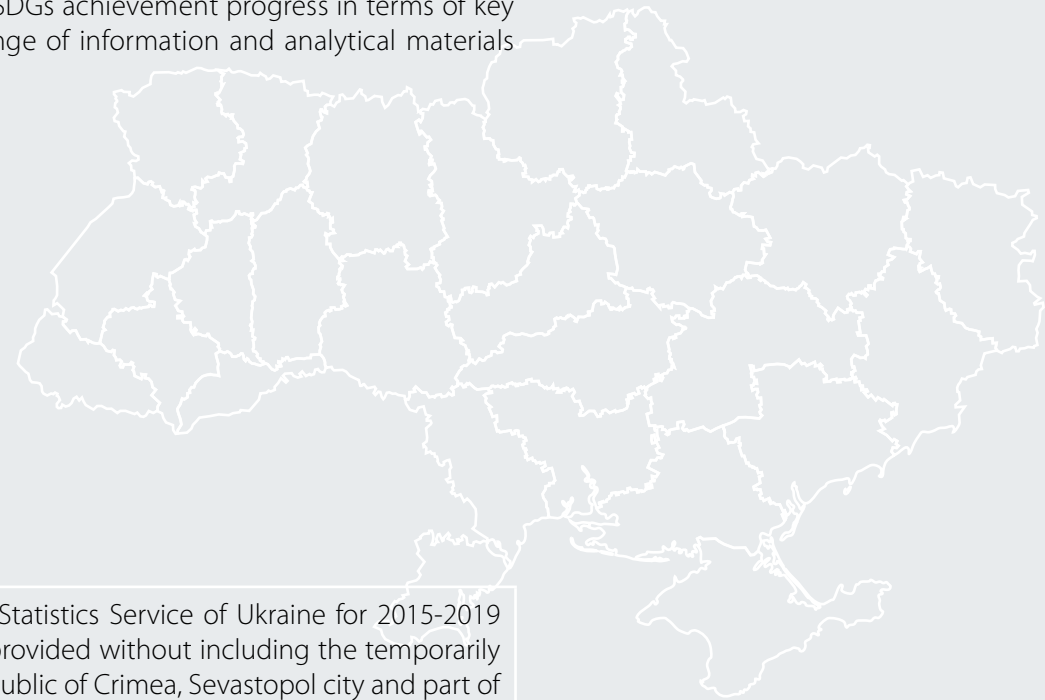
# SUSTAINABLE DEVELOPMENT GOALS UKRAINE

VOLUNTARY  
NATIONAL REVIEW



The first Voluntary National Review of progress towards achievement of the Sustainable Development Goals in Ukraine (hereinafter referred to as the VNR) addresses transformational changes in the society on the path towards achievement of the Sustainable Development Goals (SDGs). The VNR presents findings of the first stage of the systemic work with the SDGs since 2015, which covers adaptation of the SDGs in Ukraine, monitoring of the SDGs and analysis of key trends, and evaluation of the extent to which the SDG targets are incorporated into strategic and policy documents of Ukraine. The VNR provides a vision of achievements and challenges on the way towards achievement of each of the 17 SDGs as per the benchmarks set on the basis of the calculating and forecasting efforts, and summarizes results of the national development assessment in terms of the SDGs. The VNR considers main provisions of the documents elaborated in pursuance of the Decree of the President of Ukraine (September 2019) as regards enshrinement of the SDGs as benchmarks for drafting of programming and forecasting documents.

The publication presents dynamics of the SDGs achievement progress in terms of key indicators. The VNR is based on a wide range of information and analytical materials and statistical data for 2015-2019.



**Note:** monitoring uses data of the State Statistics Service of Ukraine for 2015-2019 (as of May 2020). Data for 2014-2019 are provided without including the temporarily occupied territory of the Autonomous Republic of Crimea, Sevastopol city and part of the temporarily occupied territories in Donetsk and Luhansk oblasts, therefore their comparison with respective data for other years is not correct.

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# ACRONYMS AND ABBREVIATIONS

<b>ADSL</b>	Asymmetric digital subscriber line	<b>IDP</b>	Internally displaced person
<b>AIDS</b>	Acquired Immunodeficiency Syndrome	<b>LTE</b>	Long-term evolution
<b>AR</b>	Autonomous Republic	<b>LULUCF</b>	Land use, land-use change and forestry
<b>ART</b>	Antiretroviral therapy	<b>M&amp;E</b>	Monitoring and Evaluation
<b>ASC</b>	Administrative Service Centre	<b>MCYS</b>	Ministry of Culture, Youth and Sports of Ukraine
<b>AY</b>	Academic year	<b>MDCT</b>	Ministry for Development of Communities and Territories of Ukraine
<b>CEA</b>	Classification of economic activities	<b>MDETA</b>	Ministry for Development of Economy, Trade and Agriculture of Ukraine
<b>CMU</b>	Cabinet of Ministers of Ukraine	<b>MENR</b>	Ministry of Ecology and Natutal Recourses of Ukraine
<b>CPI</b>	Consumer price index	<b>MES</b>	Ministry of Education and Science of Ukraine
<b>DSO</b>	Distribution system operator	<b>MIA</b>	Ministry of Internal Affairs of Ukraine
<b>DGLB</b>	Domestic government loan bonds	<b>MSP</b>	Ministry of Social Policy of Ukraine
<b>EIB</b>	European Investment Bank	<b>NBU</b>	National Bank of Ukraine
<b>EMTCT</b>	Eliminating Mother-to-Child Transmission	<b>NERP</b>	National Emissions Reduction Plan for Large Combustion Plants
<b>EU</b>	European Union	<b>NGO</b>	Non-governmental organization
<b>FAO</b>	Food and Agriculture Organization of the United Nations	<b>NOP</b>	National Organic Program
<b>FCMS</b>	Frequency control and maintenance system	<b>NPL</b>	Non-performing loan
<b>FLA</b>	Free legal assistance	<b>OECD/DAC</b>	Development Assistance Committee of the Economic Cooperation and Development
<b>FSLA</b>	Free secondary legal assistance	<b>PPP Agency</b>	Public-Private Partnership Support Agency
<b>GCI</b>	Global Competitiveness Index	<b>PISA-2018</b>	Programme for International Student Assessment
<b>GDP</b>	Gross domestic product	<b>PLWH</b>	People living with HIV
<b>GHG</b>	Greenhouse gas	<b>PPP</b>	Purchasing power parity
<b>GPON</b>	Gigabit passive optical network	<b>PTI</b>	Payment-to-income Ratio
<b>HIV</b>	Human immunodeficiency virus	<b>RF</b>	Russian Federation
<b>HUS</b>	Housing and utility services		
<b>ICOMOS</b>	International Council on Monuments and Sites		
<b>ICT</b>	Information and communication technology		



<b>SDGs</b>	Sustainable Development Goals	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>SLS</b>	State Labour Service of Ukraine	<b>UNICEF</b>	United Nations Children’s Fund
<b>SMEs</b>	Small and medium-sized enterprises	<b>UNIDO</b>	United Nations Industrial Development Organization
<b>SSSU</b>	State Statistics Service of Ukraine	<b>USA</b>	United States of America
<b>TEA</b>	Type of Economic Activity	<b>USD</b>	US dollar
<b>TPES</b>	Total primary energy supply	<b>USSR</b>	Union of Soviet Socialist Republics
<b>UAH</b>	Ukrainian hryvnia(s)	<b>UTC</b>	United territorial community
<b>UCGFEA</b>	Ukrainian Classifier of Goods for Foreign Economic Activity	<b>VNR</b>	Voluntary National Review
<b>UES</b>	Unified Energy System of Ukraine	<b>VRU</b>	Verkhovna Rada of Ukraine
<b>UN</b>	United Nations	<b>WHO</b>	World Health Organization
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization	<b>WIM</b>	Windows Imaging Format

# SUMMARY

Ukraine is committed to the values and goals set in the 2030 Agenda for Sustainable Development. Since 2015, a series of reforms have been launched in Ukraine, aiming to implement socio-economic transformations and strengthen its democratic system. The Sustainable Development Goals (SDGs) are integrated into the state policy on the 'leave no one behind' basis.

## SDGs in Ukraine

An inclusive process of the SDGs adaptation for Ukraine, tailored to the national development context, resulted in an SDGs system consisting of 86 targets with 183 monitoring indicators. The Government established the Inter-Agency Working Group on SDGs to coordinate the goals achievement efforts. Responsibilities of the ministries for the SDG targets were defined, the President of Ukraine issued a Decree setting the SDGs as a benchmark for programming and forecasting documents, the monitoring system was developed, and the assessment of mainstreaming the SDGs into the current state strategies and programmes (162 regulatory legal acts and 4.3 thousand actions) was produced.

## SDGs: timeline



## SDGs achievement in Ukraine: progress and challenges

According to 2019 results, Ukraine has generally achieved progress in 15 of 17 SDGs. A key success is poverty reduction: from 58.3% in 2015 to 43.2% in 2018. The country has managed to attain the notable progress due to improvement of labour remuneration standards and population coverage with housing subsidies (from 12% in 2014 to 64% in 2017). Ukraine has been implementing the New Ukrainian School educational reform concept, and has joined the Programme for International Student Assessment (PISA-2018). Ukraine has introduced retail and full-scale electricity markets. Due to better conditions for development of small and medium-sized business, a positive balance of foreign trade in ICT services has grown 2.5 times, and 4G high-speed Internet has been introduced. 1,029 united territorial communities have been established in Ukraine since 2015; state support for local development has grown 41.5 times. Major obstacles to development still include the temporary occupation of the AR of Crimea, Sevastopol city and some part of territory in Donetsk and Luhansk oblast by the Russian Federation, obsolete infrastructure, inefficient public administration, insufficient resource support, and limited financing. The situation is also exacerbated by the challenges related to COVID-19. The lessons learnt as response to COVID-19 indicate that Ukraine has to ensure: health care reform; stronger coordination and more professional authorities; resumption of a full production cycle of some goods (chemical, pharmaceutical industries); reform of the social assistance system, modernization of support for the most vulnerable populations, first of all children, combined with integrated social services; digitalization of administration processes; and updating of distance learning approaches.

## Ukraine: vision of transformative pathways for the next decade

**Economic dimension:** strengthening partnership between government and business in development of science and introduction of innovations; updating priorities of research and innovative activities for the SDGs; adopting the circular economy basics (principles); implementing infrastructural projects; increasing the processing degree and productivity in the agro-industrial

complex; undertaking structural shifts in economy and industry by means of diversification, digitalization and efficient resource management; and creating new decent jobs on that basis.

**Social dimension:** consistent actions within the framework of the reforms undertaken by Ukraine (education, health care, decentralization) are to improve people's living standards and reduce all forms of inequality. A top-priority task is to reduce multi-dimensional poverty, increase average life expectancy, and provide quality education as a foundation of human capital and a pledge of sustainable development.

**Environmental dimension:** actions include amending the environmental policy, developing the waste management system to meet European standards, terminating unsustainable use of land, forest and water resources.

**Effective management:** actions will be aimed at affirming the rule of law, resetting management as a result of the creation of a transparent and fair system of social lifts, improving the efficiency of public authorities and local governments. It is important to Ukraine to respect human rights and the rights of the child. It is essential to ensure gender equality and achieve societal intolerance to corruption in its various manifestations.

### Problems addressing which requires support

The temporary occupation of the AR of Crimea, Sevastopol city, and some part of territory in Donetsk and Luhansk oblasts by the Russian Federation in 2014 posed a threat to peace, security, and cooperation not only in Eastern Europe but also globally. Active military activities resulted in considerable human (over 13,000) and economic losses and caused large-scale internal displacement (about 1.4 mln persons). Destructive consequences of the armed aggression turned out to be critical, which launched a chain reaction of disbalance in all macro-economic indicators. Resolving the problems related to the ongoing armed aggression by means of international legal settlement, reintegration of the temporarily occupied territories, and restoration of the territorial integrity and sovereignty of Ukraine within its internationally recognized borders will contribute greatly to the SDGs achievement.



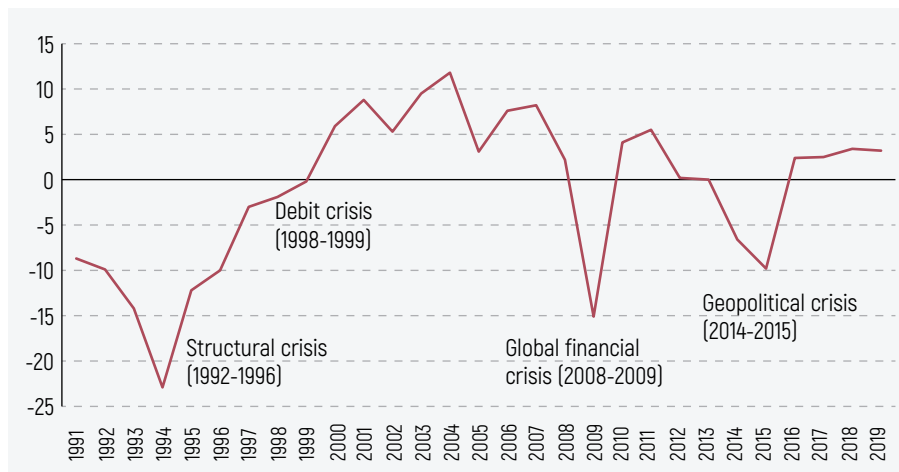
A key to successful SDGs achievement within the decade can only be provided by consistent implementation and monitoring of an SDG-oriented policy and SDG budgeting. Our aim is to achieve the SDGs by raising people's living standards up to the average European level. This is what the well-being both of the country as a whole and of every family, every individual, and every child depends on.

# INTRODUCTION

Ukraine is committed to achieving the Sustainable Development Goals (SDGs) by 2030 according to the 'leave no one behind' principle. Ukraine presents its Voluntary National Review of the SDGs achievement progress (the VNR) that summarizes the systemic work performed during five years. The inclusive preparation of the VNR encouraged the processes of national development assessment, reform implementation progress monitoring, and analysis of Ukraine's strategic planning system, involving the public at all stages.

Ukraine has travelled the path of post-Socialist transformation during its independence years. By now, the country has built well-established institutions of democratic society with market-driven economy as well as civil society institutions. Construction of the independent state was going on amid dramatic events and socio-political transformations. Analysis of key trends indicates uneven development, which was accompanied by a great number of not only economic but also political crises.

**Fig. 1. GDP, real growth, % year-on-year**



Source: SSSU

Building its state and introducing new market regulation tools for socio-economic processes, Ukraine needed a clearly defined and societally acceptable strategic development framework. Substantial changes have occurred in the country's economy during the independence years, which required upgrading of the strategic planning and forecasting system. **The SDGs have become a 'driver of shifts'** in this field. The global SDGs, defined in 2015, suggested new values and a new vision of growth, which entailed reconceptualization of the national development basics in Ukraine. After accession to the 2030 Agenda for Sustainable Development, changes have started to occur in the approaches to strategic planning and prioritization of socio-economic development of Ukraine.

The work on the SDGs began in Ukraine in 2015, with **adaptation of the SDGs for Ukraine** subject to its national development specifics as the first step. To establish a strategic framework for Ukraine's sustainable development through 2030, the Ministry of Economic Development and Trade launched an inclusive process of national localization of the SDGs that lasted during 2016-2017 and involved sectoral ministries and departments, the UN agencies in Ukraine, international organizations, the business community, experts, NGOs (first of all those representing interests of the most vulnerable population groups), and civil society. Scientific support was provided by the National Academy of Sciences of Ukraine. The 2017 National Baseline Report "Sustainable Development Goals: Ukraine"<sup>1</sup> resulted from an open process of formulation of national targets, forecasting of target values, and selection of indicators for the SDGs.

The report provided a basis for the **national SDGs system in Ukraine** – it defined 86 targets and 172 indicators of national development, and set target values for the 2030 horizon (as well intermediate values for 2020 and 2025). As part of further development of the national system of SDGs monitoring, the number of indicator was increased to 183 (statistical data on the defined (national) indicators) based on which the first monitoring report was drafted<sup>2</sup>.

<sup>1</sup> <https://bit.ly/2ABMKxz>

<sup>2</sup> <https://bit.ly/2XzjRv>

During the High-Level Political Forum on Sustainable Development in July 2019, Ukraine presented its Monitoring Report “SDGs in Ukraine. SDG 8 – Decent Work and Economic Growth”<sup>3</sup> and the National Thematic Report “Sustainable Development Goals for Children of Ukraine”<sup>4</sup>.

In September 2019, the Decree of the President of Ukraine “On the Sustainable Development Goals for Ukraine up to 2030”<sup>5</sup> stated that “the Sustainable Development Goals for Ukraine up to 2030 are benchmarks for drafting of forecast and policy documents and regulatory legal acts to ensure a balanced character of the economic, social and environmental dimensions of Ukraine’s sustainable development”. Integration of the SDG targets into public administration promotes capacity building of state institutions responsible for national development as per the SDG thematic areas. During the Dialogue of Leaders at the UN Summit on the SDGs, held on 25 September 2019 as part of the 74<sup>th</sup> session of the UN General Assembly, President of Ukraine Volodymyr Zelenskyy stated that Ukraine was committed to meeting its obligations as regards the Sustainable Development Goals, in particular the national strategic framework had been created, and mechanisms for implementation and monitoring of the SDG targets have been designed to achieve the Goals.

**Proper M&E is required to plan development and make managerial decisions.** Monitoring of the SDGs was introduced following the SDGs adaptation for Ukraine whereas evaluation was implemented during the VNR preparation. The global SDG indicator framework consists of 232 indicators. The global indicators are used to analyze trends of progress against the SDGs at the global level and for international comparison. However, not all the indicators are relevant to Ukraine, and data sources have gaps on some of them. To provide all the concerned users with information about Ukraine’s progress in the SDGs achievement and to make sound managerial decisions, national SDG indicators were defined. Priority was given to those indicators data for which are collected and developed on a continuous basis within the official statistical system in accordance with established standards and methodologies, and to indicators of administrative reporting of ministries, other central and local executive authorities, institutions and organizations.

<sup>3</sup> <https://bit.ly/2UaGOSY>

<sup>4</sup> <https://bit.ly/3eQAoR2>

<sup>5</sup> <https://bit.ly/3e8ZOK5>

A mechanism for planning and coordination of information interaction between suppliers of data (statistical information and administrative data producers) required to ensure the SDGs monitoring was institutionalized by adopting the Cabinet of Ministers of Ukraine Order No. 686-p of 21 August 2019 “Data collection issues for the monitoring of the SDG achievement”. This document approved 183 indicators<sup>6</sup>, in terms of which data is collected and disaggregated to monitor the SDGs achievement, as well as designated relevant information managers and information supply timeframe. The State Statistics Service of Ukraine coordinates data collection for monitoring of the SDGs progress and development of metadata for the defined indicators (it has established a special unit within its structure to provide information support for monitoring of the SDGs).

As part of implementation of the State Programme for Development of Statistics up to 2023, approved by the Cabinet of Ministers of Ukraine Resolution No. 222 of 27 February 2019, to ensure the needs of users (public authorities, scientific institutions, the public, policy-makers) for tracking the progress in sustainable development achievement, a special section on the Sustainable Development Goals has been created at the official SSSU website<sup>7</sup> containing information about official national and international documents on the SDGs, data and metadata on the SDG indicators, and relevant publications. The SDGs achievement indicators are monitored on an annual basis. Analysis of the SDGs data enables us to detect urgent problems timely, prioritize (define the order of) economic policy tasks to be addressed, establish inter-relations among sectors to achieve synergy, and eliminate potential contradictions.

Only **evidence based policy making** (based on facts and data) can be successful. Availability of quality data with a high disaggregation level allows for analysis of dynamic information about the progress achieved or its absence (and, accordingly, about any related problems), ensures accountability in relations between governments and citizens, promotes awareness raising, and helps enlist political support, which in turn encourages development.

**Major importance in Ukraine is attached to SDG 8** ‘Decent work and economic growth’ that should become an accelerator of transformations to

<sup>6</sup> 22 of the 183 national indicators correspond to the global indicators, 72 are close to the global ones in terms of substance of the phenomena covered, while other indicators are national, more relevantly reflecting the meaning of the SDG target which is monitored.

<sup>7</sup> [www.ukrstat.gov.ua](http://www.ukrstat.gov.ua)



achieve all SDGs. It's the only goal closely inter-related with all other goals. As leading national experts pointed out during the national adaptation, SDG 8 is the goal that is the “beginning and end of everything”.

Macroeconomic stability is a foundation for sustainable development. Increase in real GDP at least twice by 2030, with simultaneous rise of the employment rate among population aged 20-64 to 66.9% in 2019 (versus 65.6% in 2018) will ensure higher economic competitiveness, provide a basis for environmental sustainability, and contribute to social accord. Monitoring reports in Ukraine therefore began with assessment of the SDG 8 achievement progress. Assessment of the SDG 8 trends made it possible to obtain an unbiased idea about the problems and challenges, and to formulate recommendations for necessary steps to accelerate progress.

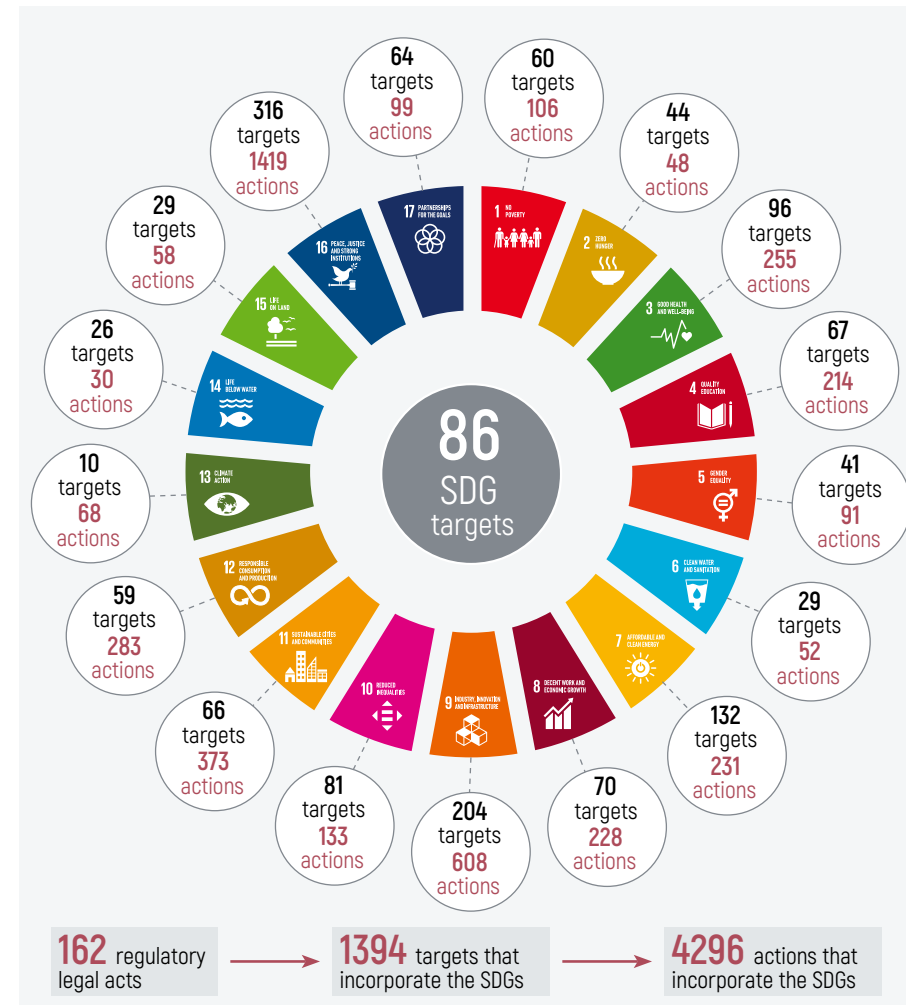
However, it is not the only goal in the limelight. All the 17 goals are equally valuable and important, but some of them are viewed as transformation accelerators – SDG 3, SDG 4, SDG 8, SDG 9, SDG 12, and SDG 16 – whereas other goals are regarded as a foundation or dimension of transformation quality.

In 2019, MDETA, along with other central executive authorities, undertook an **analysis of the SDGs incorporation extent** (at the SDG targets level). Overall, 17 goals and 86 national targets have been incorporated in 162 regulatory legal acts of the Government; 1,394 targets and 4,296 actions enshrined in those acts are intended to achieve the goals and targets. However, despite the great number of state strategic documents and a large scope of objectives and tasks, not all the targets of 17 goals have been taken into consideration.

The analysis has revealed shortcomings in the Ukrainian system of state strategic planning and budgeting. For example, the large number of strategic and policy documents for the 17 development target areas results in unclear coordination of efforts on achievement of goals and targets, builds a discrete rather than systemic approach to policy-making, scatters financial, material and human resources, and makes it impossible to focus on effective use of resources to achieve a preset result.

Lack of systemic work entails, inter alia, underfinancing of important objectives and tasks, a low level of their achievement, overlapping of functions, objectives and tasks among executive authorities, and low accountability for failure to achieve a result.

Fig. 2. Extent of the SDGs incorporation into strategic planning documents



**Preparation of the VNR has become a new stage in implementation of the SDGs in Ukraine.** This stage has resulted in higher national assessment capacity, public support of the SDGs, and recommendations formulated on further development. During the VNR preparation, analysis of the SDGs incorporation extent provided a basis for rapid efficiency evaluation of key programmes and strategies according to an updated

OECD/DAC methodology. The following conclusions can be drawn from the evaluation: systemic changes are necessary to ensure transition from 'crisis management' to state-level strategizing. It is necessary to fully revise the processes of the country's national development planning, evaluation and monitoring, and upgrade the strategic planning system. There is a need for a survey to review the SDGs financing landscape at the national level, which would make it possible to detect problems, raise additional resources in relevant areas, and follow a comprehensive approach to the development financing related to implementation of the SDGs in Ukraine.

Besides, it is necessary to formulate a long-term strategy of the country's development, involving civil society. The long-term strategy should consider all the SDGs, and build on such principles as consolidation of the national idea, patriotism, integrity and openness of political processes, professionalism and efficiency in decision-making. Implementation of the long-term national development strategy should include purposeful improvement of regulatory mechanisms that have emerged in the process of our country's transformation, and at the same time ensure economic, political and civil freedoms.

# Section 1. VNR PREPARATION METHODOLOGY AND PROCESS

The VNR of the SDGs preparation is a process by which Ukraine takes stock of and assess progress – and shortcomings – in implementation of the goals and targets. VNR summarizes the public opinion and expert estimates. According to the Handbook for Voluntary National Reviews, the VNR preparation process in Ukraine was as inclusive and open as possible. During the VNR preparation, instruments of a classical technology of national development programme and strategy evaluation based on the OECD/DAC criteria were used. The Ministry for Development of Economy, Trade and Agriculture of Ukraine (MDETA) initiated establishment of an Inter-Agency Working Group (IAWG) on SDGs and 4 expert groups for the VNR preparation (for four main thematic areas – economic, environmental, social and institutional). The groups included leading experts from line ministries, executive authorities, the National Academy of Sciences of Ukraine, M.V. Ptukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine, the UN Resident Coordinator's Office in Ukraine, UNICEF in Ukraine, UNIDO, UN Women, WHO, and other UN agencies in Ukraine, members of the UN Global Compact Network in Ukraine, specialists from analytical centres and NGOs, including the Ukrainian Centre for Social Reforms, O. Yaremenko Ukrainian Institute for Social Research, etc. The groups were working publicly, which enabled consideration of as broad range of public opinions as possible. MDETA performed functions of the technical secretariat of the VNR preparation, including as a coordinator of the consultation process. In the course of the VNR preparation, a number of new innovative approaches and ideas was introduced, in particular the “Synergy of knowledge, experience and creativity for the future” initiative was implemented, workshops on the consensus forecast were held (concerning long-term development directions, and evaluation of the COVID-19 pandemic consequences), and a methodology of integral assessment of the SDGs achievement progress was applied. Such steps ensured engaging the potential of youth and of scientists from Ukraine's leading universities to assess the SDGs achievement progress and forecast development tendencies for the next decade.

## Preliminary preparation and organization of the SDGs achievement progress assessment, involving all stakeholders in the preparation

The Inter-Agency Working Group on the SDGs performed the functions of coordination, quality control, and approval of decision (MDETA acted as the technical secretariat and main implementer). MDETA initiated establishment of expanded thematic work (expert) groups for four main areas: economic (SDG 2, SDG 8, SDG 9, SDG 12), environmental (SDG 6, SDG 7, SDG 13, SDG 14, SDG 15), social (SDG 1, SDG 3, SDG 4, SDG 10), and institutional (SDG 5, SDG 11, SDG 16, SDG 17). The institutional area covered also the goals that act as a source of synergy for achievement of all the goals. The working group members used materials of monitoring reports on the SDGs achievement progress assessment, thematic national reports, statistical materials, etc.

The consultation process involved civil servants, scientists, experts, representatives of civil society, representatives of the business community, etc. Besides, MDETA initiated engagement of young people to work on the VNR. The work was built as a complicated iteration process where each new round of iterations expanded the list of participants and increased their number.

**In the first stage**, the MDETA experts developed the VNR preparation methodology and consultation mechanisms.

Besides, the team, along with experts, elaborated the VNR structure and examined a large array of earlier SDG-related studies prepared by SSSU, MSP, MES, SLS, etc., and research papers by the National Academy of Sciences of Ukraine, M.V. Ptukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine, Ukrainian Centre for Social Reforms, case studies on SDG-related activities of the business community, examples of successful business projects aimed at achieving the SDGs (involving the UN Global Compact Network members), etc.



### Box 1. VNR Elaboration: Stages and Activities

- **Stage 1: Preparations**
  - Building the Report Team
  - Establishing the Consultation Mechanisms (to ensure the full participation of all groups of society, including the poor, and other SDGs related NGOs)
  - Partnership, Training/Advocacy and Communications Planning
- **Stage 2: Research, Analysis, Consultation and Drafting**
  - Special SDGs data topics: Guiding data standards/Data analysis
  - Institutional capacities to collect, compile, analyze and use statistics
  - Impacts on people, especially vulnerable groups
  - SDGs sectoral issues
  - Consider challenges, identify policy options and recommendations
  - Capacity development
- **Stage 3: Finalization, Launch, Advocacy and Follow Up**
  - Translating Science into a more user-friendly format
  - Clear Data Presentation/VNR SDGs Key Messages

The **second stage** included thematic research for each of the 17 goals and analysis of statistical data. The MDETA experts prepared a zero draft text of the VNR as a starting point for consultations. The draft was circulated for examination to central executive authorities that coordinate work on each of the SDGs (according to division of responsibilities in terms of targets).

The draft was completed by experts from thematic working groups and responsible specialists from central executive authorities who coordinate work for each of the SDGs. Based on results of the completion, the first draft of the VNR was developed. In this stage, the “Synergy of knowledge, experience and creativity for the future” initiative was realized to involve the innovative and creative potential of young people in the VNR preparation. Besides, young people were engaged in assessment and long-term forecasting (up to 2030) using foresight technologies. For that purpose, MDETA and Ukraine’s leading universities signed a memorandum of cooperation concerning the



SDGs. The students were given a possibility to take part in the processes of assessment and construction of the future. The resulting inputs were used for the formulation of recommendations and new accelerator targets.

Besides, this stage provided for extensive public discussions in four thematic areas. However, amidst the COVID-19 pandemic outbreak and imposition of severe quarantine restrictions in Ukraine, the VNR discussion schedule had to be revised. In particular, the series of public discussions and brainstorms to reveal the greatest ‘failures’ and find accelerators of the SDG target achievement, scheduled by MDETA for March-April, was cancelled. Instead,

discussions in the videoconference format using the Zoom platform were held in May. Besides, the draft VNR report was placed at the MDETA website for interactive online discussion and comments. More than 200 persons took part in discussion of estimates and recommendations for the next 10 years.

**In the third stage**, experts of thematic working groups for the VNR preparation considered and discussed the recommendations suggested by various institutions and organizations, and included relevant additions and corrections to complete the VNR. In general, the process of preparation of the SDGs VNR 2020 by Ukraine was going on subject to the guidelines presented in the para. 74 of the 2030 Agenda.

### Data alignment and analysis

The global SDG indicators and their national counterparts were analyzed in the VNR preparation process. Not all the global indicators are acceptable in the national context because they measure the implementation process of targets not relevant to Ukraine, or not formulated due to existing gaps in data sources, or do not consider the national context of a goal. Monitoring of the SDG achievement indicators in Ukraine is carried out on an annual basis, therefore data for 2015-2019 were used. The VNR process included comparison of global and national targets as well as stock-taking of existing data sources to follow Ukraine's progress in the implementation of the 2030 Agenda for Sustainable Development as compared with the international progress.

### Barriers

Lack of systematicity and unstable planning processes are the main obstacle to achievement of the SDGs in Ukraine because changes in strategic benchmarks and redistribution of powers complicate sustainable development processes. These processes are occurring against the background of (i) reform of the system of central executive authorities; (ii) reform of managerial processes and procedures; and (iii) reform of civil service, which are accompanied by changes in the functions and powers of governmental institutions, alterations in the processes of interaction and drafting of regulatory legal acts as well as staff changes. Given absence of a holistic system of strategic planning, such a situation periodically results in complications in strategic decision-making, particularly concerning achievement of the SDGs. Another key barrier is lack

of coordination and a single source of information about the SDGs. During preparation of the VNR, almost all the participants emphasized reasonability of creating the SDG-Knowledge Hub, i.e. a national online platform on the SDGs as a general-purpose modern instrument to provide information, organize cooperation among all stakeholders, and ensure every citizen's ability to take part in the SDGs achievement planning, implementation and monitoring.

### Achievements

The VNR preparation process resulted not only in the VNR itself but also in stronger institutional capacity of all the SDG-oriented society elements (authorities – business – public, first of all youth). Due to the VNR, professional skills for planning of development, analysis, evaluation and monitoring of the



SDGs were improved. All the stakeholders involved in the VNR preparation process in Ukraine came to the conclusion that the SDGs serve as a pivot for reforms and a uniting platform for social accord. Another important objective is to introduce innovative approaches to evaluation of progress in terms of the defined SDG indicators, involving young people. The methodology of integrated assessment of achievements in terms of indicators, designed during the VNR preparation process, will be used in further work both by governmental institutions and by the public (public expert examination of the SDGs).

### Box 2. VNR Elaboration: Lessons Learnt

- **VNR was a driver for capacity changes (that mutually reinforce each other):**
- **Leadership; Institutional arrangements, Knowledge, Accountability**
- **Functional capacities to:**
  - Assess a situation, analyze and choose options
  - Formulate policies, legislation, plans and strategies
  - Budget, manage and implement/ Monitor, evaluate, report and learn
  - Engage stakeholders and undertake multisectoral collaboration
  - Generate, manage, use, and communicate information and knowledge
  - Strengthen statistical capacity to produce reliable disaggregated data for better policy formulation and evaluation
  - Strengthen M&E capacity as well as capacity for evidence based policy making
- **Technical capacities to:**
  - Design and manage SDGs related programmes
  - Assess, reduce and manage risks
  - Use laws and regulations, awareness and education, economic instruments as tools for sustainability
  - Implementing programmes and investing in human capital, improving basic services for health, education/Increasing efforts to reduce inequality

### Innovative approaches to development of the VNR

**SDGs: assessment of prospects through the eyes of youth<sup>8</sup>.** In the course of the VNR preparation, the “Synergy of knowledge, experience and creativity for the future” initiative was implemented to involve youth in the SDGs achievement. Students, postgraduates and young scientists were offered an opportunity of participating in the managerial decision-making processes to provide proposals on the new accelerator targets that should accelerate the SDGs achievement in Ukraine substantially. The students analyzed in particular Ukraine’s progress in the SDGs achievement compared to other countries according to the Sustainable Development Report 2019 methodology to determine the SDG Index. Considering that the work was focused on analysis of progress in achievement of SDGs 8, 9, 12 and 17, the students re-calculated scores according to individual goals and built country ratings exactly within these goals. In particular, the general indicator for all goals and indicators for each of them were defined. Analysis and comparison of the Sustainable Development Goals achievement in terms of individual indicators used data from the UN Sustainable Development Report 2017-2019, and the statistical data of other countries. Having analyzed the ratings for the selected SDGs, the students examined causes of considerable changes of country positions in the ratings as compared to the rating on all 17 SDGs. In particular, Ukraine ranks 41<sup>st</sup> in the global rating in terms of the general SDG indicator but is

<sup>8</sup> The “Synergy of knowledge, experience and creativity for the future” initiative, implemented jointly with UNICEF in Ukraine, involved proactive, creative and non-indifferent young people (more than 50 representatives of youth from 6 Ukrainian higher educational institutions: Taras Shevchenko Kyiv National University, Kyiv National Trade and Economic University, Vadym Hetman Kyiv National Economic University, Ukrainian Humanitarian Institute, International Finance University, Igor Sikorsky Kyiv Polytechnic Institute, etc.); analysis of progress in SDGs 8, 9, 12, 17 and relevant recommendations were prepared by students and postgraduates of the Igor Sikorsky Kyiv Polytechnic Institute, and the International Finance University. More than 100 representatives of youth from 11 Ukrainian higher educational institutions (Taras Shevchenko Kyiv National University, Kyiv National Trade and Economic University, Vadym Hetman Kyiv National Economic University, Institute of Evolutionary Economics, Zhytomyr State Technology University, Odesa National Economic University, Ternopil National Economic University, Semen Kuznets Kharkiv National Economic University, NAPA Kharkiv Regional Institute of Public Administration, Kherson State University, Kherson National Technical University, etc.) took part in a consensus workshop and surveys on macroeconomic development and forecasting in view of the SDGs..

only at position 73 for SDGs 8, 9, 12 and 17. The rating composed on the basis of the SDG 8 indicators also differs from the global one very much. For example, Ukraine ranks 111<sup>th</sup> and has a potential to improve its position in this rating. In terms of the SDG 9 achievement, Ukraine ranks 96<sup>th</sup>. SDG 12 has a specific rating because it includes dependence on inequality since the top 20 positions are occupied by underdeveloped countries. The population in these countries has a low consumption level, which is connected with people's small financial income, their purchasing power, and underdeveloped infrastructure and industry. Hence, the environmental situation in these countries is within allowable limits. Ukraine ranked 91<sup>st</sup> in this rating. In terms of SDG 17 achievement, Ukraine is at the 29<sup>th</sup> position.

In the process of examination of certain regulatory legal acts of various countries and impact of their implementation on the achievement progress of SDGs 8, 9, 12, 17, the students identified a list of specific actions implementation of which in Ukraine would accelerate development. In particular, young people believe that the following is currently necessary in Ukraine: reduce tax burden and create a service-oriented digital tax authority; ensure construction of new roads and infrastructure facilities, and maintenance of existing ones in proper conditions, including for electric vehicles and maglevs; expedite the decentralization reform; create logistical clusters in regions; promote creation and development of full-cycle enterprises; ensure synergy of business, education and science, in particular by fostering development of educational and scientific clusters; ensure arrangement of infrastructure for waste sorting, etc. It is also worth noting that young people are concerned by consequence of the 'linear' economy – waste, emissions, discharge, deteriorated environmental situation. In the students' opinion, global partnership for sustainable development means also following the general global trends of replacing the 'linear' with 'circular' economy. Use of waste, with the same success as of the resource stock, will promote emergence of new technologies, creation of new products, and elimination of a number of social and environmental problems. Young people believe that it is active implementation of the circular economy basics (principles) and the Industry 4.0 elements is able to drive Ukraine's achievement of the SDGs. Therewith, bringing up the young generation on the circular economy principles from the very childhood is an important measure on the way towards changes. This stand taken by the youth coincides with world trends and with the Government's strategic vision of

Ukraine's further development. These recommendations by young ones were taken into consideration during the drafting of the State Programme for stimulation of the economy to overcome negative consequences caused by the restrictive measures aimed to prevent the coronavirus disease (COVID-19) emergence and spread for 2020-2022.

**SDGs: focus of action for the next decade.** In the process of the VNR preparation, MDETA introduced a practice of involving youth in the forecasting and formulation of a set of long-term development priorities. For the first time, not only leading forecasting organizations but also young scientists, students and aspirants from higher educational institutions were engaged in consensus seminars and in formulation of a consensus forecast of Ukraine's development. Young persons got involved in the process of state long-term planning and macroeconomic forecasting by means of continued participation in the consensus forecast surveys. Based on results of joint efforts, youth identified the following most significant internal risks: a high level of corruption, insufficiently fast reforms, and a stronger labour migration factor. Besides, young persons took active part in elaboration of recommendations for the next decade presented in Section 4. To develop a strategic vision of the country's future, consultations, expert discussions and surveys involving youth were held in Ukraine. Each of the 17 SDGs and respective targets were examined from the viewpoint of their relevance for the current level of socio-economic development, significance for construction of the country's future, and expected impact on development of children and youth. The key questions discussed during the consultations included: vision of the global development directions until 2030; analysis of the current situation and vision of prospects; problems and possible ways of tackling them; risk assessment; forecasting of key trends using scenario-based approaches, etc. The consultation process was built in a way to interact with the groups and communities having no access (or having limited access) to discussion of development issues. All the stages of the VNR development process involved youth that will be responsible for the country's future. The experts and young students were actively discussing social, energy and environmental security, ways of restoring human capital of the country, and related challenges and risks. Summarized results of the expert and public discussions (content analysis of discussions and surveys) and debates on the global and national SDG targets were taken into consideration during the VNR preparation.

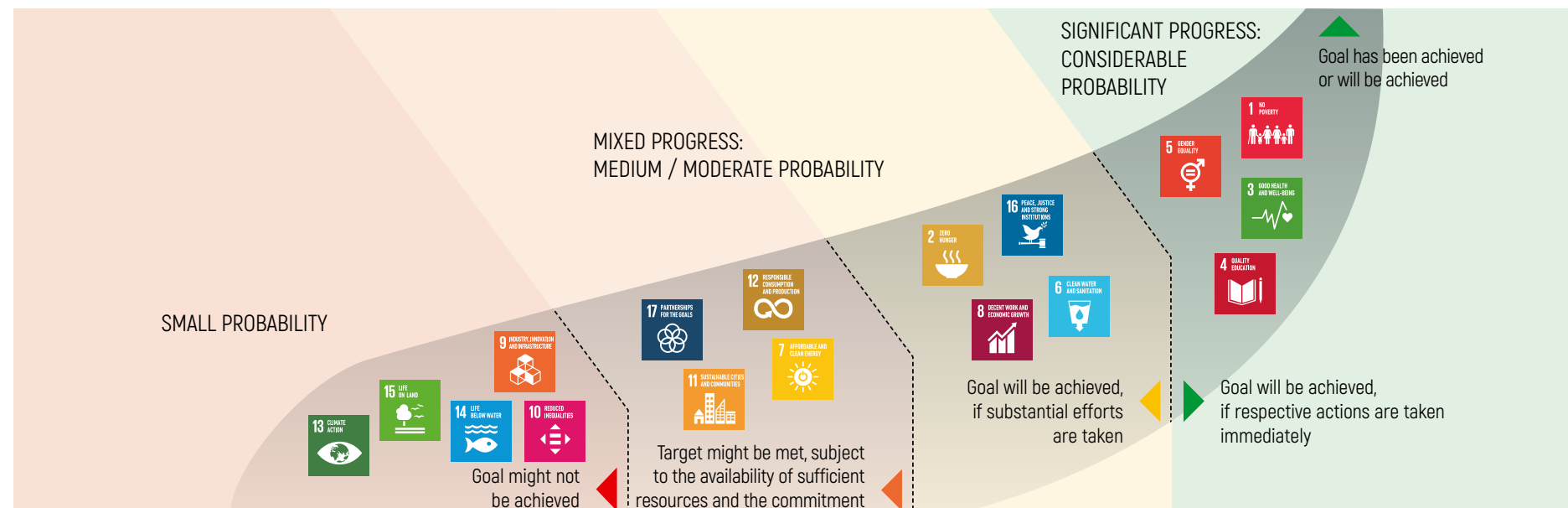


**Methodology for calculating an integral estimate of the goal progress achievement likelihood.** A method innovative for Ukraine was used during preparation of the VNR, namely: a methodology for detailed estimation of the progress for each of the 17 goals in terms of national indicators was designed and adapted. Based on calculations as per that methodology, analysis of estimated data, and their comparison with indicator target values for 2020 (as set in the Baseline SDG Report), the goals were ranked in terms of their achievement likelihood (high, medium, low, very low). Ukraine managed to secure progress in 15 of 17 goals. Progress is not even for all the goals. For some goals, the achievement degree is as high as 80% or even more (SDG 1, SDG 3, SDG 4, SDG 5); for four goals, progress is within 60-80% (SDG 2, SDG 6, SDG 8 and SDG 16); for some goals, progress is within 20-60% (SDG 7, SDG 11, SDG 12, SDG 17). Achievement of target values for other goals (SDG 9, SDG 10, SDG 13, SDG 14, SDG 15) is currently unlikely if compared with the target values set for 2020 (less than 20%).

### Methodological explanations

The calculation methodology considers indicator movement criteria: direction (movement is clearly directed towards the desired goal or not); speed (movement is fast, slow, gradual, etc.); and rate (needs acceleration, needs substantial acceleration, etc.). The index is calculated for a medium-term trend (grounded on analysis of an indicator change over the most recent five-year period and requires data for at least 3 consecutive years). Calculation of trends for indicators with quantitative measurement units is based on the aggregate average annual growth rate for a period. For such indicators, the actual value of the average annual growth rate is compared with a theoretical (target) rate necessary to achieve the goal in the target year. This method includes three consecutive steps: 1) calculation of the actual average annual growth rate; 2) calculation of the necessary (target/theoretical) growth rate necessary to achieve the goal; 3) calculation of the ratio between the necessary and actual growth rates. Results of the

**Fig. 3. Goal ranking by integral estimation of SDG achievement progress, by goal in terms of relevant indicators**



calculations have been systematized and presented according to the following legend:

Ratio of theoretical and necessary growth rates	Trend category
$\geq 80\%$	On the road to achievement (high achievement likelihood)
$60\% \leq \text{and} < 80\%$	Needs certain acceleration (medium achievement likelihood)
$20\% \leq \text{and} < 60\%$	Needs substantial acceleration (low achievement likelihood)
$< 20\%$	Impossible to achieve even if such dynamics is maintained (unachievable by 2020)

### Sequence of calculations

**First stage:** progress estimate is calculated for each indicator for which there are data sufficient for calculation (data available for baseline 2015 year, intermediate years, and target 2020 year).

**Second stage:** a value is calculated for a goal concerning all indicators for which there is a target criterion for 2020. It is calculated as a sum of average weighted values of all indicators (indicators' contributions to achievement of the goal). All the indicators for which progress can be estimated have equal weights.

**Third stage:** an estimated indicator for each goal is calculated and serves as a base for ranking of all 17 goals.

**Fourth stage:** considering that no 2020 target values (limits) are set for some indicators, experts assessed the current progress for them. For the goals where there were rather many such indicators and the expert opinion outweighed the calculations obtained from the first three states, instruments for consideration of the expert opinion were designed (an averaged value on a scale). Therefore, the progress estimate for such goals was revised subject to




additional scores: as a result, the estimate was increased by 1 category for one goal and decreased by 1 category for five goals.


The methodology of calculations was adapted for Ukraine using the European Commission and UNICEF methodologies.

## Legend to Section 2 tables


### Progress VS Benchmark per indicator (2020):

- 
- 
 achieved or is highly likely to be achieved


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  - 
 positive dynamics but needs certain acceleration to achieve the target value

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
  - 
 positive dynamics but needs substantial acceleration to achieve the target value

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  - 
 negative dynamics compared to 2015, or little positive dynamics that is highly likely to indicate actual unattainability by 2020

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
### National SDGs indicator VS global SDGs indicator:

- 
- 
 national indicator represents the global SDGs indicator

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  - 
 national indicator is relevant to the global SDGs indicator

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  - 
 benchmark SDGs indicator (defined in the baseline SDGs Report) to be achieved by 2020, 2025, 2030

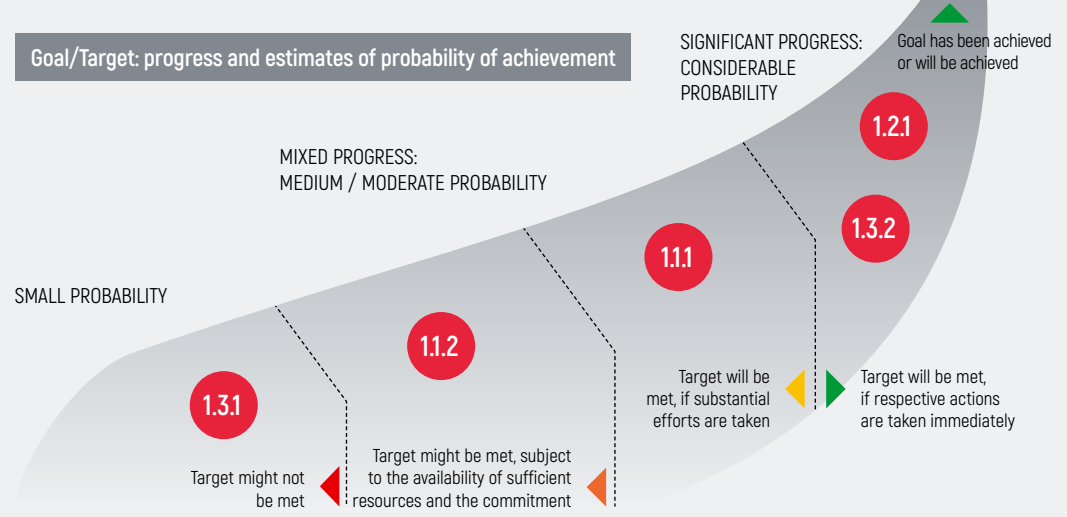
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# Section 2. PROGRESS TOWARDS ACHIEVEMENT OF SDGs

## GOAL 1 END POVERTY



Goal/Target: progress and estimates of probability of achievement












SDG 1 is a key task of societal development.

4 of the 5 indicators measuring progress in achievement of the national ambitious Goal 1 show positive dynamics. For two of them, the target values set for the 2020 horizon have already been attained. For one indicator, its target value has been de facto achieved due to the baseline year change, however the indicator's dynamics had no sustained positive trend.

SDG 1 achievement progress:

- poverty level has been reduced (the poverty growth trend has been reversed due to a twofold increase in minimum wage since 1.01.2017, which was the key driver of monetary poverty decrease). A ratio between minimum wage and social transfers was maintained in 2018-2019, thereby securing further reduction of monetary poverty scale, though at a slower pace;
- share of the population whose average per capita equivalent total expenditure is lower than the actual (estimated) subsistence minimum has decreased from 58.3% in 2015 to 43.2% in 2018, resulting from implementation of the state policy aimed to boost people's incomes (the population's total resources in 2018 exceeded the respective 2015 figure by 89.3% whereas the actual subsistence minimum rose by 44.6% over that period);
- share of individuals whose daily consumption is below USD 5.05 PPP has decreased from 2.4% in 2015 to 1.8% in 2018 due to a positive pattern of people's real income growth: a 20.4% year-on-year drop of real incomes in 2015 has been followed since 2016 by their increase, up to 9.9% in 2018 (compared to 2017);
- share of the poor population covered by state social support in the total number of poor people has increased from 63.0% in 2015 to 70.9% in 2018, which is even higher than the target value set for 2020 (65%), due

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
1.1. Reduce poverty by 4 times, including by eliminating extreme poverty	1.1.1. Share of the population whose average per capita equivalent total expenditure is lower than the actual (estimated) subsistence minimum, %	58.3	58.6	47.3	43.2	-	30.0		20.0	15.0
	1.1.2. Share of individuals whose daily consumption is below USD5.05 PPP, %	2.4	2.0	1.9	1.8	-	0.5		0.0	0.0
1.2. Increase the coverage of poor people with targeted social assistance programmes	1.2.1. Share of the poor population covered by state social support in the total number of poor people, %	63.0	70.3	73.6	70.9	-	65.0		75.0	85.0
1.3. Increase the resilience of socially vulnerable groups of the population	1.3.1. Ratio of poverty levels of households with children and households without children, times	1.5	1.4	1.6	1.5	-	1.6*		1.40	1.27
	1.3.2. Share of food expenditure in total household spending, %	54.6	51.4	49.6	49.4	-	50.0		40.0	30.0

\* Definition of this target value used preliminary 2015 data, being 1.77, as a baseline.



to strengthened targeting of various types of state support for vulnerable populations, particularly: housing subsidies (it is considerable coverage of the entire population that has improved this indicator (coverage of the poor); support for low-income families; support for single mothers and fathers rearing under-18 children and living in the conditions where they social needs are not fully met;

- share of food expenditure in total household spending has decreased from 54.6% in 2015 to 49.4% in 2018, thereby securing attainment of the target value set at 50.0% for 2020, due to growing income purchasing power, a greater share of HUS expenditure that changed the consumption structure, and a slower rate of food product price growth (consumer price index for food products was 108.3% in 2018 versus 144.4% in 2015).

Of note is absence of any steady progress in achievement of a ratio of poverty levels between households with children and households without children: although the 2020 horizon target value was already achieved in 2018, the ratio has not changed versus 2015 and remains at 1.5 times (based on updated reports, the indicator value for 2015 was revised from 1.77 to 1.5). Therefore, the 2020 horizon target, 1.6, has been de facto achieved.

Higher risks of being low-income are observed in terms of a gender dimension: having a lower average income level (both wages and pensions), women face multi-dimensional poverty problems. Women and children prevail in the vulnerable groups that determine specific poverty profiles – older people, parents bringing up children by themselves, large families, etc. Women also depend to a greater extent on availability of social guarantees and services because it is they on whom responsibility for household life organization and care for children and family members incapable for work is placed (according to existing social stereotypes).

Reasons of insufficient progress in poverty reduction include:

- limited financial capacity of the budget that does not allow ensuring appropriate increase in the social standard levels, particularly the subsistence minimum that is the basis for determination of state social guarantee rates. This hinders growth of individual incomes, first of all for those people whose incomes are at the lowest level;

- insufficient coverage of poor people with assistance because not all those being poor apply for state social assistance;
- limited financial resources of the pension system (because of a high demographic burden and shadow employment);
- insufficient social services at people's places of residences (in communities) that would meet their needs;
- persistent underfinancing of social infrastructure sectors (first of all health care), which forces people to spend more money on essential services. Since the people's real income growth rates fail to offset the decrease in state financing for the social sector, the share of conditionally free funds (including for development) in households remains at a low level. This causes their low economic capacity, resilience and ability to stand up against socio-economic environment challenges. Under such conditions, families with children appear to be the most vulnerable, with their vulnerability increasing in proportion to the number of children;
- insufficient targeting of social policy at support for children because it is they who are the main group at risk of poverty.

#### TO ACCELERATE THE SDG 1 ACHIEVEMENT PROGRESS, IT IS NECESSARY TO:

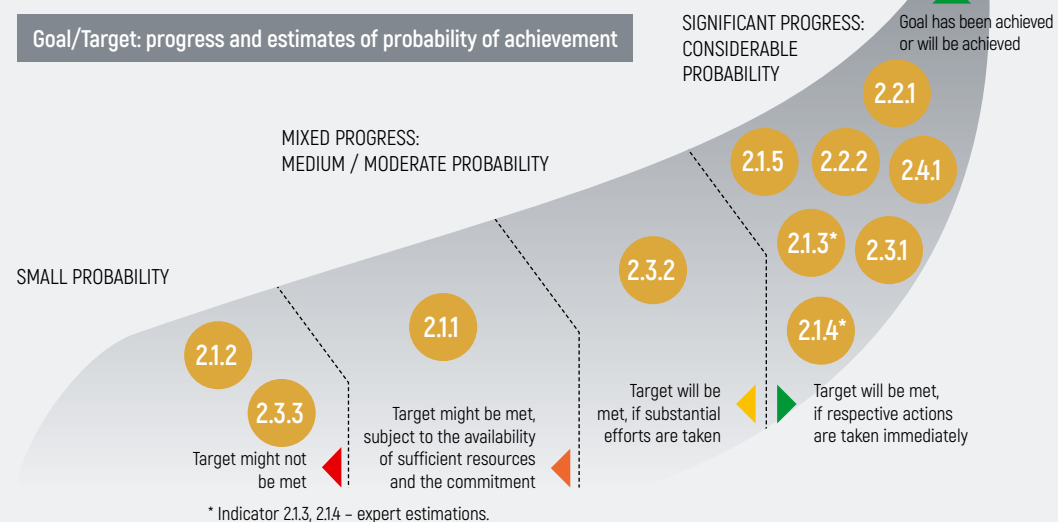
- reform the system of social standards and guarantees to establish economically justified ratios between key social guarantees and, accordingly, strike a reasonable balance between people's main income sources;
- continue the pension system reform to observe the principles of social justice and encourage younger generations towards official employment;
- introduce a differentiated approach in the system of access to social services in order to enhance accessibility of free or partially free services to vulnerable populations, first of all from among children;
- develop a new strategic document that should consider today's challenges and be grounded on the following key principles: equality (ensuring satisfaction of basic needs of all the country's citizens); creation of ample opportunities; inclusion (assistance in joining the middle class through socialization); resilience and security (support for the middle class by means of protecting and ensuring income stability).

# GOAL 2

## END HUNGER, PROMOTE SUSTAINABLE AGRICULTURE














Goal/Target: progress and estimates of probability of achievement



SDG 2 covers three main areas that are interlinked: accessibility to balanced nutrition, agricultural productivity, and food production. Nine out of total 11 indicators measuring progress in achievement of the national Goal 2

demonstrate positive dynamics; moreover, for seven of them, achieving the preset target values on the 2020 horizon is quite realistic.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
2.1. Ensure accessibility to balanced nutrition to the level of scientifically based standards for all population groups	2.1.1. Consumption of meat per capita, kg/year	50.9	51.4	51.7	52.8	-	61.0		71.0	80.0
	2.1.2. Consumption of milk and dairy products per capita, kg/year	209.9	209.5	200.0	197.7	-	270.0		320.0	380.0
	2.1.3. Consumption of fish per capita, kg/year	8.6	9.6	10.8	11.8	-	To be clarified		To be clarified	
	2.1.4. Consumption of vegetables per capita, kg/year	160.8	163.7	159.7	163.9	-	To be clarified		To be clarified	
	2.1.5. Consumption of fruit per capita, kg/year	50.9	49.7	52.8	57.8	-	65.0		78.0	90.0
2.2. Double agricultural productivity, first of all through innovative technologies	2.2.1. Labour productivity in agriculture, USD1,000s per employee	8.68	8.71	9.30	10.89	-	10.00		12.50	15.00
	2.2.2. The index of agricultural production, %	95.2	106.3	97.8	108.1	101.1	102.0		102.0	102.0
2.3. Ensure the development of sustainable food production systems that help maintain ecosystems and gradually improve the quality of land and soil, primarily through innovative technologies	2.3.1. The index of food production, %	88.6	108.9	107.1	98.5	103.9	103.0		103.0	103.0
	2.3.2. Share of food industry and agricultural raw materials processing production in exports of UCGFEA groups 1-24, %	38.3	42.0	41.0	39.4	44.3	51.0		57.0	65.0
	2.3.3. Share of agricultural land under organic production in the total area of agricultural lands of Ukraine, %*	1.0	0.89	0.67	0.72	-	1.10		1.30	1.70
2.4. Reduce the volatility of food prices	2.4.1. The consumer price index for food, %	144.4	108.5	113.4	111.5	108.3	105.0		105.0	105.0

\* Data sources are different: 2015 – information from the Federation of Organic Movement of Ukraine; since 2016 – Reform Support Office at the Ministry of Agrarian Policy and Food. Organizations applied different data collection methods.



The agro-industrial complex is a key powerhouse of Ukraine's economy and its driving link, contributing greatly to gross value added (10.1% of GDP in 2018) and providing almost a half of the country's exports (44.3% in exports of goods in 2019). Active modernization of manufacturing processes was one of the development factors for agricultural production and food processing industry. For example, capital investments increased 2.0 times in 2019 as compared to 2015 in agriculture, and 2.4 times in food industry. Accordingly, depreciation degree of fixed assets decreased in 2018 by 1.9 pps, from 37.3% to 35.4%, compared to 2016 in agriculture, and by 2.8 pps, from 51.1% to 48.3%, in food industry. More sustainable use of available resource capacity, combined with technology upgrade processes, promoted higher labour productivity in agriculture. For example, labour productivity in agriculture in 2018 amounted to USD 10.89 thousand per employee, which is 25.5% higher than the 2015 level and exceeds the indicator target value for 2020.

Increase in labour productivity offered the opportunity to:

- boost production of cereal crops due to the use of intense technologies. For example, output of cereal crops was 66.1 mln t in 2016, 70.1 mln t in 2018, and 75.1 mln t in 2019;
- shift gradually from highly weather-dependent farms to farms able to provide heavy harvests for several consecutive years amid different conditions;
- reduce dependence on the RF markets, successfully survive the food embargo imposed by the RF in 2016 when USD 0.2 bln was lost (in 2016 versus 2015) in exports of UCGFEA product groups 1-24, step up presence at the advanced EU countries' markets (by USD 0.07 bln), and enter markets of other countries (overall, exports of the above-mentioned product groups in 2016 was USD 0.7 bln higher than in 2015);
- address the problem of considerable volatility of food prices both by means of boosting supply of food products and through implementation of an inflation targeting policy by the NBU, which together led to a 8.3% decline of average annual food prices versus 44.4% in 2015 (CPI in average annual terms).

Thus, the country has been consistently producing sufficient amounts of food in recent years to meet its domestic needs. The internal market demand for

staple food products is satisfied by domestic production to 97-109%, which corresponds to the optimistic food security level recommended by the FAO and enables building a strong base for agricultural exports.

However, this is not a sufficient condition to ensure food security for all households, particularly for the most vulnerable population segments of the country.

Ukraine ranked 76<sup>th</sup> in the Global Food Security Index (2019 ranking), with total 57.1 score (out of maximum 100) among 113 countries<sup>9</sup> (which is 0.2 points higher than the 2018 score re-evaluated using updated methodological provisions). Key challenges faced by the country and the Index reduction factors include: low GDP per capita; insufficient public financing for research and developments in the agricultural sector; farmers' access to financing; lack of food standards; weak road and port infrastructure; small percentage of land plots equipped for irrigation; political stability risks and corruption.

Along with development of agricultural production that provides sufficient food supply both for the Ukrainian population and for enhancement of exports, the Government was addressing the issue of improving people's well-being level, which laid the foundation for the processes of optimizing cash expenditure and boosting consumption of various food products, thereby ensuring a gradual transition to more balanced consumption. In particular, the year of 2018 recorded an increase in consumption of almost all staple food products compared to 2015: meat – to 52,8 kg/year per capita from 50.9 kg (target value for 2020 is 61 kg); fish – to 11.8 kg from 8.6 kg; vegetables – to 163.9 kg from 160.8 kg; and to 57.8 kg from 50.9 kg (target value for 2020 is 65.0 kg). Only milk consumption was an exception: a decline from 209.9 kg to 197.7 kg per capita, which was observed against the backdrop of milk production decrease continuing since 2014.

At the same time, still insufficient household purchasing power and economic affordability of food remain to be a factor deterring improvement of the people's quality nutrition pattern. The Ukrainians' diet is currently unbalanced.

<sup>9</sup> Changes were made in 2019 in the methodological provisions concerning calculations and data sources used to determine a country's score in terms of individual indicators.

For example, animal products account for only 28 percent of calories consumed versus the optimal level of 55 percent.

Raising people's purchasing power, increasing agricultural labour productivity, and supplying quality food products is an important component of national food security.

Alongside positive trends, there are some processes with no or insufficient progress, or where a certain economic sector is currently in the making, in particular:

- the share of agricultural land under organic production in the total area of agricultural land of Ukraine has decreased since 2016, which is caused, on the one hand, by a change in the data monitoring system in Ukraine's organic sector and de-certification of unfair operators as a stage of the 'organic sector purge', which is a positive and important effect of implementation of data monitoring by Ukraine, and, on the other hand, by lack of effective national legislation on organic production and organic product circulation. Organic products have been made during all years, including 2020 according to standards equivalent to laws of the EU, the USA, Canada, and other countries. In 2018, the European integration-oriented Law of Ukraine "On the Key Principles and Requirements to Organic Production, Circulation and Labelling of Organic Products" was passed (put into effect on 2 August 2019)<sup>10</sup> that defines requirements to manufacture and circulation of organic products in Ukraine (this law has not been implemented yet because not all necessary bylaws for it have been approved: 5 of 12 bylaws have been approved as of 25.05.2020). It should also be noted that the number of agricultural organic product manufacturers in Ukraine has substantially grown over the recent years – from 294 in 2016 to 501 in 2018 (certified according to the organic standards equivalent to the organic legislation of the EU and the USA (NOP)). As of 25.05.2020, there are no producers/processors/trade organizations in Ukraine certified as per the Ukrainian organic legislation. Therefore, once the legislation has been implemented, the agricultural land area under organic production and the number of operators certified as per the Ukrainian organic legislation will increase from zero (a formation stage start) whereas the agricultural land area

under organic production and the number of operators certified as per other organic legislation (e.g. of the EU) will change according to existing demand in the international market. – which affords ground for expecting that, amid implementation of a land market<sup>11</sup>, the share of agricultural land under organic production will be increased in the next periods;

- there are no data about qualitative characteristics of land, which limits quality of its use;
- the share of food industry and agricultural raw materials processing production in exports of UCGFEA groups 1-24 has been rising slowly (from 38.3% to 44.3%), as a result of two different processes – loss of the RF sales markets where food industry goods rather than agricultural raw materials were mainly present, and substantial increase in productivity of agricultural production in Ukraine, which leads to record harvests of wheat, maize and sunflower that not only meet domestic needs for processing of these products but also support the country's export potential.

Still untapped is the potential of farm enterprises and agricultural cooperatives in Ukraine. The share of agricultural products made by farms in the total agricultural production output at 2018 constant prices was only 9.3% (in 2017 – 8.7%). The share of products sold by agricultural service cooperatives ever year is less than 0.1% of the country's gross agricultural production.

#### TO ENSURE NECESSARY PROGRESS IN IMPLEMENTATION OF ALL THE SDG 2 TARGETS, IT IS NECESSARY TO:

- create an enabling environment for SMEs in agriculture;
- improve the regulatory legal and institutional support for agricultural development;
- design long-term state support instruments;
- draft and implement a comprehensive policy paper on the fundamentals of agricultural development (the National Comprehensive Programme of Agricultural Development);

<sup>10</sup> <https://bit.ly/3eTU1Yw>

<sup>11</sup> On 31.03.2020, the Verkhovna Rada of Ukraine passed the Law of Ukraine "On Amending Some Legislative Acts of Ukraine concerning Conditions of Agricultural Land Turnover".



- improve and implement public-private partnership models for development of rural areas (clusters and cooperation);
- complete the creation of a proper subordinate regulatory legal framework on organic production, circulation and labelling of organic products, and ensure its effective implementation;
- commence the introduction of: the State Register of operators manufacturing products according to the requirements of the legislation on organic production, circulation and labelling of organic products; the State Register of certification authorities in the field of organic production and circulation of organic products; the State Register of organic seeds and planting materials; and the List of foreign certification authorities;
- begin accreditation according to requirements of the legislation of organic product manufacture, circulation and labelling;
- establish and implement an effective system of state supervision (control) in the field of organic production, circulation and labelling of organic products;

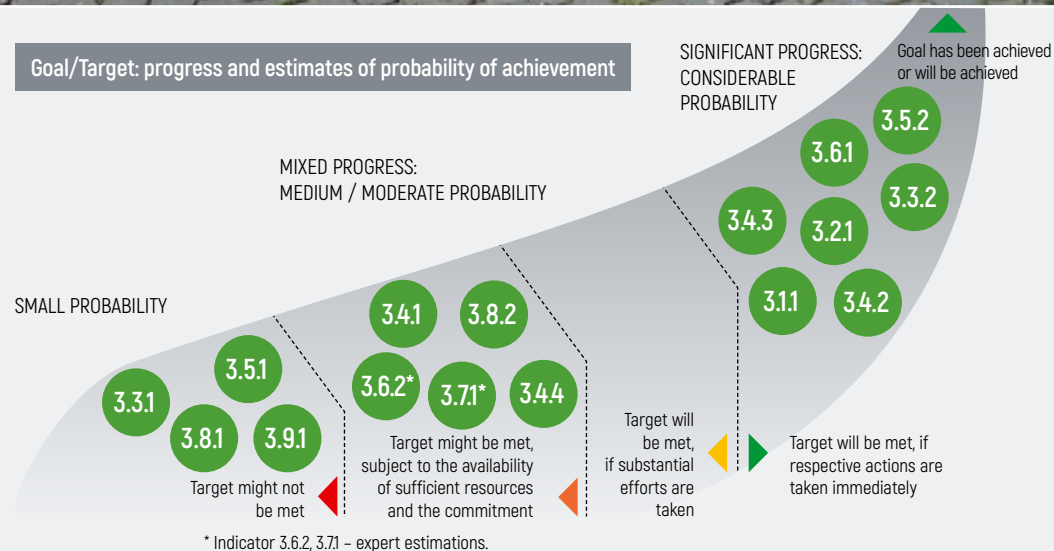
- improve the agricultural product export structure by increasing the processing degree of raw materials and by investing in the creation of agro-industrial clusters and value chains;
- develop organic production and expand trade in organic products with higher value added in the domestic market and abroad;
- raise awareness on organic agriculture, and promote expansion of local manufacture and consumption of organic products;
- implement new hygienic requirements to production of milk and dairy products, equivalent to respective requirements set in the EU regulations;
- implement a national programme for raw milk control to ensure milk quality and safety in general both as a uniform system of monitoring in the domestic market and as a precondition for entering new, higher value-added markets.

# GOAL 3

## HEALTHY LIVES AND WELL-BEING













Goal/Target: progress and estimates of probability of achievement











SDG 3 covers the task of improving public health that reflects societal welfare. Out of 16 indicators measuring progress in achievement of the national

ambitious SDG 3, positive dynamics is recorded in 12 whereas the target indicator value has been already achieved for 4 of them.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
3.1. Reduce maternal mortality	3.1.1. Number of cases of maternal mortality, per 100,000 live births	15.1	12.6	9.1	12.5	-	11.8*		11.4	11.2
3.2. Minimize preventable mortality among children under 5	3.2.1. Mortality of children under 5, cases per 1,000 live births	9.3	8.8	8.9	8.3	-	8.5		7.5	6-7
3.3. End the epidemics of HIV/AIDS and tuberculosis, including through innovative practices and treatments	3.3.1. Number of patients diagnosed with HIV for the first time, per 100,000 persons	37.0	40.0	42.8	42.8	-	30.9		24.8	20.6
	3.3.2. Number of patients diagnosed with active tuberculosis for the first time, per 100,000 persons	55.9	54.7	51.9	50.5	-	51.7		45.4	32.9
3.4. Reduce premature mortality from non-communicable diseases	3.4.1. Number of deaths from cerebrovascular disease at the age of 30-59, per 100,000 men of corresponding age	64.0	63.0	62.3	62.1	-	56.2		50.1	45.0
	3.4.2. Number of deaths from cerebrovascular disease at the age of 30-59, per 100,000 women of corresponding age	28.9	27.4	26.7	25.5	-	25.5		23.1	22.0
	3.4.3. Number of deaths from malignant breast tumours at the age of 30-59, per 100,000 women of appropriate age	26.3	25.4	24.3	24.1	-	23.0		20.0	18.3
	3.4.4. Number of deaths from malignant cervical tumours at the age of 30-59, per 100,000 women of appropriate age	12.2	12.8	12.0	11.5	-	10.1		9.8	9.5
3.5. Reduce by a quarter premature mortality, including through the introduction of innovative approaches to diagnosing diseases	3.5.1. Probability of dying at the age of 20-64, men	0.38943	0.38364	0.37535	0.38675	-	0.36000		0.33000	0.29000
	3.5.2. Probability of dying at the age of 20-64, women	0.15514	0.15208	0.14696	0.15010	-	0.15000		0.14000	0.13000

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
3.6. Reduce serious injuries and deaths from road traffic accidents, including through innovative practices of resuscitation, treatment and rehabilitation after road traffic accidents	3.6.1. Number of deaths from road traffic accidents, per 100,000 persons	12.6	12.4	12.1	10.5	-	11.0		11-10	10-9
	3.6.2. Number of persons injured in road accidents, per 100,000 persons									
	<b>Mode of transport:</b>									
	Road transport used by road hauliers	4.09	4.64	4.29	4.03	-	-		To be clarified	
	Urban electric transport	0.50	0.44	0.44	0.51	-	-		To be clarified	
3.7. Ensure universal, quality immunization with innovative vaccines	3.7.1. Immunization rate of population according to the Preventive Vaccination Calendar by designated six age groups for prevention of ten infectious diseases, %						-		95	95-98
	<b>Age group</b>									
	<b>Tuberculosis</b>	under 1 year	39.8	72.3	83.6	90.1	88.6			
	<b>Hepatitis B</b>	under 1 year	25.4	28.8	57.0	67.0	77.0			
	<b>Measles, mumps, rubella</b>	1 year	63.2	45.5	93.3	91.0	93.2			
		6 years	62.1	30.2	90.7	89.5	91.7			
	<b>Diphtheria, tetanus</b>	under 1 year	26.5	21.0	53.2	69.3	80.5			
		18 months	33.1	23.1	51.2	66.1	80.5			
		6 years	4.1	59.1	83.5	83.4	72.9			
		16 years	1.9	56.1	76.7	77.9	91.5			
		adults	0.1	20.7	44.8	55.6	83.4			
		<b>Pertussis</b>	under 1 year	26.5	21.0	53.2	69.3	80.5		
		18 months	33.1	23.1	51.2	66.1	80.5			
	<b>Poliomyelitis</b>	under 1 year	63.8	60.8	51.9	71.1	78.4			
18 months		86.5	66.4	71.4	67.8	78.7				

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	6 years	49.2	85.7	88.2	81.3	80.3				
	14 years	50.6	79.9	88.1	80.2	80.9				
	<b>Hib infection</b>									
	under 1 year	43.2	36.0	34.8	52.5	76.5				
	1 year	38.6	51.6	44.5	57.7	80.0				
<b>3.8.</b> Reduce the prevalence of smoking among the population through innovative media to inform about negative effects of smoking	<b>3.8.1.</b> Share of women who smoke at the age of 16–29, %	5.0	5.1	5.2	4.8	7.5	4.5		4.0	4.0
	<b>3.8.2.</b> Share of men who smoke at the age of 16–29, %	31.4	34.4	28.9	27.9	29.3	27.0		23.0	20.0
<b>3.9.</b> Reform health care financing	<b>3.9.1.</b> Share of expenditures of the population in general spending on health, %	48.78	52.29	47.45	48.24	February 2021	40.00		35.00	30.00

\* Definition of this target value used preliminary 2015 data, being 12, as a baseline.

A series of reforms aimed at enhancing accessibility and quality of medical services has taken place during the recent five years in the health care sector. In particular, significant changes have occurred in the health care financing system, medical education, public health system, medical procurement, provision of medical services, and other fields.

The following progress has been achieved in this goal:

- decline in mortality of children under 5 that was achieved due to introduction of modern perinatal technologies, reorganization of obstetric and neonatal departments, and creation of a network of perinatal centres;
- decrease in the number of patients diagnosed with active tuberculosis for the first time due to implementation of new, WHO-recommended treatment regimens using new specialized tuberculosis drugs;
- reduction of the number of deaths from cerebrovascular diseases among women and men due to implementing the measures provided for in the National Action Plan on Non-Communicable Diseases, overcoming the

burden of non-communicable diseases, and countering risk factors such as tobacco smoking, alcohol abuse, unhealthy diet, low physical activity, and polluted atmospheric air;

- decrease in the number of deaths from road traffic accidents and in the number of persons injured in road traffic accidents due to the Government's efforts aimed at increasing the transport safety level due to implementation of the State Programme for Enhancing the Road Traffic Safety Level in Ukraine until 2020, particularly measures to improve performance indicators of motor roads and streets, increase vehicle operation safety, and enhance the driver training system efficiency;
- decline in the number of cases of maternal mortality due to implementation of comprehensive measures and development of obstetric departments;
- reduction of the number of deaths from malignant breast tumours among women that occurred, inter alia, due to awareness raising aimed at the disease prevention, early diagnostics and treatment;

- decrease in the probability of dying at the age of 20-64 among women from 0.15514 in 2015 to 0.15010 in 2018, which allows expecting achievement of the target indicator value, 0.15000, in 2020 provided that such a trend continues.

A number of other positive trends should also be highlighted:

- reduction of the number of deaths from malignant cervical tumours among women at the age of 30-59 due to awareness raising aimed at early detection of female reproductive organ cancer and improvement its diagnostic quality;
- reduction of the share of men who smoke at the age of 16-29 that occurred, inter alia, due to integration of the key measures provided in the WHO Framework Convention on Tobacco Control in the Ukrainian legislation, in particular implementation of non-price measures: fully prohibiting tobacco advertising and sponsorship, rotating health warnings on cigarette packs, and protect all public places from exposure to tobacco smoke. However, to achieve considerable reduction of the prevalence of smoking among all population segments, the tax policy needs to be strengthened with legislative and administrative measures, particularly concerning heated tobacco products and liquids for electronic devices;
- increase in the preventive immunization coverage of newborns: against measles, mumps and rubella – 93.2% in 2019 (2015 – 63.2%); pertussis, diphtheria and tetanus – 85% (2015 – 26.5%); hepatitis B – 77.0% (2015 – 25.4%), tuberculosis – 88.6% (2015 – 39.8%), poliomyelitis – 78.4% (2015 – 63.8%). In the recent 7 years, due to a shift to international procurement, Ukraine has a sufficient quantity of vaccines to provide immunization coverage of all the age groups that need it, according to law. The growth of the population immunization rate (in accordance with the National Preventive Vaccine Calendar) has been achieved due to: a shift to triennial planning of vaccine procurement; provision of conditions to fully meet the health care facilities' demand for immunobiological preparations for vaccination; revision of the National Preventive Vaccine Calendar; and cancelled re-vaccination against tuberculosis at 7 years of age (which allowed reduction of the number of injections for a child during preventive immunization).

However, such positive trends are not sufficient and were hindered by:

- underfinancing of the health care system. Budget expenditure consisted mainly of the health care facilities' expenses for wages and utility service payments (about 75%). Such circumstances leave very few financial opportunities for actual service delivery, i.e. treatment of patients, procurement of medicines and consumables, and renovation of technological funds. The principles of financing in health care have changed since 2017, and now funds are allocated to health care facilities subject to the services they provided to their patients, which will allow providing more affordable care to a patient and ensure more efficient use of funds based on a preset guaranteed package of services. Stable financing and increase of expenditure on health care is necessary so that the number of state-guaranteed free services be expanded and the hospitals' material and technical facilities be improved further on;
- widespread self-treatment practice among the population. According to recent sociological survey data, almost 69% of sick persons in Ukraine engage in self-treatment without applying to doctors for help. This results in a growing number of complications, especially in chronically ill patients, and adversely affects disability and life reduction indicators;
- inefficiency of some pharmaceutical drugs sold in the market. According to findings of the WHO surveys, almost 10.5% of all the medical products used in low- and middle-income countries fail to stand the test and are counterfeits. Due to lack of a uniform system for medicine turnover monitoring, it is impossible to determine the amount of counterfeit medicines in Ukraine. The procedures for admission of pharmaceutical drugs to the market and endorsement of clinical trials last for 15-25% on average longer than similar procedures in the EU countries.

The negative trends important to point out include the fact that Ukraine is currently one of the leaders among countries in the European region in terms of the number of HIV positive persons. According to expert calculations, there were 244,000 HIV positive people living in the country as of early 2018. Moreover, the number of patients diagnosed with HIV for the first time per 100,000 population has increased in Ukraine from 37.0 in 2015 to 42.8 in 2018, which most likely indicates practical unattainability of the target value, 30.9, by 2020. The rise in the number of patients diagnosed with HIV for the first

time has been caused by wider access to testing and detection of PLWH who were not aware of their status before. In particular, the share of people living with HIV (PLWH) unaware of their status has decreased from 50% to less than 30%. The number of PLWH receiving antiretroviral therapy (ART) has grown by 75,000 during 5 years, and current ART coverage is about 72% of the number of PLWH aware of their status. 93% of the ART-receiving PLWH have a non-determinative level of viral load.

The global community pledged itself to eliminate mother-to-child HIV transmission by 2030 as a priority task for public health care. Timely antiretroviral therapy of HIV-positive pregnant women and their children is known to allow achieving the elimination goals, namely reducing substantially the risk of perinatal child infection to 2-1%, or less than 50 per 100,000 live births. Ukraine is already on the verge of elimination, that being a major advance. However, the country has not yet attained a stable decrease in the vertical HIV transmission rate. Representatives of the National Council on Tuberculosis and HIV/AIDS Control came forwards with an initiative to establish and organize effective work to meet the conditions for submission of Ukraine's request to the regional secretariat on EMTCT validation (WHO Regional Office for Europe) for undertaking a EMTCT validation process in Ukraine.

#### FOR REFERENCE

according to the Ukrainian legislation, children born to HIV-positive women must be observed during 18 months to establish their final HIV status. According to the Positive Women CO, percentage of transmission in the cohort of children born in 2017 in Ukraine was 3.3%, the figure for those born in 2019 being 1.6%.

There is still the need to ensure equal access of women living with HIV to medico-social services, including sexual and reproductive health care, and to combat a stigmatizing attitude to HIV-positive people in the community.

Other problems hindering progress in the health care sector include persistence of high gender differences in the figures of life expectancy and likelihood of premature mortality, especially from external causes (accidents, suicide, murders). Too high mortality among men of working age is determined to a great extent by prevalence of risky behaviour patterns, bad

habits, and unwillingness to visit a doctor, which are often associated with impact of the gender stereotypes that define 'proper' behaviour models of women and men.

**TO ACHIEVE THE GOAL, IT IS NECESSARY TO CONTINUE THE HEALTH CARE SYSTEM REFORM AND IMPLEMENT COMPREHENSIVE MEASURES TO PREVENT DISEASES, ENSURE THEIR EARLY DETECTION, DIAGNOSTICS AND TREATMENT, WHICH IS ACCESSIBLE, TIMELY AND OF PROPER QUALITY, AND CREATE A HEALTH-PROMOTING ENVIRONMENT. OTHER IMPORTANT OBJECTIVES INCLUDE:**

- ensure implementation and realization of measures to prevent non-communicable diseases that are a cause of 80% of deaths in the country<sup>12</sup>. In particular, the National Action Plan on Non-Communicable Diseases for Achievement of Global Sustainable Development Goals was approved in 2018, to coordinate efforts for overcoming the burden of non-communicable diseases such as blood circulatory system diseases, neoplasms, chronic obstructive pulmonary diseases, and diabetes, as well as for countering the risk factors such as tobacco smoking, alcohol abuse, unhealthy diet, low physical activity, and polluted atmospheric air;
- create an efficient user-oriented system of mental health care;
- ensure meeting the obligations on prevention of communicable and non-communicable diseases, in particular the Strategy for development of immunoprophylaxis and protection of the population against communicable diseases that can be prevented by immunoprophylaxis, up to 2022; the Strategy for development of the national blood system in Ukraine; the Strategy of ensuring biological safety and biological protection based on the One Health principles up to 2025 and an action plan for its implementation; the State Strategy for control of HIV/AIDS, tuberculosis and viral hepatitis up to 2030; the State Strategy for development of the antituberculosis medical treatment system for the population; the Action Plan on reducing the population's exposure to radon and its decay products, and on minimizing long-term risks caused by radon proliferation in residential and non-residential buildings and at workplaces for 2020-2024; National Strategy on physical activity for the period to 2025 and action plan for its implementation.

<sup>12</sup> <https://bit.ly/2MyMhyO>

- securing the people's epidemiological welfare by achieving 95% preventive vaccination coverage via a sustainable system of immunobiological preparation procurement as per the vaccine schedule, which will meet 100% of demand, and ensuring the operation of efficient regional teams within regional public health care facilities that will manage the stock of immunobiological preparations (vaccines) and medical products used for preventive immunization;
- launching a national blood system as a component of the public health system, which will ensure circulation of safe donor blood components on the nationwide level by means of establishing a three-tier European-type national blood system, creating a national reference laboratory of the national blood system, introducing new methods of laboratory testing, establishing the National Register of blood and component donors and of persons forbidden to be donors, and implementing a programme for development of free voluntary blood donation in order to increase the free voluntary blood donation rate;
- developing a system of delivery of high-quality and timely, evidence-based and patient-oriented medical services at all levels – from primary, secondary and highly specialized medical aid to rehabilitation and palliative care.

**AMID THE COVID-19 PANDEMIC DEVELOPING GLOBALLY AND IN UKRAINE, THE UKRAINIAN MEDICAL SYSTEM FACES, ON THE ONE HAND, CHALLENGES OF RESPONSE TO THE EPIDEMIC, AND, ON THE OTHER HAND, THE NEED FOR CONTINUOUS PROVISION OF MEDICAL SERVICES IN THE NEW CONDITIONS. IN RESPONSE TO THE NEW CHALLENGES, IT IS NECESSARY TO:**

- ensure infection control and safe working conditions for physicians and patients in health care facilities;
- build capacity of laboratories for COVID-19 testing;
- develop the system of health care financing further on to provide high-quality services accessible to patients, and reduce payments "out of pocket";
- improve material and technical facilities in health care facilities, and develop physicians' capacity to provide high-quality medical aid according to standards and evidence;
- strengthen the system of medical services, prevent any interruptions in services and medicines able to endanger human and societal life and welfare (ART for HIV-positive patients, vaccination, medicines for cancer and diabetic patients, etc.).



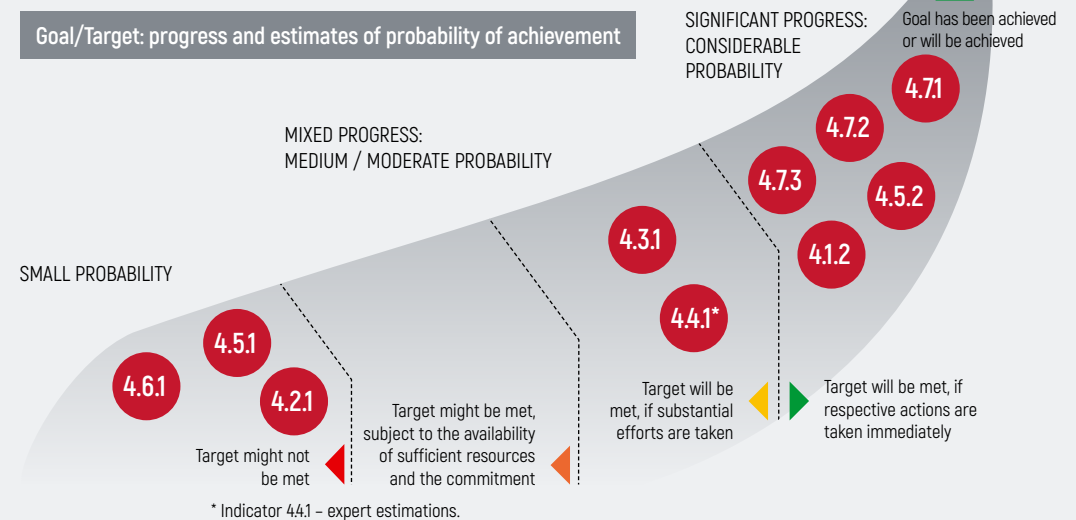


# GOAL 4

## QUALITY EDUCATION










Goal/Target: progress and estimates of probability of achievement






SDG 4 covers two key areas: ensuring inclusive and quality education and promoting lifelong learning opportunities for all.

Generally, out of 14 indicators measuring the progress in achievement of the national ambitious Goal 4, the target value has been achieved for three,

and the target values of two indicators will most likely be achieved by 2020; two indicators have positive dynamics; and three indicators demonstrate negative dynamics versus 2015 (which most likely indicates practical unattainability by 2020). 4 indicators have no target values and are regarded as auxiliary.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
4.1. Ensure access to quality school education for all children and adolescents	4.1.2. Number of full-time secondary school students per teacher, at the beginning of the school year	8.50	8.77	8.90	9.15	9.39	9.50***		To be clarified	
4.2. Ensure access to quality pre-primary development for all children	4.2.1. Coverage of children aged 5 years by pre-school education institutions and structural units of public and private legal entities, %	70.6	69.8	69.5	69.1	-	80.0		90.0	95.0
4.3. Ensure access to vocational education	4.3.1. Ratio of the number of entrants to vocational technical establishments to the total number of places in vocational technical establishments funded from the state and local budgets	84	93	76	85	85***	86***		To be clarified	
4.4. Improve the quality of tertiary education and ensure its close relationship with science, and promote the establishment of towns of education and science in the country	4.4.1. Number of Ukrainian cities – members of the UNESCO Global Network of Learning Cities	-	1	4	4	4	To be clarified		To be clarified	
4.5. Increase the prevalence of knowledge and skills required for decent jobs and entrepreneurship among the population	4.5.1. Level of participation of the population in formal and informal forms of education and vocational training, %	9.2	9.0	8.7	8.6	-	10.0		12.0	14.0
	4.5.2. Share of the population who reported using the Internet over the past 12 months, %	48.9	53.0	58.9	62.6	-	59.0		70.0	80.0
4.6. Eliminate gender disparities among school teachers	4.6.1. Share of men among pedagogical staff, %	14.79	14.40	14.32	13.38	13.04	17.0		20.0	25.0



TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
4.7. Create a modern learning environment in schools, including inclusive education, through innovative approaches	4.7.1. Share of rural full-time secondary schools with Internet access, %	85.9	89.0	91.1	91.5	95.2	85.0*		90.0	95.0
	4.7.2. Share of rural full-time secondary schools, where computers are used in the educational process, %	72.3	95.1	96.6	98.2	98.7	65.5**		70.0	80.0
	4.7.3. Share of full-time secondary schools with inclusive education, %	-	8.98	16.17	24.45	35.14	40.00***		To be clarified	

\* Definition of this target value used preliminary 2015 data, being 81.6, as a baseline.

\*\* Definition of this target value used preliminary 2015 data, being 60.5, as a baseline.

\*\*\* Data provided on an ongoing basis by the body responsible for calculation of the indicator within the framework of the SDGs achievement monitoring (as per the Cabinet of Ministers of Ukraine Order No. 686-p of 21 August 2019 "Data collection issues for the monitoring of the SDG achievement").

The education sector reforms launched in 2016-2019 were aimed at:

- creating a modern, safe and inclusive learning environment, and providing equitable access to quality general secondary education (introduction of the New Ukrainian School) that complies with the principles of being child-centred, partnership pedagogics (motivated and skilled teachers), and a cross-cutting education process, is based on the values of competence-oriented learning, and provides for real autonomy of educational institutions and their equitable financing;
- ensuring accessibility and enjoyment of the right to vocational (vocational and technical) education, retraining and advanced training for Ukrainian citizens, including persons with special educational needs, as well as foreigners and stateless persons lawfully staying in Ukraine, according to their vocations, interests and abilities;
- implementing substantial changes in the management and financing of vocational (vocational and technical) education;
- redesigning the principles of financing for educational institutions: preference in financing is given to educational institutions that train students in technical, natural and agricultural specialties (because

the country's sustainable technological development depends on them); greater financing will be provided to the higher educational institutions having better performance results (higher employment of their graduates, more orders from business and international grants, being listed in international rankings); a regional coefficient has been introduced providing additional finance to universities outside Kyiv city.

Realization of the above-mentioned initiatives enabled the following achievements:

- increase in the share of the population who reported using the Internet over the past 12 months from 48.9% in 2015 to 62.6% in 2018, which is higher than the 59.0% target value for 2020, due to a greater public interest in online content as well as owing to a simplified procedure for receiving many social services via the Internet. This enhances people's interest in global communication opportunities. Revival in this direction is expected to occur in 2020 as well, particularly in view of large-scale social lockdown entailed by measures for prevention of the COVID-19 coronavirus disease spread;

- increase in the share of rural full-time secondary schools with the Internet access;
- increase in the share of rural full-time secondary schools using computers in the educational process, due to focus on digitalization of education;

The following positive trends should also be highlighted:

- increase in the number of pupils at full-time secondary schools per 1 teacher at the academic year start from 8.50 in 2015 to 9.39 in 2019 due to optimization of general secondary education institutions and, particularly, due to formation of a network of hub schools with branches (since 2016 when 137 hub schools were created in Ukraine, their number has grown to 887 by late 2019);
- increase in the share of full-time secondary schools with inclusive education from 8.98% in 2016 to 35.14% in 2019 due to implementation of the provisions of the Law of Ukraine "On Education" adopted in 2017;

#### FOR REFERENCE

The Law of Ukraine "On Education" guarantees the right to inclusive learning and creation of inclusive classes as well as provides for: a) delivery (provision) of additional remedial development lessons (services) defined by an individual development programme for inclusive class pupils, at the expense of a subvention from the state budget to local budgets for provision of state assistance to persons with special educational needs; b) introduction in schools, as per the Model Staff Rates for General Secondary Education Institutions approved by the MES Order No. 1205 of 6.12.2010 (as reworded by the MES Order No. 90 of 1.02.2018), of a teaching assistant position to work with pupils with special needs at a rate of 1 staff position per class where such children study; c) formation of a network of inclusive resource centres.

- commencement of the practice of Ukrainian cities' accession to the UNESCO Global Network of Learning Cities; now they are as many as four: Melitopol, Nikopol, Pavlohrad, Novoyavorivsk;
- increase in the ratio between the number of entrants in vocational (vocational and technical) education institutions and the total number

of places in such institutions financed from state and local budgets, from 76% in 2017 to 85% in 2018 and 2019 due to: implementation of measures for optimization of management and financing in vocational (vocational and technical) education; renewed positive dynamics in performance of indicators of governmental and regional contracts for worker training by vocational (vocational and technical) education;

#### FOR REFERENCE

This indicator declined in 2016-2017 (from 93% to 76%), which was mainly caused by a change in the model of financing for vocational (vocational and technical) education: according to Article 27 of the Law of Ukraine "On the State Budget of Ukraine for 2016", financing of expenditure on worker training by vocational (vocational and technical) education institutions has been transferred from the state budget to local budgets (oblast, oblast-level cities, oblast-level cities being oblast centres) since 1.01.2016.

- establishment of Donbas-Ukraine and Crimea-Ukraine educational centres to meet educational needs of residents of the temporary occupied territories, and provide equal opportunities to Ukrainian citizens for access to proper and quality education.

#### FOR REFERENCE

During four years of work, 40 Donbas-Ukraine educational centres have admitted under the simplified procedure 855 persons in 2016; 1,346 in 2017; 1,522 in 2018; and 1,600 in 2019. During four years of work, 35 Crimea-Ukraine educational centres have admitted 153 persons in 2016; 204 in 2017; 254 in 2018; and 265 in 2019.

The insufficiently dynamic progress is explained by the impact of a number of adverse factors, for example: a difficult demographic situation exists in Ukrainian regions; vocational (vocational and technical) education lost its attractiveness and prestige; local executive authorities and local governments have no strategic vision of the role of vocational (vocational and technical) education system in regional development; those bodies contribute insufficiently to support of vocational (vocational and technical)

education at the regional level; some managers of vocational (vocational and technical) education institutions take up a passive stand; vocational guidance efforts are weak, etc.

Meanwhile, some alarming trends can be seen:

- decrease in the rate of enrolment of children aged 5 by pre-school education institutions and structural units of legal entities of public and private law – from 70.6% in 2015 to 69.1% in 2018. The reason is that the network of pre-school institutions and pre-school groups at general secondary schools where children of senior pre-school age were acquiring pre-school education was reduced during 2015-2018. As a result, children of senior pre-school age not enrolled to pre-school education institutions acquire pre-school education in the family form or with assistance from private individuals providing such services. Besides, rural areas where there are no pre-school education institutions not always have the opportunity of transporting children to the existing institutions;

#### FOR REFERENCE

The network of pre-school education institutions consisted of 14,813 institutions in 2015; 14,949 in 2016; 14,907 in 2017; and 14,898 in 2018.

The number of pre-school groups at pre-school education institutions decreased: 2,202 groups in 2015/2016 AY; 1,905 in 2017/2018 AY; 1,782 in 2018/2019 AY.

- decline in the enrolment rate of the population in formal and informal forms of education and professional training from 9.2% in 2015 to 8.6% in 2018;
- decrease in the share of men among teachers due to the fact that the low social status of teachers and their non-competitive wage in the labour market do not motivate men to engage in teaching activities.

Amid the COVID-19 pandemic developing in Ukraine, it is necessary to develop the use of distance technologies for full-time and other forms of education.

#### TO ENSURE ACHIEVEMENT OF SDG 4, IT IS NECESSARY TO:

- complete implementation of the New Ukrainian School at the primary school level, and ensure a quality transition to realization of the reform at the basic secondary education level;
- implement the provisions of the newly adopted Law of Ukraine “On Complete General Secondary Education” which will promote a higher social status and wage of teachers, provide proper conditions for their professional development, and improve the general prestige of the teacher profession;
- complete reform of the vocational (vocational and technical) education system, and take urgent measures for adoption of the Law of Ukraine “On Vocational Education”, which will promote improvement of the vocational (vocational and technical) education prestige; develop, in cooperation with local executive authorities and local governments, a strategic vision of the role of vocational (vocational and technical) education in regional development; organize systemic vocational guidance for young people;
- approve the Concept for Development of Pre-School Education, adopt the Law of Ukraine “On Pre-School Education” and the Basic Component of Pre-School Education, which will promote enhanced opportunities for acquisition of quality and modern pre-school education, increased enrolment rate for pre-school age children, and higher wage of pre-school teachers;
- adopt the National Strategy of Inclusive Education Development for 2020-2030 and its action plan, which will allow consolidating efforts of central and local authorities, educational institutions, communities, international and Ukrainian NGOs for development of inclusive education, and provide conditions for further de-institutionalization of educational facilities in the interests of the child;
- overcome existing stereotypes and develop civic competencies of students, including those related to human rights issues, non-discrimination, democracy, respect for the rule of law;



- expedite implementation of the education digitalization reform, particularly to provide schools with electronic textbooks and other electronic learning resources, as well as introduce a special information web-resource – the National Educational Electronic Platform that will host e-textbooks, distance courses, curricula, manuals, guides, and other learning resources. Such a resource will promote: development of distance education technologies that are particularly necessary in case of epidemiological, man-caused or natural emergencies, armed aggression, etc.; technological support for the New Ukrainian School; provision of modern conditions for effective development of the education sector; building of a uniform information network of educational process resources and databases; creation of an interactive environment of educational institutions for teachers, pupils, parents, and institution managers (with accounts of these user categories of the National Platform); educational process data accumulation and systematization; creation of a favourable environment for development of the national production of e-learning resources, services and e-textbooks; development of e-learning and shaping of information and communication competence of the educational process actors in Ukraine;

- develop the research and innovation infrastructure, which ensures the conduct of basic and applied research and the creation and implementation (commercialization) by scientists and other subjects of innovation of the results of their research and development;
- introduce a mechanism for co-financing the creation of high-tech industries with the participation of higher education institutions and research institutions;
- develop digital services for the implementation of scientific, technical and innovative activities;
- ensure the direct state support for innovation
- approve the National Strategy for Development of the State Youth Policy and the Youth of Ukraine State Target Social Programme for 2021-2025 that should present a vision of the youth policy through 2030 and define key priority objectives and activities aimed at bringing up conscious, responsible and economically active young persons having a high level of resilience, independence and capacity, integrated into the country's social life and adapted to challenges of the contemporary world.





# GOAL 5

## GENDER EQUALITY

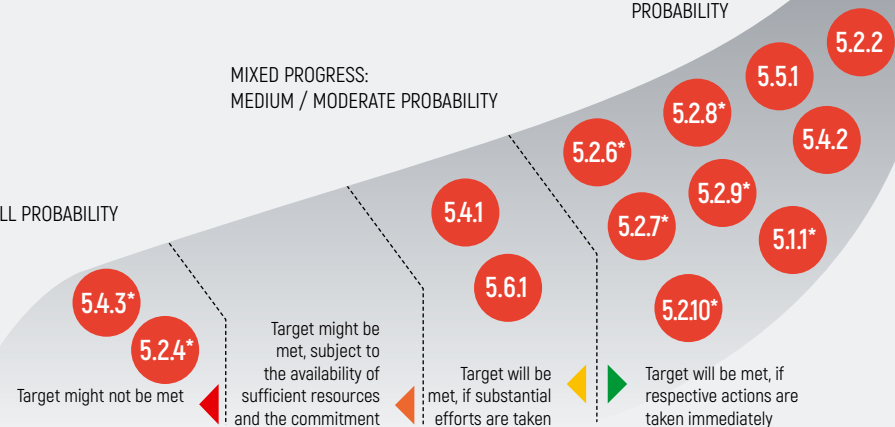


Goal/Target: progress and estimates of probability of achievement

SIGNIFICANT PROGRESS: Goal has been achieved or will be achieved  
CONSIDERABLE PROBABILITY

MIXED PROGRESS: MEDIUM / MODERATE PROBABILITY

SMALL PROBABILITY






\* Indicator 5.1.1, 5.2.4, 5.2.6-5.2.10, 5.4.3 - expert estimations.  
Indicator 5.2.1, 5.2.3, 5.2.5, 5.2.11, 5.2.12, 5.3.1, 5.6.2 - data not available.

SDG 5 covers targets related to ensuring equal rights and opportunities of women and men in various spheres of life as well as to eliminating gender-based discrimination and violence.









In general, 10 of 20 indicators measuring progress in achievement of the national Goal 5 show positive dynamics, including 6 for which achievement of the 2020 target values is quite realistic. Importantly, there are currently no data or only data for one year for eight out of 20 indicators, which makes it impossible to assess changes.



The reforms launched in 2016-2019 to ensure gender quality, aimed at integrating gender-based approaches in all societal life activities, have provided an opportunity for achieving the target values of SDG indicators, particularly as regards increasing the number of normative acts by means of revising current ones and adopting new ones to provide women and men with equal rights and opportunities and to prevent discrimination against women and girls.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
5.1. Create an environment for ending all forms of discrimination against women and girls	5.1.1. Number of normative acts which were revised or adopted to provide men and women with equal rights and opportunities and to prevent discrimination against women and girls	-	-	-	4	5	3		6	9
5.2. Reduce the level of gender-based and domestic violence, and ensure efficient prevention of its manifestations and timely assistance to victims	5.2.1. Percentage of women and girls over the age of 15 who have ever partnered with a man and were physically, sexually, or psychologically abused by their current or previous intimate partner over the last 12 months, by form of violence and age, %*	-	-	-	-	-	-		To be clarified	
	5.2.2. Number of complaints regarding domestic violence, thousands	-	-	96.2	110.7	130.5	108.0**		113.0	118.0
	5.2.3. Number of established specialized support services for victims of domestic violence	-	-	-	160	553	To be clarified		To be clarified	
	5.2.4. Number of child victims of abuse	-	-	1,869	2,244	2,122	To be clarified		To be clarified	
	5.2.5. Number of persons who participated in programs for abusers	-	-	-	588	312	To be clarified		To be clarified	





TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	<b>5.2.6.</b> Number of specialists trained in preventing and combating domestic violence	-	-	250	300	8,337	To be clarified		To be clarified	
	<b>5.2.7.</b> Number of specialists trained in preventing and combating discrimination against women	-	-	560	496	1703	To be clarified		To be clarified	
	<b>5.2.8.</b> Number of social services provided according to the needs of persons that complained regarding domestic violence	-	-	17,406	17,178	24,035	To be clarified		To be clarified	
	<b>5.2.9.</b> Number of information campaigns on combating domestic violence conducted	-	-	6,575	6,964	8,059	To be clarified		To be clarified	
	<b>5.2.10.</b> Number of persons covered by information campaigns on combating domestic violence	-	-	8,000	10,000	70,000	To be clarified		To be clarified	
	<b>5.2.11.</b> Percentage of increase in zero tolerance to all manifestations of violence among the population of Ukraine	Data are collected every 5 years from 2021					To be clarified		To be clarified	
	<b>5.2.12.</b> Percentage of funds available in relevant local budgets for regional programs of combating domestic violence	Data are collected every 5 years from 2021					To be clarified		To be clarified	
<b>5.3.</b> Encourage shared responsibility for housekeeping and childrearing	<b>5.3.1.</b> Ratio of duration of unpaid domestic work (housekeeping, care for children and other family members etc.) between men and women, %	-	-	-	-	-	-		To be clarified	
<b>5.4.</b> Ensure equal opportunities for representation at all levels of decision-making in political and public life	<b>5.4.1.</b> Share of women among the Members of Parliament of Ukraine, %	12	12	12	12	20	30		30	30
	<b>5.4.2.</b> Share of women among the members of oblast councils and local councils of oblast significance, %	25	25	25	25	25	20***		30	30
	<b>5.4.3.</b> Share of women in the category A civil service positions, %	-	22.20****	22.80****	26.70****	17.64****	To be clarified		To be clarified	

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
5.5. Increase the population's access to family planning services and reduce teenage fertility	5.5.1. Birth rate under the age of 20, per 1,000 women aged 15–19	27.3	25.3	22.4	19.7	–	20.0		15.0	10.0
5.6. Expand economic opportunities for women	5.6.1. Ratio of average wages for men and women, %	74.9	74.6	78.8	77.7	77.2	80.0		83.0	85.0
	5.6.2. Employment rate of women aged 25–44 with children aged 3–5, %	59.0	–	–	–	–	63.0		67.0	70.0

\* Data will be available after issuance of a MSP Order on approval of reporting forms on domestic violence and/or gender-based violence beginning from 2021, and after a sociological survey.

\*\* Definition of this target value used preliminary 2015 data, being 103.1, as a baseline.

\*\*\* Definition of this target value used preliminary 2015 data, being 14, as a baseline.

\*\*\*\* Data provided on an ongoing basis by the body responsible for calculation of the indicator within the framework of the SDGs achievement monitoring (as per the Cabinet of Ministers of Ukraine Order No. 686-p of 21 August 2019 "Data collection issues for the monitoring of the SDG achievement").

The gender component has been integrated into a series of important state strategic and sectoral regulatory documents. The national mechanism for ensuring equal rights and opportunities of women and men has been strengthened. Since 2017, coordination of interaction among central executive authorities on gender quality has been included in the powers of the Vice Prime Minister for European and Euro-Atlantic Integration of Ukraine. It ensured concerted implementation of the gender policy at the highest level. Besides, the position of the Government Commissioner for Gender Equality Policy has been introduced.

Continuous advocacy efforts to enhance opportunities of women's political representation have led to a considerable increase in the women's share among the VRU members (from 12% to 21% in 2019). Adoption of the new Electoral Code, which contains the 40% gender quota requirement, not only gives grounds to expect further progress but also causes the need to revise the target value for a respective indicator.

Progress has been achieved in terms of the indicator on increase in the number of complaints regarding domestic violence from 96.2 thousand in 2017 to 130.5 thousand in 2019, which exceeded the target value set for 2020 (108.0 thousand). The achievement was possible due to development of a system for preventing and combating domestic and gender-based violence pursuant to the Law of Ukraine "On Preventing and Combating Domestic Violence", and owing to improvement of the national mechanism for inter-agency coordination on preventing and combating domestic violence.

#### FOR REFERENCE

The increase in the number of complaints regarding domestic violence indicates a positive trend of understanding by women, men and children that their rights are violated as well as of growing confidence in public authorities.

**Box 3.**

In particular the following laws were adopted: “On Preventing and Combating Domestic Violence” (2017), “On Amending the Criminal and Criminal Procedure Codes of Ukraine for Implementation of the Provisions of the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence” (2017), “On Amending Some Laws of Ukraine to Ensure Equal Rights and Opportunities of Women and Men during Military Service in the Armed Forces of Ukraine and Other Military Formations” (2018); amendments were made to the Law of Ukraine, “On Ensuring Equal Rights and Opportunities of Women and Men” (2018); late in 2019, the new Electoral Code of Ukraine was adopted that introduced 40% gender quotas for nomination by political parties of their candidates for the Ukrainian Parliament. Gender issues were included in the Government’s Action Plans for 2018 and 2019. They were enshrined in the State Social Programme for Ensuring Equal Rights and Opportunities of Women and Men for the Period until 2021 (2018), the National Action Plan for implementation of the recommendations provided in the Concluding Observations of the UN Committee on the Elimination of Discrimination against Women on the eighth periodic report of Ukraine on implementation of the Convention on the Elimination of All Forms of Discrimination against Women (2018), the updated National Action Plan on implementation of the UN Security Council resolution 1325 on women and peace and security for the period until 2020 (2018), and the Concept of the State Social Programme for Preventing and Combating Domestic and Gender-Based Violence for the period until 2023 (2018).

Positive trends include:

- launch of information campaigns on combating domestic violence;
- increase in the number of persons covered by information campaigns on combating domestic violence, which occurred due to more awareness-raising campaigns on dissemination of the zero tolerance policy among members of the society planned and conducted by MSP and structural units of oblast state administrations the powers of which include taking measures to prevent and combat domestic violence, as well as due to implementation of appropriate preventive measures;
- growth of the share of women among members of oblast councils and city councils in oblast-level cities, which occurred due to: the reform of local self-governance and territorial organization of power as an impetus for greater representation of women at the local level, information and awareness-raising campaigns intended to overcome stereotypes concerning the role of women and men in politics and encourage women to take part in politics; organization of the work of entities that promote development of leadership skills for female candidates for local council members and chairs (in 2019, such schools are active in 15 oblasts of Ukraine);
- decrease in the fertility rate among women aged under 20, per 1,000 women aged 15-19, which occurred due to women’s raised awareness on birth planning as well as educational work with girls and boys concerning responsible sexual conduct and reproductive health;
- increase in the number of specialists trained on preventing and combating domestic violence, from 250 specialists in 2017 to 300 in 2018 and 8,337 in 2019. The increase was achieved due to: systemic work to coordinate support for activities and advanced training of the experts whose competence covers the matters of preventing and combating violence; training of 7,820 persons in 2018-2019 including 5,324 civil servants and 2,496 local government officials according to advanced training programmes that include modules and topics corresponding to the areas of the UN Convention on the Elimination of All Forms of Discrimination against Women as regards ensuring equal rights and opportunities of women and men; trainings and skills development; launch of a training course “The School of Trainers on Gender Legal Expert Examination” supported by the UN Women, etc.;
- increase in the number of social services provided to meet the needs of the persons who approached concerning domestic violence, including due to the accession of local governments to the European Charter for Equality of Women and Men in Local Life (*this process began in 2017, and by now 60 local councils of different levels have acceded to the Charter. Accession of Kyiv city to the Charter on 12 November 2019 was an important event*);
- growth of the ratio of average wages for women and men from 74.9% in 2015 to 77.2% in 2019, which allows expecting that the target value, 80.0%, will be achieved in 2020 provided that such a trend continues.

Existence of problems is evidenced by:

- increase in the number of children affected by ill treatment – from 1,869 in 2017 to 2,122 children in 2019;
- a persistent problem of multiple discrimination faced by vulnerable female groups (women living with HIV, women with disabilities, Roma or rural women), and expansion of their range (in particular, female veterans and internally displaced women who account for 60% of all IDPs);
- a persistently high level of gender segregation (horizontal and vertical) in the labour market, employers' widespread discriminatory attitude to women workers in terms of both employment and career development; growing incidence of age-based discrimination, first of all against women and men older than 45 years of age, young women who can plan pregnancies, pregnant women, and women having little children;
- shadow employment (women account for about 40% in the total number of informally employed persons, which reduces their social protection level and opportunities of benefitting from statutory social guarantees). This problem is particularly acute for women living in rural areas;
- women being underrepresented among heads of united territorial communities (whereas women accounted for about 50% of village and town council chairpersons in 2016, currently they make up less than 20% among heads of united territorial communities, which is explained by the fact that heads of united territorial communities are vested with broad powers to allocate financial resources in a community);
- activation of anti-gender movements based on stereotyped notions of the roles of a woman and a man, which impede gender transformations;
- people's low legal knowledge on ensuring equal rights and opportunities of women and men and on sex-based discrimination;
- people's insufficient awareness on the procedures, bodies and institutions that combat sex-based discrimination in various fields – from prevention of domestic violence to counteraction of sex-based violations of their labour rights at work;
- lack of data disaggregated by sex, age and other necessary attributes in most sectors, except for demographic and health statistics, and shortage of human and technical resources to process such data in case of their introduction.

#### TO ENSURE PROGRESS IN THE SDG 5 ACHIEVEMENT, IT IS NECESSARY TO:

- strengthen the national mechanism for ensuring equal rights and opportunities of women and men at central and local levels;
- expand Ukraine's international obligations on gender equality and empowerment of women;
- continue to improve the regulatory legal framework, particularly on the armed aggression-related sexual violence;
- apply gender-based approaches to drafting of regulatory legal acts and implementation of gender budgeting;
- improve the procedure of gender legal expert examination;
- implement gender budgeting;
- overcome gender stereotypes, including by adoption and implementation of the National Communication Strategy of Ukraine on Gender Equality;
- improve statistical and administrative reporting to enhance indicators disaggregated by sex, age and other necessary attributes; fill existing gaps in the data related to the situation of the vulnerable female groups facing multiple discrimination, and prevalence of gender-based and domestic violence as well as disproportionate distribution of unpaid household work between women and men by means of undertaking special population surveys with programmes based on international standards (e.g. the Health and Demographic Survey and the working time survey);
- ensure sustainability of local mechanisms for preventing and combating domestic and sex-based violence, develop a system of services for victims, launch and support specialized local community-based services, etc.;
- continue activities aimed at increasing women's representation at elective positions on all levels;
- implement gender approaches to realization of decentralization reforms and to formulation of regional development policies and programmes;
- mainstream the Women, Peace and Security agenda at the national and local levels.



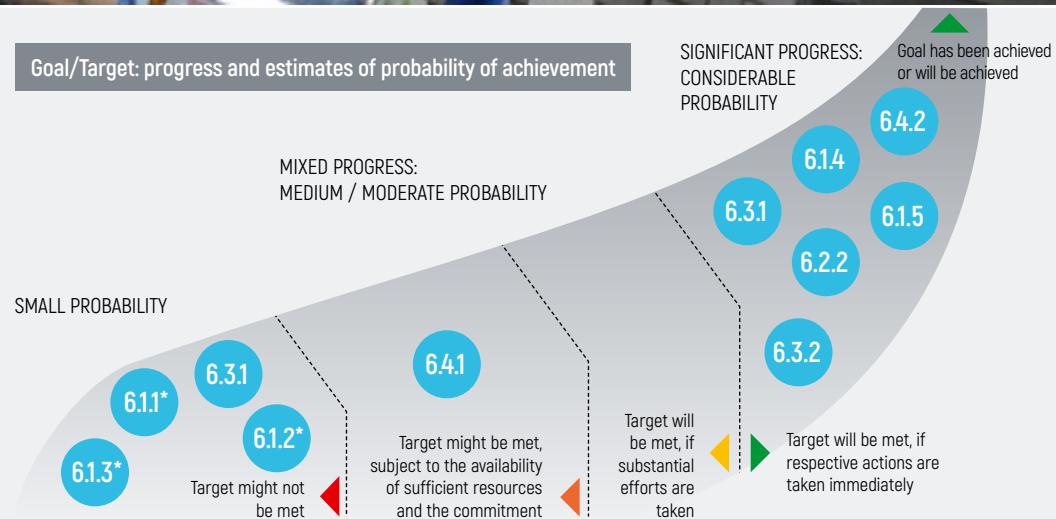


# GOAL 6

## CLEAN WATER AND SANITATION



Goal/Target: progress and estimates of probability of achievement



\* Indicator 6.1.1, 6.1.2, 6.1.3, 6.2.1 – expert estimations. Indicator 6.5.1 – data not available.












SDG 6 covers providing availability and sustainable management of water resources and sanitation.



Generally, out of 12 indicators measuring progress in achievement of the national ambitious Goal 6, the target values specified for the 2020 horizon have already been achieved for four. There is positive dynamics compared to 2015 in 3 indicators. Four indicators show negative dynamics (importantly,

no target values were set for these indicators). For one indicator, no data are currently available.

The commenced reforms and implementation of measures set forth in the Drinking Water of Ukraine nationwide target programme allowed achieving certain improvement of the situation concerning access of settlements to centralized water supply and centralized water drain.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)	
6.1. Provide access to quality services of safe drinking water, and ensure the construction and reconstruction of centralized drinking water supply systems using the latest technologies and equipment	<b>6.1.1. Safety and quality of drinking water by microbiological parameters (% of non-standard samples)</b>						-		To be clarified		
	<b>by place of residence</b>										
	urban	3.1	4.3	4.6	5.1	5.7					
	rural	7.6	10.4	11.2	11.8	11.4					
	<b>by type of water supply</b>										
	centralized	4.6	6.4	6.7	7.7	8.2					
	non-centralized	18.0	23.1	20.4	23.4	24.6					
	<b>6.1.2. Safety and quality of drinking water by radiation parameters (% of non-standard samples)</b>							-		To be clarified	
	<b>by place of residence</b>										
	urban	1.6	1.1	4.3	4.0	4.1					
	rural	0.0	0.5	6.6	9.8	12.5					
	<b>by type of water supply</b>										
centralized	1.1	1.1	3.9	4.0	4.6						
non-centralized	1.7	0.4	3.0	2.5	4.0						

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	<b>6.1.3.</b> Safety and quality of drinking water by organoleptic, physico-chemical and sanitarytoxicological parameters (% of non-standard samples)						-		To be clarified	
	<b>by place of residence</b>									
	urban	124	13.7	16.2	18.5	17.2				
	rural	22.5	25.5	274	29.8	31.2				
	<b>by type of water supply</b>									
	centralized	15.7	18.4	20.0	22.7	22.3				
	non-centralized	32.7	33.2	32.6	34.4	30.4				
	<b>6.1.4.</b> Share of the rural population with access to centralized water supply, %*****	25.0	29.0	30.0	30.1	-	20.0*		30.0	50.0
	<b>6.1.5.</b> Share of the urban population with access to centralized water supply, %*****	99.0	99.0	99.3	99.2	-	90.0**		95.0	100.0
<b>6.2.</b> Provide access to modern sanitation systems, and ensure the construction and reconstruction of water intake and sewage treatment facilities using the latest technologies and equipment	<b>6.2.1.</b> Share of the rural population with access to a centralized water drain, %*****	3.0	2.2	2.5	2.5	-	To be clarified		To be clarified	
	<b>6.2.2.</b> Share of the urban population with access to a centralized water drain, %*****	92.0	94.0	95.0	96.1	-	90.0***		100.0	100.0
<b>6.3.</b> Reduce the discharge of untreated wastewater, first of all through innovative technologies of water purification at the national and individual levels	<b>6.3.1.</b> Volume of discharge of polluted (polluted without treatment or insufficiently treated) wastewater into water bodies, million cubic meters	875.1	698.3	997.3	952.0	737.2	725.0		557.0	279.0
	<b>6.3.2.</b> Share of discharge of polluted (polluted without treatment or insufficiently treated) wastewater into water bodies in total discharges, %	16.38	12.93	21.15	18.27	13.72	13.00		10.00	5.00

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
6.4. Increase the efficiency of water use	6.4.1. Water content of GDP, cubic metres of water used per UAH1,000 of GDP (actual prices)	23.85	19.61	15.27	11.73	10.30	3.20****		2.90	2.50
	6.4.2. Current water content of GDP to 2015 level, %	100.00	82.23	64.02	49.16	43.19	90.00		80.00	70.00
6.5. Implement integrated water resources management	6.5.1. Number of river basins with approved river basin management plans	Developed once every 6 years, from 2024				-	-		To be clarified	

\* Definition of this target value used preliminary 2015 data, being 17.2, as a baseline.

\*\* Definition of this target value used preliminary 2015 data, being 89.8, as a baseline.

\*\*\* Definition of this target value used preliminary 2015 data, being 87.1, as a baseline.

\*\*\*\* Definition of this target value used preliminary 2015 data, being 3.6, as a baseline.

\*\*\*\*\* Data provided on an ongoing basis by the body responsible for calculation of the indicator within the framework of the SDGs achievement monitoring (as per the Cabinet of Ministers of Ukraine Order No. 686-p of 21 August 2019 "Data collection issues for the monitoring of the SDG achievement").

Due to better waste water treatment by water users resulting from modernization of treatment facilities, expansion of treatment capacities, introduction of new technology, and achievement by water users of higher figures of maximum permissible pollutant concentrations in return water (waste water) affording grounds to show that the water is already not polluted, the following was achieved:

- reduction of the discharge of polluted (polluted without treatment or insufficiently treated) waste water into water bodies from 875.1 mln cubic metres in 2015 to 737.2 mln cubic metres in 2019;

#### FOR REFERENCE

This indicator increased in 2017-2018 (from 698.3 mln cubic metres in 2016 to 952.0 mln cubic metres in 2018), which was mainly caused by absence of any effective measures to modernize treatment facilities for proper purification.

- reduction of the share of the discharge of polluted (polluted without treatment or insufficiently treated) waste water into water bodies from 16.38% in total volume of discharge in 2015 to 13.72% in 2019.

At the same time, this positive trend may not be regarded as stable amid major problems concerning modernization of treatment technologies and equipment of existing treatment facilities.

#### FOR REFERENCE

This indicator increased in 2017 (from 12.93% in 2016 to 21.15% in 2017), which was caused by inefficient operation of treatment facilities.

A positive trend is a decrease in the current water content of GDP from 100% in 2015 to 43.19% of the 2015 level in 2019 (i.e., the 90.0% target value for

the 2020 horizon has already been achieved), and, accordingly, in the water content of GDP calculated as cubic metres of water used per UAH 1,000 of GDP (actual prices) – from 23.85 in 2015 to 10.30 in 2019. This result has been achieved due to reduced water content in production – water used per unit. It should be noted that the indicator's dynamics is positive but not enough to achieve the target value set for 2020 – 3.20 cubic metres of water used per UAH 1,000 of GDP. To achieve the target, the rate of water usage in production should be reduced almost three more times.

In general, progress in achievement of the indicators is rather substantial but not enough because of underfinancing on both national and local levels.

At the same time, there are some processes adversely affecting quality of drinking water and centralized water supply. Drinking water quality in water supply systems showed a downward tendency during 2015-2018. In particular, the following took place:

- drinking water safety and quality standards were exceeded in terms of microbiological indicators (% of non-standard samples), radiation indicators (% of non-standard samples), and organoleptic, physico-chemical and sanitary toxicological indicators (% of non-standard samples);

- the share of the rural population with access to a centralized water drain decreased from 3.0% in 2015 to 2.5% in 2018 due to under-fulfilment of the measures provided in the Drinking Water of Ukraine programme.

#### TO ENSURE PROGRESS, IT IS NECESSARY TO:

- intensify the activities concerning: implementation of the EU Directive concerning urban waste water treatment; implementation of the EU Nitrates Directive; implementation of the directives concerning water resource management;
- modernize treatment facilities and continue implementation of modern waste water purification methods;
- develop the Concept of implementation of the state policy on centralized drinking water supply and centralized water drain of Ukraine (subject to amendments to the Drinking Water of Ukraine nationwide target programme for 2011-2020 concerning its prolongation to 2030); develop river basin management plans;
- implement the Council Directive 98/83/EC of 3.11.1998 on the quality of water intended for human consumption (as amended), in particular concerning implementation of the water safety plans.

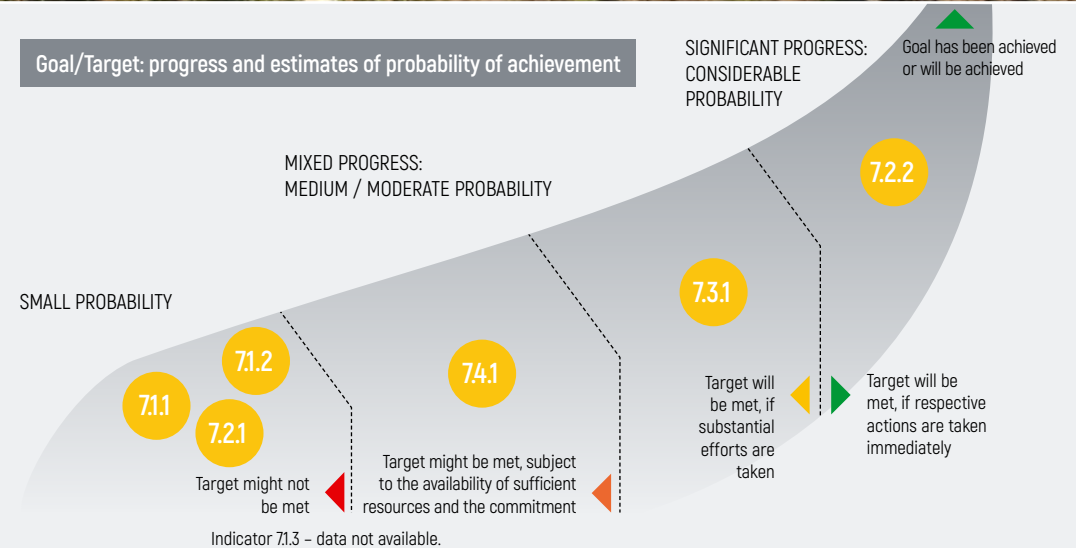


# GOAL 7

## AFFORDABLE AND CLEAN ENERGY









Goal/Target: progress and estimates of probability of achievement





SDG 7 covers two key areas: modernizing the energy infrastructure and increasing energy efficiency.

In general, three of the 7 indicators measuring progress in achievement of the national ambitious Goal 7 demonstrate positive dynamics whereas data for one of the indicators will be available in November 2020; negative dynamics is present for three indicators as compared to 2015, which most likely indicates practical unattainability by 2020.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
7.1. Expand the infrastructure and modernize networks for reliable and sustainable energy supply through the introduction of innovative technologies	7.1.1. Generation of power, billion KWh	157.7	154.8	155.4	159.4	154.0	163.8		178.4	182.0
	7.1.2. Electric power distribution losses, %	11.5	11.7	11.8	11.8	-	11.0		10.0	9.0
	7.1.3. Heat losses in heat networks, %					November 2020	-		14	12
7.2. Ensure diversification of the supply of primary energy resources	7.2.1. Maximum the share of imported primary energy (excluding nuclear fuel) from one country (company) in the total supply (imports), %						<15		< 12	< 12
	coal (2701)	54.3	66.7	67.0	70.2	68.6				
	petroleum (2709)	99.9	97.4	85.2	94.2	76.7				
	natural gas (271121)	37.3	29.5	40.5	37.3	45.1				
	7.2.2. Share of one supplier on the nuclear fuel market, %	91.6	60.9	58.6	61.4	55.4	<70		< 60	< 50
7.3. Increase the share of renewable energy in the national energy balance, in particular through the introduction of additional capacities at facilities that produce energy from renewable sources	7.3.1. Share of energy produced from renewable sources in total final energy consumption, %	4.9	5.8	6.7	7.0	-	11.0		14.2	17.1
7.4. Increase the energy efficiency of the economy	7.4.1. Energy intensity of GDP (primary energy consumption per unit of GDP), kg of oil equivalent per USD1 by PPP 2011	0.282	0.288	0.267	0.269*	-	0.200		0.170	0.140

\* Current data.

With the new challenges in mind, the Government adopted in 2017 the updated Energy Strategy of Ukraine up to 2035 “Security, energy efficiency, competitiveness” which is currently in progress. Implementation of the activities under the Strategy allowed to:

- reduce the share of one supplier in the nuclear fuel market from 91.6% in 2015 to 55.4% in 2019 (target value for 2020 is < 70) due to conclusion of new partnership agreements with the leading producer, Westinghouse Electric;
- increase the share of energy produced from renewable sources in total final energy consumption from 4.9% in 2015 to 7% in 2018, which gives grounds to expect achievement of the target value set for 2020 (11%) due to growing installed capacity of renewable energy facilities. For example, the electricity sector saw an increase in the installed capacity of renewable energy facilities due to the state support system based on the “green” tariff model. In the heat power sector, installed capacity of renewable energy facilities took place due to introduction of feed-in tariffs for heat-generating enterprises that produce thermal power from alternative energy sources at the rate of 90% of the weighted average tariff for thermal power generated using natural gas;
- reduce energy intensity of GDP from 0.282 kg of oil equivalent per international dollar by PPP 2011 in 2015 to 0.269 kg of oil equivalent per international dollar by PPP 2011 in 2018, which occurred, inter alia, because of production cutback in energy-intensive economic sectors.

However, the intensity of changes is not sufficient and needs acceleration. Key reasons of lagging behind the chosen pathway include a difficult socio-economic situation in Ukraine and an acute shortage of financial resources to implement quality reforms in the fuel and energy complex.

In particular, electric power distribution losses were not decreased, and they rose instead from 11.5% in 2015 to 11.8% in 2018 due to unsatisfactory technical conditions of electric power network facilities (about 25% of electric power networks need overhaul, reconstruction or complete replacement). The task of reducing the share of imported primary energy resources (excluding nuclear fuel) from one country is being performed not at a satisfactory rate: for coal, the share increased from 54.3% in 2015 to

68.6% in 2019 due to the loss of all the mines producing anthracite coal whereas for oil, it decreased from 99.9% to 76.7%, respectively; for natural gas, the share rose to 45.1% because Ukraine and European gas graders were preparing for possible stoppage of gas transit via Ukraine by the Russian Federation.

Problems still unaddressed and hindering progress in achievement of SDG 7 are presented below.

#### **Electric power complex:**

- unsatisfactory technical conditions of electric power network facilities (the share of electric power networks in need of overhaul, reconstruction or complete replacement is 52%);
- low quality of technical maintenance of electric power networks.

Over the recent years, the number of industrial production staff engaged in operation of electric power network facilities has decreased 1.5 times. The quantity of special-purpose equipment and mechanisms used to service electric power networks, including elevated work platforms, and subject to write-down reaches 30%. Although distribution system operators (DSOs) populate development plans and investment programmes with electric network development activities, the network renovation scale covers only a minor share of the existing demand. The amount of necessary capital investments in distribution networks is almost three times higher than actual financing in terms of prospects. Thus, in absence of any additional source of funds for repair and maintenance works at electric power network facilities, their ageing process is impossible to stop. Besides, DSOs using their monopolistic position show no interest in implementation of “pilot” projects for development of electric power distribution networks without extra financial incentives.

#### **Operation of the natural gas market:**

- Ukraine has no alternative to gas imports from the European direction since 2015. During 2019, gas imports have increased by 12.4% to 11.8 bln cubic metres. 13.1 bln cubic metres of gas, 34% more than during 2018, have been pumped into gas storages during 2019.

**TO ENSURE ENERGY SECURITY, GENERATION ADEQUACY AND NORMAL OPERATION OF THE ELECTRIC POWER SECTOR, IT IS NECESSARY TO:**

- improve the regulatory legal framework in the following areas as soon as possible, namely: amend the Market Rules for revision/lifting of imposed price restrictions in the balancing market and auxiliary services market so that pricing does not reduce provision of the Ukrainian UES with balancing capacities necessary for its reliable operation; when introducing support quotas for economic entities generating electric power from renewable energy sources, establish a mandatory condition for investors according to which they must simultaneously provide highly maneuverable generation or Energy Storage-type systems; make amendments to the Transmission System Code and the Market Rules to ensure profitable operation of energy storages (electric power storage plants, pumped storage plants, etc.) according to the Ukrainian UES requirements; expedite introduction of responsibility of RE generation for imbalances;
- take measures to ensure development of generation, frequency control and maintenance systems (FCMS) and storage systems necessary to meet the requirements on adequacy (sufficiency) of generating capacities, namely: ensure construction of new quick-start maneuver capacities and FCMS, commission additionally at least 200 MW of electric power storage capacities; consider implementation feasibility and correction reasonability of the National Emissions Reduction Plan for Large Combustion Plants (NERP); begin environmental modernization of thermal power plant units or start new construction as soon as possible to prevent any problems with generation adequacy because of non-implementation of the NERP at the 2025 level;

ensure that annual quotas of support for economic entities generating electric power from renewable energy sources be not higher than the Ukrainian UES capacities in terms of their full integration without any power delivery restrictions;

- shift to a new tariff-setting model to ensure technical re-equipment of distribution system operators' infrastructure, namely to RAB regulation, which would provide an opportunity for proper financing of projects concerning improvement of energy efficiency of electric power network and promote active development of the electric power sector in general;
- implement certain changes in the operation of the markets of natural gas, oil and their products, in particular: take measures to boost domestic output of natural gas and oil due to market liberalization and tax burden reduction; settle the matter of undertaking exchange and clearing activities in the natural gas market; take reasonable preventive measures for market regulation (establish requirements to exchanges and other legal forms of organized trade in natural gas in terms of their operating transparency, and to economic entities intending to undertake or undertaking clearing activities and/or central counterparty activities; define the principles for regulation of the above-mentioned activities; examine possibility and reasonability of renewing the operation of currently closed oil refineries with subsequent renewal of production, engaging partners in their management, selling or decommissioning them).



# GOAL 8

## DECENT WORK AND ECONOMIC GROWTH

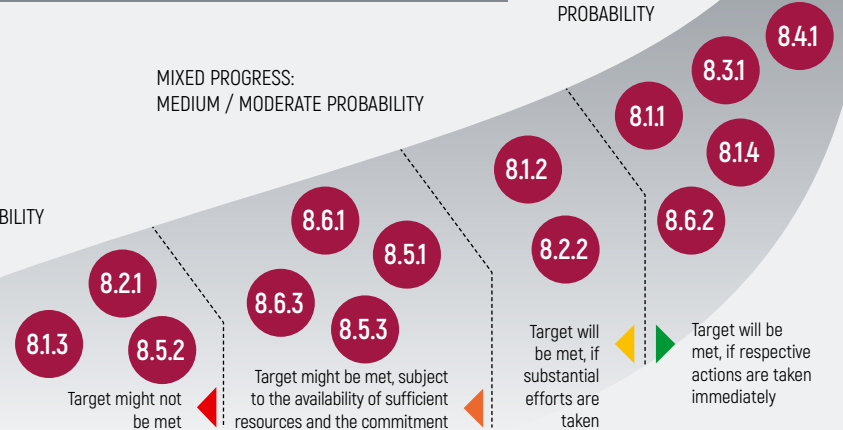


Goal/Target: progress and estimates of probability of achievement

SIGNIFICANT PROGRESS: CONSIDERABLE PROBABILITY  
Goal has been achieved or will be achieved









MIXED PROGRESS: MEDIUM / MODERATE PROBABILITY

SMALL PROBABILITY









SDG 8 includes two main areas that are closely inter-related: economic growth and decent work.

Out of 14 indicators measuring progress in achievement of the national ambitious Goal 8, the target value has already been achieved for two; high likelihood of achievement in 2020 exists for three indicators; positive dynamics needing acceleration is present for five indicators; and three indicators demonstrate negative or very weak positive dynamics.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
8.1. Ensure a steady GDP growth by modernizing production, developing innovation, increasing export potential and exporting products with high value added	8.1.1. GDP volume index, %	90.2	102.4	102.5	103.4	103.2*	104.0		106.0	107.0
	8.1.2. Share of gross fixed capital to GDP, %	13.5	15.5	15.8	17.7	18.0*	23.0		28.0	22.0
	8.1.3. Share of exports of goods whose production uses technologies of high and medium high level in total exports of goods, %**	19.2	17.3	16.8	17.0	16.4	25.0		28.0	30.0
	8.1.4. Ukraine's position as rated by the Global Innovation Index	64	56	50	43	47	50		45	40
8.2. Increase the efficiency of production based on sustainable development and the development of competitive high-tech industries	8.2.1. The return on assets	0.1194	0.1199	0.1195	0.1204	January 2021	0.1300		0.1800	0.2300
	8.2.2. Labor productivity index, %	99.2	103.5	103.2	102.1	101.9***	104.0		103.6	105.8
8.3. Increase employment	8.3.1. Employment rate among those aged 20–64, %	64.4	64.2	64.2	65.6	66.9	66.0		68.0	70.0
8.4. Reduce the share of youth not in employment, education or professional training	8.4.1. Share of youth not in employment, education or professional training in the total number of those aged 15–24, %	17.2	17.8	15.9	14.5	–	17.0		16.5	15.5



TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
8.5. Promote a safe and secure working environment for all workers, including through the application of innovative technologies in terms of health and safety	8.5.1. Number of victims of accidents at work that led to disability of 1 day or more, % of 2015 level	100	104	101	97	91	75		60	55
	8.5.2. Number of workers killed in accidents at work, % of 2015 level	100	107	98	109	113	70		50	45
	8.5.3. Share of workers employed in jobs with hazardous working conditions in the total full-time payroll, %	28.9	-	28.4	-	-	22.0		17.0	12.0
8.6. Create institutional and financial capacities for the self-realization of the potential of the economically active population and the development of the creative economy	8.6.1. Number of persons employed by SMEs, million persons	6.5	6.5	6.6	7.0	-	8.3		9.5	10.5
	8.6.2. Share of value added against production costs of SMEs, % of total value added against production costs	58.1	62.3	62.6	64.3	-	70.0		75.0	80.0
	8.6.3. Ukraine's position in the rating of Doing Business	81	80	76	71	64	30		25	20

\* SSSU data, refined reports (final reports are submitted in December after the reporting year).

\*\* Commodity groups "Products of chemical and related industries", "Polymer materials, plastics and articles thereof", "Machinery, equipment and mechanisms; electrical equipment", "Ground transportation, aircraft, floating craft", subgroup 90 of the group "Optical and photographic devices and appliances" (as per UCGFEA).

\*\*\* Calculated by MDETA based on refined SSSU reports.

The launched reforms, focus on European integration, and business reorientation from the Russian market to advanced western markets, despite strong geopolitical challenges (adverse consequences of the temporary occupation of the AR of Crimea, Sevastopol city and some part of territory in Donetsk and Luhansk oblasts by the Russian Federation), provided conditions to achieve the following:

- annual average real GDP growth rate of 2.9% (for 2016-2019), including 3.4% per capita, due to accelerated growth of investments (gross fixed capital formation of 16.8% in annual average terms since 2016 up to 2019 inclusive) and of consumer demand (by 8.4%, respectively);
- employment rate increase from 64.4% (women – 59.1%, men – 70.2%) in 2015 to 66.9% (61.6% and 72.7%, respectively) in 2019 (*target value for 2020 being 66.0%*), and at the same time labour productivity growth (by 11.1% in 2019 versus 2015) based on modernization of production and introduction of a new labour remuneration policy which resulted, inter alia, in: 1) annual average real wage growth by 12.6% during 2016-2019, and reduced gender inequality in incomes due to decreasing the gap between men's and women's average wage from 25.1% in 2015 to 22.8% in 2019; 2) informal employment decline from 26.2% of the total employed population in 2015 to 20.9% in 2019, including in non-farm sectors – from 19.0% to 14.5% in 2018;

- unemployment rate decrease from 9.1% in 2015 to 8.2% in 2019, and reduction of the share of youth not in employment, education or professional training from 17.2% in 2015 to 14.5% in 2018;
- growth of the share of value added against production costs of SMEs from 58.1% in 2015 to 64.3% in 2018;
- improvement of Ukraine's position as rated by the Global Innovation Index by 17 places to number 47 in 2019 as compared to 2015 (2020 target value being 50).

The following positive trends should also be highlighted:

- increase in the number of persons employed by medium-sized and small businesses by 0.5 mln in 2018 versus 2015;
- decrease in the number of victims of accidents at work that led to disability of 1 day or more by 9% in 2019 versus 2015;
- improvement of Ukraine's position in the Doing Business ranking by 17 places to number 64 in 2019 (versus 2015).

Such progress, however, is not sufficient, and it was hindered mainly due to:

- negative impact of the armed aggression (more than 13 thousand military servicepersons and civilians killed, over 1.4 mln persons displaced, and 300 thousand people with disabilities over 6 years; temporary occupation of more than 7% of the territory that had been a source of some part of GDP: some part of the occupied territory in Donetsk and Luhansk oblasts – 10.0%, temporarily occupied territories of the Autonomous Republic of Crimea and Sevastopol city – 3.7%);
- loss of established intersectoral and logistical ties in the regional and foreign economic space;
- impact on production of various trade and transit restrictions continuously imposed by the RF and tit-for-tat responses on Ukraine's part;
- incomplete replacement of losses of the traditional Russian market (exports of goods to the RF decreased by USD 11.5 bln during 2014-2019<sup>13</sup>) with entry into new markets and expanded presence in European

<sup>13</sup> Calculated by MDETA based on SSSU data.

markets (exports of goods to the EU and other countries except the RF and Kazakhstan increased by USD 1 bln), which is explained by complexity and length of such entry processes;

- insufficiently active commercialization of innovative products and technology in industry which should help take on new markets;
- insufficient external demand caused by a new protectionist policy proliferating worldwide;
- low participation of the banking system and stock market in financing of investment projects and SMEs;
- slow reform of the judicial system, and weak protection of property rights, which deterred inflow of foreign investments;
- a persistently high level of gender segregation in the labour market where women concentrate at lower-level positions and in the economic sectors that traditionally feature lower labour pay (in particular, state budget-funded branches) and continuous difficulties in job placement of certain staff categories because of a biased attitude on the part of employers (persons of pre-retirement age, young women of reproductive age, or women having little children).

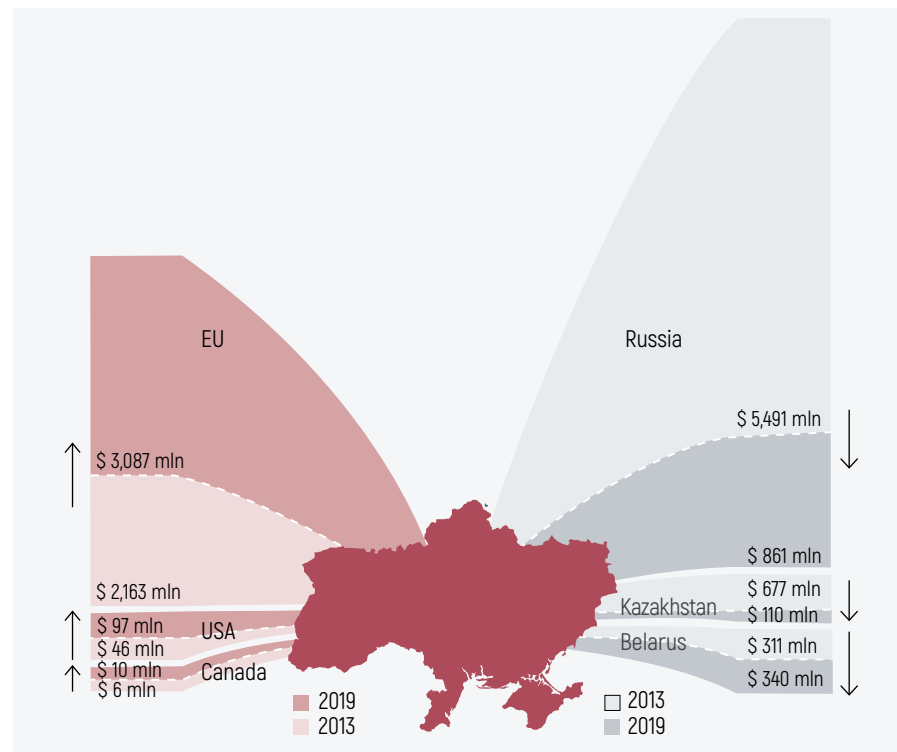
At the same time, there are some areas where there is no or extremely weak progress.

For example, safe and secure working environments are not provided to workers, which is evidenced by low dynamics of the indicator of the share of workers employed in jobs with hazardous working conditions in the total full-time payroll (from 28.9% in 2015 to 28.4% in 2017). Besides, there is negative growth pattern in the number of workers killed in accidents at work: growth amounted to 13.0% during five years (from 2015 to 2019). Main causes of the accidents, including fatal ones, were of organizational nature, and the most common of them included: failure to comply with occupational safety instructions, failure to perform official duties, violation of traffic safety rules, violation of production processes, etc. Elimination of organizational causes requires no funds; what is necessary is to strengthen process and workplace discipline, improve the work organization level, and take proper measures to increase the professional qualification level of workers and train them on the organization and safe performance of works, i.e. implement an efficient occupational safety management system.

The return on assets increased to 0.1204 in 2018 versus 0.1194 in 2015, which is insufficient.

Besides, a positive upward trend emerged during 2017-2019 in exports of high- and medium-high-tech goods – a 29.7% cumulative increase over the period. However, it was not enough to compensate for the losses incurred during 2013-2016 due to decline in exports of these goods (by 66.2%). The share of these goods in total exports of goods did not reach the 2015 level (19.2%) in 2019, amounting to 16.34% (with 16.8% in 2017, and 17.0% in 2018).

**Fig. 4. Dynamics of exports of machine-building products in 2013 and 2019**



Source: Calculated by MDETA based on SSSU data

It should be noted that the Russian Federation, Kazakhstan and Belarus were key markets for those goods before 2013 (particularly in machine-building they

accounted for 61%). It is these countries' manufacturers with which value-added chains and a system of cooperation for production of high- and medium-high-tech goods were created. Domestic product was oriented towards standards and technology development of these countries. Therefore, the armed aggression, and then the trade and transit restrictions imposed by the Russian Federation made it actually impossible to maintain presence of Ukrainian high- and medium-high-tech goods in the above-mentioned countries' markets. Meanwhile, entering the European markets or markets of other advanced countries having different standard requirements and different technology development levels is not fast and easy with the above-mentioned products. It requires time and appropriate expenses. By now, Ukraine has changed the geographical structure of exports of such goods but has still not made up for the loss of their absolute export volumes.

At the same time, export dynamics of high-tech services has gathered substantial pace: according to the NBU data, positive balance of telecommunications, computer and information services has grown 2.5 times during 2016-2019 (from USD 1.5 bln in 2015 to USD 3.6 bln in 2019) whereas the share of these services in exports of services has increased from 16.9% in 2015 to 25% in 2019. Markets of these services had emerged from the very start mainly in highly technologically advanced countries. For example, according to the SSSU data, 24.1% in the structure of exports of telecommunications, computer and information services in 2013 accounted for the USA whereas the markets of the RF, Kazakhstan and Belarus had only 16.1% (in 2019 it was 33.5% and 2.5%, respectively).

Contribution of cultural sector industries to the country's socio-economic development has been becoming increasingly substantial. According to findings of the study on the indicators of culture's impact on socio-economic development in Ukraine (2017, as per the UNESCO methodology), these industries supplied about 4.04% of GDP and provided jobs to 3.17% of the employed population, 48% of which being women and 52% being men. The cultural sector's contribution to the achievement of the above-mentioned percent of GDP, in terms of key cultural industries, was as follows; architecture, advertising, TV broadcasting – 44%; auxiliary cultural branches (e.g. wireless telecommunications, newspaper printing, computer programming) – 56%. Formalization of the "creative industries" term in legislation (in the Law of Ukraine "On Amending the Law of Ukraine "On Culture" to Define the "Creative Industries" Notion", No. 2458-VIII of 19.06.2018) creates preconditions for the formulation of a state policy of development of these industries further on.

These service sectors should be viewed as accelerators of Ukraine's economic growth in the immediate future. It is they that respond adequately and promptly to changes both in domestic policy and from outside.

**TO ENSURE PROGRESS IN THE SDG ACHIEVEMENT, IT IS NECESSARY TO EXPEDITE IMPLEMENTATION OF REFORMS ON DEREGULATION, DECENTRALIZATION, TAX AND JUDICIAL REFORMS. BESIDES, IT IS NECESSARY TO DEVELOP COMPETITION, GUARANTEE AND PROTECT PROPERTY RIGHTS AS WELL AS CREDITORS' RIGHTS. IN ADDITION, THE FOLLOWING STEPS ARE REQUIRED:**

- development of high-tech competitive productions considering the specifics of value added creation along the entire innovation chain (from fundamental science to commercialization, implementation in production, and entry into markets);
- activation of investment processes, realization of infrastructural projects (electric power networks, highways, transport junctions, high-speed passenger railways, vehicles for railroad and water transportation such as railway cars, barges, etc.);
- institutional and financial support for development of innovative processes and products, protection of intellectual property;
- entry into markets of goods and services with a high share of gross value added, including through the launch of the Export Credit Agency;
- financial stability and better conditions of access to domestic and external financial resources for all market actors, particularly SMEs.

**IN RESPONSE TO THE CHALLENGES FACED BY THE UKRAINIAN ECONOMY DURING THE PANDEMIC, TO ENSURE ACHIEVEMENT OF SDG 8 AS WELL AS SDG 3, SDG 9, SDG 1, SDG 10 AND SDG 12 IN THE POST-PANDEMIC PERIOD, IT IS NECESSARY TO:**

- settle the question as regards creation of new production capacities in Ukraine to arrange a full production cycle for critically needed goods and technologies, with respective labour force demand. It's a matter of the country's safe vital activities in the lockdown context;
- strengthen domestic enterprises' ability to compete amid growing protectionism in the world, including in response to challenges of the pandemic;
- when elaborating economic policy decisions, consider future changes in sustained management systems, models of societal relations and economic ties that would give a momentum to faster digital transformation of the economy, resulting in higher demand for jobs, which assumes the highest possible level of intellectual involvement;
- economic growth will be sustained provided that full and productive employment and decent work for all women and men, protection of labour rights, safe and secure working environments for workers are ensured, that women and men are enabled to reconcile work and family responsibilities, and that measures are taken to prevent sexual harassment and other manifestations of sex-based violence and provide protection against them.



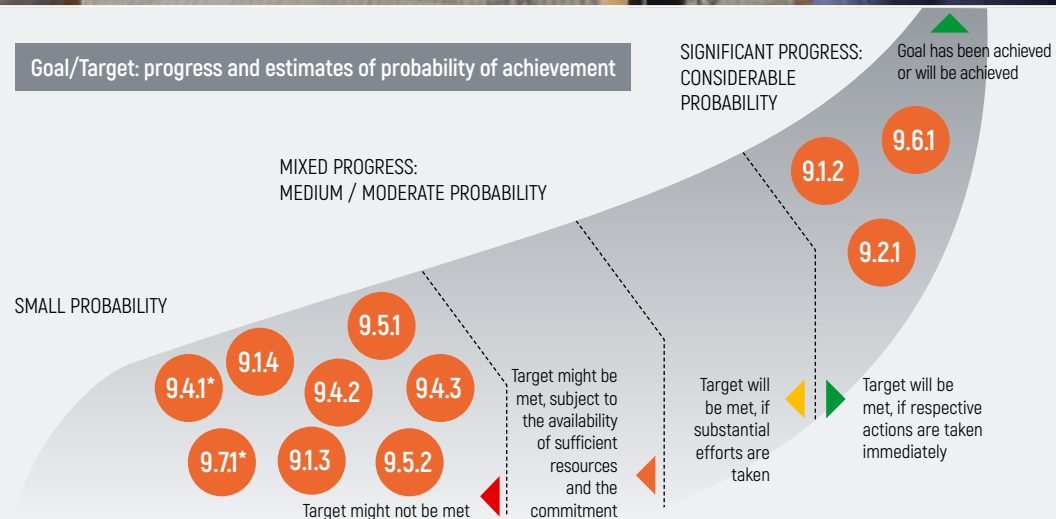


# GOAL 9

## INDUSTRY, INNOVATION AND INFRASTRUCTURE



Goal/Target: progress and estimates of probability of achievement










\* Indicator 9.4.1, 9.71 – expert estimations.  
Indicator 9.11, 9.3.1, 9.3.2 – data not available.







SDG 9 plays a special role in ensuring progress in achievement of all the SDGs by providing preconditions for growth of value added and GDP. Emergence and proliferation of the 4<sup>th</sup> Industrial Revolution technologies is substantially changing the nature of production in the manufacturing industry. To go up the technology ladder, Ukraine should restore its industrial base, engage its scientific and innovative potential for that purpose, digitize its production processes, and reconstruct its infrastructure.

In general, out of 14 indicators measuring progress in achievement of the national ambitious Goal 9, no data for 2015-2019 are so far present for three indicators. Only four of other 11 indicators show positive dynamics. The target value for 2020 has been achieved for one of them whereas such achievement is quite realistic for two and hardly probable for one, which most likely indicates unattainability of the 2020 target values.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
9.1. Develop quality, reliable, sustainable and accessible infrastructure based on the use of innovation technologies, including ecologically clean means of transport	9.1.1. Share of the rural population living further than 3 km from paved roads, %	Data are collected every 5 years from 2021					3,0		1.5	0.5
	9.1.2. Volume of transported goods, million tonnes	1,474.3	1,542.6	1,582.0	1,643.0	-	1,650.0		1,750	1,900
	9.1.3. Number of passengers, millions	5,166.8	4,853.8	4,648.2	4,487.1	4,262.3	5,200.0		5,500	6,000
	9.1.4. Degree of depreciation of assets by TEA «Transport, storage, post and courier services», %	51.7	50.6	47.6	62.9	-	49.0		45.0	45.0
9.2. Ensure increased use of electric transport and related network infrastructure	9.2.1. Share of electric transport in domestic traffic, %	60.3	61.9	62.0	62.6	69.9	65.0		70.0	75.0
9.3. Ensure access to road infrastructure based on the use of innovative technologies, in particular by expanding state participation in various infrastructure projects	9.3.1. Share of hard-surface principal public roads that meet the regulatory requirements, %*	Data are collected every 5 years from 2022					-		30	70
	9.3.2. Share of facilities of public and civil use, improvement equipped to the needs of people with disabilities, %	-	-	-	-	-	20		55	60

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
94. Promote accelerated development of high- and medium-technological sectors and manufacturing industries which are formed based on the use of 'education-science-production' chains and a cluster approach by areas: development of an innovation ecosystem; development of ICT; use of ICT in agriculture, energy, transport and industry; high-technology mechanical engineering; creation of new materials; development of pharmaceutical and bioengineering industry	94.1. Share of value added against production costs of enterprises that belong to the high-tech sector of processing industry (in particular, manufacture of pharmaceutical products and preparations; computers, electronic and optical products; aircraft and spacecraft; related equipment according to CEA) in the total value added against production cost, %	1.9	1.9	1.7	14	-	To be clarified		To be clarified	
	94.2. Share of value added against production costs of enterprises that belong to the medium high-tech sector of processing industry (including production of chemical products; electrical equipment; machinery and equipment; motor vehicles, trailers and semi-trailers; other vehicles according to CEA) in total value added against production cost, %	4.7	3.3	3.4	3.8	-	7.5		9.6	11.8
	94.3. Share of workers employed by enterprises that belong to the high- and medium high-tech sectors of processing industry (including production of pharmaceutical products and preparations; chemicals; mechanical engineering; computers, electronic and optical products; aircraft and spacecraft; related equipment according to CEA) in the total number of workers employed in industry, %	21.2	21.1	21.5	21.6	-	26.0		28.0	29.0

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
9.5. Create financial and institutional systems (innovative infrastructure) that will ensure the development of scientific research and scientific and technical (experimental) development	9.5.1. Share of expenditure on scientific research and development in GDP, %	0.55	0.48	0.45	0.47	0.43	1.50		2.00	3.00
	9.5.2. Share of sales of innovative products in total sales of industrial products, %	14	-*	0.7	0.8	1.3	5.0		10.0	15.0
9.6. Ensure access to the Internet, especially in rural areas	9.6.1. Population coverage with Internet services, subscribers per 100 persons**	14	39	56	62	-	50		75	100
	Ukraine - urban	-	55	78	87	-	-		-	-
	Ukraine - rural	-	3	5	5	-	-		-	-
9.7. Ensure increased youth participation in research	9.7.1. Share of researchers under 40 in the total number of researchers	36.7	37.1	35.6	33.5	32.0	To be clarified		To be clarified	

\* The indicator was not calculated in 2016.

\*\* Since 2016, including Internet users having wireless access.

According to the national system of indicators for monitoring of the SDG 9 achievement, certain progress is present only as regards infrastructure and ICT development whereas indicators reflecting development of industry and innovations (science) have negative or weak positive dynamics.

### Infrastructure

Large-scale infrastructure projects for road repair and construction were launched in 2016-2019, including at the expense of the Road Fund the financial resource whereof increased from UAH 23.8 bln in 2018 to UAH 31.52 bln for 2020. Besides, development of the airport infrastructure was ensured, and the question was settled concerning the entry of low-cost airlines into the Ukrainian market, the share of which increased by 16.4% to currently 30%.

Achievements include:

- freight turnover increase from 334,668.8 mln tkm in 2015 to 361,335.0 mln tkm in 2018, and increase in the volume of freights transported from 1,474.3 mln t in 2015 to 1,643.0 mln t in 2018. The growth was backed up by high demand from agricultural producers and construction enterprises amid active works, particularly for repair and construction of infrastructural facilities, as well as by demand for natural gas in the EU countries;
- passenger turnover increase from 81,315.4 mln pkm in 2015 to 92,535.2 mln pkm in 2019, despite decrease in the number of passengers transported, caused, inter alia, by the armed aggression and labour migration, from 5,166.8 mln to 4,262.3 mln. Passenger turnover growth was maintained to a greater extent by sustainable development of air

transport in the context of the air traffic market liberalization, particularly active operation of low-cost airlines, amid purchasing power increase and flight supply growth;

- a growing share of electric transport in inland traffic from 60.3% in 2015 to 69.9% in 2019, which is even higher than the target value for 2020. Such growth became possible, inter alia, due to implementation of the Urban Public Transport of Ukraine project.

### Innovations and ICT

Due to active development of telecommunication companies, equipment and network upgrades, and transition of Internet providers to modern technologies (using fibre optic rather than copper cables, thus allowing the Internet speed and quality to be increased), the country managed to:

- ensure an increase in the population coverage with Internet services countrywide from 14 subscribers per 100 persons in 2015 to 62 in 2018. At the same time, the population coverage with Internet services in rural areas is still low, 5 subscribers per 100 persons in 2018, which requires attention.

In 2020, the Government decreased the fee charged from mobile operators for new licences for 900 MHz LTE implementation, which encouraged adoption of a new mobile communications technology due to which the following was achieved:

- radiofrequencies in the 900 MHz range were de-fragmented, which will greatly improve quality of mobile communications outside large cities;
- licences were issued to three largest mobile operators for the use of the 900 MHz LTE technology, which will allow providing high-speed Internet in small communities and on motor roads (currently it is only possible in large cities).

### Industry

Among positive trends in industry, only those measured by global indicators can be highlighted, in particular;

- growth of the share of small enterprises in industry's total value added from 5.2% in 2015 to 8.5% in 2018, which points to gradual strengthening of the role of small enterprises in industrial development and to development of start-ups able to generate breakthrough innovations, thereby boosting the potential for acceleration of technology modernization and for competitiveness. Increase in the share of such enterprises positively influences the country's industrial production in general because this group of enterprises is more resilient to internal and external shocks and able to adapt quickly to new business environment and promote development of science-intensive high-tech economic sectors;
- increase in the share of industry's total value added in GDP from 19.8% in 2015 to 21.0% in 2018 and, accordingly, of industry's total value added per capita from UAH 9,176 in 2015 to UAH 17,719 in 2018, which occurred only due to a growing share of such sectors as mining and quarrying (from 4.8% in 2015 to 6.0% in 2018) and supply of electricity, gas, steam and conditioned air (from 2.7% in 2015 to 3.1% in 2018).

Importantly, the global indicators do not reflect the substance of national problems in industrial development.

Progress in general is little, particularly:

- the share of workers employed by enterprises that belong to the high- and medium-high-tech sectors of processing industry (including production of pharmaceutical products and preparations; chemicals; mechanical engineering; computers, electronic and optical products; aircraft and spacecraft; related equipment according to CEA) in the total number of workers employed in industry increased by only 0.4 percentage points, from 21.2% in 2015 to 21.6% in 2018. Such pattern is not sufficient to achieve the target value of the indicator for 2020. Certain positive shifts only happened due to resumption of production at key chemical industry enterprises with state support (in particular, preferential conditions with annual quotas for excise-free importation and procurement of raw materials), launch of new production capacities in the pharmaceutical industry and output ramp-up at existing production facilities (in particular, domestic production of equivalents (substitutes) of originator medicines and creation of domestic brands) against the backdrop of growing domestic and external demand, as well as due to stable work of machine-building amidst renewal of

railroad rolling stock and development of foreign economic trade relations among countries;

- the degree of depreciation of assets in transport, storage, postal and courier services increased from 51.7% in 2015 to 62.9% in 2018, which indicates the need to expedite modernization processes in these activity areas;
- the share of value added against production costs of enterprises that belong to the medium-high-tech sector of processing industry (in particular, production of chemicals, electrical equipment, machinery and equipment, motor vehicles, trailers and semi-trailers, other vehicles according to the CEA) in total value added against production costs decreased from 4.7% in 2015 to 3.8% in 2018, which is related to the loss of traditional external markets of in the RF and Kazakhstan, and to length and complexity of entry into highly developed European markets with these products;
- share of expenditure on research and developments in GDP declined from 0.55% in 2015 to 0.43% in 2019, which in turn resulted in a decrease in the number of researchers (in full-time equivalent) per million of available population from 1,006 in 2015 to 882 in 2019, and, as a consequence, a decrease in the share of sales of innovative products in total sales of industrial products from 1.4% in 2015 to 1.3% in 2019. It is these factors that also had a direct negative impact upon the previous indicator's dynamics because new markets needed new innovative quality and new innovative goods that were not available in necessary quantities;
- at the same time, the share of researchers under 40 in the total number of researchers declined from 36.7% in 2015 to 32.0% in 2019, which was caused by outflow of mainly young scientists abroad.

Lack/insufficiency of progress in these components of SDG 9 is caused by a number of reasons, particularly:

#### **In industry:**

- lack of a comprehensive state industrial policy that would specify strategic directions and key priorities for industry development;

- continued armed aggression as well as trade restrictions on the part of the Russian Federation (new bans on machine-building product exports imposed in 2018 and 2019);
- low activity of industrial producers as regards commercialization of new innovative products and digital technology as well as compliance with international standards;
- unwillingness of business and local authorities to use the potential of industrial parks and clusters effectively.

#### **In infrastructure:**

- loss of established intersectoral and logistical ties in the regional and foreign economic space, which in turn also hinders development of industry;
- lack of a comprehensive state policy for development of inland water transport, which does not allow removing critical overload of railways and motor transport;
- inefficient use of the country's port capacities;
- difficulty of connecting to electric power networks;
- insufficient level of administrative services;
- insufficient level of interoperability (interaction) of different modes of transport;
- underdeveloped mechanism for timely detection of, and response to, cyber-incidents and cyberattacks.

#### **In innovations and ICT:**

- lack of information technology penetration into industry as well as of development of necessary skills and research capacity;
- inadequate protection of intellectual property rights;
- considerable scale of external labour migration and stronger tendencies of temporary external labour migration's transformation into a permanent form.



During recent years, the level of commercialization of results of scientific research, scientific and technical (experimental) developments, and technology transfer has been low. All this has been caused by a number of problems arising in different phases of the innovation process and requiring urgent solutions: the existing infrastructure's failure to provide favourable conditions for creation and implementation (commercialization) of developments; insufficient financial resources available to innovators to create and implement (commercialize) developments; lack of communication among all the innovative process actors; etc.

### TO ENSURE REQUIRED PROGRESS IN ACHIEVEMENT OF ALL THE SDG 9 TARGETS, IT IS NECESSARY TO:

#### Infrastructure

- expedite, and improve efficiency of, using a mechanism of public-private partnership, particularly in such priority areas as sea ports, railway stations, motor roads, and airports;
- adopt a new regulatory framework for operation of the railroad sector (rules of access to infrastructure, new procedures of market access such as licencing, safety certification, admission of locomotive operators, etc.), and bring the existing framework into conformity with the European laws;
- establish a client-oriented system for provision of services to railroad transport users based on market economy principles; improve quality of railroad transportation services by opening the railroad transportation market; increase financial effectiveness of operations and technical re-equipment of railroad transport;
- renovate and develop, in a systemic and planned way, national-level general-purpose motor roads to integrate them into the European transport system and improve their traffic safety, speed, comfort and cost effectiveness of transportation; improve the level of operational maintenance of national-level general-purpose motor roads and their traffic safety; extend the WIM network to cover general-purpose roads;

- reduce the rate of mortality caused by road traffic accidents involving commercial vehicles, decrease severity of road traffic accident consequences for road users, reduce socio-economic losses from road traffic injuries, implement an efficient system of road traffic safety management to ensure protection of human life and health by means of executing programmes and measures aimed to increase safety substantially, improve the system of monitoring and analysis of road transport accident sites and numbers, and by means of reforming the system of control over technical conditions of vehicles, including in the course of their operation on the roads;
- enhance quality of transport services provided to urban residents and passenger transportation safety, improve environmental health, reduce the share of the use of private vehicles in favour of urban public electric transport by means of implementing sub-projects for development of urban public transport as part of the EIB's Ukraine Urban Public Transport project and by raising extra EIB funds;
- ensure efficient operation of sea ports, a proper level of their technological and technical equipment, compliance of their infrastructure management and development system with modern international requirements, development of inland water transport and its integration into the priority European transport network;
- develop civil aviation, and enhance people's mobility using air transport services by means of modernizing regional airports based on economic reasonability and societal significance, designing a mechanism of local-level incentives for airlines to expand their flight geography, and by means of designing a mechanism of recovering expenses to the air carriers which carry out societally important transportation;
- ensure people's access to the full range of quality postal communications and related services, including financial services, throughout Ukraine by developing alternative forms and methods of interaction between postal communications service users and service providers in rural areas as well as by enhancing competition in postal communications service delivery;

### Industry

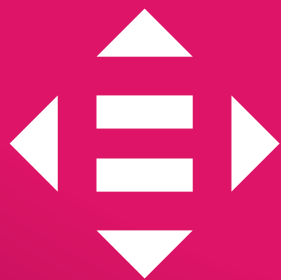
- design and implement strategic directions of industry development that will contain innovative approaches and the Industry 4.0 principles to bring industrial production up to date;
- modernize and expand industrial production, inter alia by developing existing and creating new activities with higher value added, and integrating into global production chains;
- ensure regional development of industry by increasing industrial production and processing outputs, particularly in underdeveloped regions, strengthening regional production chains, and developing cluster cooperation in industry;
- enhance resource efficiency of industry by means of encouraging innovations and simplifying access to investment resources for implementation of resource-saving technologies, adoption of efficient regulation for resource saving and use of renewable energy sources as well as effective practices of waste management and circular economy principles;
- build institutional capacity of industrial parks that can be granted government support; introduce eco-industrial park approaches in selected pilot industrial parks, and strengthen the role of eco-industrial parks in environmental, industrial and other relevant directives on the national level;

### Innovations and ICT

- approve a concept of the state policy on development of research infrastructure, develop a national roadmap of research infrastructures;
- provide financial support to priority areas of scientific research undertaken by higher educational institutions based on their state assessment results;
- increase financing and diversity instruments of support for young scientists (grants, scholarship programmes, etc.), and ensure a shift towards state support for young scientists based on a criterion of identification in terms of scientific career development stages;
- ensure Ukraine's accession to the Horizon Europe framework programme, and expand cooperation with the European Union in science and innovations;
- develop and endorse a new system of priority areas for development of science and innovations, aimed at achieving the Sustainable Development Goals;
- create, and ensure the functioning of, an online platform for communication among the innovation process actors;
- provide opportunities for development of fibre optic networks by means of improving the legislation concerning conditions of providers' work and access to infrastructure;
- bring the operator equipment radiation rates, user equipment certification and quality indicators into conformity with European standards;
- monitoring the Internet coverage of Ukraine's territory and quality of broadband Internet access services;
- connect social and educational establishments, state institutions and organizations to the broadband Internet;
- optimize the radiofrequency resource utilization.

# GOAL 10

## REDUCE INEQUALITY

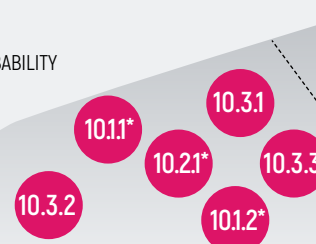


Goal/Target: progress and estimates of probability of achievement

SIGNIFICANT PROGRESS: CONSIDERABLE PROBABILITY  Goal has been achieved or will be achieved

MIXED PROGRESS: MEDIUM / MODERATE PROBABILITY

SMALL PROBABILITY



Target might be met, subject to the availability of sufficient resources and the commitment






Target will be met, if substantial efforts are taken



Target will be met, if respective actions are taken immediately

\* Indicator 10.11, 10.1.2, 10.2.1 – expert estimations.  
Indicator 10.4.1 – data not available.

SDG 10 is extremely important in view of its cross-sectoral impact. Reduction of inequality is a kind of yardstick to measure success in combating poverty, ensuring decent work, and achieving economic growth (i.e. it is closely connected with progress in SDG1 and SDG8). However, whereas progress in SDG1 and SDG8 is moderate there is almost no progress in achievement of SDG10.

Of all 8 indicators measuring progress in achievement of the national ambitious Goal 10, it is currently impossible to monitor progress in one of them because of absence of data. Only two of 7 indicators show positive dynamics; for one of them it is weak and not sufficient to achieve the 2020 target value.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
10.1. Ensure accelerated growth of income of the least well-off 40 percent of the population	10.1.1. Ratio of growth rate of the average per capita total income of the least well off 40% to the whole population, %	0.99	1.02	0.97	0.95	-	To be clarified		To be clarified	
	10.1.2. Share of total income of the least well off 40% in the total income of population, %	25.5	26.1	25.2	24.8	-	To be clarified		To be clarified	
10.2. Prevent manifestations of discrimination in society	10.2.1. Share of persons who reported that in the past 12 months they personally experienced genderbased discrimination in the total number of requests to expert councils on gender-based discrimination, %	-	-	58.3	66.7	75.0	To be clarified		To be clarified	
10.3. Ensure access to social services	10.3.1. Share of rural households who suffered from deprivation due to lack of access to ambulance services in the settlement, %	39.9	-	38.2	-	39.2	30.0		20.0	15.0
	10.3.2. Share of rural households who suffered from deprivation due to the lack of a medical facility near their home, %	26.3	-	27.8	-	29.6	20.0		15.0	10.0

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	<b>10.3.3.</b> Share of rural households who suffered from deprivation due to the lack of regular daily transport to another settlement with developed infrastructure, %	22.7	-	22.5	-	24.4	18.0		13.0	10.0
<b>10.4.</b> Pursue remuneration policy based on equality and fairness	<b>10.4.1.</b> Ratio of the average wage (income) of 10th and first decile groups of workers (decile coefficient), times	31.2	-	-	-	-	23.0		18.0	15.0
<b>10.5.</b> Reform pension insurance based on fairness and transparency	<b>10.5.1.</b> Ratio of average pension to average wage in the economy (given 35 years of contribution), %	31.0	-	-	-	33.1	35.0		37.0	40.0

The financial soundness indicators that are part of the system of global indicators measuring progress in SDG 10 (but not included in the system of national indicators) show different dynamics: regulatory tier I capital to risk-weighted assets increased (from 8.30% in 2015 to 10.52% in 2018); minor changes occurred in the ratio of liquid assets to short-term liabilities – from 92.87% in 2015 to 93.52% in 2018.

The following indicators showed positive dynamics:

- non-performing loans net of provisions to capital fell from 129.02% in 2015 to 60.20% in 2018;
- return on assets improved from -5.54% in 2015 to 1.60% in 2018;
- net open position in foreign exchange to capital increased from 36.15% in 2015 to 46.99% in 2018;
- financial account balance changed its direction – from USD +1,223 mln in 2015 to USD -7,264 mln in 2019, which means currency inflow to the country. Capital inflow on financial account in terms of all instruments

has resumed since 2016 although its flows have narrowed considerably versus pre-crisis periods.

#### FOR REFERENCE

A growing share of debt capital amid macroeconomic stabilization is a typical feature of capital flows after the 2014-2015 crisis. In particular, after repayment of external short-term loans during 2016, the public sector began to undertake external borrowings since 2017 by means of placing government securities to repay its current liabilities. The volume of DGLB in national currency owned by non-residents rose to a record level, which, among other fundamental reasons, promoted strengthening of national currency. As a result, net capital inflow to the public sector in 2019 exceeded inflow to the private sector and increased to USD 4.2 bln.

Stabilization of the macroeconomic situation contributed also to growth of borrowings in the private sector. Following substantial capital outflow during 2014-2015, capital inflow has begun since 2016. In 2019, the real sector undertook record-breaking placements of Eurobonds. As a result, total net capital inflow to the private sector reached USD 3 bln in 2019.



At the same time, the share of investment capital was going down. For example, following high figures in 2005-2013, foreign direct investment inflow fell dramatically in the 2014 crisis year but started to recover gradually since 2015 due to the bank transactions transforming debt into equity. In 2019, FDI inflow increased only to USD 3 bln, or 2% of GDP. However, unlike 2016-2017, a considerable share of it was secured by investments in the real sector equity.

Adverse changes indicating presence of substantial threats to the country's financial soundness were seen in the following indicators: non-performing loans to total gross loans increased from 28.03% in 2015 to 52.85% in 2018; technical assistance decreased from USD 870 mln in 2015 to USD 622 mln in 2018.

The share of the population whose average per capita equivalent monthly total income is less than 50% of average total expenditure increased from 6.0% in 2015 to 6.9% in 2018. This is happening because the poorest population segments' income growth is hindered by insufficient increase of subsistence minimum that is a base to determine various types of social benefits and payments.

Among the national indicators measuring progress in achievement of SDG 10, the country has managed to improve the situation, and approach the target value, during recent years only in the ratio of average pension to average wage: increase from 31.0% in 2015 to 33.1% in 2019, which was supported by growth to UAH 3,474.16 (as per the Pension Fund of Ukraine data at 1.01.2020) of the average pension of persons who have at least 35 years of pensionable service and whom pensions were awarded according to the Law of Ukraine "On General Mandatory State Pension Insurance" (average wage in the economy was UAH 10,503.75 in 2019).

In other targets and indicators, Ukraine currently shows negative dynamics:

the ratio of per capita total income growth rate between the least well-off 40% and the total population deteriorated from 0.99 in 2015 to 0.95 in 2018. Accordingly, the share of total income of the least well-off 40% in the total population income decreased from 25.5% in 2015 to 24.8% in 2018.

The share of people who reported that in the last 12 months they had personally faced sex-based discrimination, in the total number of complaints

to expert councils on sex-based discrimination grew from 58.3% in 2017 to 75.0% in 2019. There has been a persistent problem of multiple discrimination, with a biased attitude to certain population groups and representatives shaped at the intersection of several grounds – sex, age, ethnicity, disability, residence locality, etc.

There is almost no progress in reduction of the share of rural households who suffered from deprivation due to the lack of:

- access to timely ambulance services in the settlement – decrease from 39.9% in 2015 to 39.2% in 2019;
- a medical facility near their home – increase from 26.3% to 29.6%, respectively;
- regular daily transport to another settlement with developed infrastructure – the share of rural households suffering from deprivation because of regular daily transport increased from 22.7% in 2015 to 24.4% in 2019.

The actual lack of progress or too weak positive shifts were mainly related to:

- delayed implementation of fiscal decentralization in Ukraine. Rural residents in Ukraine suffer the most from being deprived of an opportunity of receiving medical, educational and other services. These problems began to be addressed on a large scale in 2014 with adoption of amendments to the Tax and Budget Codes of Ukraine concerning fiscal decentralization, particularly strengthening budget and financial autonomy of local budgets (Laws of Ukraine of 28.12.2014 No. 79-VIII and of 28.12.2014 No. 71-VIII), and in 2015, with adoption of the Laws of Ukraine "On Voluntary Amalgamation of Territorial Communities" and "On Cooperation of Territorial Communities", which provided preconditions for the formation of capable territorial communities vested with expanded powers and resources as well as for the use of an instrument of inter-municipal cooperation among communities to secure their sustainable development.

One of the currently relevant tasks is related to the mechanism for counteracting discrimination cases, including on the ground of sex. However, the number of people's complaints on discrimination cases remains small because of low legal awareness.

**TO ACHIEVE SDG 10, IT IS NECESSARY TO:**

- raise people's income according to economic growth;
- improve the tax legislation;
- enhance quality of services for the population (educational, medical, social, rehabilitation, etc.), and ensure their equal accessibility;

- ensure further incorporation of targets 10.1 and 10.5;
- counter the negative stereotypes that fuel a biased attitude to certain population groups, and make a widespread use of an inter-sectional approach to combat multiple discrimination, in order to consider the needs and interests of different population group members.

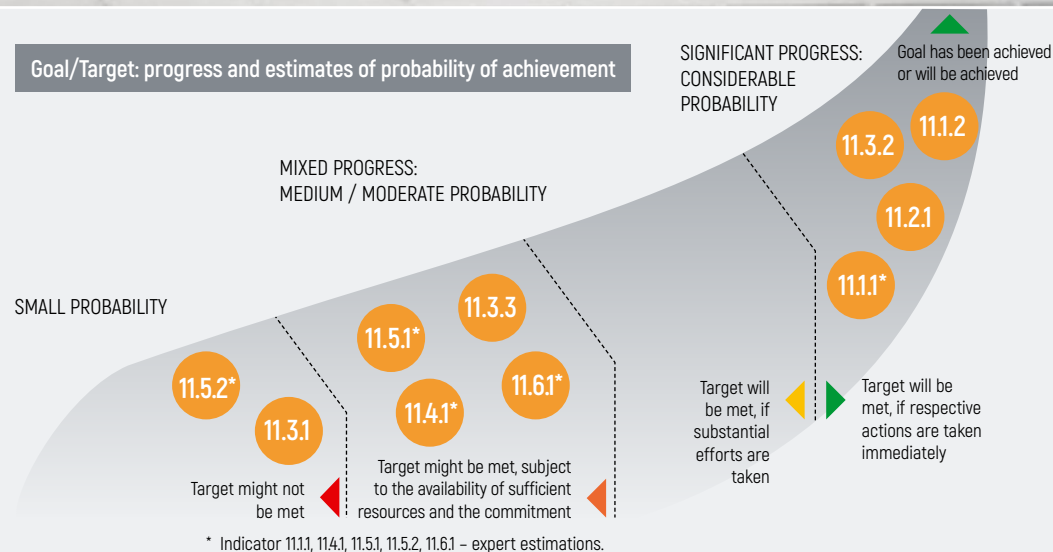


# GOAL 11

## SUSTAINABLE DEVELOPMENT OF CITIES AND COMMUNITIES












Goal/Target: progress and estimates of probability of achievement




SDG 11 covers various sectoral targets (housing, security, environment, etc.) for implementation on the local level.

In general, 8 of 10 indicators measuring progress in achievement of the national ambitious Goal 11 show positive dynamics. For two of them, target values for the 2020 horizon have already been achieved whereas four indicators demonstrate positive dynamics but likelihood of achieving the 2020 targets for them cannot be calculated because the indicators have no target values for 2020.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
11.1. Ensure access to housing	11.1.1. Solvency ratio of the borrower (ratio of monthly payments of the borrower and his/her family)	0.36*	0.50*	0.28*	0.23*	0.19*	To be clarified		To be clarified	
	11.1.2. Coverage of territorial units of Ukraine (regions) with affordable housing programs for different categories of citizens, %	100*	100*	100*	100*	100*	100		100	100
11.2. Ensure development of settlements and territories exclusively based on integrated planning and participatory management	11.2.1. Share of regions that have approved and implemented regional development strategies and action plans for their implementation developed with public participation, %								100	100
	regional strategy	88 (22 regions)	100 (25 regions)	100 (25 regions)	100 (25 regions)	100* (25 regions)	100 (25 regions)			
	action plan for the implementation of the regional strategy (first phase)	64 (16 regions)	96 (24 regions)	100 (25 regions)	-	-				
	regional strategy and action plan for the implementation of the regional strategy (second phase)	0	4 (1 region)	64 (16 regions)	84 (21 region)	92* (23 regions)	100 (25 regions)			

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
11.3. Ensure protection and safeguarding of the cultural and natural heritage, with involvement of the private sector	11.3.1. Number of cultural and natural heritage sites included in the UNESCO World Heritage List, units	7	7	7	7	7*	9		11	13
	11.3.2. Number of monuments of national importance included in the State Monument List of Ukraine, units	891	891	906	956	992*	1,005		1,155	1,305
	11.3.3. Area of the nature reserve fund of national importance, % of the country area	3.72	4.10	4.10	4.10	4.24*	5.14		7.38	8.85
11.4. Ensure timely public alert about emergencies through innovative technologies	11.4.1. Status of implementation (development, modernization, improvement) of local automated centralized public alert systems, %	0.05	0.05	0.05	0.10	0.20	To be clarified		To be clarified	
11.5. Reduce the adverse impact of pollutants, including on the urban environment in particular, through innovative technologies	11.5.1. Emissions of air pollutants from stationary sources,% to 2015 level	100.0	107.7	90.5	87.8	86.1	To be clarified		90.0	85.0
	11.5.2. Number of cities in which the average annual concentrations of major pollutants in the atmospheric air exceed the average daily maximum permissible concentrations, units	34*	34*	34*	35*	36*	To be clarified		20	15
	Suspended matter (dust)	11	10	9	11	11*				
	Sulfur dioxide	-	-	-	-	1*				
	Carbon monoxide	2	5	4	3	4*				
	Nitrogen dioxide	23	23	21	22	26*				
Nitrogen oxide	1	2	1	2	2*					



TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	Phenol	6	5	8	7	9*				
	Soot	1	1	1	1	1*				
	Hydrogen fluoride	2	2	2	2	3*				
	Ammonia	2	2	1	1	2*				
	Formaldehyde	23	23	24	25	25*				
<b>11.6.</b> Ensure the development and implementation of local development strategies aimed at economic growth, job creation, tourism, recreation and development of the local culture, and production of local products	<b>11.6.1.</b> Number of workers employed in tourism business entities (CEA code-2010 – 55.1, 55.2, 55.3, 79.11, 79.12), persons	54,421	55,413	58,588	62,585	-	To be clarified		To be clarified	

\* Data provided on an ongoing basis by the body responsible for calculation of the indicator within the framework of the SDGs achievement monitoring (as per the Cabinet of Ministers of Ukraine Order No. 686-p of 21 August 2019 "Data collection issues for the monitoring of the SDG achievement").

The following has been achieved in Ukraine during the implementation of the decentralization reform:

- all 25 regions have fully approved and implemented regional development strategies developed with public participation. Availability of the regional development strategies and action plans for the implementation is a precondition for regions to receive resources from the state regional development fund;
- the number of monuments of national importance included in the State Monument List of Ukraine has increased from 891 in 2015 to 992 in 2019 (according to MCYS data). It has resulted from a change in the approaches to understanding of the country's cultural heritage in general whereas a reform of immovable cultural heritage recording has enabled digitizing of standardized processes of cultural heritage recording;

- the area of the nature reserve fund of Ukraine has increased from 3.72% of the country area in 2015 to 4.24% in 2019 due to implementation of a number of regulatory legal acts as regards creation and expansion of territories and objects of the nature reserve fund of national importance which expanded the area of Ukraine's nature reserve fund by almost 80,000 ha some part of which is included in the UNESCO World Heritage List;
- the volume of air emissions of pollutants from stationary sources has decreased in 2019 to 86.1% of the 2015 level which resulted, inter alia, from implementation of the EU-Ukraine Association Agreement. In order to comply with provisions of Directive 2008/50/EC and Directive 2004/107/EC, the Procedure for State Monitoring of Ambient Air Protection has been approved (Cabinet of Ministers of Ukraine

Resolution No. 821 of 14.08.2019), which has introduced a new system of air condition monitoring and basic elements of air quality management as per the above-mentioned directives. The Concept of implementation of the state policy on industrial pollution for 10 years has been endorsed. It provides for implementation of Directive 2010/75/EU, reduction of industrial pollution and stronger control over it, and lays a foundation for reform of the authorization system, namely introduction of a unified authorization;

- the ratio of monthly payments of the borrower and his/her family on servicing of debt under a preferential mortgage loan obtained from the state or local budget to total monthly income (solvency ratio of the borrower, PTI) has decreased from 0.36 in 2015 to 0.19 in 2019 (according to MDCT data), which has been achieved due to the Government's having improved the procedure of public participation in the programme of providing affordable housing to people, the mechanism of which was approved by the Resolution No. 819 of 10.10.2018 "Some matters of providing affordable housing to people", and due to amendments to the Rules of granting of long-term loans to individual housing developers in rural areas. With these amendments, the Government has improved the mechanism of granting of long-term preferential loans, which will contribute to expansion of housing construction volumes due to a wider range of borrowers;
- all territorial units (regions) of Ukraine have been 100% covered by programmes for providing affordable housing to various population groups (according to MDCT data);
- the number of persons employed by economic entities in tourist activities (CEA-2010 code – 55.1, 55.2, 55.3, 79.11, 79.12) has increased from 54,421 in 2015 to 62,585 in 2018, due to implementation of the Strategy for Development of Tourism and Health Resorts up to 2026 (Cabinet of Ministers of Ukraine Order No. 168-p of 16.03.2017) and to the Government's active steps for support of entrepreneurship in the country.

There has also been positive dynamics in:

- the level of implementation (creation, modernization, improvement) of local automated centralized public alert systems – from 0.05 in 2015 to 0.2 in 2019. Implementation of the public alert systems will enhance the general level of civil protection of the population in Ukraine's regions.

#### FOR REFERENCE

By now, full modernization of a local automated centralized alert system in Mariupol city has been completed, and modernization has begun in Dnipro, Lviv, Kyiv, Mykolaiv, Odesa, Ternopil, and Kherson.

Necessary regulatory legal and regulatory technical acts and governing documents have been drafted and approved for reconstruction of the alert system in Ukraine. Given sustainable financing, plans for 2019-2023 include practical activities for development, reconstruction and technical modernization of the centralized alert systems.

At the same time, the number of cities where the average annual concentration of main air pollutants (in particular carbon dioxide, nitrogen dioxide, phenol, formaldehyde) exceeds the average daily maximum permissible concentration has increased from 34 in 2015 to 36 in 2019 (according to MIA data).

Stronger human impact on the environment is now the main cause of the negative dynamics. The largest environmental pollutants include thermal power plants, metallurgical works and chemical plants. They emit sulfur, carbon and nitrogen compounds, and consume large quantities of water. Wastewaters from thermal power plants are contaminated and having high temperature, which causes not only chemical but also thermal pollution.

Motor transport produces 70-90% of pollution in urban areas. Carbon oxide, nitrogen dioxide, lead, and toxic hydrocarbons prevail in vehicle exhaust gases. Considerable pollution is caused by the paper and pulp industry. It ranks first in terms of contaminated run-off quantities (more than 15%).

### Protection of cultural heritage:

- implement electronic recording of immovable cultural heritage as an alternative to existing recording; draft terms of reference for an information system for electronic recording of immovable cultural heritage sites;
- arrange exchange of information related to the monument-protective status of cultural heritage sites among state information system holders;
- establish permanent cooperation with representatives of ICOMOS and the UNESCO World Heritage Committee concerning protection of UNESCO world heritage sites;
- continuously monitor the protection status of world heritage sites; create a system of advanced training and mandatory certification of the staff engaged in cultural heritage protection;
- implement provisions of the 2017 Nicosia Convention on Offences relating to Cultural Property that will criminalize offences against cultural heritage and ensure establishment of special units (cultural police) for protection and physical security of cultural heritage;
- intensify work to create/expand territories and sites of the nature reserve fund of national importance.

In response to the challenges faced by the Ukrainian economy during the COVID-19 pandemic, the tourism development sector needs require:

- establishing a system for protection of tourist service users' rights in case a tour operator fails to meet its contractual obligations, particularly during epidemics and/or imposition of quarantine in certain countries and regions;
- designing a package of support measures for tourist sector entities providing tourist services, aimed at protecting against bankruptcies and stabilizing the work in case of force majeure circumstances;
- creating a system to ensure security of tourists in Ukraine;
- creating a single tourist portal of Ukraine, and evaluating tourist potential of Ukrainian regions.

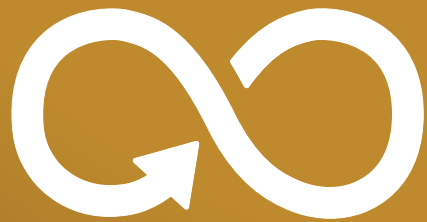
### TO ENSURE ACHIEVEMENT OF SDG 11, IT IS NECESSARY TO:

- approve and implement the State Strategy of Regional Development up to 2027 that provides for new approaches to the regional development policy – transition from the mainly territorially neutral to territorially oriented policy for territorial development based on stimulation of the use of the territories' own potential;
- ensure proper coordination of the implementation in all regions of regional development strategies based on smart specialization;
- strengthen the link between strategic, spatial and budget planning;
- provide for measures by executive authorities (local governments) to implement (create, modernize, improve), and ensure operation of, local automatized centralized systems to alert the population on emergency threats, and secure financing of the above-mentioned measures;
- reduce adverse impact of pollutants, including on urban environment, by means of using innovative technologies;
- secure budget financing for state support of the measures aimed at reducing emissions (increasing absorption) of greenhouse gases as well as targeted financing of the environmental monitoring programme;
- develop barrier-free urban and community spaces to provide equal opportunities of access to infrastructure for persons with disabilities, parents using perambulators, and other population groups with special needs.

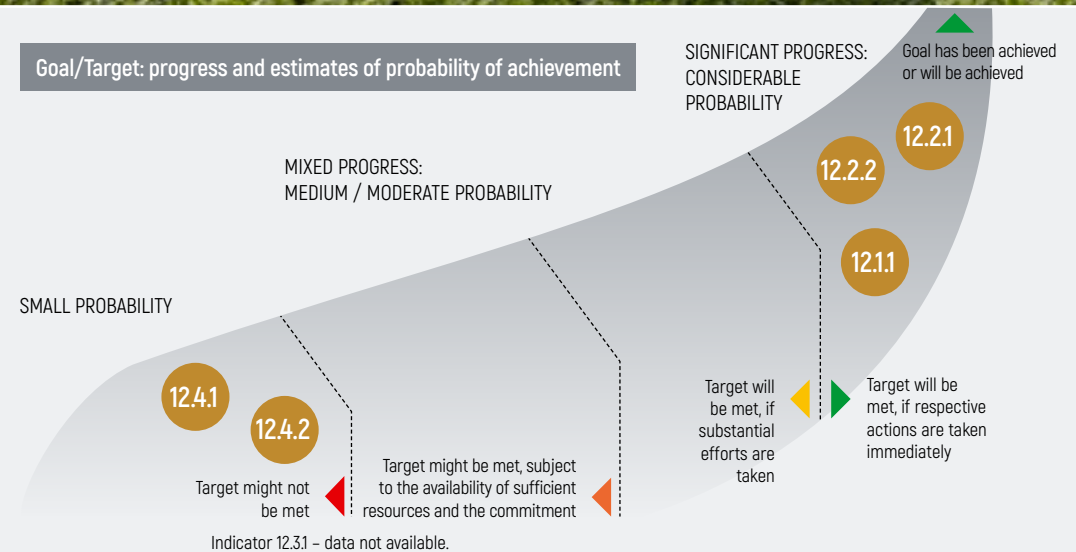


# GOAL 12

## SUSTAINABLE CONSUMPTION AND PRODUCTION






Goal/Target: progress and estimates of probability of achievement







SDG 12 covers two key areas that are closely interconnected: reducing resource intensity of the economy and ensuring environmental safety.

In general, out of 6 indicators measuring progress in achievement of the national ambitious Goal 12, positive dynamics is present in three, with the 2020 target value for one of them already achieved, and for another one achievement of the 2020 target value is quite realistic. For 2 indicators, negative dynamics compared to 2015 is observed.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
12.1. Reduce resource consumption of the economy	12.1.1. Resource intensity of GDP (ratio of consumed volumes of natural resources, waste generated and pollutant emissions to GDP), % to 2015 level									
	GDP energy intensity	100.0	102.3	94.7	95.3	January 2021	90.0		80.0	60.0
	GDP material intensity	100.0	100.0	98.2	97.2	January 2021	90.0		80.0	60.0
	GDP carbon intensity	100.0	105.8	85.1	83.8	January 2021	90.0		80.0	60.0
	GDP water intensity	100.0	98.2	91.6	95.2	January 2021	90.0		80.0	60.0
	GDP waste intensity	100.0	92.5	111.6	104.0	January 2021	90.0		80.0	60.0
12.2. Reduce the loss of food along the production and marketing chains	12.2.1. Share of post-harvest losses in the total production of cereals, %	2.3	2.0	1.8	1.8	-	1.8		1.0	0.5
	12.2.2. Share of post-harvest losses in overall production of vegetables and melons, %	12.3	12.0	10.8	10.6	-	10.0		7.0	5.0



TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
<b>12.3.</b> Ensure sustainable use of chemicals through innovative technologies and production	<b>12.3.1.</b> Share of enterprises that implemented chemical management systems in accordance with international standards in the total number of enterprises using hazardous chemicals, %						Data will be available after the adoption of the EU technical regulation (2020)		100	100
<b>12.4.</b> Reduce the amount of waste generation, and increase recycling and reuse through innovative technologies and production	<b>12.4.1.</b> Volume of waste generated by all economic activities per unit of GDP, kg per USD1,000 PPP in 2011	9774	904.2	1,089.8	1,015.7	-	950.0		880.0	800.0
	<b>12.4.2.</b> Share of burned and recycled waste in the total waste generated, %	30.0	29.0	27.6	29.7	-	35.0		45.0	55.0

Measures aimed at saving resources, protecting environment, and implement fundamental principles and provisions of the European legislation on waste management into the national legislation enabled to achieve:

- decrease in the share of post-harvest losses in the total production of cereals from 2.3% in 2015 to 1.8% in 2018 (1.8% in 2019, according to MDETA data), which corresponds to the target value on the 2020 horizon;
- decrease in the share of post-harvest losses in overall production of vegetables and melons from 12.3% in 2015 to 10.6% in 2018 (10.4% in 2019, according to MDETA data), which allows expecting that the 2020 target value of 10.0% will most likely be achieved;
- reduction of resource consumption in GDP in 2018 versus 2015, by component: GDP energy intensity to 95.3%; GDP material intensity to 97.2%; GDP carbon intensity to 83.8%; GDP water intensity to 95.2%. As to the latter indicator, dynamics of the most of its components (except for GDP waste intensity) is positive. The target values set for 2020 will most likely be achieved.

However, improvement was stable not in all the components. Considerable equipment deterioration in the energy sector as well as in key energy-intense sectors (first of all in metallurgy) causes fluctuations of carbon and energy intensity parameters depending on their development dynamics. That is, responsible business in energy and metallurgy should be more active in addressing the issue of production capacity modernization. Intensification of these processes in Ukraine was observed exactly in 2018-2019 (in particular, capital investment growth rate over those two years was 1.7 times in metallurgy and 1.6 times in energy), which suggests achievement of the 2020 target values for carbon and energy intensity even if production is boosted in these sectors.

At the same time, there are some processes where no progress has been achieved. In particular, the following occurred on the back of existing gaps in the Ukrainian legislation on waste disposal and neutralization:

- increase in the volume of waste generated by all economic activities per unit of GDP, kg per USD 1,000 PPP in 2011 – from 977.4 kg in 2015 to 1,015.7 in 2018;

- decrease in the share of burned and recycled waste in the total waste generated – from 30.0% in 2015 to 29.7% in 2018;
- increase in the GDP waste intensity – to 104.0% of the 2015 level in 2018.

The insufficient progress was caused by:

- insufficient legislative regulation of the waste management issues, lack of an effective mechanism for management of certain waste types, low institutional capacity of public authorities. The low level of interagency interaction and the lack of strategic planning of waste management result in a greater number of unauthorized dumping grounds and overloaded landfill sites as well as landfills failing to meet environmental safety standards;
- shortage of capacities for waste disposal, and low investment attractiveness of this activity;
- low efficiency of application of the waste recycling method;
- slow introduction of low-waste technologies, and low rates of creating the infrastructure facilities for waste management, particularly for hazardous waste;
- insufficient efforts in educational and advertising activities concerning waste accumulation and management, consumer culture improvement, and environmental consciousness.

#### TO ENSURE FASTER PROGRESS IN ACHIEVEMENT OF SDG 12, IT IS NECESSARY TO:

- ensure sustainable use of chemical substances based on innovative technologies and production facilities;
- implement organic agriculture principles, and reduce penetration of chemical (artificial) harmful substances into air, water and soil to minimize their adverse impact on human health and environment;
- improve the waste management legislation aimed at introducing in Ukraine a new hierarchy of waste management and broader producer liability, as well as a system of long-term planning of waste management on national, regional and local levels; implement measures to mitigate adverse effects of waste management and to promote waste preparation for recycling as secondary raw materials and energy resources;
- provide preconditions for introduction of a circular economy model, first of all by focusing on resource-efficient and environmentally clean production (including energy saving) and consumption;
- create cost-effective technologies for solid domestic waste processing to obtain a societally useful end product;
- improve existing logistic approaches to domestic waste management on national and regional levels;
- addressing the issue of radioactive waste management.

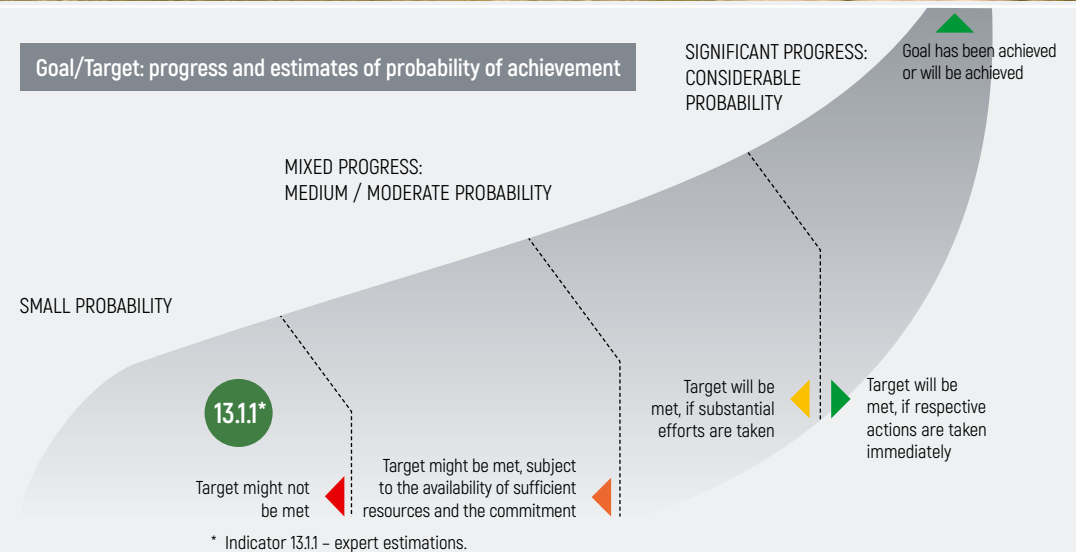


# GOAL 13

## MITIGATE CLIMATE CHANGE IMPACT



Goal/Target: progress and estimates of probability of achievement




SDG 13 is related to the fight for people's normal living conditions. The only indicator currently measuring progress in achievement of the national Goal has negative dynamics compared to 2015.

According to the draft National Inventory of Anthropogenic GHG Emissions by Sources and Removals by Sinks in Ukraine for 1990-2018, emissions of

greenhouse gases (GHG) in Ukraine in 2018 amounted to 344.1 mln t CO<sub>2</sub>-eq. (including the Land Use, Land-Use Change and Forestry sector (LULUCF), or 341.5 mln t CO<sub>2</sub>-eq. (excluding LULUCF).

Since 1990, total GHG emissions and removals decreased by 61.2% (as of 2018), however they grew by 8.8%, or by 28 thousand t CO<sub>2</sub>-eq., versus 2015.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
13.1. Limit greenhouse gas emissions in the economy	13.1.1. Ratio of GHG emissions to 1990 level, %	33.8	35.70	34.20	May 2021	-	To be clarified		To be clarified	To be clarified

**Table 1. GHG emissions and removals in 1990 and 2015-2018**

Sector	GHG emissions and removals, thousand t CO <sub>2</sub> -eq.					Emissions change relative to 1990, %	Emissions change relative to 2015, %
	1990	2015	2016	2017	2018		
Energy	725,319	210,825	224,765	217,753	226,296	-68.8	+7.3
Industrial Processes and Product Use	117,988	56,463	58,151	51,762	55,143	-53.3	-2.3
Agriculture	86,843	39,461	42,178	41,091	44,239	-49.1	+12.1
Waste	15,625	15,529	15,745	15,618	15,774	+1.0	+1.6
LULUCF	-59,192	-6,175	-1,726	-10,249	2,624	-104.4	-142.5
<b>Total (excl. LULUCF)</b>	<b>945,775</b>	<b>322,278</b>	<b>340,838</b>	<b>326,224</b>	<b>341,452</b>	<b>-63.9</b>	<b>+5.9</b>
<b>Total (incl. LULUCF)</b>	<b>886,583</b>	<b>316,103</b>	<b>339,113</b>	<b>315,975</b>	<b>344,076</b>	<b>-61.2</b>	<b>+8.8</b>

In total GHG emissions, the Energy sector GHGs account for 66% – 226.3 mln t CO<sub>2</sub>-eq. in 2018. The largest GHG volume in this sector is provided by the Energy Industries category, namely Fugitive Fuel Emissions from Fuels (51.8% of total emissions from the Energy sector in 2018, and 45.6% in 1990)

Total GHG emissions in the Agriculture sector increased by 12.1% in 2018 compared to 2015. The highest rise of GHG emissions was observed in the Agricultural Soils category (GHG emissions in this category contracted by only 11.1% compared to 1990 but increased by 12.7%). Such a pattern can be explained by expansion of areas under certain crops and growing amounts of mineral and organic fertilizers applied.

GHG emissions in the Waste sector amounted to 15.8 mln t CO<sub>2</sub>-eq. in 2018. It is 1% more than in 1990 and 1.6% more than in 2015. Meanwhile, the Solid Waste Disposal and the Wastewater Treatment and Discharge categories account for 57% and 33%, respectively, of total emissions in this sector. Increase in methane emissions from solid waste disposal is caused by annual growth of waste generation and the dominating practice of their disposal (94%).

In the Industrial Processes and Product Use sector, GHG emissions declined in 2018 by 2.3% compared to 2015, and by 53.3% compared to 1990.

In the LULUCF sector, GHG emissions exceeded GHG removals in 2018 for the first time since 1990. Unlike a rather stable level of GHG removal in forests, the level of GHG emissions from arable land and pastures varies greatly. While GHG removal in forests amounted to about 50 mln t CO<sub>2</sub>-eq. during 2015-2018, the volume of GHG emissions from agricultural land activities varied between 40 and 48 mln t CO<sub>2</sub>-eq. Although GHG removal in forests is rather constant, it decreased by about 20% compared to 1990. Despite expansion of forest areas due to afforestation, wood felling amounts increased greatly (by about 60%) and unfavourable weather conditions (fires, diseases, and pests) aggravated due to which forest dieback areas expanded 1.5-2 times.

GHG from arable land and pastures depend greatly on the farming practice and weather conditions. Considerable application of organic and mineral fertilizers ensured GHG removal in the early 1990s. In 2018, the amount of organic fertilizers applied was only 5% of the 1990 level; for mineral fertilizers, the figure is about 88%. Besides, the crop structure changed substantially. Amid a certain increase in the share of grain, the share of industrial crops (sugar beet, flax, hemp) fell down dramatically (from about 35% to 10%). The share of oil crops (sunflower, rape, soya) grew considerably – from about 7% to 30%. In its turn, that resulted in a trend change – from removals at 5 mln t CO<sub>2</sub>-eq. to emissions at 48 mln t CO<sub>2</sub>-eq.

As a Party to the UN Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement, Ukraine ensures meeting its obligations under these international treaties. However, its state policy on climate change is fragmentary and has been viewed solely as a component of the environmental policy until recently.

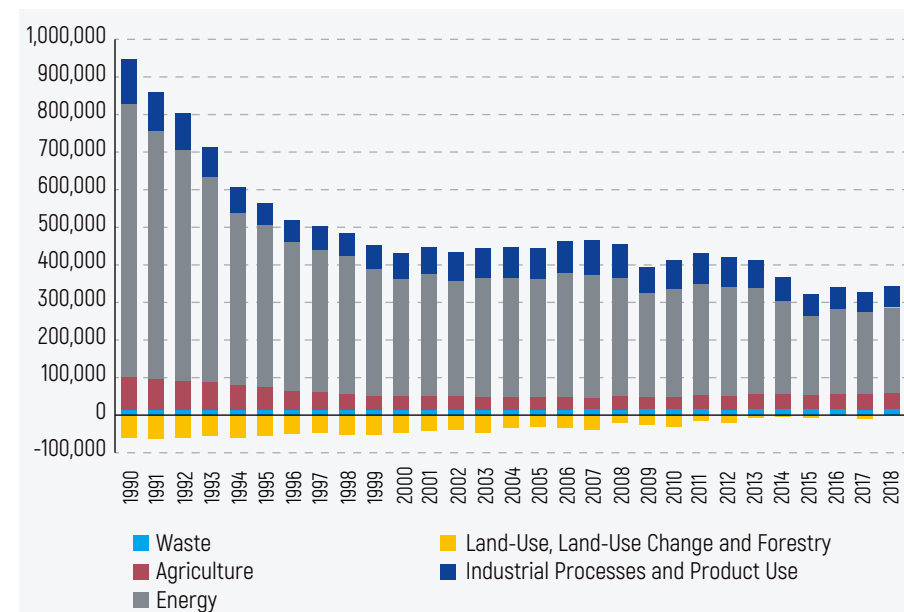
Global warming is currently recognized as one of the acutest problems of our time. In this respect, 155 nations, including Ukraine, signed the UNFCCC in 1992 at the UN Conference on Environment and Development in Rio de Janeiro (Brazil). It came into force on 21 March 1994.

According to the UNFCCC data, Ukraine ranks second (64.7% of total emissions) among 45 Parties to Annex I of the UNFCCC in terms of GHG emission reduction achieved relative to 1990.

The negative trend concerning the GHG emissions growth compared to the 1990 level (from 33.8% in 2015 to 34.2% in 2017) has been caused by an insufficiently systemic approach to addressing the climate change problem, which generally complicates managerial decision-making to ensure prevention of climate change and adaptation to it within the entire national economy.

Fig. 5 and 6 present GHG emission and removal trends as well as main economic and energy indicators (gross domestic product (GDP) and total primary energy supply (TPES)) during 1990-2018.

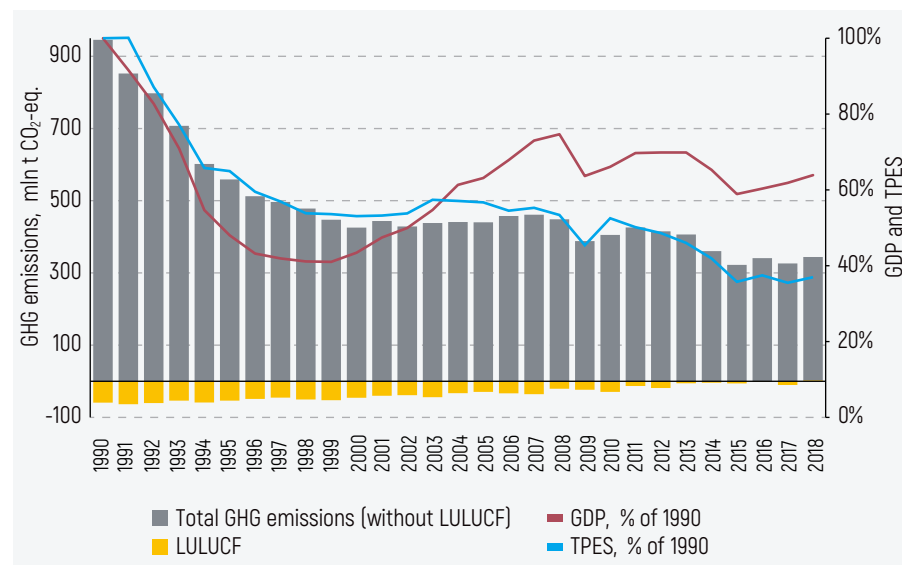
**Fig. 5. GHG emission and removal trends, 1990-2018, GHG emissions (-) and removals (+), mln t CO<sub>2</sub>-eq.**



Source: MENR



**Fig. 6. Trends of GHG emissions and key economic and energy indicators, 1990-2018**



Source: MENR

The total GHG emission trend features the following key stages during the 1990-2018 time series:

- dramatic reduction in GHG emissions from 1990 to early 2000s, which was caused by production cutbacks in industry and agriculture due to the USSR collapse and, as a consequence, by fuel consumption decline in the energy. Besides, that period included restructuring of the economy and rapid growth of the services sector;
- stabilization and growth of GHG emissions during the period from early 2000s to 2008, which was marked by growing production outputs of mineral and metallurgical products as well as by a general economic

rise. During that period, consumption of solid fossil fuel in the energy sector rose, however a number of measures were simultaneously implemented to ensure modernization and energy efficiency in industry in order to reduce natural gas consumption due to the gas price increase since 2006;

- 15% decrease in GHG emissions in 2009 versus 2008, which was caused by implications of the global economic crisis in 2008. In particular, production outputs of cement, ammonia and metals contracted substantially;
- increase in GHG emissions in 2010-2013, featuring general economic recovery from consequences of the global crisis of 2008. During that period, consumption of solid fossil fuel in the energy sector increased because of a gas conflict with the RF;
- dramatic contraction of GHG emissions in 2014-2015 caused by an economic downturn due to the temporary occupation by the Russian Federation of the AR of Crimea, Sevastopol city and some part of territory in Donetsk and Luhansk oblasts where a considerable share of industry and mineral extraction and consumption facilities are concentrated;
- GHG emissions variation in 2016-2018 at the level of 320-340 mln t CO<sub>2</sub>-eq. This period features commencement of active implementation of the energy efficiency policy (the Warm Loans programme to encourage energy efficiency measures in buildings, replace gas boilers by biomass boilers, etc.), and gradual increase of electricity, hot water and heat tariffs to their market values, which made a number of energy efficiency measures economically attractive.

Based on analysis of the trends presented in Fig. 6, we can conclude that a certain decoupling has emerged since 2015 between the GDP behaviour and GHG emissions, i.e. GDP growth is not accompanied automatically by an increase in GHG emissions the way it was in the previous years. However, GHG emissions remain to be directly dependent on TPES.

**TO ENSURE PROGRESS IN ACHIEVEMENT OF SDG 13, IT IS NECESSARY TO:**

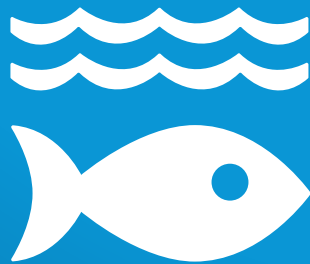
- formulate and implement a holistic state policy on climate change, harmonized with international legislation, and ensure achievement of the objectives provided for in the Paris Agreement ratified by Ukraine in July 2016 and in the implemented provisions of the agreement. Politically, economically and scientifically sound decisions on climate change should be adopted for all economic sectors, including energy, industry, agro-industrial complex, transport, water management, forestry, housing and utilities, land use as well as health care, preservation and reproduction of ecosystems;

- revise every five years the Strategy of Low-Carbon Development of Ukraine through 2050 (in order to evaluate progress and enhance the ambition level subject to national circumstances);
- approve the second nationally determined contribution of Ukraine to the Paris Agreement; a concept of 'green' energy transition of Ukraine through 2050; a comprehensive national plan on energy and climate change for 2021-2030; a national action plan on energy efficiency through 2030; and a national action plan on renewable energy through 2030.



# GOAL 14

## CONSERVE MARINE RESOURCES



Goal/Target: progress and estimates of probability of achievement

SIGNIFICANT PROGRESS: CONSIDERABLE PROBABILITY  
 Goal has been achieved or will be achieved

MIXED PROGRESS: MEDIUM / MODERATE PROBABILITY

SMALL PROBABILITY

14.3.1

Target might not be met

14.2.1

Target might be met, subject to the availability of sufficient resources and the commitment

14.2.2

Target will be met, if substantial efforts are taken

14.1.1

Target will be met, if respective actions are taken immediately

SDG 14 is one of the key tasks of societal development.





Out of 4 indicators measuring progress in achievement of the national ambitious Goal 14, three demonstrate positive dynamics, however for one indicator it is weak and insufficient to achieve the target value by 2020.

Reformation of the marine water protection system and implementation of sustainable use of marine natural resources allowed to achieve:

- decrease in the share of discharges of polluted wastewater in total discharges in the marine environment from 29% in 2015 to 15% in 2019;
- increase in the area of territories and objects of the nature reserve fund in the Black and Azov Seas by 13.1 thousand ha, which resulted

from cooperation among scientists, nature protection activists, local authorities, and the Government;

- inclusion of eleven Ukrainian wetlands in the List of Wetlands of International Importance, namely: Black Bog, Narcissi Valley, Friendship Cave, Nadsiania Raised Bog, Pohorilets River Headwaters, Prut River Headwaters, Ozirnyi-Brebeneskul, Atak-Borzhavske, Dnister River, Burshtyn Water Reservoir, and Liadova-Murafa, endorsed by the Cabinet of Ministers of Ukraine Orders No. 147-p of 23.02.2011 and No. 895-p of 21.09.2011;
- relatively sustainable use of marine bio-resources in the Azov and Black Sea basin.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
14.1. Reduce marine pollution	14.1.1. Share of discharges of polluted wastewater in total discharges in the marine environment, %	29	28	30	27	15**	11*		9	5
14.2. Ensure the sustainable management and protection of marine and coastal ecosystems, and improve their resilience and recovery through innovative technologies	14.2.1. Area of territories and objects of the natural reserve fund of coastal regions, % of the territory of coastal areas	5.81	5.82	5.82	5.84	5.93**	7.00		8.00	10.00
	14.2.2. Area of territories and objects of the natural reserve fund in the Black and Azov Seas, thousands of hectares	612.8	612.8	612.8	612.8	625.9**	650.0		700.0	752.5
14.3. Implement effective regulation of extraction of marine resources	14.3.1. Volumes of extraction of aquatic bioresources in the exclusive (maritime) economic zone of Ukraine, thousands of tonnes	34.2	40.3	42.5	30.0	30.2	36.0		38.0	40.0

\* Definition of this target value used preliminary 2015 data, being 15, as a baseline.

\*\* Data provided on an ongoing basis by the body responsible for calculation of the indicator within the framework of the SDGs achievement monitoring (as per the Cabinet of Ministers of Ukraine Order No. 686-p of 21 August 2019 "Data collection issues for the monitoring of the SDG achievement").

There is no steady downward trend in the volume of extraction of water bio-resources in the exclusive maritime zone of Ukraine (it was decreased to 30.2 thousand t in 2019 from 34.2 thousand t in 2015 after positive dynamics observed during 2016-2018).

Key problems include:

- incomplete actions to reform the public administration system in marine water protection and ensure sustainable use of marine natural resources;
- ineffective system of state supervision/control over compliance with nature conservation laws;
- imperfect financial and economic mechanisms for implementation of resource-saving technologies and sustainable use of marine natural resources;
- insufficient financial support of nature reserve management on local and national levels;
- low public awareness on ecosystem services provided by nature reserve fund areas and objects.

#### TO ENSURE ACHIEVEMENT OF SDG 14, IT IS NECESSARY TO:

- adopt the Strategy of Marine Environmental Policy of Ukraine and its implementation plan according to requirements of Directive 2008/56/EC establishing a framework for community action in the field of marine environmental policy;
- create new territories and objects of the nature reserve fund in the Black and Azov Seas;
- harmonize the policies relating to the use and preservation of natural resources;
- ensure effective management of the nature reserve fund territories and objects of local and national importance, inter alia increase the amount of financial resources allocated for preservation of the nature reserve fund in the Sea of Azov and the Black Sea.



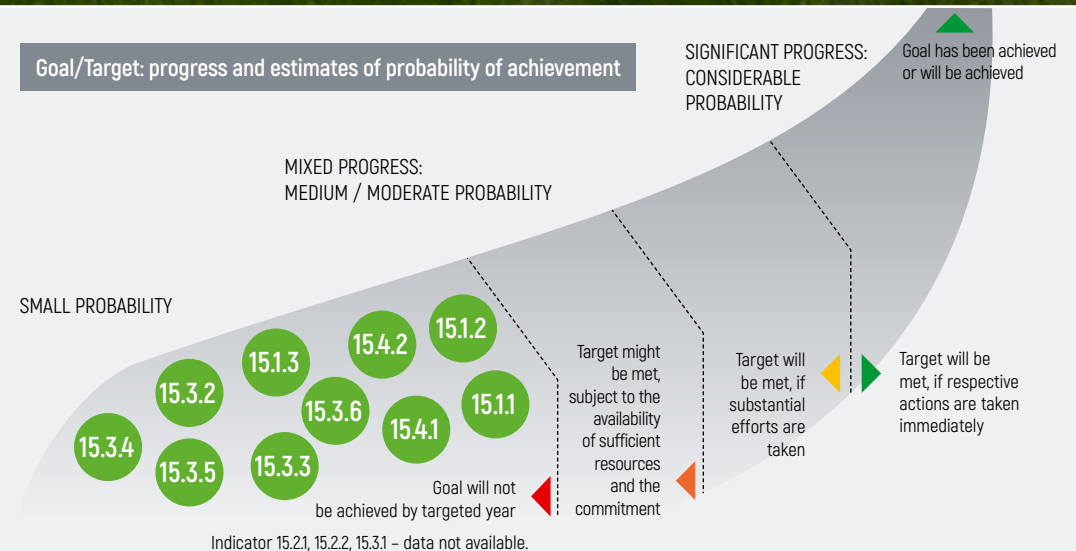


# GOAL 15

## PROTECT AND RESTORE TERRESTRIAL ECOSYSTEMS



Goal/Target: progress and estimates of probability of achievement













SDG 15 includes targets for restoration and sustainable use of terrestrial and inland freshwater ecosystems.

Progress is currently not monitored for 3 of 13 indicators measuring progress in achievement of the national ambitious Goal 15 because data for indicators 15.2.1 and 15.2.2 will only be available in 2025 according to the national legislation, and data for indicator 15.3.1 will be available after results of

the agricultural land certification that will last from 2016 to 2020. Positive dynamics is present in 4 of 10 indicators but it is insufficient for achieving the 2020 target values.

Other six indicators have either negative dynamics or no change at all as compared to 2015.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)	
15.1. Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems	15.1.1. Area of territories and objects of the natural reserve fund, thousands of hectares	3,803.13	3,985.60	3,985.02	3,991.64	4,082.20*	6,276.90		7,545.40	9,053.20	
	15.1.2. Share of area of territories and objects of the natural reserve fund in the total area of the country, %	6.30	6.60	6.60	6.61	6.76*	10.40		12.50	15.00	
	15.1.3. Share of the area of the national environmental network in the total area of the country, %	38.16	38.16	38.16	38.16	38.16*	39.00		40.00	41.00	
15.2. Promote sustainable forest management	15.2.1. Forested territory of the country, %	Data are developed once every 5 years, from 2020 Global indicator 15.1.1 Forest area as a share of total land area – 15.9% (2015-2018)								18.5	20.0
	15.2.2. Wood stock in forests, millions of cubic meters	Data are developed once every 5 years, from 2020								2,300	2,400
15.3. Restore degraded lands and soils through innovative technologies	15.3.1. Setting and implementation of a voluntary national objective to achieve a neutral level of land degradation in the activity area: 'Maintaining organic matter (humus) content in soils' (organic carbon (humus) content in agricultural soils	3.16*	Data is expected. They should be obtained based on the results of the XI round of agrochemical certification of agricultural lands, which will last from 2016 to 2020.			Achieving a stable level not lower than the base level: on average in Ukraine – 3.14*			To be clarified		

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	(content of organic carbon (humus) in the soils of agricultural lands (%)) (additional data from international sources and organizations can be used) in terms of zones:		Data are calculated once every five years. The calculation of data for 2020 will be carried out in 2021 after the completion of the next five-year round of agrochemical certification.							
	Polissya	2.33*					2.24*			
	Forest-steppe	3.21*					3.19*			
	Steppe	3.45*					3.40*			
	<b>15.3.2.</b> Amount of arable land, thousands of hectares	32,531.1	32,541.3	32,543.5	32,544.2	–	31,150.9		29,760.8	28,370.7
	<b>15.3.3.</b> Share of arable land in total area of the country, %	53.9	53.9	53.9	53.9	–	51.6		49.3	47.0
	<b>15.3.4.</b> Area of land used for organic production, thousands of hectares**	410.55	381.2	289.0	309.1	–	500.0		1,500.0	3,000.0
	<b>15.3.5.</b> Area of agricultural land of extensive use (hayfields, pastures), thousands of hectares	7848.3	7840.5	7833.8	7820.8	–	8389.3		8,932.5	9,536.0
	<b>15.3.6.</b> Share of area of agricultural land of extensive use (hayfields, pastures) in total area of the country, %	13.0	13.0	13.0	13.0	–	13.9		14.8	15.8
<b>15.4.</b> Ensure the conservation of mountain ecosystems	<b>15.4.1.</b> Area of the nature reserve fund in mountainous regions, thousands of hectares	656.72	657.15	658.80	659.24	683.80*	905.30		1,207.10	1,533.00
	<b>15.4.2.</b> Share of the area of the nature reserve fund in mountainous regions in the total area of the country, %	1.09	1.09	1.09	1.09	1.13*	1.50		2.00	2.54

\* Data provided on an ongoing basis by the body responsible for calculation of the indicator within the framework of the SDGs achievement monitoring (as per the Cabinet of Ministers of Ukraine Order No. 686-p of 21 August 2019 "Data collection issues for the monitoring of the SDG achievement").

\*\* Data sources are different: 2015 – information from the Federation of Organic Movement of Ukraine; since 2016 – Reform Support Office at the Ministry of Agrarian Policy and Food. Organizations applied different data collection methods.

No positive results for SDG 15 have been achieved. At the same time, in the efficiency M&E process, it became necessary to make some adjustments to the target 15.3 and its respective indicator. In particular, outcomes of the 10th round of agrochemical certification of agricultural land (2011-2015), which were summarized in 2017, indicated positive trends in achievement of the new indicator 15.3.1 – content of organic carbon (humus) in agricultural land soil increased by 0.02% on average across Ukraine.

During 1986-2010 in Ukraine, content of organic carbon (humus) in agricultural land soil decreased by 0.22%, and amounted to 3.14% on average across Ukraine as of 2010. Humus loss in the arable layer was 5,500 kg per hectare over that period. This considered, the year 2010 was chosen as a baseline to define targets concerning the neutral land degradation level. Meanwhile, the new target value of indicator 15.3.1 envisages achievement by 2020 of a stable level (no less than the 2010 baseline) of organic carbon (humus) content in agricultural land soil (%).

Implementation of the policy aimed to protect and restore terrestrial ecosystems, inter alia to preserve and expand the nature reserve fund territories in Ukraine, brought certain positive changes but, unfortunately, did not allow ensuring dynamics required to approach the target values set for the 2020 horizon.

In particular:

- area of territories and objects of the natural reserve fund in Ukraine increased (from 3,803.13 thousand ha in 2015 to 4,082.2 thousand ha in 2019) as was the share of the territories and objects of the natural reserve fund in the total area of the country (from 6.3% to 6.76%, respectively). However, this rate does not allow achieving the target values – 6,276.9 thousand ha and 10.4%, respectively;
- area of the nature reserve fund in mountainous regions increased (from 656.72 thousand ha in 2015 to 683.8 thousand ha in 2019). However, the target value of 905.3 thousand ha set for the 2020 horizon remains unattainable.

### FOR REFERENCE

For reference: due to signing by the President of Ukraine of 15 decrees concerning creation/expansion of the nature reserve fund territories and objects as well as due to adoption of other decision at the national and local levels, the nature reserve fund area has been increased by about 279 thousand ha, or by 0.36% of Ukraine's total area.

Indicators of the area of arable land and eco-stabilizing land (hayfields and pastures) as well as of their shares in total area of the country (indicators 15.3.2-15.3.6) show negative dynamics. The area of arable land increased from 32,531.1 thousand ha to 32,544.2 thousand ha during 2015-2018 whereas the area of agricultural land of extensive use (hayfields, pastures), on the contrary, decreased from 7,848.3 thousand ha to 7,820.8 thousand ha.

Such trends are caused, first and foremost, by economic factors including: growth of agricultural business in Ukraine and the need to improve economic mechanisms to stimulate land protection as well as restoration of soil fertility in the conditions where over 70% of agricultural land and more than 80% of arable land is already privately owned.

More than 6 mln ha of land in Ukraine is systematically exposed to wind erosion, and up to 20 mln ha is affected by dust storms; 13.3 mln ha of agricultural land, including 10.6 mln ha of arable land, is exposed to destructive impact of water erosion.

Withdrawing degraded and low-productive agricultural land, unfit for ploughing, from the arable land category, and transforming it into hayfields and pastures or afforesting it is one of the key tasks for improvement of land and soil conditions and counteraction to their degradation.

**IN ORDER TO INTENSIFY THE PROCESSES AIMED AT ACHIEVING SDG 15 IN UKRAINE, IT IS NECESSARY TO:**

- activate the local authorities' efforts to create new territories and objects of the nature reserve fund;
- promote transition to organic agriculture to maintain/improve soil fertility and preserve biodiversity, reduce land and water contamination (by artificial pesticides/herbicides, etc.);
- take measures to harmonize the policies relating to the use and preservation of natural resources;
- ensure effective management of the nature reserve fund territories and objects of local and national importance, inter alia increase the amount of financial resources allocated for preservation of the nature reserve fund;

- intensify efforts for implementation of the National Action Plan to Combat Land Degradation and Desertification and of the Strategy as well as for achievement of targets concerning the neutral land degradation level;
- ensure improvement of economic mechanisms to stimulate land protection and soil fertility restoration;
- ensure addressing the matters related to transformation of the country's land structure (reducing arable land area, increasing area under forests, restoring hayfields and pastures, etc.) in the process of decentralization of power and land transfer from state ownership to united territorial communities.



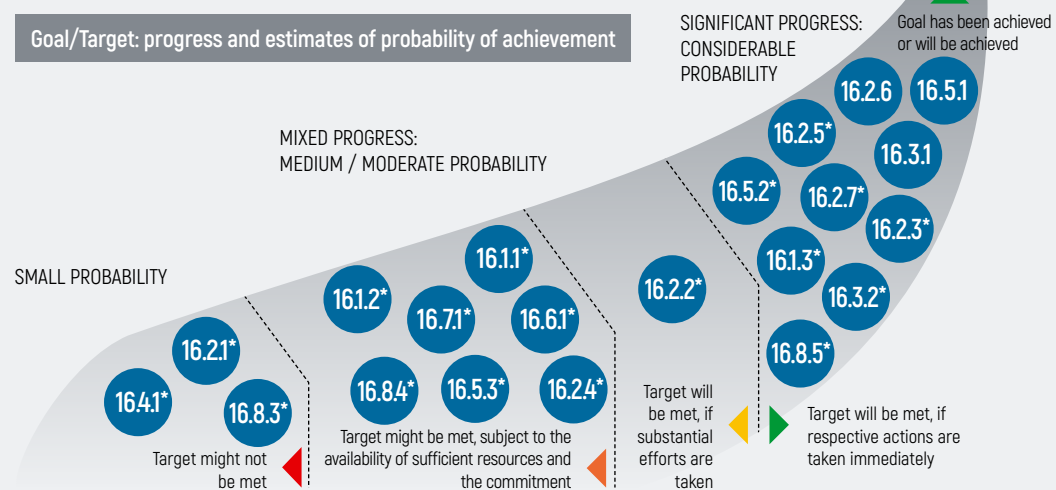


# GOAL 16

## PEACE, JUSTICE AND STRONG INSTITUTIONS




Goal/Target: progress and estimates of probability of achievement
















\* Indicator 16.11-16.13, 16.21-16.25, 16.2.7, 16.3.2, 16.4.1, 16.5.2, 16.5.3, 16.6.1, 16.7.1, 16.8.3-16.8.5 – expert estimations. Indicator 16.8.1, 16.8.2 – data are expected to be forthcoming in 2020, Indicator 16.9.1 – data not available.





SDG 16 covers such important areas as building peace, ensuring the rule of law, eradicating corruption, and strengthening social cohesion. Achievement of SDG 16 on the global level assumes twelve targets whereas nine targets are defined for Ukraine.

In general, out of 24 indicators measuring progress in achievement of the national SDG, data is currently unavailable for 3. Of 21 measured indicators, 18 show positive dynamics, including 10 for which achievement of the target values set for 2020 is quite realistic.




TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
16.1. Reduce the prevalence of violence	16.1.1. Number of criminal offenses under Articles 115–118, 121 of the Criminal Code of Ukraine (evident intentional homicide, intentional grievous bodily harm) reported in the past 12 months per 100,000 persons									
		Total criminal offenses: - Quantity; - Level per 100 thousand population								
		Intentional homicide, Art. 115	8,224 19.23	5,992 14.07	5,145 12.14	5,557 13.11	-	-		To be clarified
		Intentional homicide committed in a state of intense emotional excitement, Art. 116	7 0.02	7 0.02	5 0.01	6 0.01	-	-		To be clarified
		Intentional murder of a newborn by mother, Art. 117	11 0.03	14 0.03	11 0.03	12 0.03	-	-		To be clarified
		Intentional homicide committed while exceeding the limits of necessary defense or measures necessary to apprehend the offender, Art. 118	38 0.09	38 0.09	19 0.04	25 0.06	-	-		To be clarified
		Intentional grievous bodily harm, Art. 121	2,511 5.87	2,256 5.30	2,096 4.94	2,130 5.03	-	-		To be clarified

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	<b>16.1.2.</b> Number of victims of crimes related to physical violence (intentional homicide (and relevant attempts), rape (and relevant attempts), grievous bodily harm), reported over the past 12 months, per 100,000 persons									
	Victim of criminal offenses (level per 100 thousand population)	965.12	1,044.08	882.92	813.42	-	-		To be clarified	
	Victim of criminal offenses (total)	412,689	444,617	374,238	344,780	-	-		To be clarified	
	<b>16.1.3.</b> Number of victims of rape in the past 12 months, persons									
	Victim of criminal offenses (level per 100 thousand population)	0.72	0.77	0.55	0.46	-	-		To be clarified	
	Victim of criminal offenses (Art. 152), total	306	328	233	197	-	-		To be clarified	
<b>16.2.</b> Increase detection of victims of human trafficking and all forms of exploitation	<b>16.2.1.</b> Number of victims of human trafficking or other illicit transactions involving the transfer of human beings reported in the past 12 months, persons									
	Victim of criminal offenses (level per 100 thousand population)	0.26	0.20	0.73	0.54	-	-		To be clarified	
	Victim of criminal offenses (Art. 149), total	113	86	309	231	-	-		To be clarified	
	<b>16.2.2.</b> Number of specialists trained in combating human trafficking	4,147	1,686	11,064	3,966	10,123	To be clarified		To be clarified	
	<b>16.2.3.</b> Number of social services provided to meet the needs of victims of human trafficking	6	46	39	53	1,209	To be clarified		To be clarified	

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	16.2.4. Number of counter-trafficking information campaigns conducted	3	4	4	4	4	To be clarified		To be clarified	
	16.2.5. Number of persons covered by counter-trafficking information campaigns	42,591	55,139	101,320	214,116	183,624	To be clarified		To be clarified	
	16.2.6. Percentage of funding of regional counter-trafficking programs from relevant local budgets	100	100	100	100	100	100		100	100
	16.2.7. Number of persons who obtained the victim of trafficking status, persons	83	110	198	221	185	To be clarified		To be clarified	
16.3. Increase confidence in courts and ensure equal access to justice	16.3.1. Level of public confidence in the court, %:**									
	Population	5	10	12	16	-	35		45	55
	Participants in court proceedings	16	13	28	34	-	35		45	55
	Experts (attorneys, lawyers)	-	-	38	41	44***	35		45	55
	16.3.2. Number of persons seeking free legal aid, persons	38,228***	220,041	392,778	400,615	404,030***	-		To be clarified	
16.4. Strengthen the system for preventing and counteracting the legalization of illegal incomes, the financing of terrorism and the proliferation of weapons of mass destruction	16.4.1. Share of high-level risks in the overall national aggregate of risks in the system for preventing and counteracting the legalization of illegal incomes, the financing of terrorism and the proliferation of weapons of mass destruction, %	-	24.32	-	-	25.00	-		17.00	13.00
16.5. Reduce illicit trafficking of weapons, ammunition and explosive materials	16.5.1. Number of weapons seized (criminal proceedings with completed pre-trial investigation for the past 12 months, units)	3,063	1,890	3,292	2,985	-	2,000*		2,250	2,500

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	<b>16.5.2.</b> Number of ammunition seized (criminal proceedings with completed pre-trial investigation for the past 12 months, units)	204,326	177,757	280,276	273,167	-	-		To be clarified	
	<b>16.5.3.</b> Number of criminal offenses related to illicit arms trafficking reported in the past 12 months, units									
	Stealing, misappropriation, extortion of firearms, ammunition, explosives or radioactive materials, or acquisition by fraud or abuse of office, Art. 262	207	154	151	102	-	-		To be clarified	
	Illegal handling of weapons, ammunition or explosives, Art. 263	7,409	6,307	8,002	7,466	-	-		To be clarified	
	Illegal manufacture, processing or repair of firearms, or tampering, illegal removal or alteration of their marking, or illicit manufacture of ammunition, explosives or explosive devices, Art. 263-1	150	119	198	194	-	-		To be clarified	
<b>16.6.</b> Reduce the scale of corruption	<b>16.6.1.</b> Index of perception of corruption in the public sector by the business community and experts	130	130	131	120	126	To be clarified		To be clarified	
<b>16.7.</b> Increase the efficiency of government bodies and local self-government	<b>16.7.1.</b> Ukraine's ranking in the Global Competitiveness Report by sub-index 'Institutions (government and public institutions)	130	129	118	110*****	104*****	-		To be clarified	
<b>16.8.</b> Restore territory affected by the conflict (Donbas)	<b>16.8.1.</b> Share of the population satisfied with their experience of the use of infrastructure and the level of social services in key areas in Donetsk and Luhansk oblasts, %	October after the reporting year, from 2020					-		80	100



TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
	<b>16.8.2.</b> Share of the population satisfied with the level of administrative governance services in Donetsk and Luhansk oblasts, %						October after the reporting year, from 2020 -		80	100
	<b>16.8.3.</b> Number of communities in the Donetsk and Luhansk oblasts that implemented mine action, units	-	121	167	112	-	To be clarified		To be clarified	
	<b>16.8.4.</b> Demined area in Donetsk and Luhansk oblasts, hectares	9,224	6,553	8,036	5,785	-	To be clarified		To be clarified	
	<b>16.8.5.</b> Number of cases of detection of explosive objects (operative component), units	2,014	5,168	7,252	4,600	3,579	To be clarified		To be clarified	
<b>16.9.</b> Strengthen social stability, and promote peacebuilding and civil security (conflict and post-conflict settlement)	<b>16.9.1.</b> Index of social cohesion and reconciliation*****									

\* Definition of this target value used preliminary 2015 data, being 1,890, as a baseline.

\*\* Information provided from the official webpage of the USAID New Justice programme for the justice sector reform.

\*\*\* Data provided on an ongoing basis by the body responsible for calculation of the indicator within the framework of the SDGs achievement monitoring (as per the Cabinet of Ministers of Ukraine Order No. 686-p of 21 August 2019 "Data collection issues for the monitoring of the SDG achievement").

\*\*\*\* Data for 2015 have been calculated since 1.07.2015 because of the establishment of local centres for free secondary legal assistance according to the Ministry of Justice of Ukraine Order NO. 331/5 of 10.03.2015 "On development of the free secondary legal assistance system").

\*\*\*\*\* Since GCI 2018, a country's performance has been assessed as per a new methodology: pillar scores are calculated on a 0-to-100 scale where 100 represents an ideal state, or a 'frontier'. In previous reports, performance scores were determined on a 0-to-7 scale. Most pillars were reformatted. Accordingly, it is incorrect to compare a country's positions given in GCI 2018 and further rankings with performance in previous rankings scored using the old methodology.

\*\*\*\*\* Calculated on an annual basis according to the SCORE methodology developed by the Centre for Sustainable Peace and Democratic Development (SeeD) and the UN Development Programme. Data according to the SCORE index are disaggregated, not consolidated into a single indicator. Therefore, data according to the SCORE index are not presented in this VNR. They can be accessed on the official SSSU website available at: <https://bit.ly/36UGmgT>

Comprehensive measures for establishing peace, justice and strong institutions have been implemented during recent years in Ukraine.

Mortality caused by injuries resulting from military activities has decreased (mortality rate decreased from 3.0 per 100,000 persons in 2015 to 0.3 in 2018) due to increase in the number of cases of explosive items detection within investigative activities by the National Police units (231 in 2016, 517 in 2017, 570 in 2018, 374 – 2019), to the State Emergency Service pyrotechnicians' work during humanitarian demining, to substantial contraction of illicit trafficking of weapons, ammunition and explosive materials (amount of seized ammunition increased from 204,326 in 2015 to 273,167 in 2018), and to implementation of mine action measures.

#### FOR REFERENCE

Since the beginning of works (July 2014) in the territory of Donetsk and Luhansk oblasts, the SES pyrotechnical units have cleared of ammunition 29,850 ha of area and 97 ha of water bodies, demined 992 social infrastructure and life support facilities, and deactivated 186,863 explosive items including 902 especially dangerous explosive devices planted by terrorists.

Reform of the system of internal affairs bodies has enabled the following achievements:

- decrease in the number of sexual violence cases (number of victims of rape in the last 12 months decreased from 0.72 persons per 100,000 in 2015 to 0.46 persons in 2018), including due to higher efficiency of preventive activities;
- reduction in illicit trafficking of weapons, ammunition and explosive materials: the number of seized weapons decreased from 3,063 in 2015 to 2,985 in 2018 but still remained considerable and exceeded the target value set for 2020 at 2,000 units.

Besides, efficiency has been improved in detection of persons committing or promoting human trafficking crimes, in protection of the rights of human trafficking victims, particularly children, and in providing them with assistance (as a result of implementation of the State Social Programme on Combating

Trafficking in Human Begins for the period until 2020, approved by the Cabinet of Ministers of Ukraine Resolution No. 111 of 24.02.2016). Realization of the programme has brought the following results: increase in the number of persons covered by information campaigns on combating human trafficking from 42,591 in 2015 to 183,624 in 2019; increase in the number of persons granted a human trafficking victim status from 83 in 2015 to 185 in 2019; hundred-percent financing of regional programmes on combating human trafficking; and increase in the amount of social services provided according to the needs of the persons who complained of human trafficking.

#### FOR REFERENCE

At present, the possibility of evaluating the consumer satisfaction with quality of administrative services provided is under realization. In particular, the Diia Portal – the single governmental web-portal of e-services – provides for M&E of services delivered using the web-portal at ASCs or directly by the entities that process applications.

Reform of the system of judicial organization, judicial procedure and related legal institutions to ensure practical implementation of the rule of law principle and to secure functioning of the judiciary (that meets societal expectations concerning independent and fair trial and the European values and standards of human rights protection as part of comprehensive implementation of the judicial reform) has become a precondition for a higher level of public confidence in the judicial authorities and related legal institutions (due to realization of the Strategy for Reform of the Judicial System, Judicial Proceedings and Related Legal Institutions for 2015-2020, approved by the Decree of the President of Ukraine No. 276 of 20.05.2015).

As a result, the level of public confidence in the court has been growing: from 5% in 2015 to 16% in 2018 among the population; and from 38% in 2017 to 41% in 2018 (with the 2020 target value of 35%) among the expert community (counsels, lawyers).

The system of free legal assistance has been gradually developing due to simpler access to free legal assistance, access of a considerable number of

the most socially vulnerable individuals to free secondary legal assistance, large-scale legal awareness raising by justice institutions, implementation of alternative (out-of-court) dispute resolution mechanisms (the number of persons who applied for free legal assistance has increased from 38,228 in 2015 to 400,615 in 2018).

Positive trends were also observed for the following indicators:

- number of recorded criminal offences related to physical violence, and number of their victims (reduction from 965 persons per 100,000 population in 2015 to 813 in 2018);
- number of criminal proceedings related to illicit trafficking of weapons (theft or misappropriation of firearms, ammunition, explosive substances or radioactive materials, or their abstraction by fraud or by abuse of office) – reduction from 207 units in 2015 to 102 units in 2018;
- index of perception of corruption in Ukraine by the business community and experts – Ukraine's position improved from 130 (among 167 countries) in the 2015 ranking to 126 (among 180 countries) in the 2019 ranking;
- Ukraine's position in the Institutions pillar of the GCI – Ukraine improved its standing by having ascended from number 130 (among 140 countries) in the 2015/2016 ranking to number 104 (among 141 countries) in the 2019 ranking<sup>14</sup>.

Such progress is not sufficient, however. It was mainly hindered by:

- insufficient adaptation of the national legislation on combating human trafficking to modern challenges in combating human trafficking; change in the forms and methods of involving Ukrainian nationals in human trafficking; lack of legislative regulation of the problem of combating sexual violence in military activities;

<sup>14</sup> Since CGI 2018, a country's performance has been assessed as per a new methodology: pillar scores are calculated on a 0-to-100 scale where 100 represents an ideal state, or a 'frontier'. In previous reports, performance scores were determined on a 0-to-7 scale. Most pillars were reformatted. Accordingly, it is incorrect to compare a country's positions given in GCI 2018 and further rankings with performance in previous rankings scored using the old methodology.

- insufficient efforts of social protection bodies, territorial units of combating the offences related to human trafficking, and the National Police in identification and referral of victims to social assistance;
- insufficient cooperation among entities that implement measures to combat human trafficking, both on central and local levels; insufficient number of exercises on counteraction of human trafficking;
- adverse impact of armed stand-offs in the east of Ukraine that create conditions for outflow of weapons and ammunition to illicit trafficking from the Joint Forces Operation area; movement of contraband goods across the contact line (fuel and lubricants, coal, medicines, etc.). In its turn, it promotes growth of corruption and redistribution of influence sectors among criminal actors, illegal supply of drugs and psychotropic substances to Ukraine and use of its territory for transit to the EU countries, and an increase in the number of IDPs.

The governmental programmes and measures launched in 2016-2019 were aimed at building peace, restoring and developing territories affected by the armed aggression, ensuring the rule of law, strengthening social cohesion and reconciliation, including, in particular: the State Target Programme for Recovery and Peacebuilding in the Eastern Regions of Ukraine; the Action Plan to implement certain principles of the state domestic policy concerning some areas of Donetsk and Luhansk oblasts where public authorities temporarily do not exercise their powers; the Strategy of Integration of IDPs and Implementation of Durable Solutions concerning Internal Displacement for the period until 2020; etc.

Implementation of the State Target Programme for Recovery and Peacebuilding in the Eastern Regions of Ukraine (the Programme) involves three strategic pillars for action: restoration of critical infrastructure and social services in key fields; economic recovery; social resilience, peacebuilding and community security.

Besides, for the purpose of recovery and peacebuilding in the east of Ukraine, a modern innovative online platform has been created – Portal of Economic and Social Recovery – that summarizes all the information about an affected region's needs, programmes and projects.



Results of analysis of the Index of Social Cohesion and Reconciliation dynamics during recent years demonstrate:

- improvement of inter-group relations, for example higher readiness for dialogue with diverse groups in society, and at the same time considerable decline of negative stereotypes and social threat perceptions;
- stronger support for peaceful settlement of the conflict (contrary to its armed resolution) and at the same time a high level of fatigue with the conflict;
- greater confidence in central authorities although the overall level of confidence in them remains much lower than that in local authorities.

Such progress, however, is not enough. It was mainly hindered by the adverse impact of the ongoing armed aggression in the east of Ukraine and the temporary occupation of some part of its territory. This, in turn, hinders the restoration and building of peace in the territories affected by the armed aggression of the Russian Federation, and complicates the development of the temporarily occupied territories, which will be ensured after their reintegration.

Alongside the positive changes, there are some process with no progress at all. In particular: the number of victims of trafficking or other illicit agreements for human trading in criminal proceedings has increased – from 0.26 persons per 100,000 population in 2015 to 0.54 in 2018 (the negative dynamics was caused by the judicial system's inefficiency in criminal proceedings concerning human trafficking (courts delivered only 40 judgements in 2019 by which 35 persons were convicted)); lack of case law on human trafficking, summarized by the Supreme Court of Ukraine, which provides grounds for ambiguous application of legal provisions; lack of special prosecutors in cases related to human trafficking.

Besides, the share of high-level risks in the overall national aggregate of risks in the system for preventing and counteracting the legalization of illegal incomes, the financing of terrorism and the proliferation of weapons of mass destruction has increased – from 24.32% in 2015 to 25.0% in 2018, which resulted from the ongoing armed aggression in the east of Ukraine.

#### TO ENSURE ACHIEVEMENT OF SDG 16, IT IS NECESSARY TO:

- implement the full scope of reforms, particularly judicial, decentralization, etc.;
- provide a legislative foundation for implementation of comprehensive systems for security monitoring, and arrange interaction between security forces, other public authorities and local governments (the draft law provides for amending and supplementing the Laws of Ukraine "On Local Self-Governance in Ukraine", "On the National Police", "On National Security of Ukraine", and the Code of Ukraine on Administrative Offences); regulate the issue on identification of an applicant's location at the moment of applying (the draft law provides for amending the Laws of Ukraine "On the System of Emergency Assistance to the Public via the Single Phone Number 112" and "On Telecommunications);
- ensure the rights and freedoms of the child and his/her protection against any forms of violence, exploitation and abuse in the digital environment;
- perfect the procedure of establishment and activity of arbitration courts to restore confidence in the arbitration proceedings (in particular, strengthen requirements to the organizations that are arbitration court founders, improve the arbitration court establishment procedure, expand the jurisdiction over cases to be heard by arbitration courts, extend powers of the Arbitration Chamber of Ukraine);
- improve regulation of arbitrations, which will allow extending the list of case categories that can be referred to international commercial arbitration as agreed upon by the parties;
- enshrine at the legislative level the institution of mediation (legal regulation of relations in the field of mediation, in particular, defining the scope of mediation, mediation principles, requirements for mediators, rights, responsibilities and obligations of mediators, mediation procedures, rights and obligations of mediation parties, requirements to the contract on mediation and agreements on conflict settlement based on results of mediation);



- improve the procedure for empanelling a jury as a people's power instrument;
- ensure further simplification of access to legal assistance by facilitating the procedure for confirmation of a person's belonging to the category of persons entitled to FSLA through introduction of mechanisms of information exchange between FLSA centres and state registers; expand the low-income criterion for persons with disabilities who receive pension or benefit awarded instead of pension (from two subsistence minimums for non-able-bodied persons, as it is now, to two subsistence minimums for able-bodied persons) to eliminate social injustice and ensure equal access to FSLA; create and implement online FSLA services;
- continue implementation of alternative (out-of-court) dispute resolution mechanisms;

- enhance legal capacity of territorial communities by implementing activities aimed at raising legal awareness and overcoming legal nihilism of territorial community members, which will prompt them to address their legal issues or problems, if any, just by legal means, as well as due to development of a network of independent FLA providers in communities;
- ensure development of the system and introduction of innovative approaches to vocational training and practical skills development of FSLA lawyers, representatives of the legal community and other stakeholders, as well as implementation of new approaches to evaluation of service delivery quality, which will promote a higher level of public confidence in their work.





# GOAL 17

## PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT



Goal/Target: progress and estimates of probability of achievement

SIGNIFICANT PROGRESS: GOAL HAS BEEN ACHIEVED OR WILL BE ACHIEVED  
CONSIDERABLE PROBABILITY

MIXED PROGRESS: MEDIUM / MODERATE PROBABILITY

SMALL PROBABILITY

17.1.2

Target might not be met

17.3.1

Target might be met, subject to the availability of sufficient resources and the commitment

17.2.1\*

Target will be met, if substantial efforts are taken





17.1.1

Target will be met, if respective actions are taken immediately

\* Indicator 17.2.1 – expert estimations.

SDG 17 defines partnership in four areas that are inter-related: partnership in finance, technology and trade as well as in promotion of the systemic approaches in government activities in the interest of sustainable development on the multi-stakeholder basis, particularly public-private and

civil society partnerships subject to improvement of the indicators measuring progress in sustainable development and capacity-building of countries in statistics.

TARGET	INDICATOR	2015	2016	2017	2018	2019	2020 (benchmark)	CURRENT STATUS	2025 (benchmark)	2030 (benchmark)
17.1. Mobilize additional financial resources by promoting foreign and domestic investment	17.1.1. Ratio of private remittances from abroad to GDP, %	7.6	8.1	8.2	8.5	7.8	6.0*		6.0	6.0
	17.1.2. Net foreign direct investment (according to the balance of payments), USD billions	3,012	3,268	2,593	2,360	2,422	10,000		16,000	17,500
17.2. Consistently reduce the debt burden on the economy	17.2.1. Ratio of gross external debt to exports of goods and services in annual terms, %	245.8	244.6	214.3	194.0	192.0	-		To be clarified	
17.3. Develop a partnership between government and business to achieve the SDGs	17.3.1. Number of projects of public-private partnership	177	186	191	189	187	205		To be clarified	

\* Definition of this target value used preliminary 2015 data, being 5.75, as a baseline.

In general, three of four indicators measuring progress in achievement of the national ambitious Goal 17 have positive dynamics.

Advances towards achievement of SDG 17 and, generally, development of Ukraine include signing of the Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part (concluded by Ukraine and the EU in 2014; trade provisions are in force since 1 January 2016; the Agreement took full effect as of 1 September 2017). The Agreement provides for not only gradual liberalization of trade with the European Union but also stipulates harmonization and adaptation of the national legislation to the EU acquis, political dialogue, reforms in economy, justice, foreign and safety policies. A considerable part of the Association

Agreement consist of provisions on the Deep and Comprehensive Free Trade Area (DCFTA). Since the DCFTA came into force (1 January 2016), the European Union has become Ukraine's largest trade partner – its share in the trade in goods and services amounts to more than 40% of the total foreign trade volume of Ukraine (according to SSSU data).

A visa-free regime between Ukraine and the European Union is another achievement (Regulation (EU) 2017/850 of the European Parliament and of the Council of 17 May 2017 that provides for a visa-free regime between Ukraine and the EU). The visa-free regime with the EU means not only freedom of movement for Ukrainian citizens but also new opportunities for development of business, tourism, transportation market, and trade capacity building.



These agreements gave a momentum for changes inside the country and in inter-relations between Ukraine and the EU countries.

After the crisis year of 2015, macro-financial stability was achieved in Ukraine due to implementation of a well-reasoned monetary policy, particularly a shift to inflation targeting and floating exchange rate, as well as fiscal consolidation and realization of structural reforms supported by the IMF and other international partners amid stronger Euro-integration processes. In particular, annual inflation was reduced from its peak value of 61.0% in April 2015 to 4.1% at the end of 2019. Hence, in 2019 the NBU achieved its inflation target of 5%  $\pm$  1 pp set as far back as 2015. The reduction of inflation and inflation expectations allowed reducing the NBU discount rate gradually, which also promoted decrease of loan and deposit rates. The year of 2019 confirmed that durable macroeconomic stability can be ensured in Ukraine subject to the central bank's consistent and independent policy.

The macroeconomic situation in Ukraine contributed to decrease in the risk premium for Ukraine's debt liabilities, to restoration of investors' trust, and, accordingly, to reduction of government borrowing costs. Against the backdrop of favourable conditions in 2019 in global financial markets for developing countries, the above-mentioned led to capital inflow to the public sector in the first half of 2019 and decrease of capital cost, first of all due to non-residents' growing interest in hryvnia-nominated DGLBs as well as due to the successful placement of EGLBs by the government and of Eurobonds by state corporations, e.g. by Naftogaz of Ukraine. The government managed to decrease the ratio of gross foreign debt to exports of goods and services in annual terms from 245.8% in 2015 to 192.0% in 2019. Another factor of filling the domestic market with inflow of funds in the post-crisis period consisted of private remittances of the Ukrainians who found employment abroad. In particular, the ratio of private remittances from abroad to GDP increased from 7.6% in 2015 to 7.8% in 2019. During 2019, the NBU purchased almost USD 8 bln from the market – five times more than a year before, whereas international reserves reached a six-year maximum and exceeded USD 25 bln.

Due to implementation by the Government of the public-private partnership policy, including concessions, the number of public-private partnership projects increased from 177 in 2015 to 187 in 2019. A systemic approach to regulation of involvement of private business in implementation of projects

on the public-private partnership basis in all sectors will also allow ensuring the execution of provisions of the Law of Ukraine "On Concession", No. 155-IX of 3.10.2019. Concession agreements for the first two concession projects in sea ports (Olvia and Kherson) will be concluded as soon as 2020. Risoil Kherson (winner of the concession tender for the Kherson sea port project) will invest almost UAH 300 mln during 4 years. QTerminals (winner of the concession tender for the Olvia sea port project) will invest UAH 3.4 bln in development of the port during 5 years.

Deepening of partner relations between authorities and business is the goal of the recently established the PPP Agency. For the purpose of the PPP Agency's efficient operation, a memorandum was signed between MDETA and the International Finance Corporation concerning advisory assistance in the formation of the PPP Agency. The Agency has been already preparing public-private partnership projects such as restoration of infrastructure in Rivne city international airport, or Vinnytsia city airport terminal.

Besides, to manage Ukrainian investment infrastructural projects and place information about them, MDETA is working with the Sustainable Infrastructure Foundation to join the SOURCE international platform.

Such progress is not sufficient, though. The minor increase in the number of public-private partnership projects since 2015 has been caused by the following factors:

- outdated legal regulation of implementation of public-private partnership, including concession, before adoption of the new Law of Ukraine "On Concession";
- absence in the budget legislation of a mechanism for public partners to assume long-term commitments as part of public-private partnership;
- lack of budget funds to engage advisors to prepare public-private partnership projects;
- low institutional capacity of public authorities and local governments in the field of public-private partnership;
- unawareness of the business community and society on the existence and potential of the public-private partnership mechanism.



The factors hindering mobilization of financial resources into the Ukrainian economy also include the insufficient protection of creditors' rights and the persistence of a major problem of non-performing loans (NPLs) that limited lending activities in the country (the share of such loans in the Ukrainian banking system is still about a half of the total volume of bank loans, being one of the highest in the world). Tackling the above-mentioned problems requires, first and foremost, completing the law enforcement and judicial system reform, strengthening the institute of enforcement of obligations, in particular possible effective foreclosure on mortgaged property and its sale, and creating a full-scale secondary market of distressed assets.

There has been negative dynamics in attraction of foreign direct investments. In 2015, USD 3 bln was attracted to the Ukrainian economy, however, the figure for 2019 was only USD 2.5 bln. The main factors constraining foreign direct investment inflow to Ukraine include: ongoing military hostilities in the territory of Ukraine due to the armed aggression on the part of the Russian Federation, hindering of privatization, investments' distrust in the judicial system, and imperfect legislation on protection of investors' and creditors' property rights.

To ensure sustainable development and improvement of people's life quality, business should be involved in implementation of societally important projects on the public-private partnership basis. As confirmed by international experience, it is this mechanism that can become an effective tool to eliminate a gap between infrastructure financing needs and public resources.

#### TO SECURE ACHIEVEMENT OF SDG 17, IT IS NECESSARY TO ENSURE:

- improvement of secondary legislation with account of the new Law of Ukraine "On Concession" and amendments to the Law of Ukraine "On Public-Private Partnership"; regulation of conditions and particularities of long-term commitments within the PPP framework, including concession (adoption of amendments to the Budget Law of Ukraine); consideration of taxation specifics of certain transactions under agreements concluded as part of PPP (concession agreements); adoption of amendments to the Tax Code of Ukraine; improvement and updating of the PPP methodological basis, particularly on analysis of PPP implementation efficiency, risk assessment and management within the framework of PPP projects; institutional capacity-building by means of trainings, conferences, etc.

Progress in achievement of SDG 16 is also critically important for successful achievement of SDG 17.





## Section 3. SDGS: FOCUS OF ACTION FOR THE NEXT DECADE

During preparation of the VNR, opinions were collected from the widest possible range of participants concerning the future development directions for the decade and on tools to accelerate development. The discussions used materials of the UN MAPS mission concerning SDG accelerators<sup>15</sup> (2018) and inputs from leading forecasting organizations and scientific institutions. According to a summarized opinion, when designing a new development agenda for the decade (or a long-term national development strategy), Ukraine needs to consider thoroughly people's aspirations that actually consist of a new form of governance, a new format of societal relations, and a new economic model able to effectively overcome consequences of existing challenges and threats – inefficient public administration, insufficient and ineffective resource support, technological development gap, limited financing, and the ongoing armed aggression. In the course of the VNR preparation, a special analysis was undertaken concerning the COVID-19 pandemic impact on the national economy (as of May 2020), and a macroeconomic forecast for 2020-2021 with account of the COVID-19 pandemic consequences according to three scenarios was developed. MDETA issued a special edition entitled “Ukraine in 2020-2021: Aftermath of the Pandemic. Consensus Forecast”<sup>16</sup>. Design of an action package within the framework of transformational changes should cover both the need for systemic changes and the challenges of the ‘post-pandemic’ reality.

<sup>15</sup> <https://bit.ly/3f4AEw3>

<sup>16</sup> In response to the situation that has emerged in Ukraine and globally amid the COVID-19 pandemic, MDETA, in cooperation with UNICEF, conducted a consensus survey of experts to highlight a consensus-based vision of future trends and unbiased assessment of the risks and challenges faced both by the world economy and the economy of Ukraine due to the global recession and imposition of restrictive measures in Ukraine while countering the COVID-19 coronavirus pandemic. To sum up results of the consensus vision of the experts, data for March and April 2020 were analyzed. Available at: <https://bit.ly/308rni8>

In the course of the consultations held within the VNR preparation context, it was repeatedly emphasized that the civil society's demands require a concerted strategic vision the future development.

**Based of findings of public and expert discussions, including with participation of youth, the following updated SDG accelerators can be highlighted:**

**Accelerator 1. Changes in approaches to management.** Lack of quality management is a cross-cutting problem for the entire system of public authorities. It was found during the VNR preparation that management problems and shortcomings exist for each SDG featuring low efficiency of achievement of some or other target: contradictions in the organization of relevant administrations, excessive diversity of entities in one activity sector, lack of coordination, etc. The following conclusion can therefore be drawn: a pre-requisite for achievement of any and all SDGs will consist of moving towards high-quality management that means staff competence, simpler administrative structures, eradication of corruption, and true commitment to societal support. Accordingly, the matters of proper management, fair and transparent authorities, and public participation in decision-making and accountability mechanisms should be taken into consideration when planning and implementing tasks and achieving goals. Faster implementation is needed for the judicial system reform as well as the anti-corruption reform. Measures for recovery and peacebuilding, achievement of social justice, respect for human rights, rights of the child and gender equality should be more perfect in terms of coordination and management.

**Accelerator 2. Changes in economic growth quality.** One cannot overcome poverty and ensure improvement of livings standards for broad population segments without economic growth, however not only improvement of the economic situation but also fair distribution of growth results among all the population segments is important. It is quality of economic growth that is necessary, i.e. it should become innovative, inclusive and durable.



Ukraine should urgently shift from a development model where competitive advantages are provided mainly by use of natural resources and low-cost labour, to an innovative model that prioritizes development of manufacture of and trade in products with higher value added, a high technological level of production, skilled highly-paid labour, saving of energy and other natural resources, and an innovative management style. In such an economic model, foundation for growth is provided by “intellect” rather than by raw materials, which is the best way to ensure labour productivity increase in all economic activity sectors. To Ukraine, it means introduction of new technologies not only for the highest possible increase of value added in industry and agriculture but also for upgrading transport and developing services, encouraging the development of Industry 4.0 production facilities and circular economy technologies, supporting exports with a high share of gross added value, and digitalizing the economy. Such a model requires large-scale investments in infrastructure and support of micro-, small and medium-sized business.

It is particularly worth noting that circular economy aspects, Industry 4.0, digitalization, and a higher role of science by means of promoting creation educational and scientific clusters (focusing on a practical dimension), as well as creation and development of logistical infrastructural elements in the Ukrainian economy are what the young people insist on. It is these steps in which young people see an important element of synergy and, accordingly, of SDG achievement acceleration. Moreover, young people regards the need to bring up the young generation on the circular economy principles from the very childhood as an important step towards changes. Such an attitude to life will guarantee achievement of ecological balance to the generations to come.

**Accelerator 3. Changes in the employment policy.** The state income policy should eventually promote building a society with a large middle class able to care for its welfare by itself not only in an economically active period but also after its completion, by distributing their income prudently between current and deferred consumption. The most vulnerable population groups in need of social support should be protected by targeted assistance with no alternative. A proactive employment policy should ensure social inclusion of not only economically active ones but also of those who are socially excluded due to objective reasons. It is important to ensure full and legal employment: it generates income for all working-age people, reduces public spending (for

example, on unemployment benefits), and provides social contributions that allow, at least in part, for financing of social services and pension programmes. Employment with decent pay reduces both absolute and relative poverty, thereby decreasing inequality.

**Accelerator 4. Changes in health care and education sectors.** The new challenges facing both the entire world and Ukraine today require replacement of deeply-rooted management systems, models of social relations and economic ties. This goal can be achieved by speeding up digital transformation of the economy that will lead to higher demand for jobs which require the highest level of intellectual involvement. That is why current educational processes should consider trends of the future. The mutual education-science-business relations should proceed to a new stage of development. Therefore, the task for today is to update educational standards, build the educational process on the principles of inclusiveness and digitalization, create and develop educational and scientific clusters. Any time lost today will cost much in the future. The education sector is therefore the element without which achieving synergy to accelerate achievement of the SDGs is impossible. The same is true for the health care sector. The coronavirus pandemic has shown that resources should be invested in building a strong health care system and ensuring people’s sanitary and epidemiological welfare, instilling in people responsibility for their own health, or countering communicable and non-communicable diseases. This is what the country’s economic well-being greatly depends on as well.

**Presented below are recommendations elaborated on the basis of the open assessment of the SDG achievement progress in Ukraine:**

- 1. Revise the environmental SDG targets and indicators adapted to the national context,** shifting a focus in their formulations from a purely technical approach to human rights-based approaches; improve the list of national targets and indicators of the environmental SDGs by supplementing them with targets aimed at protecting environment and preserving biodiversity and ecosystems.
- 2. Harmonize budget planning with SDG financing,** which will enable a faster progress in the SDG achievement according to the social justice principle due to elimination of the problem of underfinancing or inefficient

use of funds as well as due to mobilization of additional resources aimed at attainment of the SDG targets. Such an approach will allow for spending funds on realization of the tasks progress in which is currently limited because of an inefficient or insufficient financial resource. They include: implementing infrastructural projects; ensuring financial support for development of innovative processes and products; encouraging innovations and facilitating access to investment resources to introduce resource-saving technologies, implement effective regulation of resource saving and use of renewable energy sources, and adopt efficient waste management practices; promoting green and inclusive growth by disseminating environmental knowledge and green technologies that contribute to greening of production processes and infrastructure; building peace and ensuring social accord and national security; strengthening social cohesion and reducing the conflict generation ability in all socially significant factors.

3. **Modernize the system of state strategic planning, M&E**, which will ensure coordination and institutional memory succession. It is reasonable to extend the strategic planning horizon, revise state strategies and programmes, and streamline this system to meet the need for completion of the SDG targets incorporation into state strategic, policy and sectoral documents. The SDG targets concerning development of the creative economy; placement of products with high share of value added on external markets; enhancement of efficiency and systemic development of production facilities using high technologies; provision of safe and secure working environments; reduction of maternal mortality; wastewater treatment, etc. are currently absent from respective programmes. It is reasonable to integrate evaluation of implementation of programmes/strategies and their impact according to the OECD/DAC criteria system in the monitoring of national development. It is important to introduce a guide for evaluation commissioners and managers while raising awareness of the role evaluation can play in the context of the 2030 Agenda (as per recommendations on connection national priorities with the SDGs prepared by UNICEF's Evaluation Office, EVALSDGs, the Ministry for Foreign Affairs of Finland and IIED).

4. Based on outcomes of expert and public discussions of the VNR, and according to proposals received, **prepare the National Progress Report on assessment of Ukraine's achievement of the SDGs for 2015-2020**. The report will provide a more detailed analysis of the country's progress towards the SDGs, ensure comparison of the SDG targets and indicators adapted to the national context with the global SDG targets and indicators, and include numerous examples of contributions by the private sector and the public to achievement of the SDGs. The report will also contain data disaggregated to the highest possible extent (by sex, age, region of residence, place of residence (urban/rural), ethnicity, economic or other status, etc.) in terms of the SDGs. The report should highlight information about partnership and involvement of business and the public in achievement of the SDGs by Ukraine for each goal separately (with cases and success stories).
5. **Revise and update the national baseline report on the SDGs** (expand and amend target formulations, and refine the SDG indicators measuring Ukraine's progress (to bring them closer to the global SDG indicators system)), subject to the proposals and comments provided by experts during the series of webinars where the VNR was discussed (Annex 1).

**To coordinate systemic work with the SDGs in Ukraine, it is reasonable to create the Knowledge-SDG Hub (an interactive online platform) and improve the SDG monitoring system, update the system of SDG indicators and targets (if required), as well as revise the target values for the SDG indicators that have already been de facto achieved.**

**The Ukrainian society expects a new content of development, profound changes in the way of production and consumption, and new models of behaviour in relations with nature, which requires new, fast and effective mechanisms of response to challenges. During the preparation process, the VNR has become a consolidating platform to shape a package of strategic priorities and identify the needs for acceleration of sustainable development in terms of goals and targets. The VNR of the SDGs will serve as a foundation to encourage societal transformation processes during the next decade.**

## Annex 1. SUMMARY OF PUBLIC RECOMMENDATIONS BASED ON DISCUSSION RESULTS

The discussions of the VNR conducted with the participation of a wide range of civil servants, scientists, experts from the agencies of the UN System in Ukraine, business representatives, first of all members of the UN Global Compact network, the public, and members of the expert community allowed the VNR's substantive part to be improved considerably. Participants of the series of webinars voiced both constructive proposals, included in the VNR afterwards, and critical remarks on monitoring of the SDGs, target formulations, and choice of an optimal set of the SDG indicators measuring progress in Ukraine. Especially important was a comment pointing out the need for incorporation of the gender SDG dimension into all the goals, targets and indicators (with disaggregation). It will ensure not only progress in achievement of SDG 5 but also advances in all the goals, first of all by means of mainstreaming gender in education, security and defence, etc. A considerable number of experts underlined also the need to apply a human rights-based approach in public administration. In the opinion of the public, ensuring the rights of the child should become a key state policy task. Another important step is to involve youth in the processes of strategic planning and monitoring aimed at achieving the SDGs. Summing up the feedback received, it should be noted that it is the innovative approaches to preparation of the VNR and its public discussions that became the first step towards the creation of "human-centred" monitoring of national development in Ukraine.

**We express our sincere gratitude to all those who joined the VNR preparation process.**

**Recommendations based on discussion results concerning improving the system to monitor Ukraine's progress towards SDGs:**

### SDG5:

- add the indicator 'Average weighted entrepreneurship index for women (SME policy index), points' to measure Ukraine's progress in target 5.6 'Expand economic opportunities for women' (source: results of the study presented in the report 'SME Policy Index: Eastern Partner Countries 2020: Assessing the Implementation of the Small Business Act for Europe').

### SDG 6:

- change methodological approaches to calculation of indicators 6.1.4 and 6.1.5 – they should evaluate progress in ensuring access of the population, not settlements, to centralized water supply and centralized water drain;
- change the methodological approach to calculation of indicator 6.1.5, including, for evaluation of progress in this indicator, also the population of urban-type settlements which, according to the administrative division in Ukraine, is regarded as urban population;
- reword target 6.3 as 'Improve water quality by reducing the discharge of untreated wastewater', and measure progress in its achievement by two indicators – 6.3.1 'Water bodies with good environmental conditions, % of total number of water bodies', and 6.3.2 'Share of discharge of polluted wastewater into water bodies in total discharges, %';
- reword target 6.4 as 'Increase the efficiency of water use and ensure sustained water intake', and add one more indicator to measure Ukraine's progress: 'Water stress level: fresh water intake as share of available fresh water resources';
- reword indicator 6.5.1 'Number of river basins with approved river basin management plans' as 'Extend of implementation of integrated water resources management' (0-100);
- include indicators of economic affordability of water supply services for rural and urban population in the national system for monitoring of SDG 6 achievement progress.

### SDG 7:

- replace indicator 7.1.1 'Generation of power, billion KWh' that assesses Ukraine's progress in the SDG achievement, with an indicator that would reflect the essence of SDG 7, for example 'Share of population with access to energy, %';

- add indicator 'Present value of energy' (reflecting current value of all costs for generation of one energy unit) to assess progress in achievement of target 7.1 'Expand the infrastructure and modernize networks for reliable and sustainable energy supply through the introduction of innovative technologies';
- add indicator 'Electricity consumption per main user categories' to assess progress in achievement of target 7.4 'Increase the energy efficiency of the economy'.

### SDG 9:

- add indicators:  
9.6.2 'Connection of all social establishments in the country, deployment of open Wi-Fi access networks for facility visitors and staff' because connection of target social establishments will promote development of the Internet access networks, including broadband access, in rural areas;  
'Rate of Internet connections with more than 2 Mbps for mobile Internet';  
'Rate of Internet connections with more than 100 Mbps for fixed Internet'.

### SDG 10:

- replace the national indicator 10.2.1 with an indicator substantial meaning of which corresponds to the global target 10.2 'By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status' of the global SDG 10 'Reduce inequality within and among countries'.

### SDG 11:

- to follow development on the local level, we suggest adding the following indicators to target 11.2:  
11.2.2. Share of united territorial communities (UTCs) that have approved regional development strategies developed on a participative basis, %;  
11.2.3. Number of development projects developed by united territorial communities that received financing from external sources;  
11.2.4. Number of communities that published on their websites information about UTC resources and available investment opportunities (in particular, data that must be published pursuant to the CMU Resolution No. 835), %;  
11.2.5. Share of united territorial communities that have developed comprehensive spatial planning layouts of community territory (in case of adoption by the Verkhovna Rada of Ukraine of the draft law No. 2280 that has passed the first reading), %;

### SDG 13:

- reword target 13.1 as 'Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters', and indicator 13.1.1 measuring progress in this target as 'Availability of national and local strategies of disaster risk reduction'.

### SDG 15:

- add an indicator of the use of freshwater ecosystems to measure progress in SDG 15.



# SUSTAINABLE DEVELOPMENT GOALS UKRAINE

## VOLUNTARY NATIONAL REVIEW



UKRAINE: The first Voluntary National Review of progress towards achievement of the Sustainable Development Goals addresses transformational changes in the country since 2015. It will be useful for representatives of international organizations, government officials, experts, scientists, academia, representatives of CSOs and everyone who is interested in SDGs monitoring in Ukraine.

The report uses photos from UKRIFORM and UNICEF in Ukraine (youth participation initiative “Synergy of knowledge, experience and creativity for the future” (focused on VNR preparation) implemented by the Ministry for Development of Economy, Trade and Agriculture of Ukraine and UNICEF in Ukraine).

More information about the SDGs activity in Ukraine can be obtained from the web site of the Ministry for Development of Economy, Trade and Agriculture of Ukraine MDETA:

<https://me.gov.ua/Documents/List?lang=uk-UA&id=938d9df1-5e8d-48cc-a007-be5bc60123b8&tag=TSiliStalogoRozvitku>

More information about the SDGs monitoring can be obtained from the web site of State Statistic Service of Ukraine:

[www.ukrstat.gov.ua](http://www.ukrstat.gov.ua)

### National SDGs reports:

“SDG: Ukraine” Baseline National Report (2017)

<https://bit.ly/2ABMKxz>

“SDG: Ukraine” Monitoring Report (2019)

<https://bit.ly/2XzjRv>

“SDG 8 Decent Work and Economic Growth: Ukraine” Monitoring Report (2019)

<https://bit.ly/2UaGOSY>

“SDGs for Children; Ukraine” Thematic Report (2019)

<https://bit.ly/3eQAoR2>

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