**Development Partnership Forum Joint Statement**

19 November 2021

On November 19, 2021 representatives of international development partners (DPs) and the Government of Ukraine (GOU) met online and in person under the leadership of the Prime Minister of Ukraine Denys Shmyhal for a Development Partnership Forum meeting in Kyiv. The meeting was in compliance with COVID restrictions recommended by the WHO.

This annual meeting is a forum for candid exchange between the parties on progress in key reform areas as well as an opportunity to improve the effectiveness and policy alignment of international technical assistance (ITA) to Ukraine. The Forum took place within the framework of the Three-Tier ITA coordination mechanism and built on the outcomes of the previous Development Partnership Forum held in October 2020 and the fourth Ukraine Reform Conference (URC) held in Vilnius, Lithuania in July 2021.

The meeting served as a platform for discussion of the agenda for the preparatory meetings for URC 2022, known as “On the Road to Lugano”. Switzerland and Ukraine, as co-hosts of URC 2022, decided to narrow the focus to key reform streams clustered around two pillars: "Stability" (Justice, Rule of Law, and Anticorruption; Decentralization; Reforms for reintegration) and "Prosperity" (Green Transition; Banking and Financial sector; Corporate Governance and Human Capital). Digital transformation is defined as a crosscutting reform stream. Both the preparatory meetings “On the Road to Lugano” and the URC 2022 are guided by a positive and inclusive approach.

Cooperation between Ukraine and DPs is based on common interests, shared values and joint commitments, including the OECD Paris Declaration on Aid Effectiveness. Our cooperation aims to support a national reform agenda that promotes an independent, democratic and prosperous Ukraine with a society that is healthy, inclusive, equal and united around core European values in the context of European integration. Both sides underscored that their shared aim is to achieve tangible development impact for all Ukrainian citizens, including youth and the most vulnerable groups, based on the EU-Ukraine Association Agreement, the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change.

The GOU continues to be committed to implementing policies targeted at restoring sustainable economic growth and bringing the country closer to the EU and to NATO membership. The DPs stand ready to support the GOU to realise Ukraine’s full economic and social potential as well as to help tackle global challenges.

Participants commended the GOU on its leadership and progress in 2021, despite the challenges associated with the need to continually defend itself from external aggression as well as with significant geopolitical and economical challenges, including the COVID 19 pandemic. Substantial advancements by the government were noted on land reform and decentralisation. The participants also welcomed the establishment of the Ethics Council to the High Council of Justice and the Selection Commission for the High Qualification Commission of Judges that together pave the way for the renewal of the judicial system. Development partners reaffirmed their commitment to support Ukraine in its implementation of this essential reform.

The discussions at this year’s Development Partnership Forum focused primarily on two broad reform areas, **Good Governance** and **Environment and Climate Change**. Participants reaffirmed their commitment to structural reforms and emphasized the need for clear and consistent communication with Ukrainian citizens to outline the government’s plans and to help advance and implement priority reforms. At the meeting, the GOU and DPs shared the view on the following:

1. **Good Governance**
2. To protect and enable progress on previously approved judicial reform, the GOU and DPs must continue working closely together. Reform of the Constitutional Court of Ukraine (CCU) is also necessary, not least through the creation of a transparent and competitive selection procedure, including robust integrity checks for new CCU judges in line with Venice Commission recommendations.
3. To advance shared anti-corruption goals, the swift adoption of the National Anti-Corruption Strategy and implementation of the associated state program as well as the allocation of necessary resources is needed. The GOU should ensure transparent and merit-based processes for selecting the Head of ARMA, SAPO and NABU as well as an independent auditor for the NAPC. In addition, the GOU should finalize and adopt its Asset Recovery Strategy and Action Plan.
4. To support successful decentralization, a number of fundamental issues must be addressed. The GOU and DPs will work collaboratively on these issues. They include: introducing necessary legal and regulatory changes; building the institutional independence of newly created hromadas, including provision of training for local officials; strengthening engagement with citizens and local civil society; and mainstreaming anti-corruption measures at the local level. The GOU will ensure continued delegation of responsibilities to local authorities, including in the provision of social services, and the allocation of requisite financial resources.
5. To strengthen oversight and corporate governance of state-owned enterprises and state-owned banks, legislation that aligns regulations with OECD standards should be crafted with the support of DPs and passed by the GOU. The GOU should also enable the State Property Fund to better execute its mission and pursue open, transparent privatizations that benefit the government and people of Ukraine. In order to ensure professional and independent corporate governance of state-owned enterprises and banks, the Nomination Committees will work transparently and collaboratively with international partner observers to independently select or reappoint Supervisory Board members using a merit-based process for evaluating candidates.
6. To help prevent and respond to domestic violence and gender-based violence, the participants agreed that improvements in law enforcement, educational programming and social services are essential. The GOU agreed to continue its internal dialogue on ratification of the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence (Istanbul Convention) and on the need to ensure that survivors of domestic violence in Ukraine receive the same level of protection as elsewhere in Europe.
7. **Environment and Climate Change**
8. To facilitate Ukraine’s green transition and the implementation of the updated Nationally Determined Contributions (NDC) to the Paris Agreement, the GOU should develop strategies that include concrete action plans with strict timelines, clear indicators, realistic budget allocations, financial support and technical assistance commitments.
9. To prevent and eliminate energy poverty, the GOU, with the support of DPs, should develop a robust policy including a methodology for allocating targeted subsidies, including for energy-efficiency measures, to those in real need of assistance. The goal is to replace the provision of broad, generic subsidies throughout the household energy sector.
10. To support phasing out coal in Ukraine, the GOU will develop a clear action plan in a transparent and consultative manner and set realistic and reliable timelines, with the support of DPs. The GoU, with the support of DPs, should ensure sufficient financing for a just transition and responsible transformation of coal regions.

**International Technical Assistance Management Improvement.** The GOU and DPs also agreed on a Business Process outlining key actions to facilitate management of ITA, including strengthening of ITA implementation and oversight, digitalization of processes and adherence to the principles of transparency, efficiency, mutual accountability and managing for results as laid out in Paris Declaration on Aid Effectiveness. Both sides committed to support the implementation of this plan.

Prime Minister Denys Shmyhal, the GOU and DPs look forward to further strengthening their partnership over the coming year and are committed to continued dialogue and action-oriented cooperation to promote Ukraine’s sustainable development and resilience.