



MINISTRY OF
ECONOMIC DEVELOPMENT
AND TRADE OF UKRAINE



SUSTAINABLE
DEVELOPMENT
GOALS

Sustainable Development Goals: Ukraine

2017 NATIONAL BASELINE REPORT





The 'Sustainable Development Goals: Ukraine' national report provides the baseline and benchmarks for Ukraine to achieve the Sustainable Development Goals (SDGs) approved by the United Nations (UN) Sustainable Development Summit 2015. Taking into account the principle of 'leave no one behind' and using a wide range of informational, statistical and analytical materials, a national SDGs system has been developed (with 86 national development targets and 172 indicators for monitoring them) which will provide a solid base for further planning Ukraine's development and monitoring its achievement of the SDGs. This report was prepared by the Ministry of Economic Development and Trade of Ukraine under the coordination of Natalia Gorshkova and approved by the High-Level Interministerial Working Group for the organization of the process of implementing the SDGs in Ukraine under the chairmanship of the First Vice Prime Minister of Ukraine – the Minister of Economic Development and Trade of Ukraine, Stepan Kubiv – and the UN Resident Coordinator in Ukraine, Humanitarian Coordinator in Ukraine and UN Resident Representative in Ukraine, Neal Walker. The group included 17 Deputy Ministers from different government ministries and departments. Scientific support was provided by Ella Libanova, Academician-Secretary of the Economics Department of the National Academy of Sciences of Ukraine.

This publication will be useful for government officials, ministries and departments, managers and specialists at central and local executive authorities, UN agencies, diplomats and international organizations, academics, public figures, and those interested in long-term, strategic planning for sustainable development in Ukraine.



The report presents the results of the adaptation of 17 global SDGs based on the specific country context. The forecasts up to 2030 were established on the basis of scenario approaches to determine the direction of the country's long-term development.

The Ministry of Economic Development and Trade of Ukraine initiated and, during 2016, coordinated the participatory process of discussing SDGs in the following groups: equitable social development; sustainable economic growth and employment; effective, accountable and inclusive management and justice for all; and environmental equilibrium and sustainable development. More than 800 leading experts in the thematic areas covered by the SDGs submitted proposals concerning the SDGs for Ukraine and were involved in the open process of establishing national tasks to ensure the objectivity of the assessments. They include representatives of ministries and departments, government agencies, UN agencies in Ukraine, international organizations, the business community, the expert community, public organizations (primarily those representing the interests of the most vulnerable groups) and civil society. This work was carried out with the support of all UN agencies in Ukraine, the United Nations Development Programme (UNDP) in Ukraine, the Green Economy Programme implemented by the German Society for International Cooperation (GIZ) on behalf of the Federal Ministry for Economic Development and Cooperation of Germany and jointly with the M.V. Ptoukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine.

This report, a result of the participatory process of adapting the SDGs for Ukraine, provides benchmarks for Ukraine's development up to 2030. The publication uses photographs provided by the Office of Communications of UNDP in Ukraine.

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ACRONYMS AND ABBREVIATIONS

AIDS	Acquired Immunodeficiency Syndrome
ATO	Antiterrorist Operation
EBRR	European Bank for Reconstruction and Development
EU	European Union
GDP	Gross domestic product
GHG	Greenhouse gas
HACCP	Hazard Analysis and Critical Control Points
HIV	Human Immunodeficiency Virus
ICT	Information and computer technology
IDPs	Internally Displaced Persons
IDSS NAS	Institute for Demography and Social Studies, National Academy of Sciences of Ukraine
MAPF	Ministry of Agrarian Policy and Food of Ukraine
MDG	Millennium Development Goal
MEDT	Ministry of Economic Development and Trade of Ukraine
MENR	Ministry of Ecology and Natural Resources of Ukraine
MES	Ministry of Education and Science of Ukraine
MIA	Ministry of Internal Affairs of Ukraine
MinTOT	Ministry of Temporarily Occupied Territories and Internally Displaced Persons in Ukraine
MoH	Ministry of Health of Ukraine
Mol	Ministry of Infrastructure of Ukraine
MRD	Ministry of Regional Development, Building and Housing of Ukraine
NBU	National Bank of Ukraine
NCCIR	National Commission for State Regulation of Communications and Informatization of Ukraine
OECD	Organisation for Economic Co-operation and Development
SCORE	Social Cohesion and Reconciliation Index
SDG	Sustainable Development Goal
SES	State Emergency Service of Ukraine
SFS	State Fiscal Service of Ukraine
SME	Small and medium-sized enterprise
SSS	State Statistics Service of Ukraine
StateGeoCadastre	State Service of Ukraine for Geodesy, Cartography and Cadastre
UCGFEA	Ukrainian Classification of Goods of Foreign Economic Activity
UN	United Nations
UNDP	United Nations Development Programme



INTRODUCTION

Adopted in 2000 by 189 nations at the **UN Millennium Summit, the UN Millennium Declaration** identified the Millennium Development Goals (MDGs), a comprehensive framework of core values, principles and key drivers through 2015. As soon as the universal MDGs framework was designed, many countries worldwide refined the MDGs and established country-specific development targets. Ukraine joined the UN Millennium Declaration and committed to achieve the MDGs by 2015.

In September 2015 the 70th session of the UN General Assembly in New York hosted the **UN Sustainable Development Summit**, which approved new development targets. The final document from the summit, 'Transforming our World: The 2030 Agenda for Sustainable Development', identified 17 Sustainable Development Goals (SDGs) and 169 supporting targets.

Like other UN Member States, Ukraine joined the global process of sustainable development. A participatory process to adapt the SDGs to the Ukrainian context was launched to establish a national strategic framework for Ukraine up to 2030 based on the principle 'leave no one behind'. Every global target was reviewed, taking into consideration the specific national context. In 2016, Ukraine held four national and ten regional consultations. Following the consultations, we can

conclude that the SDGs should ensure the national integration of efforts for economic growth, a commitment to social justice and the need for environmental management.

In an open process to contextualize the SDG targets, the High-Level Interministerial Working Group for the organization of the process of implementing the SDGs for Ukraine and 17 Working Subgroups (one for each goal) were set up, and 32 round tables were held. Over 800 experts from the subject areas covered by the SDGs — officials, managers, specialists from UN agencies, diplomats, scientists, economists, demographers, health professionals, epidemiologists, ecologists, educators, journalists, businessmen, leaders of non-governmental organizations and other civil society representatives — joined the national SDGs identification process. The process of setting targets and establishing the baseline for further monitoring (for 15 years) launched the national discourse on measuring social progress in general and improving the national statistical system. It is necessary to create an open platform to ensure the broad participation of all stakeholders in monitoring progress to achieve the goals. The SDGs report will provide a solid foundation for future development planning. Achieving the SDGs requires deep socio-economic transformations in Ukraine and a new global partnership.



SECTION 1

UKRAINE'S DEVELOPMENT CHALLENGES: FROM THE MDGs TO THE SDGs (2000–2015)

At the beginning of the millennium, Ukraine's economy demonstrated relatively steady growth, which improved the social situation in the country and had a positive effect on the achievement of the MDGs. The average growth rate for the country's gross domestic product (GDP) for 2000–2007 was about 7.5 percent. During this period, therefore, Ukraine's GDP grew by almost 80 percent, and productivity by almost 70 percent. However, the positive economic and social progress in Ukraine occurred mostly because of a development model oriented towards exports of raw materials, based on the competitive advantages arising largely due to the low cost of energy and labour. This created an illusion of national economic competitiveness and a successful competition model, causing delays in addressing key systemic imbalances and necessary structural reforms. The lack of an adequate position in the international division of labour intensified Ukraine's dependence on fluctuations in the international economic environment. The inefficient structure of exports (mainly raw materials and with low added value) had a negative effect on economic growth. The lack of a consistent policy to address modern competitive factors meant that the Ukrainian economy struggled to respond to the global financial crisis in 2008–2009 and led to a record failure during the first wave of the crisis in 2009.

The subsequent recovery in 2010 in Ukraine occurred primarily due to the recovery of foreign markets. In 2010, commodity exports from Ukraine rose by 29.6 percent by volume (according to the State Statistics Service) and by 26 percent by value, as a result of the post-crisis recovery of the global economy. The highest growth rate in the industrial sector was seen by mechanical engineering, chemicals and petrochemicals, and metallurgy. However, the recovery was not accompanied by any positive changes in the production structure, as evidenced by the continuing investment crisis. Thus, the economic situation in Ukraine contin-

ued to show the prevailing trends of the pre-crisis economic model, characterized by a high level of openness of the national economy and its vulnerability to fluctuations in international markets. Ukraine faced the need to change the ideology of economic growth. The 'old industrial' economic model oriented towards exports of raw materials was increasingly failing because of the instability and collapse of foreign markets. The slowdown in global economic growth led to lower demand on world markets and a negative impact on Ukraine's export-oriented industries.

The consequences of the armed conflict in the east of the country, the uncertainty of the direction of development and the unfavourable foreign economic situation were the main factors behind the second wave of the economic downturn and the decline in manufacturing, particularly in metallurgy and in some export sectors of mechanical engineering. Today, the challenge is seen as solving problems hindering the economic growth of Ukraine and creating drivers that would help accelerate economic development and ensure changes to its nature. The very process of defining SDG targets can serve as an impetus for further sustainable development.

Progress against the MDGs in 2000–2015.

To build the State and introduce new tools for the market regulation of social and economic processes, Ukraine needed a clearly defined and socially acceptable strategy to achieve its development goals. The economy has changed significantly since independence, requiring new approaches to the strategic planning system. After adapting the MDGs in 2003, Ukraine started changing its approach to development planning and monitoring. To summarize Ukraine's progress against the MDGs, we can note some positive changes before 2013, which were, however, offset by the events of recent years.

Thus, in terms of **eradicating poverty**, the relative poverty criterion (the proportion of the



population living below the national poverty line) fell from 26.4 percent in 2000 to 24.5 percent in 2013. However, absolute poverty has increased, and new forms of poverty have appeared in recent years.

To **ensure quality lifelong education**, certain steps have been made to reform the education system. General secondary education covers 98.3 percent of school-age children (99.3 percent of graduates from the ninth grade continue their education to obtain complete secondary education), and pre-school institutions cover 63.5 percent of children in urban areas and 39.9 percent in rural areas. Higher education covers 13.3 percent of young people aged 14–34 (14.6 percent of those aged 17–34, 24.3 percent of those aged 17–28, and 40.9 percent of those aged 17–24), but it is still necessary to ensure that education is consistent with the needs of the labour market (based on projected economic trends).

Promoting gender equality is a challenge for Ukraine. Achieving gender parity in government and public authorities remains a problem, despite the achievements and changes made at the legislative and institutional levels. The gap in average wages between men and women (30 percent) is another manifestation of gender inequality.

Child mortality almost halved between 2000 and 2014 (from 15.6 to 9.3 deaths under 5 years of age per 1,000 live births) due to deliberate efforts, including in reforming and developing perinatal care. However, examples of inconsistencies in the statistical data from various sources indicate a need for an improved monitoring system.

Some positive trends were also seen in **improving maternal health**: maternal mortality fell by nearly 40 percent (from 24.7 to 15.1 deaths per 100,000 live births) in Ukraine between 2000 and 2015. All women are subject to regular medical examinations in the early stages of pregnancy (coverage exceeds 90 percent). However, the alarming fact is that over 40 percent of the adult population of Ukraine (including women of childbearing age) aged 18–65 have at least one chronic disease. The level of awareness of each individual's responsibility for their

own health among young people and efforts to encourage a healthy lifestyle are insufficient.

Some success has been achieved in **reducing the spread of HIV/AIDS and tuberculosis**: 2012 was the first year that saw a reduction in the number of new HIV cases (by 2 percent from the previous year), indicating a decrease in the intensity of the epidemic. According to Spectrum estimates, in 2014 there were 223,000 people (of all ages) living with HIV in Ukraine. Mother-to-child HIV transmission was reduced by almost 85 percent. Progress has been achieved primarily due to preventive measures among at-risk groups, an improved response to the epidemic and implementation of relevant national programmes. However, the situation has become more complicated in recent years.

There was some progress in **ensuring environmental sustainability**. However, due to anthropogenic load, about 70 percent of surface water and a significant proportion of groundwater reserves in Ukraine are no longer suitable as a source of drinking water. Waste management and the lack of a centralized water supply to the population living in rural areas are still major issues. About 4 million tons of pollutants are released into the air annually. Greenhouse gas (GHG) emissions and discharges of pollutants into the environment and the quantity of waste generated have been significantly reduced, largely due to the economic recession. It was possible to increase the country's forested areas and the size of nature reserves and national parks. However, there has been little or no progress in the energy sector, especially in terms of energy efficiency and renewable energy.

Identification of the national SDGs to be achieved by 2030. The participatory process to identify SDG targets occurred in four areas in 2016: **equitable social development; sustainable economic growth and employment; effective management; and ecological balance and building resilience**. The social vision of Ukraine's development up to 2030 covers such targets as public welfare and health being supported by innovative economic development built on the sustainable use of natural resources. It is envisaged to change the structure of exports and switch from raw materials and primary processing products to products and services

with high added value. Economic growth will be based on a 'green' economic model. Energy efficiency measures and energy-efficient practices will help significantly reduce energy consumption per unit of GDP. The share of clean energy generated will grow steadily, displacing the primarily traditional technologies, which will significantly reduce GHG emissions into the atmosphere. This will improve the quality of life without harming the environment and will become a significant factor in increasing life expectancy.

Equitable social development. The impact of key social issues on the public's standard of living has been exacerbated by the effects of the armed conflict in eastern Ukraine. In general, such factors as the risk to human life and health, the spread of violence, particularly against women, inequality and discrimination, increased extreme poverty and social exclusion, and the growth of socially vulnerable groups have a negative effect on a nation's human potential. The spread of a sense of social injustice and distrust of most public institutions in society has been a social threat. The recovery of economic growth and ensuring equal opportunities for women and men to participate in economic, social and political life, as well as to access basic social services (especially education and health care), are urgently needed to ensure sustainable development.

Sustainable economic growth and employment. The transformation processes in Ukraine have failed to build the country's economic potential. Instead, the structural, energy and financial crises have resulted in the unstable development of the national economy, as well as in lost resources, capital and time. In turn, the geopolitical conflict that has lasted for almost three years is reducing the opportunity for any efficient development. A certain economic recovery observed in 2016 is insignificant. Ukraine will still require deep systemic institutional and structural reforms, as well as a major technological change. The highest priority of economic policy should be to double real GDP growth and increase the employment rate of the working-age population to 70 percent over the next 15 years. This target will depend on: (i) the creation and development of high-tech, competitive productive enterprises (from basic science to manufacturing and services); (ii) growing

domestic demand due to rising incomes and investment processes; (iii) supporting exports with high gross added value and implementing infrastructure projects (motorways, motorway junctions, underground railways, high-speed railways, passenger vehicles for railway and water transport: cars, barges etc.); and (iv) a rapid increase in productivity in agro-industry. The basic principles followed by state and public institutions to ensure economic growth should be as follows: to focus on using primarily their own resources, to minimize borrowing and use it exclusively for development purposes, rather than maintaining the current situation; to provide comprehensive support to the development of business; to guarantee and protect property rights and the stability, transparency and simplicity of the tax system; to eradicate corruption at all levels; and to legitimize the economy. No sustainable economic growth is possible without promoting full and productive employment and decent work for all women and men or without protecting human rights and ensuring reliable and safe working conditions for all workers.

Efficient governance. The groundwork for achieving the SDGs is done by building – at all levels – a peaceful and open community, institutionally capable of taking efficient action. Such governance includes: providing personal security, rule of law and the fair administration of justice; the eradication of organizational and financial bases of criminal activity and corruption; and improving the efficiency of the State and local authorities based on open and transparent decision-making and public oversight of their implementation. Building peace, strengthening social cohesion and reducing all significant aspects of social conflict largely depend on the efficiency of the State and local authorities. To achieve the targets in this area, it is necessary to ensure the universal participation of citizens in state governance and the life of local communities, spread the practice of public-private partnerships, use communication technologies etc.

Environmental balance and the development of resilience. Ukraine belongs to a group of countries with complex environmental issues. They are typical, on the one hand, of developing countries (unregulated use and abuse of natural resources), and, on the other hand, of



industrialized countries (industrial pollution). A particular issue characteristic of the transformation period is waste management. The volume of waste generated is increasing, whereas the share of waste processed is insignificant. The continuing practice of depositing waste in overloaded landfills is a threat to the environment and increases risks to public health. The current practice of using landfills causes land degradation, while the unsustainable use of land, forest

and water resources leads to irreversible ecosystem and biodiversity losses. The proportion of protected areas (6.6 percent of the total area of Ukraine) is insufficient to prevent such losses. Another contributor to the overall negative environmental impact is the military conflict in eastern Ukraine. Considerable effort, resources and time are required to overcome the effects of the damaged landscape and infrastructure of Donetsk and Luhansk oblasts.



Poverty is defined as the incapacity to sustain a lifestyle common for a specific society at a specific period of time, due to the scarcity of money. Poor segments of the population include those who are unwillingly deprived of the most basic essentials: a decent dwelling, food, clothing, educational opportunities and medical treatment. Moreover, poverty is also a fear of the future caused by people's uncertainty in their human capacity. Poverty reduction is a key task of a society's development. ”

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SECTION 2

**THE SUSTAINABLE
DEVELOPMENT GOALS
ADAPTED FOR UKRAINE
(2015–2030)**

GOAL 1



END POVERTY

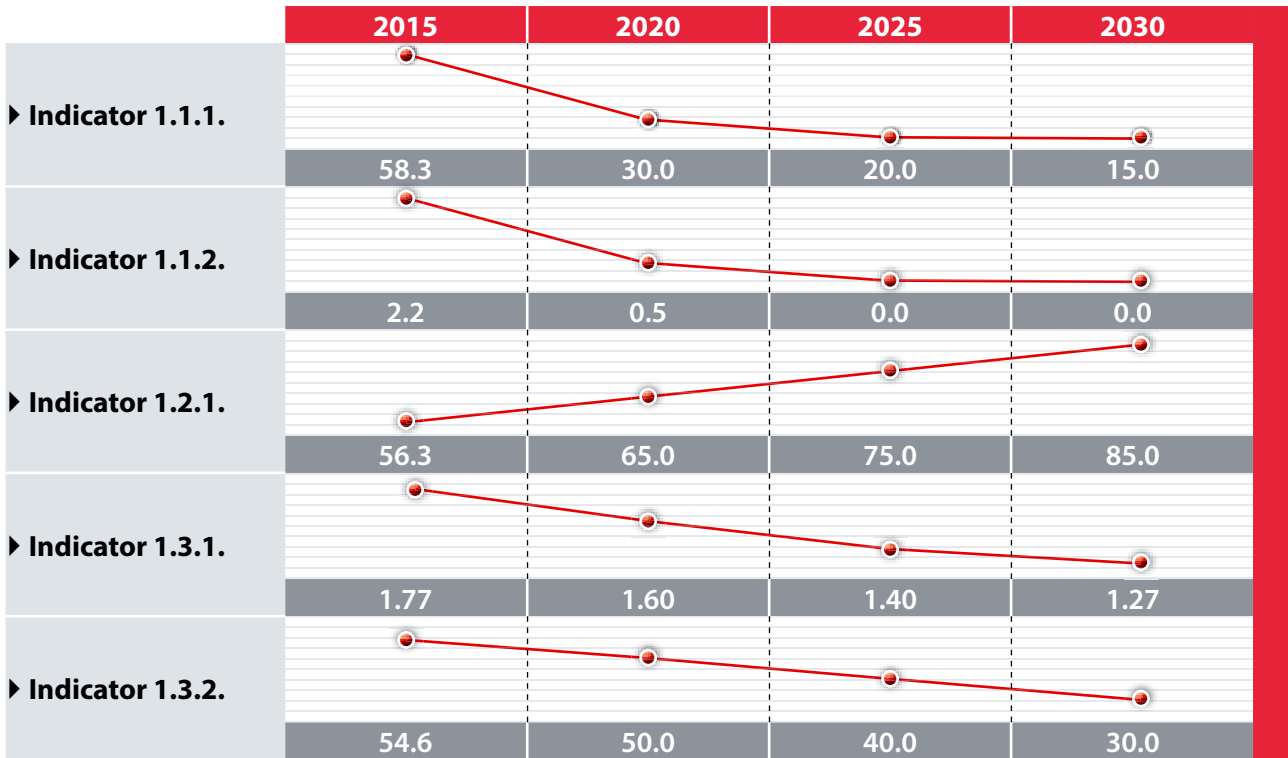


TARGETS AND INDICATORS

TARGET 1.1.	▶ Indicator 1.1.1.
Reduce the poverty level by 75 percent, in particular through the elimination of its extreme forms	Share of the population whose average per capita equivalent total expenditure is lower than the actual (estimated) subsistence minimum, %
	▶ Indicator 1.1.2.
	Share of individuals whose daily consumption is below USD5.05 PPP, %
TARGET 1.2.	▶ Indicator 1.2.1.
Increase the coverage of poor people with targeted social assistance programmes	Share of the poor population covered by state social support in the total number of poor people, %
TARGET 1.3.	▶ Indicator 1.3.1.
Increase the resilience of socially vulnerable groups of the population	Ratio of poverty levels of households with children and households without children, times
	▶ Indicator 1.3.2.
	Share of food expenditure in total household spending, %



TARGET VALUES OF THE INDICATORS



At the beginning of the millennium, Ukraine had shown some success in overcoming monetary poverty. However, the issue of access to services and resources for development is constantly deteriorating. The state system for offering social support to vulnerable groups has not performed its assigned functions and is relatively inefficient.

In recent years, a significant decline in real income has led to the spread of monetary poverty. Although some progress has been achieved in ending extreme poverty, the proportion of people whose daily consumption was below USD5.05 purchasing power parity (PPP) per person rose from 1.0 percent in 2014 to 2.2 percent in 2015. In 2015, the proportion of people whose total expenses were lower than the actual (estimated) cost of living more than doubled (from 28.6 percent to 58.3 percent). This deterioration was also demonstrated by indicators of non-monetary poverty.

Poverty and social exclusion are being felt more acutely in the new wave of the economic crisis. The long-term reform of social support in Ukraine and attempts to target it have not produced any tangible results. Although the vast majority of programmes involve verification of income and targeting potential beneficiaries, the funds mainly go to the non-poor population. The level of coverage of poor people with social support (55.7 percent) is lower than that of the total population (56.3 percent).

People are forced to spend more than half of their income on food – i.e. most households do not have enough resources either for their personal development or to pay for basic social services. The trend of a growing share of expenditure on food and utilities indicates a general decline in living standards and a negative structural transformation in consumption for most households.

It has been impossible to reduce the risk of poverty among vulnerable groups, especially families with children. The fact that the poverty rate among families with children is double that among those that consist of adults only shows the depth of the problem. To increase the resilience of families with children, it is necessary to drastically reform income policy, rates of pay in particular and the ideology of social benefits in general.

Large families have the highest risks of poverty in both monetary and non-monetary terms. Poverty in small families is caused by low wages and the inability of parents, especially those of younger working age, to support their children. In Ukraine poverty trends have been characterized by considerable variations depending on the type of settlement, with the incidence of poverty decreasing as the size of the settlement increases, due to the growth in employment opportunities. Excessively high rates of non-monetary poverty in rural areas are explained by the extremely limited access of rural residents to infrastructure facilities and medical, educational and social services. When non-monetary criteria are used, the settlement component dominates.

Over the past few years, such phenomena as sudden poverty (due to a loss of housing, property and livelihoods due to the armed conflict in the east of the country), medical poverty (due to illness or failure to receive treatment, to buy medicines) and poverty on the basis of debt (debts to banking institutions and super-high interest rates on loans against a decrease in real incomes) have emerged. At present, the vulnerability of almost all groups to various forms of poverty continues to increase. The housing problem is also a factor in poverty because, first, the solution of housing issues by renting property increases the risk of poverty, and, second, a significant increase in prices for housing and communal services (heating, gas, electricity, water etc.) has had a negative impact on the standard of living of a large proportion of the Ukrainian population. All forms of poverty present new challenges, because they cannot be overcome only by traditional methods – i.e. through taxation policies and by reallocating income and improving labour market policies and social support systems.

The large-scale internal displacement has caused a sudden spread of poverty or vulnerability to poverty: 5 million of the 6 million inhabitants of the Antiterrorist Operation (ATO) zone and the surrounding areas ended up suddenly impoverished or vulnerable to poverty, whether they moved to another part of the country or stayed in their place of residence.

Economic growth is the basic premise of reducing poverty. The main requirement for the reform of social support is to strike a balance between



economic feasibility and social efficiency. The basic principle of the new social protection system should be to achieve maximum coverage for the most needy by actively working to identify targets. Increasing the level of coverage of the poor population with state social support should increase the efficiency of the relevant programmes. Updating the social support system should ensure its adaptability to external changes. This means comprehensive reform, from practical changes in the local social security institutions to changes in social programmes. It is necessary to develop a new area in the social support system: emergency assistance.

The resilience of vulnerable groups, which are highly dependent on the effectiveness of social policy, should be increased by promoting equal access to resources for personal development, regardless of age, sex, location or origin. To ensure resilience, it is necessary to create conditions to grow households' financial capacity and reduce the share of expenditure on food in an average household budget by 30 percent, therefore creating more opportunities for personal development for everyone.

Ukraine should have made significant progress in reducing the extent of monetary poverty. First of all, extreme poverty should be completely eradicated by 2020.

It is planned to monitor continuously the reduction in the proportion of the poor population, as measured by the criterion of an actual minimum

income level for survival, which is calculated by the Ministry of Social Policy on a permanent basis as the estimated subsistence level compared to actual market prices. It is expedient to use the actual minimum income level for survival, instead of the officially approved subsistence minimum, because during the period of the most intense growth in consumer prices (2014–2015) the subsistence minimum was 'frozen' without adequate indexation, which caused an artificial understatement of the real scale of poverty.

Key recommendations for achieving the goal:

- Adhere to the principle of social justice when allocating funds from social support programmes, and ensure a high level of involvement of poor people in the state social support system, while reducing the proportion of non-poor people among recipients of social programmes.
- Reduce child poverty, especially its non-monetary aspects, by providing free services for children at all stages of their personal development, which will ease the burden on families with children and reduce the risk of poverty for children in their future adult life.
- Improve the prospects of unemployed but employable participants in social programmes by using effective tools to bring them into the labour market and increase their involvement in community life.
- Create conditions to grow households' financial capacity and extend their potential for development by providing free or low-cost services for certain categories of families.



Ukraine requires technical improvement and modernization of agricultural production in terms of increased energy efficiency and adherence to ecological norms and international standards on the quality of food supplies and raw materials, as well as guaranteed state food security.



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GOAL 2



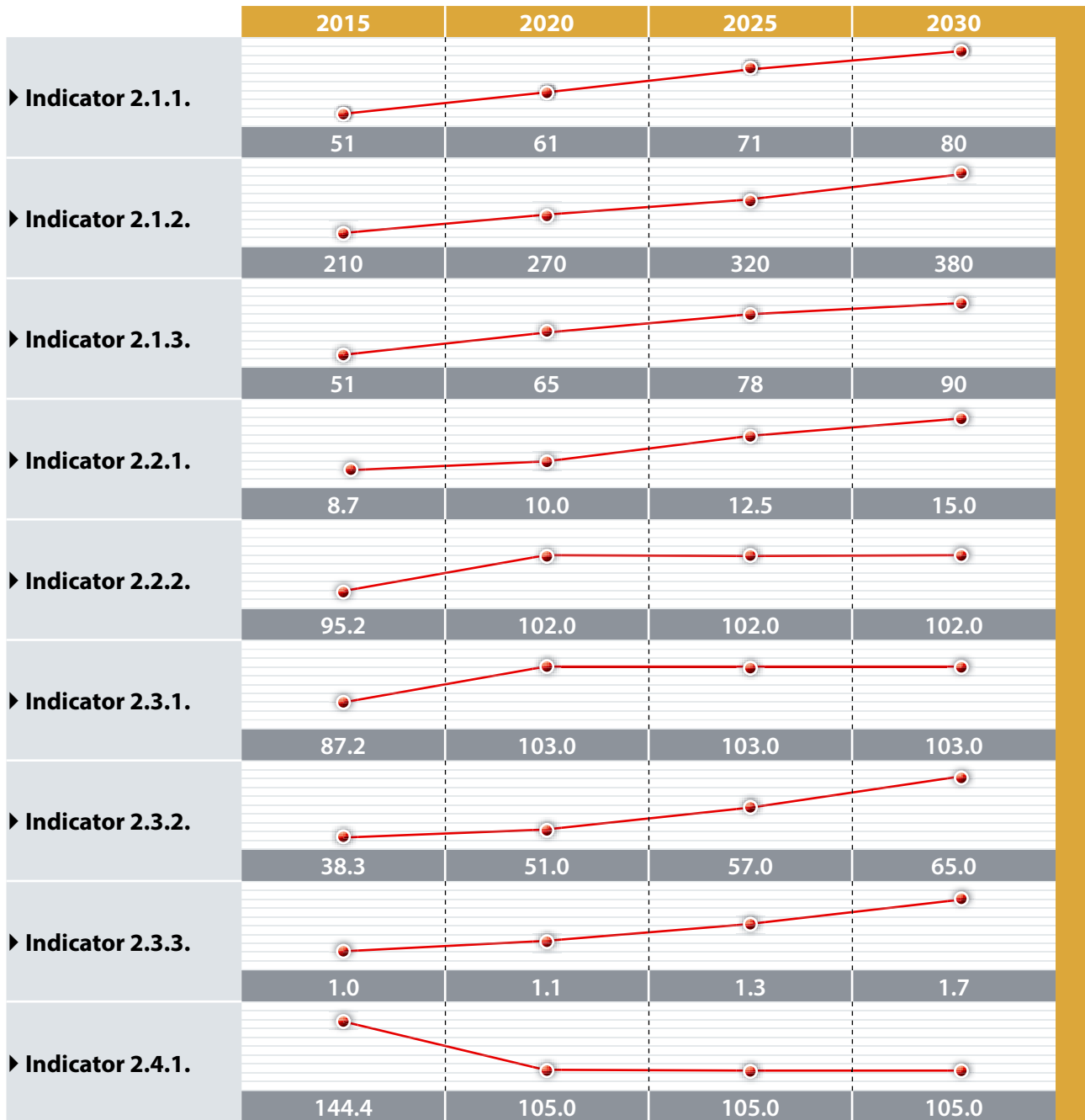
END HUNGER,
PROMOTE
SUSTAINABLE
AGRICULTURE

TARGETS AND INDICATORS

<p>TARGET 2.1.</p> <p>Ensure accessibility to balanced nutrition to the level of scientifically based standards for all population groups</p>	<p>▶ Indicator 2.1.1.</p> <p>Consumption of meat per capita, kg/year</p> <p>▶ Indicator 2.1.2.</p> <p>Consumption of milk per capita, kg/year</p> <p>▶ Indicator 2.1.3.</p> <p>Consumption of fruit per capita, kg/year</p>
<p>TARGET 2.2.</p> <p>Double agricultural productivity, primarily through innovative technologies</p>	<p>▶ Indicator 2.2.1.</p> <p>Labour productivity in agriculture, USD1,000s per employee</p> <p>▶ Indicator 2.2.2.</p> <p>The index of agricultural production, %</p>
<p>TARGET 2.3.</p> <p>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</p>	<p>▶ Indicator 2.3.1.</p> <p>The index of food production, %</p> <p>▶ Indicator 2.3.2.</p> <p>Share of food industry and agricultural raw materials processing production in exports of UCGFEA groups 1–24, %</p> <p>▶ Indicator 2.3.3.</p> <p>Share of agricultural land under organic production in the total area of agricultural land, %</p>
<p>TARGET 2.4.</p> <p>Reduce the volatility of food prices</p>	<p>▶ Indicator 2.4.1.</p> <p>The consumer price index for food (annual average), %</p>



TARGET VALUES OF THE INDICATORS



The agricultural sector is the leading component of the Ukrainian economy, representing 14 percent of gross value added and 40 percent of exports, which means it has a significant influence on the country's economic and social development. Currently, the agricultural sector is basically the only driver of the Ukrainian economy.

Domestic products satisfy almost 90 percent of the population's food needs (within its purchasing power), while Ukrainian agricultural products are known in almost 200 countries worldwide. In global markets Ukraine is the largest exporter of sunflower oil, the third largest exporter of maize and oil seeds, the fourth largest exporter of barley and the sixth largest exporter of wheat.

However, further integration into the international economic space, strengthening the processes of globalization and trade liberalization, would require adaptation to constantly changing conditions and further improvement of agricultural policy.

The main issues for the agricultural sector are:

- a declining population in rural areas in general, and fewer people employed in agriculture in particular — the ratio between the urban and rural populations of Ukraine changed from 67:33 in 2000 to 69:31 in 2015, and the total rural population dropped during this period by nearly 17.6 percent (2.8 million persons), while the number of those engaged in agriculture, hunting and fishing fell by 30 percent (1.2 million people);
- low labour productivity, due to worn-out assets, outdated technology, and insufficient infrastructure in rural areas (labour productivity on farms was USD8,700 per employee in 2015, compared to about USD50,000 in Poland, and the depreciation in agriculture was estimated at 40 percent in 2015);
- the unstable competitive position of domestic agricultural products on foreign markets due to incomplete compliance with European food quality and safety standards, so that the share of food exports is lower than the share of agricultural exports (the share of food industry products and processing of agricultural raw materials in the export groups of Ukrainian Classification of Goods of Foreign Economic Activity (UCGFEA) 1–24 was only 38.3 percent in 2015, and only 20 percent of enterprises had

introduced Hazard Analysis and Critical Control Points (HACCP);

- agricultural producers' lack of motivation to comply with agro-environmental requirements;
- the lack of awareness of a large number of agricultural producers of the commodity and business conditions in the industry; and
- incomplete land reform.

There are also issues that are potential threats to food security:

First, the Ukrainian diet is unbalanced. Thus, animal products account for 28 percent of calories consumed, versus the optimum level of 55 percent. An average Ukrainian citizen's consumption of meat and meat products is 64 percent of the recommended level, of milk and dairy products is 55 percent, and of fish and fish products is 43 percent. Also, consumption of fruit and berries, which are the main source of vitamins for the human body, is also significantly (43 percent) lower than standard indicators.

Spending on food is unreasonably high, amounting to 54.6 percent of total cumulative spending, which was between three and five times higher than in European Union (EU) countries in 2015. Also, households with the lowest incomes spent 63 percent of their total expenses on food, while the national average was 60 percent.

According to the Global Food Safety Index (GFSI) 2016, Ukraine ranked 63rd out of 113 countries, behind all European countries and the countries where Ukraine actively exports food, including Egypt, Tunisia and Morocco.

Providing an affordable and balanced diet for the population of Ukraine, especially for its poorest groups, has to become a policy priority for the next 15 years. The low levels of consumption of the main types of food (meat, milk, fruit) should be brought up to a reasonable level by 2030. It is impossible to implement this target without a highly efficient and competitive agricultural sector, as well as the effective use of the available natural resources.

The planned doubling of labour productivity in the agricultural sector (up to USD15,000 per person employed in the sector) will promote sta-



ble growth of gross agricultural output, which should increase by over a third by 2030. It is envisaged that the growth of agricultural production will occur subject to environmental regulations and international food quality standards. In particular, the amount of agricultural land allotted for organic production is expected to increase by nearly 300,000 hectares.

The growth in production in the agricultural sector will result in both increasing the presence of Ukrainian agricultural products in foreign markets and, above all, stimulating the development of the domestic food industry (to ensure growth of at least 3 percent annually). That, in turn, will help significantly improve the export structure of agricultural products, increasing exports of processed agricultural products and food by almost 20 percentage points in the next 15 years.

Solving the problem of the population's food security is directly linked to the development of the national economy, and, thus, to increasing household incomes. This requires complex implementation of macroeconomic measures.

Key recommendations for achieving the goal:

- Improve the investment attractiveness of the agricultural sector (by, among other things, completing the process of creating a civilized market for agricultural land).
- Stimulate the creation of small farms (up to 50 hectares), including family farms, by improving the legal framework and ensuring favourable economic and social conditions for their activities.
- Ensure the technical modernization of the agricultural and food industries, improve energy

efficiency and implement energy-saving measures.

- Ensure growth in exports of food with high added value, including by completing the adaptation of Ukrainian legislation to EU agricultural requirements and ensuring the comprehensive introduction of permanent HACCP procedures at food and processing industry enterprises.
- Create an effective certification system as a clear mechanism for regulating the market for organic products and raw materials.
- Ensure the stability, predictability and transparency of state support for the agricultural sector by introducing a medium-term budget plan and providing financial support for agricultural production of at least 1 percent of gross agricultural output. Public funds should initially target priority funding of innovative investment projects and stimulating the development of small businesses.
- Develop and implement a targeted food assistance programme for the most vulnerable groups.
- Launch 'School Milk', 'Vegetable Mix' and 'School Lunch' programmes to provide children of different age groups with daily access to a minimum ration and ensure a third of their daily calories.
- Conduct information campaigns on promoting healthy nutrition, especially at pre-school and school institutions.
- Limit the excessive volatility of food prices and ensure the proper functioning of food markets, in particular by reducing market risks by diversifying agricultural market instruments (insurance, security funds, forward trading, derivatives trading, e-commerce etc.).



Health is a unique human treasure. Improvement in people's health is the main concern of the community working towards welfare and sustainable growth. ”

*Olena Makarova,
Corresponding Member of the National
Academy of Sciences of Ukraine*





GOAL 3



HEALTHY LIVES AND WELL-BEING

TARGETS AND INDICATORS

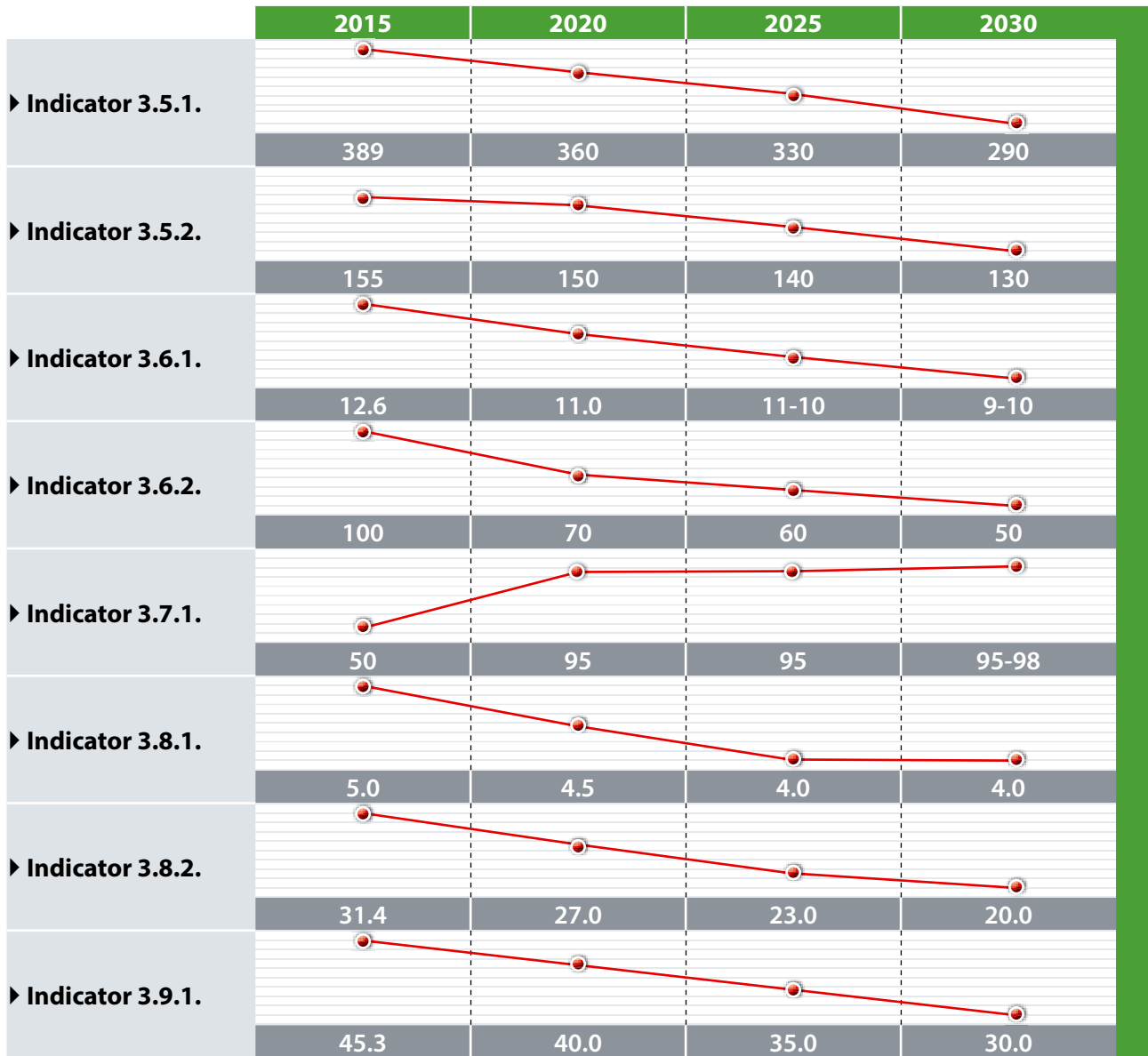
TARGET 3.1.	▶ Indicator 3.1.1.
Reduce maternal mortality	Number of cases of maternal mortality, per 100,000 live births
TARGET 3.2.	▶ Indicator 3.2.1.
Minimize preventable mortality among children under 5	Mortality of children under 5, cases per 1,000 live births
TARGET 3.3.	▶ Indicator 3.3.1.
End the epidemics of HIV/AIDS and tuberculosis, including through innovative practices and treatments	Number of patients diagnosed with HIV for the first time, per 100,000 persons
	▶ Indicator 3.3.2. Number of patients diagnosed with active tuberculosis for the first time, per 100,000 persons
TARGET 3.4.	▶ Indicator 3.4.1.
Reduce premature mortality from non-communicable diseases	Number of deaths from cerebrovascular disease at the age of 30–59, per 100,000 men of corresponding age
	▶ Indicator 3.4.2. Number of deaths from cerebrovascular disease at the age of 30–59, per 100,000 women of corresponding age
	▶ Indicator 3.4.3. Number of deaths from malignant breast tumours at the age of 30–59, per 100,000 women of appropriate age
	▶ Indicator 3.4.4. Number of deaths from malignant cervical tumours at the age of 30–59, per 100,000 women of appropriate age



TARGET 3.5.	
Reduce by a quarter premature mortality, including through the introduction of innovative approaches to diagnosing diseases	<p>▶ Indicator 3.5.1.</p> <p>Probability of dying at the age of 20–64, men, per mille</p> <p>▶ Indicator 3.5.2.</p> <p>Probability of dying at the age of 20–64, women, per mille</p>
TARGET 3.6.	
Reduce serious injuries and deaths from road traffic accidents, including through innovative practices of resuscitation, treatment and rehabilitation after road traffic accidents	<p>▶ Indicator 3.6.1.</p> <p>Number of deaths from road traffic accidents, per 100,000 persons</p> <p>▶ Indicator 3.6.2.</p> <p>Number of serious injuries from transport accidents/road traffic accidents per 100,000 persons, % of 2015 level</p>
TARGET 3.7.	
Ensure universal, quality immunization with innovative vaccines	▶ Indicator 3.7.1.
	Immunization coverage under the national immunization programme (as prescribed), %
TARGET 3.8.	
Reduce the prevalence of smoking among the population through innovative media to inform about negative effects of smoking	▶ Indicator 3.8.1.
	Share of women who smoke at the age of 16–29, %
	▶ Indicator 3.8.2.
	Share of men who smoke at the age of 16–29, %
TARGET 3.9.	
Reform health care financing	▶ Indicator 3.9.1.
	Share of expenditures of the population in general spending on health, %

TARGET VALUES OF THE INDICATORS





The high level of premature mortality, especially among men, resulting in a life expectancy 12–14 years shorter than that in developed countries is an acute social problem of modern Ukraine. Some 389 out of every 1,000 boys aged 20 do not live to 65 (300 more than in Sweden or Switzerland, and 200 more than in Poland). The most striking differences are observed in the young and middle-aged populations, and mostly from causes that are preventable: more than half of deaths at the age of 20–64 can be avoided. The 10-year difference in life expectancy between men and women, which is still the case in Ukraine, is almost double that of developed countries.

The main issues of reproductive health in the country are maternal and infant mortality, high levels of abortion, premature pregnancy, high levels of complications in pregnancy and childbirth, the prevalence of female and male infertility, and the growth of the incidence of cancer at a young age.

A positive trend in infant and maternal mortality levels has been observed in Ukraine since 2000, but they still do not meet the European average. The main reason is the relatively high mortality due to external causes (almost every third death in the age range of 1–5 years in 2015), which can be prevented if appropriate childcare is in place.

The incidence of HIV and tuberculosis shows that the country is disadvantaged in this regard. Ukraine has one of the highest HIV rates in Europe. According to early 2016 estimated data, 220,000 people living with HIV reside in Ukraine,¹ with 130,000 of them under medical supervision. Nearly half of people living with HIV are women, and 88 percent of them are of reproductive age. Over 50 percent of new HIV cases are diagnosed along with AIDS, due to late presentation for medical attention. Ukrainian legislation guarantees access to and quality of medical examination, observation, provision of psychosocial, legal and medical advice, medical care and medical support, social and legal protection and prevention of any form of discrimination in relation to HIV. A high level of stigma and discrimination related to HIV/AIDS is one of the factors causing the spread of the HIV epidemic in Ukraine. The

¹ Ukrainian Centre for Socially Dangerous Disease Control, Newsletter No. 45, HIV Infection in Ukraine, Ministry of Health of Ukraine, Kyiv, 2016.

highest pre-conflict (before 2014) HIV incidence was recorded in eastern Ukraine. The ongoing conflict is leading to an increased risk of HIV transmission. In fact, research² confirms the correlation between violence, stigma and HIV. Displaced women are the most vulnerable because of the increased risk of human trafficking, gender-based violence and other factors.

The probability of death of the population aged 30–70 from the four main non-communicable diseases is 28 percent.³ The prevalence of non-communicable diseases and mortality caused by them will grow in the coming decades, including due to population aging. In Ukraine, the mortality rate caused by strokes among people aged 30–44 is six times higher than in Sweden, and among those aged 45–59 it is nearly eight times higher. The mortality rate among women aged 45–59 caused by cervical cancer, which is relatively easy and inexpensive to diagnose and cure if detected early, is nearly five times higher than in Sweden. Effective action to prevent and combat non-communicable diseases could save millions of lives, increase labour productivity, improve the quality of life and reduce health care costs.

Deaths and injuries in traffic accidents are losses of life and health that can be prevented. In 2015, three quarters of Ukrainians killed in traffic accidents were of working age, and 37.2 percent were aged 14–35. The risk of dying as a result of traffic accidents in low- and middle-income countries is 1.4 times higher than in the rich countries of the World Health Organization's European Region, where 43 percent of those who die are pedestrians, motorcyclists and cyclists – i.e. vulnerable road users.⁴ In 2015 almost half of deaths as a result of road accidents in Ukraine were of pedestrians.

It is extremely important for Ukraine to ensure public access to quality and efficient health care and to reduce the pressure of the financial risks associated with ill health. Unfortunately, the

² Positive Women, 'Sexual and reproductive health, gender equality and human rights, gender-based violence, economic and political opportunities for women living with HIV in Ukraine', Positive Women, Swansea, UK, 2016.

³ World Health Organization, 'Global status report on non-communicable diseases 2014', World Health Organization, Geneva, 2014.

⁴ World Health Organization, Road traffic injuries: the facts in the WHO European Region, http://www.euro.who.int/__data/assets/pdf_file/0005/308831/Infograph-road-traffic-injuries-en.pdf?ua=1.



general decline in living standards and rising incidence of poverty have caused a deterioration of access to health care, primarily because of the prohibitive cost of medicines, medical supplies and health services. In particular, 24 percent of households are unable to acquire necessary, but very expensive medicines. A third (32 percent) of poor households and 20 percent of the wealthiest cannot obtain the medicines, medical products and services they needed.

Ensuring the Ukrainian public's sanitary and epidemiological welfare, including immunization, is a prerequisite for improving the nation's health. A massive intervention of that scale should be carried out and monitored by the State. Given the problems of recent years, ensuring access to affordable and efficient vaccines and timely immunization that complies with the national immunization programme is one of the most important tasks. In the past, when vaccination coverage was 97–99 percent due to an effective immunization policy, a satisfactory level of population immunity was achieved, which helped curb the spread of infectious diseases. Currently though, for example, in 2015, the immunization coverage of newborns against tuberculosis was only 45.2 percent, for children over 1 year old against pertussis 42.5 percent and against diphtheria/tetanus 42.4 percent, and for those over 2 years old against measles, mumps and rubella 72.0 percent.

The prevalence of tobacco smoking among the population (the risk factor for several non-com-

municable diseases, and the most significant risk factor in Ukraine) remains high. Reducing smoking would contribute to a reduction in the loss of life and health caused by both active smoking and exposure to tobacco smoke. However, it is difficult to monitor this indicator due to a lack of representative surveys using the same methodology whose results might be compared over time.

Key recommendations for achieving the goal:

- Create a legislative framework for a new health financing system based on the principles of social responsibility, transparency and socio-economic justification.
- Introduce a model of a state guarantee for a package of medical care that should be accessible to the whole population, regardless of sex, place of residence, level of welfare and other socio-demographic characteristics.
- Implement the programme to reduce tuberculosis and HIV/AIDS.
- Ensure the continued implementation of immunization programmes in compliance with the National Preventive Vaccine Calendar.
- Develop and implement a comprehensive transport safety programme, which should include strict control of road safety and vehicles, improvement of the quality of roads, and training and information dissemination to prevent traffic-related violations.
- Disseminate information about healthy lifestyles and responsible healthy behaviour, especially among children and young people.



“

The reform of secondary education in Ukraine is an investment in the future of our country, because school is what forms the mindsets of our children, who will eventually govern the State and take responsibility for its economy. ”

*Liliia Hrynevych,
Minister of Education and Science of Ukraine*





GOAL 4



QUALITY EDUCATION

TARGETS AND INDICATORS

TARGET 4.1.	▶ Indicator 4.1.1.
Ensure access to quality school education for all children and adolescents	Share of the population satisfied with the access to and quality of schooling services, %
TARGET 4.2.	▶ Indicator 4.2.1.
Ensure access to quality pre–primary development for all children	Net pre–primary enrolment rate for children aged 5, %
TARGET 4.3.	▶ Indicator 4.3.1.
Ensure access to vocational education	Share of households whose members suffer from a lack of money to enable any member of the household to receive vocational training, %
TARGET 4.4.	▶ Indicator 4.4.1.
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	Ukraine’s position in the Global Competitiveness Report rating by the quality of higher education
	▶ Indicator 4.4.2.
	Number of university towns, units
TARGET 4.5.	▶ Indicator 4.5.1.
Increase the prevalence of knowledge and skills required for decent jobs and entrepreneurship among the population	Enrolment rate of adults and youth in formal and informal forms of education and professional training in the last 4 weeks, % of population aged 15–70
	▶ Indicator 4.5.2.
	Share of the population who reported using the Internet over the past 12 months, %
TARGET 4.6.	▶ Indicator 4.6.1.
Eliminate gender disparities among school teachers	Share of men among school teachers, %
TARGET 4.7.	▶ Indicator 4.7.1.
Create a modern learning environment in schools, including inclusive education, through innovative approaches	Share of rural full-time secondary schools with Internet access, %
	▶ Indicator 4.7.2.
	Share of rural full-time secondary schools with computer software training, %
	▶ Indicator 4.7.2.
	Share of full-time secondary schools with inclusive education, %



TARGET VALUES OF THE INDICATORS





Ensuring quality education and lifelong access to it for everyone combines several important indicators – quality, equity, accessibility, participation and universal encouragement. The level of school enrolment and the literacy rate of the adult population are traditionally high in Ukraine, and no significant gender or social inequalities are observed for any educational levels. Indeed, Ukraine is ahead of both the Europe and Central Asia (ECA) region and even some countries with a high level of human development in terms of its gross tertiary education enrolment rate and average length of education. However, the increased number of educational opportunities in Ukraine is due to the lower quality of educational services in a number of institutions, and the structural deterioration of the infrastructure of the educational system continues. The social and economic effects of the commercialization of education are becoming worse, and the areas of educational inclusion and education for life are currently still in their infancy. Unfortunately, the statistics available limit the possibility of performing qualitative analysis of the state of education.

Despite the legally established right to pre-school education and a huge demand for it among the population, the level of coverage of pre-school educational institutions in Ukraine is low. Only 77.4 percent of 5-year-old children in urban areas and 57.4 percent in rural areas attended pre-school educational institutions in 2015. Furthermore, 17,800 rural settlements (or 66 percent of the total number in Ukraine where children under the age of 6 live) do not have pre-primary institutions at all. The absence of kindergartens in some settlements, their overcrowding in others, outdated materials and technical equipment, the lack of alternative forms of preparation for school, and high prices for pre-school services in the private sector all affect the chances of the significant proportion of would-be first-graders of obtaining equal starting opportunities. The pre-school educational system needs to function fully by providing quality care, education, development and training for all children regardless of their health status, place of residence or family wealth.

The quality of school education is the central problem of the educational sector, due to insufficient modern educational infrastructure (appro-

priately equipped classrooms and laboratories, gyms, canteens etc.). Modern, specialized laboratory equipment for science classrooms is available in about 15 percent of schools, while the rest use morally and technically obsolete equipment which dates back several decades. Certain subjects (especially foreign languages and computer science in rural schools) are not fully staffed, and many schools are inaccessible in terms of their location or their architecture.

The results of the External Independent Evaluation (EIE) indicate growing inequality in levels of attainment between schools differentiated by type of settlement and educational institution. The type of school is a strong differentiating factor in the average EIE score in Kyiv and in oblast centres, it is less important in other cities, and the weakest in urban settlements and villages, where the test results in different types of educational institutions vary less. The ever-increasing use of private tutors to prepare high-school students for the EIE reflects, on the one hand, the flaws of school services and, on the other, the unequal opportunities for students from poor families and villages.

The introduction of the concept of lifelong education requires a significant increase in the participation of the population (especially those who are socially vulnerable) in educational programmes. Currently, the level of participation of the population aged up to 70 in formal and informal forms of education and vocational training is about 9 percent, but young people are the most active: 92.2 percent of the population aged 15–24 are covered by different types of training.

The development and monitoring of information and computer technology (ICT) skills demonstrates dynamic growth in the number of Internet users in Ukraine: from 22.0 percent in 2010 to 48.9 percent in 2015 (from 28.9 percent to 58.4 percent in urban areas, and from 7.5 percent to 30.3 percent in rural areas).¹ In terms of where people access the Internet, the number of users at home rose from 82.2 percent to 91.6 percent, at work from 10.5 percent to 12.4 percent, and on a mobile phone from 7.3 percent² to 16.6 per-

¹ State Statistics Service of Ukraine, 'Internet access at Ukraine's households in 2015', State Statistics Service of Ukraine, Kyiv, 2016.

² Data for 2013.



cent. Lower levels of Internet usage in Ukraine are mainly among low-income groups and the elderly population. It is also important for Ukraine to rapidly modernize rural schools, especially by providing Internet connections and offering computer training.

A significant issue for Ukraine is education for children with disabilities and special needs. Monitoring of the proportion of educational institutions offering inclusive education at the national level is planned to start in 2017. It is necessary to eliminate gender inequality in vocational and higher education in different professions, which is based on gender stereotypes of the roles of women and men in society – which is one of the reasons for the deepening occupational segregation and concentration of women in lower-paid sectors and which can stand in the way of sus-

tainable development. For example, according to the State Statistics Service, in 2015, women accounted for almost 77 percent of workers in education in Ukraine.

Key recommendations for achieving the goal:

- Reform the educational sector and update educational standards.
- Ensure equal access to education and vocational training for vulnerable groups, including people with disabilities and those in a vulnerable position.
- Update learning content by introducing curricula on sustainable development, sustainable consumption, human rights, gender equality, culture, social cohesion, peace and non-violence etc.
- Ensure that education meets the needs of social development.



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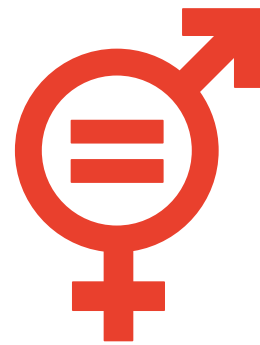
It is important to end all forms of discrimination against women and girls in Ukraine. This target is of the utmost importance. ”

Galyna Meshcheryakova, National Consultant on Gender Mainstreaming, UN Women in Ukraine





GOAL 5



GENDER EQUALITY

TARGETS AND INDICATORS

TARGET 5.1.	▶ Indicator 5.1.1.
Create an environment for ending all forms of discrimination against women and girls	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
TARGET 5.2.	▶ Indicator 5.2.1.
Reduce the level of gender-based and domestic violence, and ensure efficient prevention of its manifestations and timely assistance to victims	Share of women aged 15–49 who have experienced at least one form of physical or sexual violence, %
	▶ Indicator 5.2.2. Number of complaints regarding domestic violence, thousands
TARGET 5.3.	▶ Indicator 5.3.1.
Encourage shared responsibility for housekeeping and child-rearing	Ratio of duration of unpaid domestic work (housekeeping, care for children and other family members etc.) between men and women, %
TARGET 5.4.	▶ Indicator 5.4.1.
Ensure equal opportunities for representation at all levels of decision-making in political and public life	Share of women among the Members of Parliament of Ukraine, %
	▶ Indicator 5.4.2. Share of women among the members of oblast councils and local councils of oblast significance, %
	▶ Indicator 5.4.3. Share of women in senior positions of public service (Category A positions), %



TARGET 5.5.

Increase the population’s access to family planning services and reduce teenage fertility

▶ **Indicator 5.5.1.**

Level of current use of modern contraception by married and unmarried sexually active women aged 15–49, %

▶ **Indicator 5.5.2.**

Fertility rate among women aged under 20, per 1,000 women aged 15–19

TARGET 5.6.

Expand economic opportunities for women

▶ **Indicator 5.6.1.**

Ratio of average wages for men and women, %

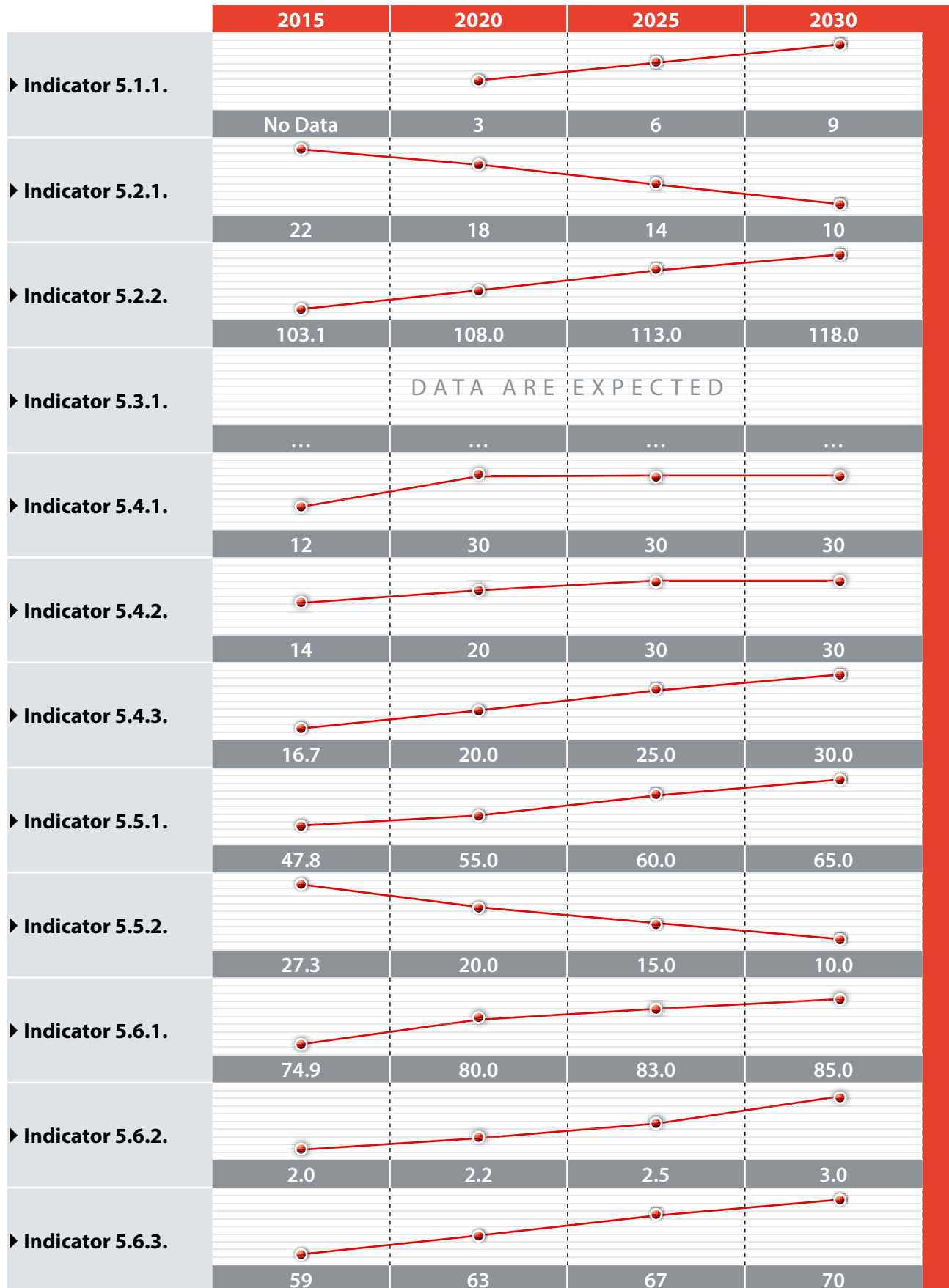
▶ **Indicator 5.6.2.**

Average weighted entrepreneurship index for women (SME policy index), points

▶ **Indicator 5.6.3.**

Employment rate of women aged 25–44 with children aged 3–5, %

TARGET VALUES OF THE INDICATORS





Generally, the specifics of gender issues in Ukraine reflect the disparity in the situations of women and men caused by certain stereotypes and deep systemic problems, which include the lack of rule of law, an old social security system, the weak capacity of the national mechanism for improving women's situation and a lack of political will. According to the Global Gender Gap Index,¹ women's levels of education and health have a positive effect on Ukraine's rating. However, the country has lost a lot of points and fell from 56th place in the world in 2014 to 69th in 2016, largely due to gender gaps in terms of economic opportunities and political participation. As a result, women are disproportionately underrepresented in decision-making, have lower average incomes than men and do most of the unpaid household work. However, the steady influence of gender stereotypes leads to the spread of phenomena such as occupational segregation of employment based on sex, the inability to recognize signs of gender discrimination due to a low level of awareness of the different forms of domestic violence, and the absence of standard practices when victims turn to the authorities for assistance.

To eliminate all forms of discrimination against women and girls, relevant legislation needs to be developed. To this end, it is necessary to analyse the acts that regulate various aspects of socio-economic development and devise recommendations for amending policies and legislation.

Gender-based violence, which is a violation of one of the basic human rights, affects women and girls disproportionately. It is manifested in various forms of physical, sexual or psychological aggression or controlling behaviour: 22 percent of women aged 15–49 have experienced at least one form of physical or sexual violence.² However, the problem remains largely invisible because very few victims seek help because of the fear of social censure or possible retaliation from offenders (thus, in 2015, 103,100 victims of violence sought protection from social security agencies). An important problem is also the low level of public awareness of specialized social and psychological support services, and the

lack of facilities providing temporary shelter to victims of domestic violence. Thus, the growing number of complaints about gender-based violence would indicate an increased level of identification of victims, adequate coverage of services, growing public trust in public institutions and a reduction in the stigmatization of victims of violence in communities. However, as administrative data make it difficult to assess the scale of the issue, the monitoring and evaluation of progress will be based on data from periodic public opinion surveys.

Another important factor in gender inequality is the persistence of obsolete views on the distribution of family responsibilities. Women traditionally perform the bulk of unpaid work, caring for household members and doing domestic work, yet this is never captured by economic indicators and is not included in the system of national accounts. Unfortunately, there is no mechanism to evaluate time spent on unpaid work by women and men in Ukraine. Therefore, a system to monitor the time spent by women and men working in the household, disaggregated by type of settlement (city/village), will require the introduction of a single standard for data collection at the national level. It is also important to develop the social services infrastructure to reduce women's burden and enhance their opportunities for personal development and participation in all spheres of life.

The principles of shared responsibility in household management and the alignment of family responsibilities involve increasing men's participation in parenting, including by encouraging them to take paternity leave until the child is 3 years old. Currently, only 3 percent of men have taken advantage of this opportunity. Given the absence of relevant indicators in regular statistical surveys, it is important to start collecting information and to conduct surveys of both employers' attitudes and public opinion on the possibility of introducing compulsory parental leave for childbirth.

Political representation of women remains very low in Ukraine despite the introduction of a 30 percent gender quota in the electoral process. Women make up only 12 percent of Members of Parliament; this figure is considerably lower than the European average of 25.8 per-

¹ World Economic Forum, 'The Global Gender Gap Report 2016', <https://www.weforum.org/reports/the-global-gender-gap-report-2016>.

² UNFPA survey 2014.



cent. Women are better represented among the deputies of local councils at lower administrative and territorial levels, but they still account for only 14 percent of the deputies of regional councils and local councils of regional importance. The same 'glass ceiling' that restricts women's promotion to senior management positions is observed in the public sector. Although women generally represent the majority of employees in the civil service, their representation drops significantly in higher management positions. Women comprise only 16.7 percent of senior officials involved in decision-making at the highest level (Category A positions). The disproportionately low level of women's involvement in political decisions is inconsistent with the doctrine of representative democracy and complicates further the promotion of gender equality in other areas of life. Thus, expanding women's political power and observing gender parity at the highest levels of government (Category A positions) basically remain the top priorities for gendered development in Ukraine.

In the context of ensuring gender equality, it is important to improve the accessibility of family planning services for the general public. The possibility of making conscious and informed decisions regarding the desired number of children and their birth timing affects women's reproductive health, prospects in the labour market, professional growth, career development, civic engagement etc. Since early motherhood severely limits opportunities for education and employment, it is important to reduce adolescent childbearing, which, despite a significant reduction (from 32.1 live births per 1,000 women aged 15–19 in 2000 to 27.3 live births in 2015) is still significantly higher than the EU average of 12.6 live births per 1,000 women in 2012). The highest teenage birth rate has traditionally been recorded in Zakarpattia (52.8 live births per 1,000 women aged 15–19), which may be associated with the spread of early marriages in Roma communities living in the region (for example, 161 births by mothers under 16 were recorded in the region in 2015). The early child-birth rate is quite high in Kirovohrad, Mykolaiv and Kherson oblasts (respectively, 41.5, 35.8 and 34.4 live births per 1,000 women).

In general, the issue of unwanted pregnancies is still a significant one for Ukraine's population,

with nearly half of respondents to the Ukraine Demographic and Health Survey in 2007 (46.2 percent of women aged 15–49) reporting at least one abortion during their lives. Clearly, high abortion rates are due to insufficient use of family planning methods. According to the 2012 Multiple Indicator Cluster Survey, at the time of the survey only 47.8 percent of married women aged 15–49 and 74.1 percent of sexually active unmarried women of reproductive age were using modern contraception. Hence, there is a growing need to provide information and educational outreach about family planning methods and services, promote a responsible attitude to women's own reproductive health and make modern contraception available to vulnerable groups.

Gender inequality in terms of the population's economic opportunities has multiple dimensions, covering employment levels and roles, earnings and asset ownership, opportunities for career development and involvement in business activities. The main manifestation is a gender gap in wages, which exacerbates the impacts of all imbalances in employment. Although, this gap has narrowed since the early 2000s, women's average pay is still under 75 percent of men's (UAH3,631 vs. UAH4,848 a month in 2015). In this respect, Ukraine lags far behind European countries, where gender pay differences are on average 16.4 percent (EU-27 in 2013). Among the factors that influence women's lower earnings are the impact of occupational segregation by sex, which resulted in concentrating most female employment in lower-paid economic activities (education, health care and social assistance, libraries, archives, museums and other cultural institutions) and in lower-level positions; women's greater disposition to part-time employment; differences in the duration of employment etc. However, numerous studies and monitoring campaigns confirm cases of direct gender discrimination in the labour market, such as biased attitudes among employers to hiring women and lower pay for women doing the same work as men.

The stereotypical perception of women as less valuable employees is largely based on the possibility of their having children and taking a long break from employment (child-care leave until the child reaches 3 years, and in some cas-



es even 6). Indeed, the need to raise pre-school children often shifts working women's priorities towards family responsibilities. The employment rate of women with children aged 3–5 is significantly lower than that of women aged 25–44 (59 percent vs. 71 percent). Thus, to create favourable conditions for workers with children to combine their professional and family responsibilities, it will be necessary to conduct advocacy activities with employers, encourage remote employment and flexible working hours and develop a network of pre-school institutions, especially in rural areas.

Encouraging women's entrepreneurship is an important target of inclusive development because of the barriers to starting a business and accessing credit for its development that women face. In international practice, women's entrepreneurship is seen as part of economic policy on small and medium-sized enterprises (SMEs). According to recent data, the average weighted index of women's entrepreneurship³ in Ukraine is 2.5 points, which is significantly lower than in other countries of the Eastern Partnership. There is, therefore, a need to create a favourable environment for business development and women's business initiatives and expand forms of grant support and microcredit programmes for women's entrepreneurship.

The intensification of the armed conflict in eastern Ukraine and the large-scale flows of Internally Displaced Persons (IDPs) dominated by women has led to the development of new gender challenges. These challenges are associated with increased risks of gender-based violence,

the existence of the preconditions for discrimination against vulnerable groups, the lack of opportunities for decent employment and income generation, and increasing demand for social services at the community level.

The Constitution and laws of Ukraine guarantee gender equality in all spheres of life. The country has also ratified all the major international agreements on gender equality and women's rights, but there are no effective mechanisms to enforce these obligations. Therefore, to ensure equal rights and opportunities for women and men, it is necessary to make efforts to strengthen the institutional mechanism for gender equality and develop an integrated approach to address organizational barriers to the public response to gender inequality and discrimination. The targets should be as follows: the integration of a gender perspective in strategic planning and the national priorities of the current reforms; the strengthening of state institutions at national and local levels to ensure that legislation is implemented; and the adoption and improvement of strategies and mandatory laws to promote gender equality and the empowerment of all women and girls at all levels.

Key recommendations for achieving the goal:

- Ensure gender equality and prevent any manifestations of gender discrimination.
- Ensure equal rights and opportunities for women and men.
- Increase women's participation in decision-making.
- Take into account a wide range of gender priorities in achieving all the SDGs.

³ The development of women's entrepreneurship is evaluated in the following sectors: Women's Entrepreneurship Support System, Institutional Support of Economic Policy for Women's Entrepreneurship, Best Practices in Women's Entrepreneurship, and Learning to Promote Women's Entrepreneurship. Source: OECD/European Union/EBRD/ETF, 'SME Policy Index: Eastern Partner Countries 2016. Assessing the Implementation of the Small Business Act for Europe', OECD Publishing, Paris, 2015, http://www.oecd.org/global-relations/SME_Policy_Index_Eastern_Partners_2016_Russian.pdf (in Russian); http://www.keepeek.com/Digital-Asset-Management/oecd/development/sme-policy-index-eastern-partner-countries-2016_9789264246249-en#.WXYtMum2wdU (in English).



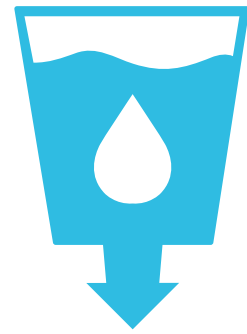
The National Water Strategy has to ensure access to good-quality water resources and lay the foundations to overcome the fundamental inequality between urban and rural areas in their access to water and sanitation. ”

*Viacheslav Sorokovskyi,
Decentralization and Public Services Expert,
Swiss–Ukrainian Decentralization Support
Project to Ukraine (DESPRO)*





GOAL 6



CLEAN WATER AND SANITATION

TARGETS AND INDICATORS

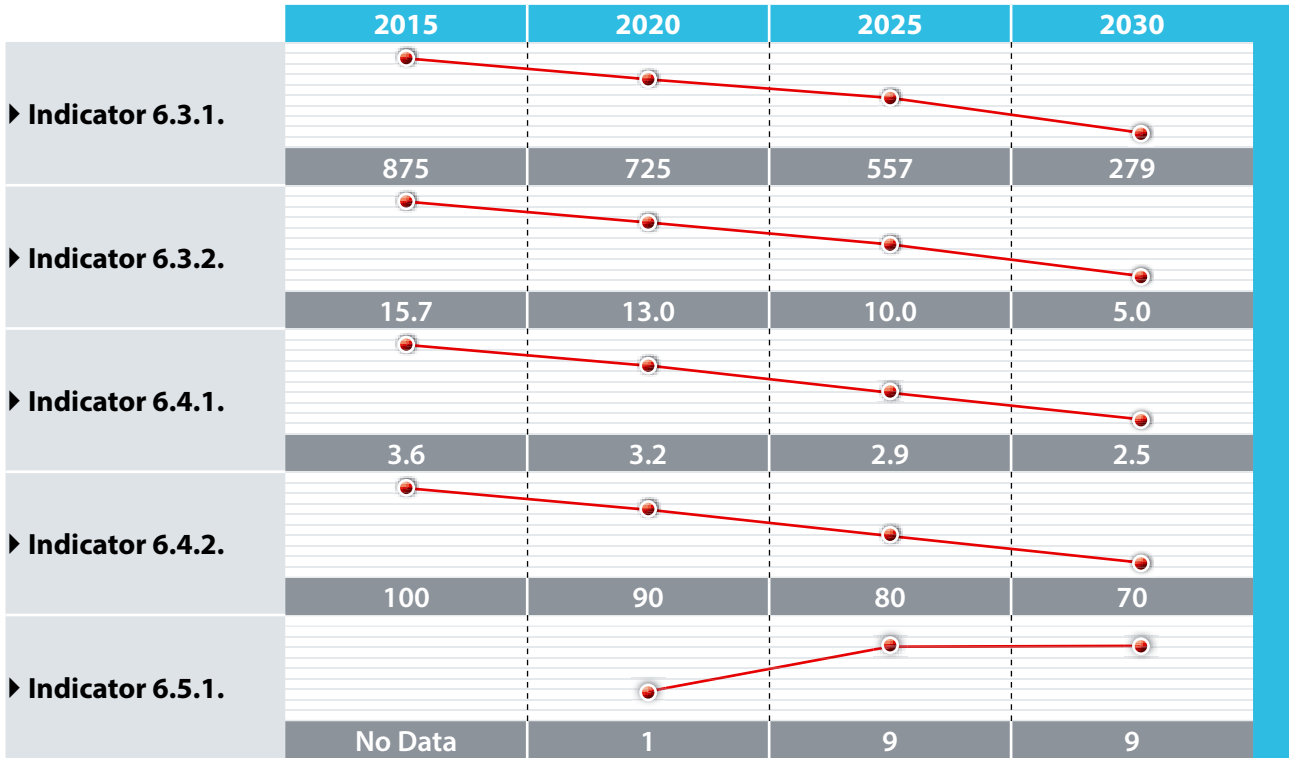
<p>TARGET 6.1.</p> <p>Provide access to quality services of safe drinking water, and ensure the construction and reconstruction of centralized drinking water supply systems using the latest technologies and equipment</p>	<p>▶ Indicator 6.1.1.</p> <p>Share of the rural population with access to safe drinking water, %</p> <p>▶ Indicator 6.1.2.</p> <p>Share of the rural population with access to affordable drinking water of assured quality, %</p> <p>▶ Indicator 6.1.3.</p> <p>Share of the urban population with access to safe drinking water, %</p> <p>▶ Indicator 6.1.4.</p> <p>Share of the urban population with access to affordable drinking water of assured quality, %</p> <p>▶ Indicator 6.1.5.</p> <p>Share of the rural population with access to centralized water supply, %</p> <p>▶ Indicator 6.1.6.</p> <p>Share of the urban population with access to centralized water supply, %</p>
<p>TARGET 6.2.</p> <p>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</p>	<p>▶ Indicator 6.2.1.</p> <p>Share of the rural population with access to improved sanitation, %</p> <p>▶ Indicator 6.2.2.</p> <p>Share of the urban population with access to a centralized water drain, %</p>



TARGET 6.3.	Indicator 6.3.1.
Reduce the discharge of untreated wastewater, primarily through innovative technologies of water purification at the national and individual levels	Volume of discharge of polluted (polluted without treatment or insufficiently treated) wastewater into water bodies, millions of cubic metres
	Indicator 6.3.2. Share of discharge of polluted (polluted without treatment or insufficiently treated) wastewater into water bodies in total discharges, %
TARGET 6.4.	Indicator 6.4.1.
Increase the efficiency of water use	Water content of GDP, cubic metres of water used per UAH1,000 of GDP (actual prices)
	Indicator 6.4.2. Current water content of GDP to 2015 level, %
TARGET 6.5.	Indicator 6.5.1.
Implement integrated water resources management	Number of river basins with approved river basin management plans

TARGET VALUES OF THE INDICATORS







Ukraine has adequate water resources to meet its domestic needs, but their predominant location in the north and north-west of the country leads to a shortage of water in the south. Average rainfall also varies from 300 mm annually in the Azov and Black Sea area to 1500 mm in the Carpathians. The main hydrological basin of Ukraine is the Dnipro catchment area, covering over half of the country. Water from the Dnipro is used by the public and industry in the cities of the Dnieper and Donbas region, as well as by irrigation systems around the Black Sea.

The main water consumers are industrial, agricultural and utility enterprises. The reduction in water use from natural sources in recent years has mainly been caused by the economic downturn.

The water supply is still one of the key issues in the country. Mostly open surface water and, much less, groundwater are used as sources for drinking water. According to the national report on the quality of drinking water from 2015, a centralized water supply covers over 90 percent of towns and 22 percent of villages (ranging from 2.7 percent in Rivne oblast to 98.6 percent in Kherson oblast). Residents of 1,270 villages and towns in the southern regions (approximately 950,000 people) still use drinking water delivered by trucks.

Over 30 percent of the total length of pipelines is in a dangerous and dilapidated condition. One of the reasons for the high level of water consumption by the manufacturing sector is significant water losses in water supply networks.

Centralized sanitation is available in under 2 percent of rural areas, and almost 35 percent of the total length of sewer networks is in a poor condition and worn out. Also, not all wastewater is fully processed. In 2015 the share of wastewater that was not fully processed exceeded 15 percent of total wastewater.

The water infrastructure (pipelines, water treatment plants, water sources and pumping stations) was broken as a result of the armed conflict in Donbas, which is impeding public access to reliable sources of water, hygiene and sanitation. Approximately 700,000 people were left without access to drinking water. The deterioration of the water supply has led to the spread of diseases

that pose a threat to public health. Meeting the need for toilets is an issue for the entire conflict zone. After the armed conflict is over, those areas will require significant investment to restore and modernize the water and wastewater infrastructure.

The water infrastructure of the country first needs an upgrade, given the need to ensure a balance between water use and processing facilities to meet the water needs of the population and the national economy, reduce the adverse harmful effects of water and create appropriate conditions for people who live in regions prone to flooding.

Ukraine has sufficiently advanced legislation in the field of conservation and use of water resources and is a party to several international conventions, including the 1991 Convention on the Protection and Use of Transboundary Watercourses and International Lakes. Ukraine approved the national targets of the Protocol on Water and Health of the Convention in 2011. The national targets focus on providing the population of Ukraine with an appropriate quantity and quality of water. Currently, the country is facing the objective of adopting the EU laws on 'Water quality and water management, including marine environment' and 'Environmental protection' from the Water Framework Directive in particular and other relevant directives.

Improving water management is a major challenge. The national water strategy must aim to achieve a 'good' status of water resources and introduce the integrated management of water and other natural resources on a basin principle by developing and implementing plans for river basin management.

The key objectives and challenges to be overcome include ensuring universal and equal access to adequate sanitation facilities, especially for vulnerable population groups. The situation of most vulnerable and marginalized groups demonstrates a significant gap between the legal and regulatory framework and its practical application and management, especially in terms of funding.

To achieve these targets, adequate funding is needed to implement the measures envisaged



by state and regional programmes in the field of water protection and sustainable use. Providing a water supply of guaranteed quality for households, public utilities, industry, agriculture and the services sector by developing the water supply and sanitation is a major challenge for the sector. Upgrading the water and wastewater systems would not only reduce the water consumption of production processes but also contribute to the conservation of energy which is spent on water intake and supply to consumers. Improving sewage treatment and eliminating losses in sewer networks will have a positive effect on the environment, especially the quality of natural water courses, and, consequently, public health. Technological improvement of production processes and the introduction of water reuse and recycling would also reduce water consumption,

improve the competitiveness of producers and reduce anthropogenic pressures on the environment. The improved monitoring and prevention of and response to natural disasters would help protect the population and reduce the harmful effects of water and associated losses.

Key recommendations for achieving the goal:

- Achieve and maintain an adequate quality of natural water by introducing the integrated basin water management system.
- Provide the public and other users with an appropriate quality and quantity of water.
- Ensure public access to appropriate sanitation facilities, especially to environmentally safe wastewater systems.
- Improve the efficiency of water use in all sectors.



Improving energy efficiency and increasing the share of 'green' energy in the national energy balance is one of the strategic tasks to ensure the sustainable development of Ukraine. ”

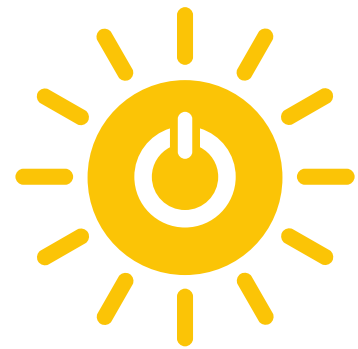


*Blerta Cela,
Deputy Country Director, UNDP*





GOAL 7



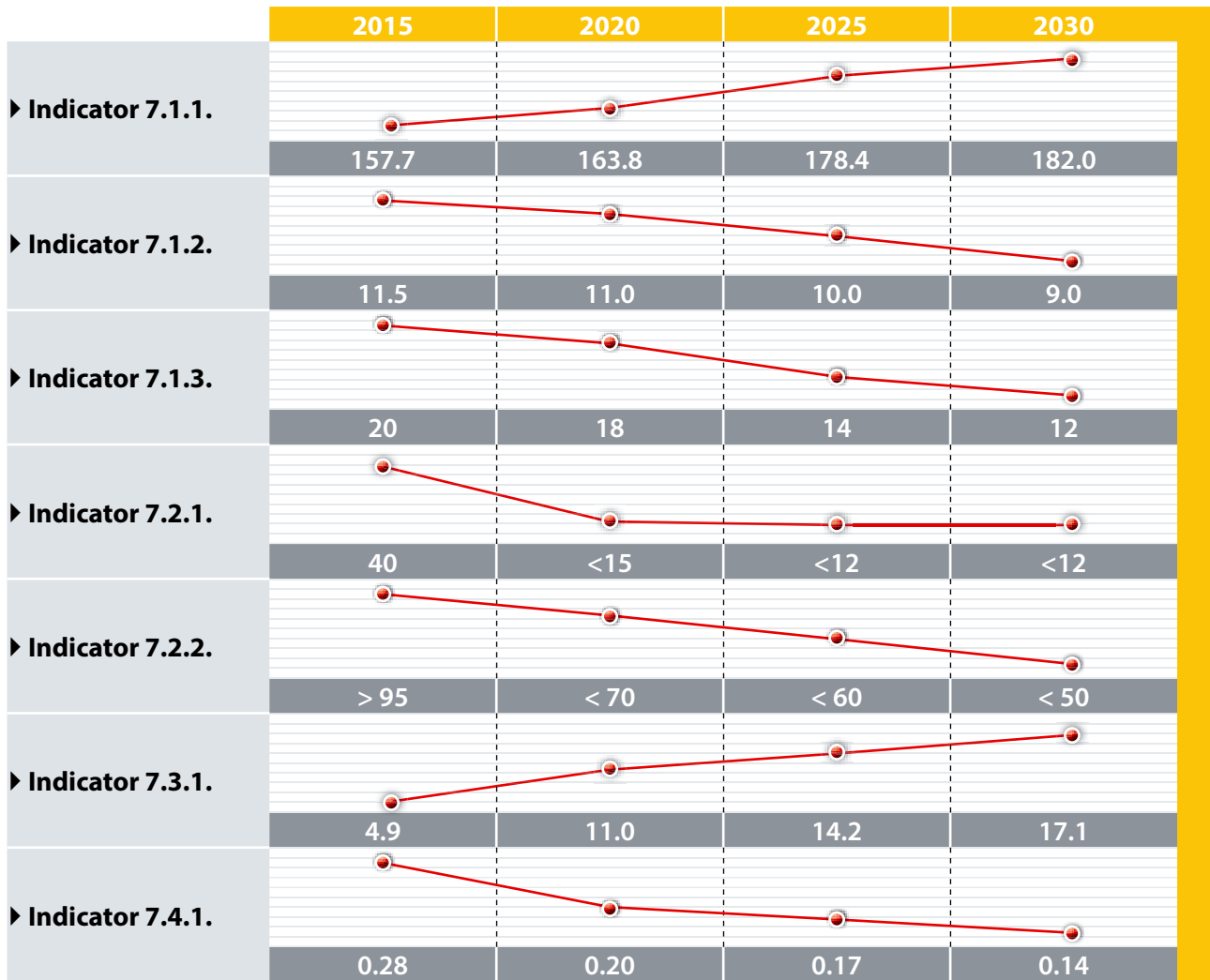
AFFORDABLE AND CLEAN ENERGY

TARGETS AND INDICATORS

TARGET 7.1.	▶ Indicator 7.1.1.
Expand the infrastructure and modernize networks for reliable and sustainable energy supply through the introduction of innovative technologies	Generation of power, billions of KWh
	▶ Indicator 7.1.2.
	Process power loss in electrical distribution, %
	▶ Indicator 7.1.3.
Ensure diversification of the supply of primary energy resources	Heat losses in heat networks, %
	▶ Indicator 7.2.1.
TARGET 7.2.	Maximum share of imported primary energy (excluding nuclear fuel) from one country (company) in the total supply (imports), %
	▶ Indicator 7.2.2.
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	Share of one supplier of the nuclear fuel market, %
	▶ Indicator 7.3.1.
TARGET 7.3.	Share of energy produced from renewable sources in total final energy consumption, %
TARGET 7.4.	▶ Indicator 7.4.1.
Increase the energy efficiency of the economy	Energy intensity of GDP (primary energy consumption per unit of GDP), kg of oil equivalent per USD1 by PPP 2011



TARGET VALUES OF THE INDICATORS



The reliable and efficient operation of the fuel and energy complex (FEC) – the system of power generation and the coal, fuel and oil industries – is the basis of energy security. The FEC has a determining influence on Ukraine’s economy and standard of living. Also, the Unified Energy System of Ukraine forms a single technological complex of energy producers and consumers and ensures the supply, transit and export of electricity.

Ukraine has a powerful energy-generating capacity, which is sufficient to satisfy the needs of the public and the economy and to support electricity exports. The total installed capacity of power-generating plants in Ukraine (as of late 2015) was 58.131 GW, of which 47.7 percent was accounted for by thermal power plants, 11.4 percent by combined heat and power plants, 23.8 percent by nuclear power plants, 8.1 percent by hydroelectric power plants, 2.0 percent by pumped storage plants, and 6.9 percent by alternative energy power plants. The main consumers of electricity are industry, the services sector and the public. In recent years, a trend of reducing the consumption of fuel, heat and electricity has been observed, while the volume of electricity consumed by the population is rising steadily.

The issues that have a negative impact on the development of the energy sector and weaken national energy security are as follows:

- partial use of available energy capacities (with the prevalence of nuclear power plants, whose share of all electricity generated exceeds 50 percent);
- deficiency of shunting and spare capacity in the existing structure of power generation, combined with a significant imbalance in its regional distribution;
- deterioration of a large part of the energy generation facilities and energy supply networks (the lifetime of most nuclear power plants is nearly over);
- lack of domestic production of primary energy to meet consumers’ needs (90 percent of natural gas, 80 percent of crude oil and 98 percent of nuclear fuel were imported from Russia before 2014, which was a threat to energy security; the steps that have been taken to diversify the primary energy supply have addressed this issue);

- lack of a technically feasible potential for renewable energy (50 percent of total energy consumption in the country) along with limited use;
- high power consumption ratio of production; and
- low heat consumption efficiency combined with production losses (5 percent), in networks (12 percent) and in homes (50 percent).¹

The energy sector is one of the main polluters. Emissions of pollutants and GHGs by FEC enterprises account for about 40 percent of total emissions and for 58 percent of stationary sources of pollution.

Power generation in Ukraine has been declining since 2012. In particular, the amount of electricity produced in 2015 was 10.2 percent less than in 2014 (163.3 billion kWh).

The domestic production of primary energy and the shift from imports from Russia to imports from other countries have been taking place since 2014. To meet the needs of economic growth, the approved energy strategy up to 2030 envisages extensive development of the energy industry, primarily through the construction of new energy-generating facilities (power units at nuclear power plants, uranium mining, nuclear fuel and radioactive waste companies, thermal power plants, pumped storage power plants, development of shale gas etc.).

The energy sector needs substantial reform to ensure it meets consumers’ interests by setting the appropriate pricing mechanisms, connecting consumers to networks and offering transparent billing processes in accordance with the principles of the Third Energy Package. It is necessary to adjust energy prices to affordable levels for all categories of consumers, to overcome the lack of transparency of the Ukrainian energy companies and to open the energy market to European corporations subject to fair competition.

In developing the energy sector and making it more environmentally friendly, the ‘Strategy

¹ Almost 80 percent of housing is in need of a complete thermal upgrade. According to estimates, the implementation of energy conservation steps will reduce household energy consumption by 60 percent (about 20 million tonnes of oil equivalent per year).



for Sustainable Development Ukraine 2020; the 'Fundamental Principles (Strategy) of Ukraine's State Environmental Policy for the period until 2020' and the principles of adaptation to the energy and environmental legislation of the EU in accordance with the requirements of the Protocol on the Accession of Ukraine to the Energy Community and the EU Association Agreement should be taken into consideration. Ukraine has to find a permanent solution to its import dependency on one supplier and to ensure the diversification of primary energy routes and sources of supply. That will facilitate the integration of Ukraine's energy system with the continental European energy system.

To achieve that goal, it is important to ensure energy security, including a drastic growth in

national energy efficiency and the widest possible use of renewable energy. Improving energy policy envisages the development of a coordination mechanism for intersectoral measures to reduce the specific energy consumption of industrial enterprises, the services sector and households.

Key recommendations for achieving the goal:

- Create conditions for the growth of energy generation and its reliable and sustainable supply to consumers (households, the municipal and industrial sectors, the services sector).
- Diversify primary energy imports.
- Increase the production and use of renewable energy and implement programmes and measures to improve the energy efficiency of the energy sector.

“

Innovation hubs compiled of modern clusters and start-ups which will generate new knowledge and technologies will ensure Ukraine's transition to a model of creative economics. ”

*Natalia Gorshkova,
Director of the Department of Economic Strategy
and Macroeconomic Forecasting, Ministry of
Economic Development and Trade of Ukraine*





GOAL 8



DECENT WORK AND ECONOMIC GROWTH

TARGETS AND INDICATORS

TARGET 8.1. Ensure a steady GDP growth by modernizing production, developing innovation, increasing export potential and exporting products with high value added	Indicator 8.1.1. GDP volume index (annual average), %
	Indicator 8.1.2. Share of gross fixed capital to GDP, %
	Indicator 8.1.3. Share of exports of goods whose production uses technologies of high and medium high level in total exports of goods, % (groups 'Products of chemical and related industries', 'Polymers, plastics and articles thereof', 'Machinery, equipment and mechanisms, electrical equipment', 'Ground transportation, aircraft, floating craft', 90 th subgroup of the group 'Optical and photographic devices and appliances' (UCGFEA))
	Indicator 8.1.4. Ukraine's position as rated by the Global Innovation Index
TARGET 8.2. Increase the efficiency of production based on sustainable development and the development of competitive high-tech industries	Indicator 8.2.1. The return on assets
	Indicator 8.2.2. Productivity growth rate, %
	Indicator 8.2.3. Material content of GDP (ratio of intermediate costs from the tables 'input-output' of activities that produce material products to total GDP)
TARGET 8.3. Increase employment	Indicator 8.3.1. Employment rate among those aged 20–64, %



TARGET 8.4.

Reduce the share of youth not in employment, education or professional training

▶ **Indicator 8.4.1.**

Share of youth not in employment, education or professional training in the total number of those aged 15–24, %

TARGET 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

▶ **Indicator 8.5.1.**

Number of victims of accidents at work that led to disability of 1 day or more, % of 2015 level

▶ **Indicator 8.5.2.**

Number of workers killed in accidents at work, % of 2015 level

▶ **Indicator 8.5.3.**

Share of workers employed in jobs with hazardous working conditions in the total full-time payroll, %

TARGET 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

▶ **Indicator 8.6.1.**

Number of persons employed by SMEs, millions of persons

▶ **Indicator 8.6.2.**

Share of value added against production costs of SMEs, % of total value added against production costs

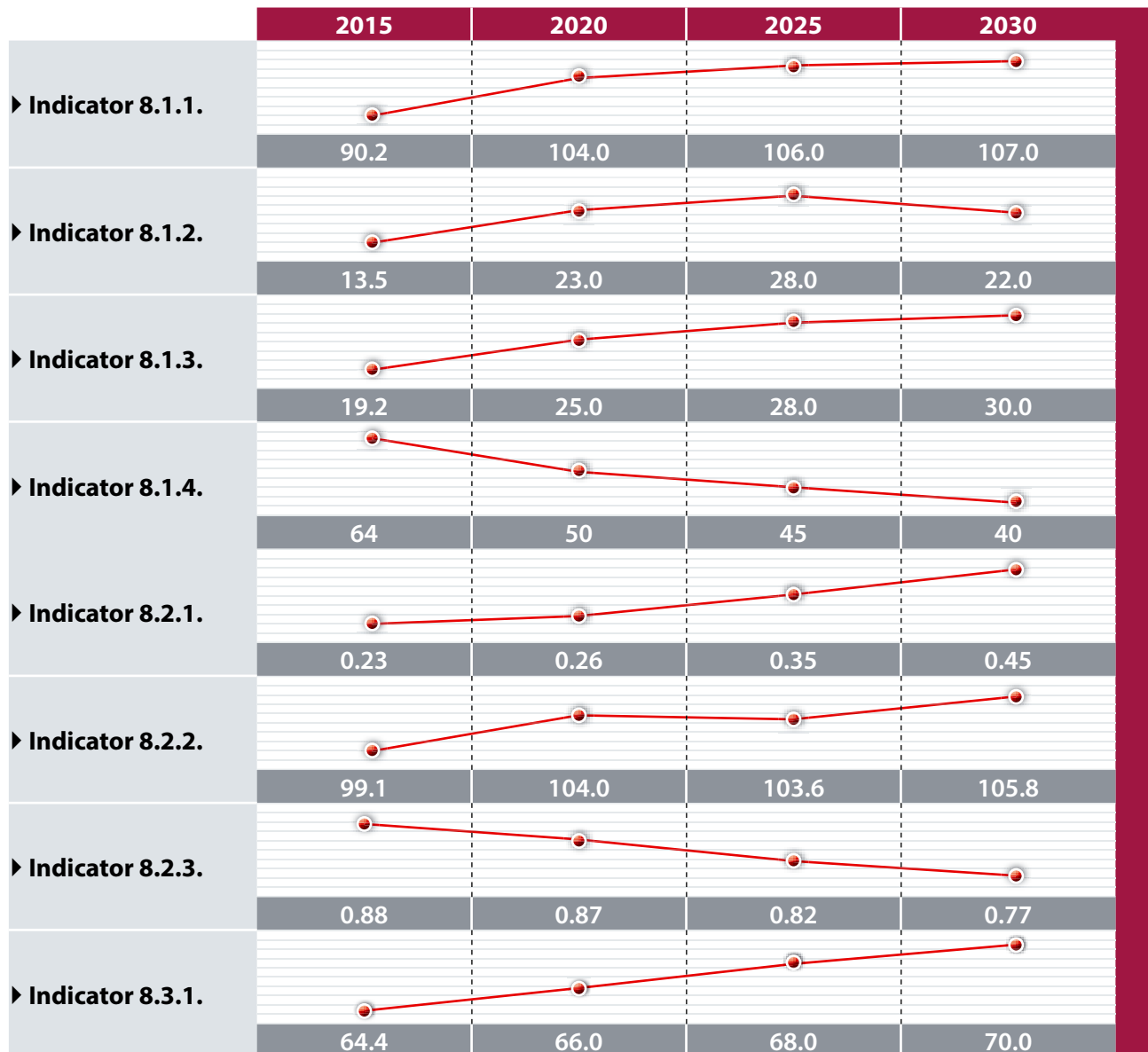
▶ **Indicator 8.6.3.**

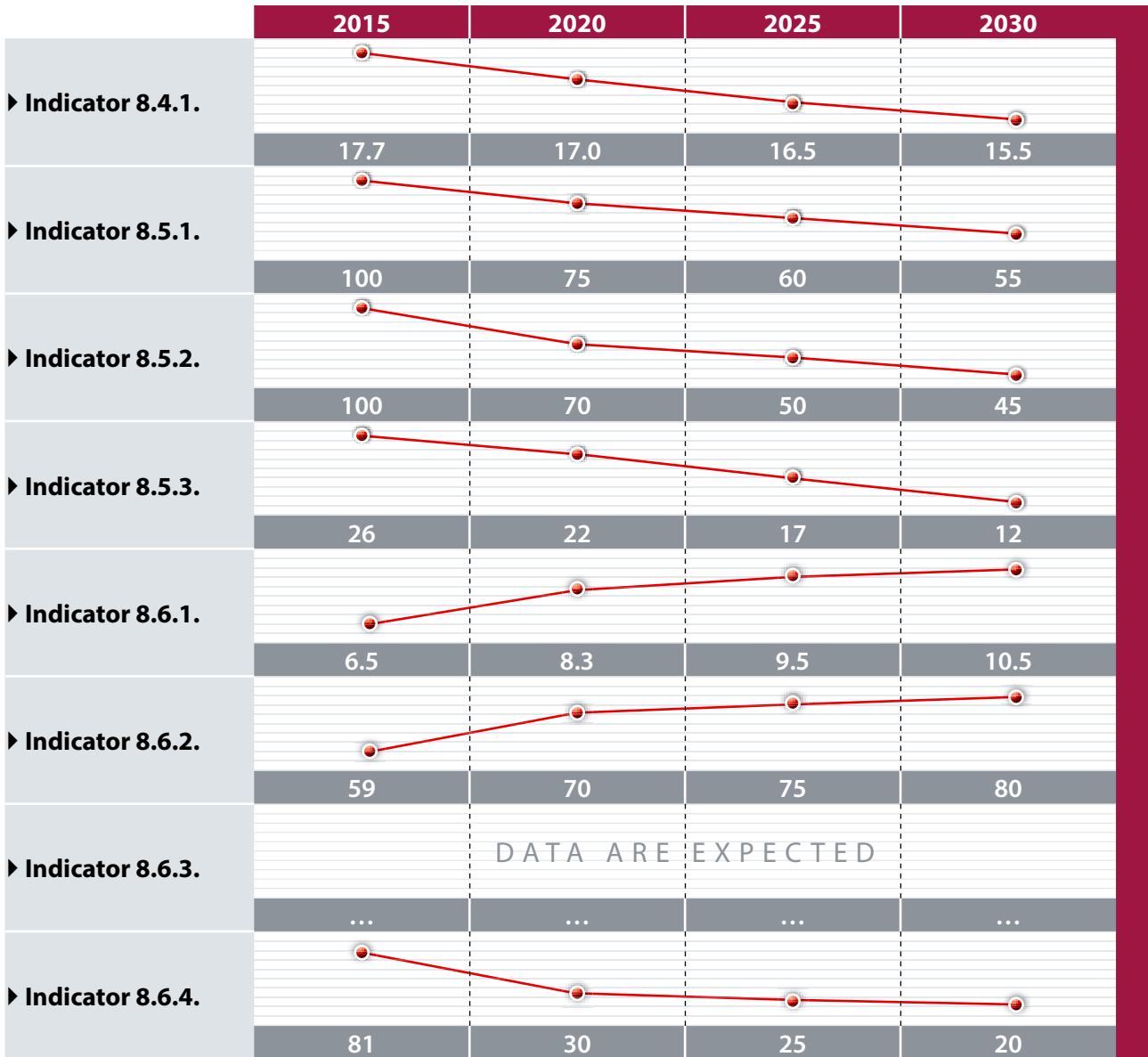
Share of SMEs with a loan or line of credit, in the total, %

▶ **Indicator 8.6.4.**

Ukraine's position in the rating of Doing Business

TARGET VALUES OF THE INDICATORS





Ukraine has ended up in a trap of chronic crises. For a long time the country's economy has shown negative processes of de-industrialization, the prevalence of low-tech commodity production, the loss of scientific potential and outflow of professionals, and the growing moral and physical depreciation of its main assets.

As a result, the structure of exports is dominated by products and services with low added value, while the share of high-tech products and services is only 5.5 percent. In comparison, according to the United Nations Industrial Development Organization (UNIDO), the share of high-tech products in exports of processed products worldwide is 20 percent.

The Ukrainian economy's excessively high import dependency was caused by the country's inability to adequately meet domestic demand for non-food commodities and energy by building the capacity of the domestic market and ensuring access to it.

Amid problems of limited access to financial resources, there has been a low level of investment activity in Ukraine. The share of gross fixed capital formation in GDP in 2015 was the lowest for the entire time since independence (13.5 percent) – almost half the level of some European countries. Such a low level prevents modernization of the economy, reduces the yield per unit of assets and is not conducive to maintaining productive capacity that could create a competitive product. As a consequence, the level of the energy intensity of GDP in Ukraine (0.28)¹ is almost three times as high as in European countries (0.1), and the material consumption of GDP (0.88) is double the EU figure (0.44). Combined with the low labour productivity, which is USD17,200 (77.7 percent less than the European level), it excludes domestic producers from competitive markets. Also, inefficient economic activity leads to an increased anthropogenic impact on the country's environment, and thus to its gradual destruction.

The current situation cannot ensure sustainable growth and rapidly reduce the gap in GDP per capita between Ukraine and most developed countries. In addition, the ongoing economic de-

cline is accompanied by job losses, the economic decline of settlements and mass labour migration of the economically active population to other countries.

In 2014–2016 all these systemic negative processes were exacerbated as a result of the occupation of the Crimea and Sevastopol and the protracted military conflict in eastern Ukraine, which led to the Ukrainian government's loss of control over certain districts of Donetsk and Luhansk oblasts.

Additional barriers to the development of the manufacturing sector include the complexity of international relations with the country's main trading partner (Russian Federation), the destruction of production facilities and transport infrastructure in the conflict zone, the loss of interregional and logistical relations in the regional and export space, the lack of energy resources (coal) and the substantial growth of investment risks. As a result, in 2015 the hryvnia was devalued by over 80 percent year on year, the inflation rate was 48.7 percent, industrial production declined by 13 percent, Ukrainian GDP fell by 9.8 percent (excluding occupied Crimea and part of the ATO zone), and unemployment was rising again. In 2016, GDP increased slightly by 2.3 percent, industrial production grew by 2.8 percent, and annual inflation slowed down to 13.9 percent. But that is far from being sufficient.

Implementing an active, inclusive development strategy that could ensure annual GDP growth of 6–7 percent and at least a doubling of output is a prerequisite for transition to a sustainable growth strategy. That would provide a tangible improvement of public living standards and start a domino effect towards achieving all other SDGs. Such growth is only possible by implementing a structured and innovative development model and ensuring the intensive technical and technological renewal of production processes.

The innovative structural reforms should be based on the following:

- innovation hubs in the priority industries that would become national leaders in implementing innovative technologies and centres for modern business clusters;
- the start-ups sector, which mainly serves as a leader of scientific progress and the develop-

¹ According to estimates from the Ministry of Economic Development and Trade of Ukraine.



ment of the competitive economic environment in developed countries;

- the SME sector, whose role in providing jobs and welfare is crucial. Institutional support for SME development will help gradually improve Ukraine's ranking in the Doing Business Index (over 50 points in the ranking by late 2030);
- large exporters, whose objective is to promote domestic high-tech products in foreign markets; and
- the institutions that will encourage investment and the creation of favourable conditions for investment in the Ukrainian economy.

Achieving the goal *a priori* would increase the share of gross fixed capital formation in Ukrainian GDP (28 percent in 2025 and its stabilization around 22 percent by 2030), which would help gradually increase the fixed asset renewal factor (up to 0.35 by 2030) and allow the country to step away from an economy based on raw materials. Creating incentives for the accelerated development of technology and innovation will help triple the share of high-tech products and services among exports in 15 years.

On this basis, the growing efficiency of the national economy – namely, by reducing the material consumption of GDP to 0.77 by 2030 and the energy intensity of production and almost doubling productivity – will promote sustainable socio-economic development. Thus, development up to 2030 should be based on implementing public policies aimed at introducing an innovative model, creating the infrastructure for restructuring and economic growth and strengthening Ukraine as a high-tech nation.

However, the development of the country up to 2020 must be renewable, which involves the modernization of industry, agriculture and other sectors of the national economy. It should also create conditions for the growth of the national science and innovation sector, which will help build a new high-tech economy. In fact, people must become the central object of the economy. Safe work and a decent wage should satisfy all human needs to

achieve the appropriate quality of life, well-being and prosperity.

Positive development trends will be formed through the involvement of businesses (increasing the share of SMEs and according to the distribution of gross value added). Increasing the number of employees and decreasing the rate of informal employment would encourage the acceleration of qualitative transformations in Ukraine, increase the motivation for innovation and promote production with high added value.

Key recommendations for achieving the goal:

- Improve conditions for doing business, including by improving the regulatory environment, simplifying administrative procedures for taxes and fees and establishing simple and transparent tax rules to create a favourable investment climate.
- Introduce tools to stimulate up to five priority economic activities that meet at least the following criteria: high value added, high export potential and innovative.
- Create incentives to promote technical upgrading and innovation, including by paying special attention to high added value and labour-intensive sectors.
- Pursue a development-oriented policy that promotes productive activities, the creation of decent jobs, entrepreneurship, creativity and innovation and encourages the development of micro, small and medium enterprises, including by providing access to financial services.
- Improve the efficiency of innovative regional development, and achieve a high level of economic development for them that will promote unity in the economic space, expand and strengthen regional economic ties and develop domestic commodity markets.
- Create incentives for the introduction of sustainable consumption patterns based on the principles of sustainable development and the prevention of environmental degradation.
- Promote full and productive employment and decent work for all women and men and the protection of human rights, and ensure reliable and safe working conditions for all workers.



The sustainable industrialization of Ukraine and the introduction of innovative production technologies will ensure the sustainable growth of the national economy and the optimization of its structure. ”

*Liudmyla Musina,
Honoured Economist of Ukraine, Member of the Public Council of
the Ministry of Economic Development and Trade of Ukraine*





GOAL 9



INDUSTRY, INNOVATION AND INFRASTRUCTURE

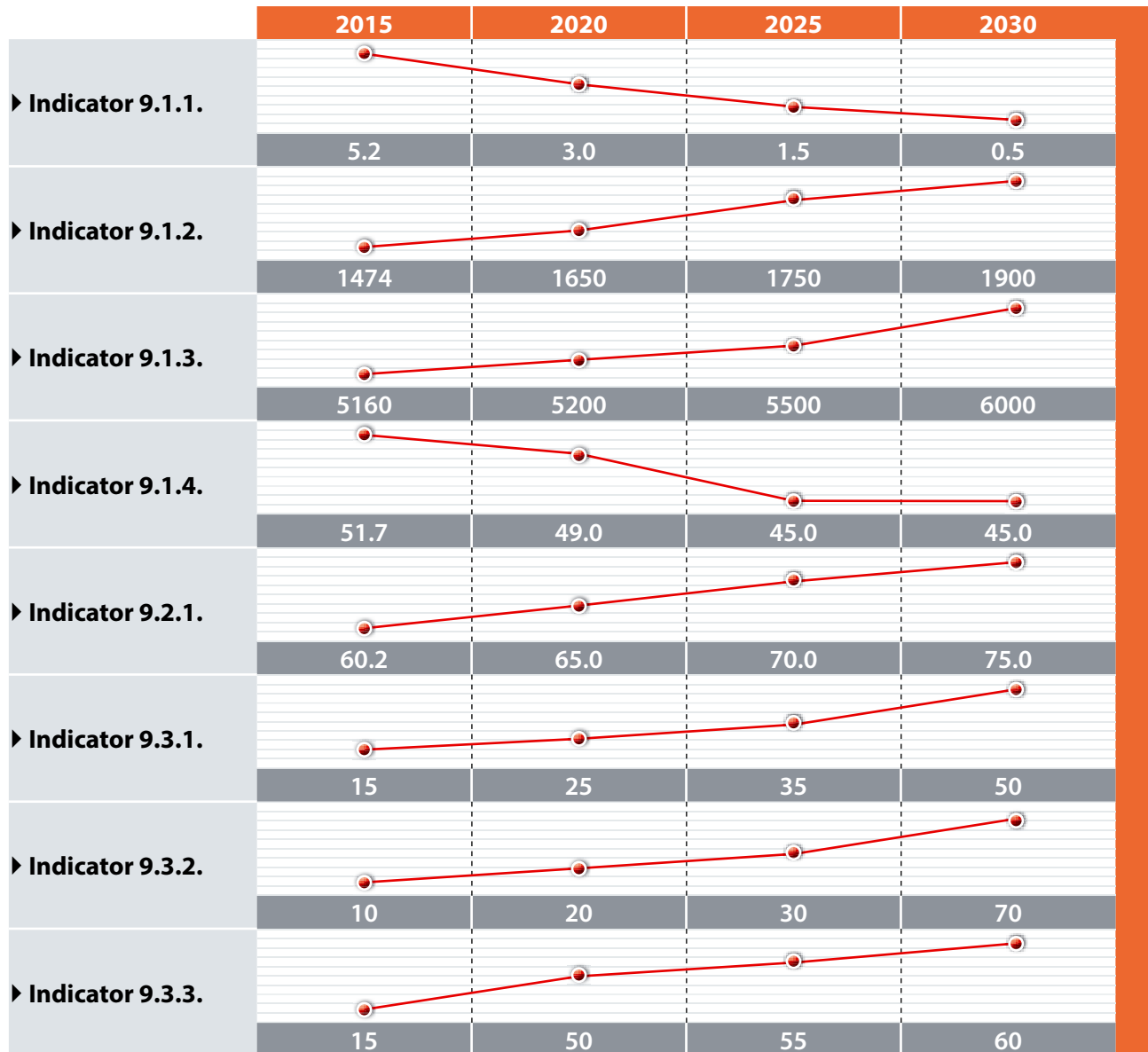
TARGETS AND INDICATORS

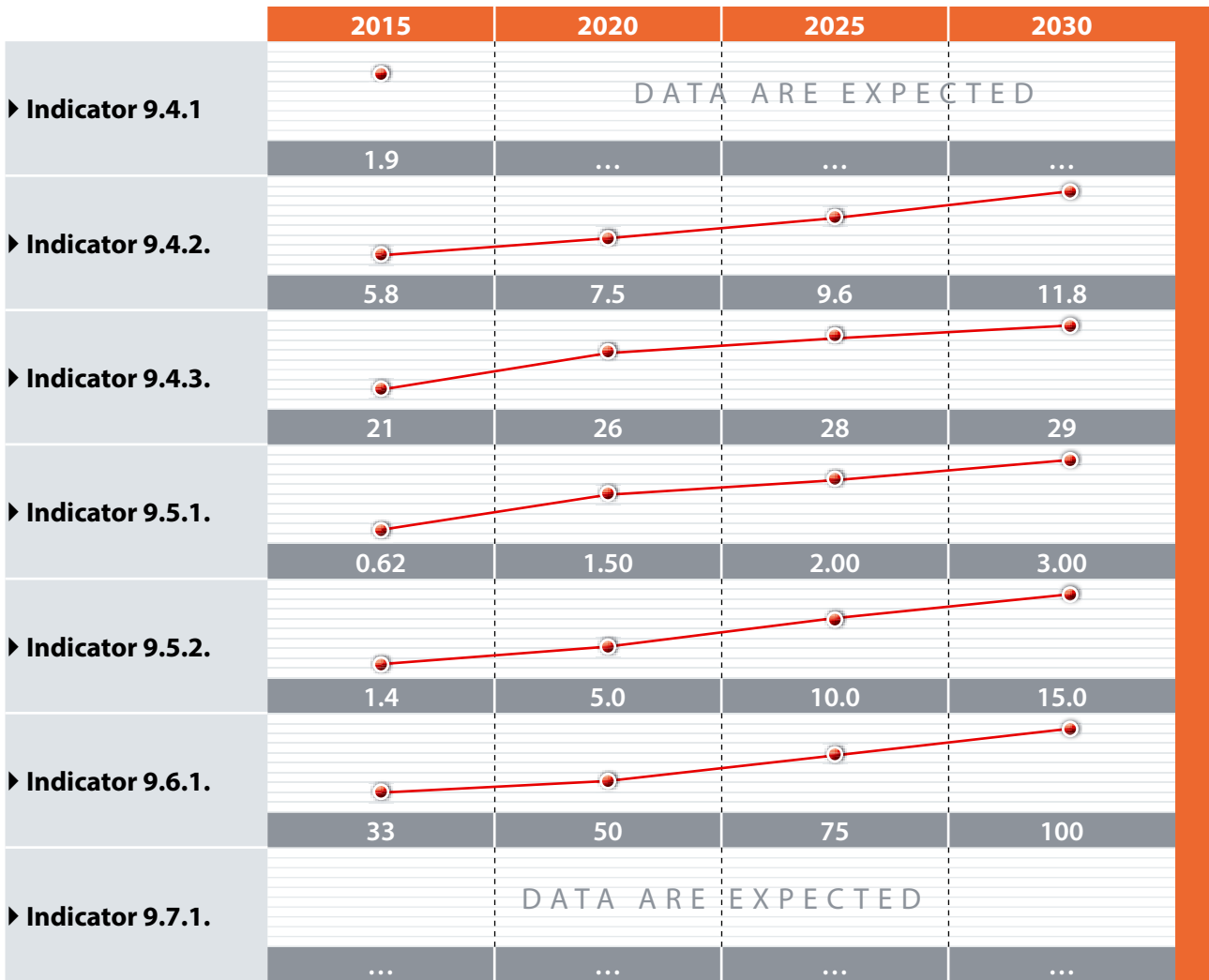
TARGET 9.1.	Indicator 9.1.1.
<p>Develop quality, reliable, sustainable and accessible infrastructure based on the use of innovation technologies, including ecologically clean means of transport</p>	<p>Share of the rural population living further than 3 km from paved roads, %</p>
	Indicator 9.1.2.
	<p>Volume of transported goods, millions of tonnes</p>
	Indicator 9.1.3.
TARGET 9.2.	Indicator 9.1.4.
<p>Ensure increased use of electric transport and related network infrastructure</p>	<p>Number of passengers, millions</p>
	<p>Degree of depreciation of assets by ACE 'Transport, storage, post and courier services', %</p>
TARGET 9.3.	Indicator 9.2.1.
<p>Ensure access to road infrastructure based on the use of innovative technologies, in particular by expanding state participation in various infrastructure projects</p>	<p>Share of electric transport in domestic traffic, %</p>
	Indicator 9.3.1.
	<p>Share of public transport adapted for the needs of people with disabilities, %</p>
TARGET 9.4.	Indicator 9.3.2.
<p>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</p>	<p>Share of public roads of national importance with a hard surface that meets regulatory requirements, %</p>
	Indicator 9.3.3.
	<p>Share of facilities of public and civil use, improvement, transport infrastructure and road service equipped to the needs of people with disabilities, %</p>
TARGET 9.4.	Indicator 9.4.1.
<p>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</p>	<p>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 KVED) in the total value added against production cost, %</p>



	<p>► Indicator 9.4.2.</p> <p>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 KVED) in total value added against production cost, %</p> <p>► Indicator 9.4.3.</p> <p>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 KVED) in the total number of workers employed in industry, %</p>
TARGET 9.5.	<p>► Indicator 9.5.1.</p> <p>Share of expenditure on scientific and technical work in GDP, %</p> <p>► Indicator 9.5.2.</p> <p>Share of sales of innovative products in total sales of industrial products, %</p>
TARGET 9.6.	<p>► Indicator 9.6.1.</p> <p>Population coverage with Internet services, subscribers per 100 persons</p>
TARGET 9.7.	<p>► Indicator 9.7.1.</p> <p>Share of persons under 40 among scientific workers and university professors with advanced degrees, %</p>
Create financial and institutional systems (innovative infrastructure) that will ensure the development of scientific research and scientific and technical (experimental) development	
Ensure access to the Internet, especially in rural areas	
Ensure increased youth participation in research	

TARGET VALUES OF THE INDICATORS





In the 20th century a developed industrial complex was formed in Ukraine, which today accounts for a large share of the economy and covers all types of industrial production. However, the de-industrialization processes that started during the transformational crisis of 1992–1994 and are still ongoing have destroyed a significant part of the Ukrainian production potential, and particularly its high-tech component. This was mostly caused by the severance of economic ties with the other Soviet republics and the lack of a full production cycle within Ukraine. Over the past two years, the decline in production reached 21.8 percent, particularly due to the military conflict in the east of the country and the declining presence of Ukrainian products in traditional markets. The share of industry in gross value added dropped from 25.6 percent in 2011 to 23.3 percent in 2015.

Currently, the structure of industrial production is dominated by commodities of technological paradigms III and IV, dependent on business cycles on global markets, which account for 58 percent and 38 percent of production, respectively. Technological paradigm V accounts for only 4 percent of the production of goods, while technological paradigm VI is virtually non-existent (0.1 percent). The proportion of industrial enterprises engaged in innovative activity is extremely low – about 15 percent – and the share of sales of innovative products is under 2 percent. These figures are an order of magnitude lower than in developed countries. Industrial exports account for about 40 percent of GDP, but a significant proportion of this is raw materials.

Key challenges are a high degree of depreciation of fixed assets, outdated technologies and business models, the ultra-high resource and energy consumption of production, and undeveloped industrial infrastructure, in particular the use of ICT platforms and technologies in value-added chains.

Processing industries contributed 14 percent of gross value added in 2015, while the indicator for the EU-27 is 15.2 percent. The share of production using high and medium high technology in industrial gross value added is only 19.1 percent, against 38.6 percent in the EU. This demonstrates a very low use of new technologies and their introduction into production processes. The con-

text of limited financial resources has generated a low knowledge intensity of Ukraine's GDP. The share of completed scientific and research work in GDP has gradually decreased and reached 0.62 percent in 2015 (vs. the global level of 2.17 percent and the European level of 2.01 percent). A barrier to technology transfer and attracting investment in high-tech industries is the limited scope of protection offered by intellectual property legislation.

Thus, against the universal spread of technological paradigm V (from 2010, the end of a rapid growth phase) and the transition of developed countries to technological paradigm VI (from 2010, starting development of new technologies, and from 2018, technologies are widespread), any continuation of the existing industrial and export structure and the low level of funding for scientific and technical work would result in Ukraine becoming hopelessly uncompetitive.

Reliable and affordable infrastructure, such as road transport, energy, information and communication networks, as well as non-governmental infrastructure is a guarantee of effective business activity and a high quality of life for the population.

Transport services for the economy and the public of Ukraine are significantly inferior to those in developed countries. According to the Global Competitiveness Index 2016–2017, Ukraine dropped six places from 69th to 75th out of 138 countries in terms of the quality of its infrastructure in just one year, and the quality of its roads was ranked 134th. The transport infrastructure is characterized by a high degree of physical and moral depreciation of fixed assets and the inconsistency of the rate of motorization with the state of the country's highways.

The experience of introducing public–private partnerships and the low rates of investment, technological innovation and technological modernization in the sector are extremely unsatisfactory. The system for setting tariffs for services and infrastructure with a natural monopoly that affect pricing in other industries still lacks transparency.

The main determinant in accelerating economic development is ICT infrastructure. Ukraine is



among the top three countries in Central and Eastern Europe in terms of its ICT market and related human resources. Based on results from 2015, the volume of exports of ICT technology, including software, from Ukraine amounted to over USD2 billion. Highly skilled ICT specialists are one of Ukraine's competitive advantages.

However, the current tendency for the outflow of such specialists abroad indicates the need for immediate measures to keep human resources in the country and to use them to direct the digitalization of Ukrainian industry and the development of digital business models for enterprises and customer interaction platforms to increase the efficiency of work and make Ukrainian companies more competitive in international markets.

The institutional structure of the industry needs modernization, including its transformation from a fragmented production complex into a holistic and globally integrated one that is capable of highly profitable activities and self-development, combines systemically structured industrial units, consistent with the needs of foreign and domestic markets, and meets ecological safety, environmental and energy-saving standards. The innovative industrial policy should be based on strategic and long-term sectoral forecasts and should integrate best international practice.

It is important to improve the system of scientific and educational support for industrial development. It is necessary to revive and modernize the branch of science, which has been almost eliminated today. The concentration of material and financial resources to support the implementation of research priorities in terms of science and technology will help increase funding for science from all sources to 3 percent of GDP by 2030. This will result in improving the research potential of the industrial sector of Ukraine and increasing production efficiency in the face of considerable global competition.

To achieve this goal in Ukraine, it is necessary to develop a strategy for developing or updating the industrial complex. Strategic industrial development objectives should take into account national and global challenges (resources, social, environmental, institutional etc.).

They should be based on the provisions of the Ukraine–EU Association Agreement and the Agreement on a Deep and Comprehensive Free Trade Area with the EU. The strategy should create the conditions for using the European programmes 'Intelligent Specializations', 'European Cluster Programme', 'Horizon 2020' and 'Competitiveness of Small and Medium-sized Enterprises' (COSME) and attracting additional support through the country's participation in the EU's regional and global programmes. The formation of a structure for new, sustainable industry, its diversification, decentralization and clustering, the introduction of tools for intelligent specialization and strengthening the role of regions should take into account the impact of measures on the growth of value added and employment. The implementation of the strategy should be carried out by developing step-by-step action plans based on modern horizontal and sectoral policies, diversifying financial flows and continuously assessing the impact of industry and the consequences of implementing the industrial policy. An important factor is the integration of the principles of business perfection and quality management at all levels (macro, meso and micro) to increase the competitiveness of the national economy.

Key recommendations for achieving the goal:

- Develop the capital market infrastructure, including rehabilitation of the banking system of Ukraine, which has to become the main source of cheap finance, creating public and private institutions that provide financial resources and reduce the risks of entering the world market for SMEs that deal with export contracts and invest abroad.
- Develop modern and accessible infrastructure, including for ICT, transport, energy and innovation, to increase business efficiency and improve the population's quality of life.
- Create incentives to improve resource efficiency, and ensure a wider use of clean and environmentally sound technologies and industrial processes.
- Create an efficient system to protect and enforce intellectual property rights.
- Introduce various forms of state participation in implementing infrastructure projects, and ensure a flexible tariff policy to create favourable conditions for business and investors.



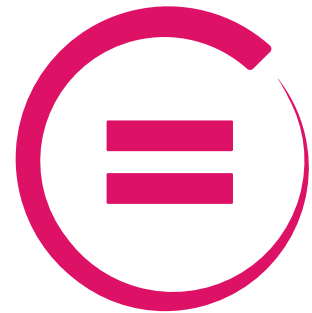
The SDGs are essential for everyone. They will affect the growth of the country, reduce inequity and improve the life of each member of the community. ”

*Galyna Volianyk,
Director of the Department of Economic Development and Trade,
Ternopil Regional State Administration*





GOAL 10



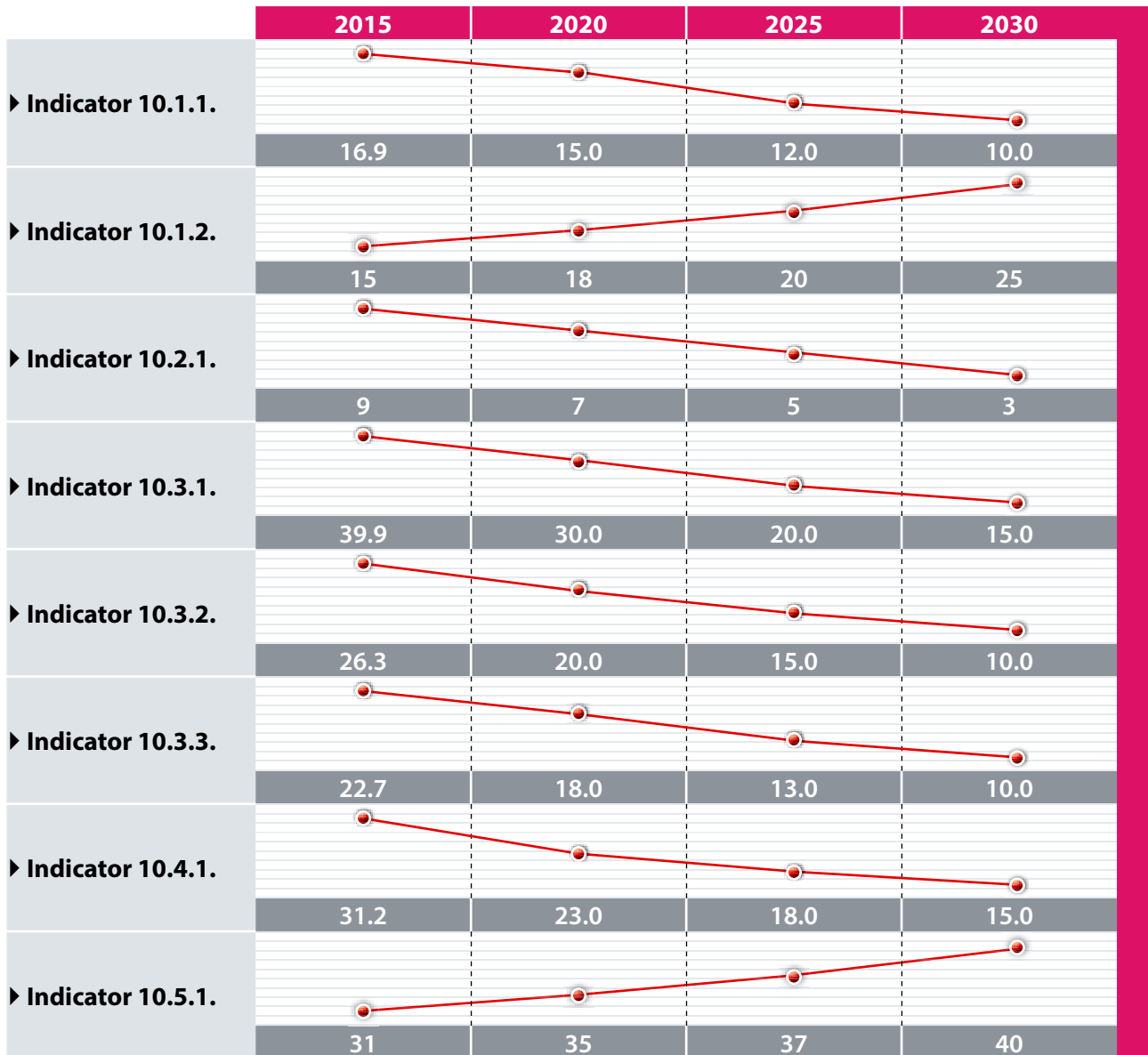
REDUCE
INEQUALITY

TARGETS AND INDICATORS

TARGET 10.1.	Indicator 10.1.1.
Ensure accelerated growth of income of the least well-off 40 percent of the population	Income ratio of most affluent 10 percent and least well-off 40 percent, times
TARGET 10.2.	Indicator 10.1.2.
Prevent manifestations of discrimination in society	Income ratio of least well-off 40 percent and more affluent 60 percent, %
TARGET 10.3.	Indicator 10.2.1.
Ensure access to social services	Share of people who reported that in the last 12 months they had personally faced discrimination or harassment based on discrimination in total population, %
TARGET 10.4.	Indicator 10.3.1.
Pursue remuneration policy based on equality and fairness	Share of rural households who suffered from deprivation due to lack of access to ambulance services in the settlement, %
TARGET 10.5.	Indicator 10.3.2.
Reform pension insurance based on fairness and transparency	Share of rural households who suffered from deprivation due to the lack of a medical facility near their home, %
TARGET 10.5.	Indicator 10.3.3.
Pursue remuneration policy based on equality and fairness	Share of rural households who suffered from deprivation due to the lack of regular daily transport to another settlement with developed infrastructure, %
TARGET 10.4.	Indicator 10.4.1.
Pursue remuneration policy based on equality and fairness	Ratio of the average wage (income) of 10 th and first decile groups of workers (decile coefficient), times
TARGET 10.5.	Indicator 10.5.1.
Reform pension insurance based on fairness and transparency	Ratio of average pension to average wage in the economy (given 35 years of contribution), %



TARGET VALUES OF THE INDICATORS



Between 2004 and 2013, Ukraine demonstrated strong growth in all income segments (by an average of 7.2 percent annually), with no significant differences between income deciles. The economic downturn ended a favourable trend, and real incomes fell by 11.5 percent in 2014.

To return to economic growth and ensure long-term sustainability would need increased capacities for 40 percent of the poorer population. This means not only an increase in income but also an increase in the capacity to contribute to general economic development and ensure full participation in the life of the State and local communities.

Economic inequality causes the emergence of other forms of inequality and limits poor people's ability to participate in social, economic and political life. The lack of income to meet basic needs alienates vulnerable individuals from the wider public. Factors influencing vulnerability to social exclusion might include place of residence, health status (including disability) and age. The most vulnerable individuals and households are those whose income places them in the first four income deciles. They have a high risk of social exclusion and limited access to resources.

The most dangerous issue is the intergenerational transfer of poverty. Poor households should be targeted with mandatory education and development services for children, the introduction of rehabilitation programmes for adults, the creation of new mechanisms to provide state aid for low-income families, and social patronage for disadvantaged families.

Economic, political and environmental inequality often result from discrimination against certain groups. According to the Kyiv International Institute of Sociology, the most common are discrimination by age (11 percent), by sexual orientation (10 percent) and by disability (7 percent), and 9 percent of respondents overall had experienced prejudicial attitudes over the previous year. Poor people suffered the most from biased attitudes, with 17 percent of them experiencing discrimination, while 11 percent of the population of eastern Ukraine experienced prejudice.¹ The smaller the

settlement, the fewer the chances of accessing social services, freedom of choice becomes limited, the quality of life declines etc. People who live in villages often suffer from deprivation of medical, educational and other services, which are also of much inferior quality than in cities. More than half of rural households suffer from a lack of institutions that provide household services (vs. 6 percent of urban households), 40 percent from a lack of ambulances (3 percent in urban areas), 26 percent from a lack of medical institutions near their home (6 percent in urban areas), 23 percent from a lack of regular daily transport to another settlement with a more developed infrastructure, 14 percent from a lack of retail outlets near their home (3 percent in urban areas), and 5 percent from a lack of pre-schools near their home (1.3 percent in urban areas).

To achieve greater equality in Ukrainian society and to reduce discrimination, it is necessary to pursue anti-discrimination policies in all spheres of public life and to introduce decent standards of social services regardless of location.

Inequality in Ukraine is characterized by differences in pay, and excessively low wages of at least half of the working population. According to the State Fiscal Service of Ukraine, in 2015 the wages of the 50 percent of employees with the lowest incomes (the first five deciles/first median group) accounted for 30 percent of the average wage in the country. For comparison, in Scandinavian countries the figure is 70 percent, in the EU 60 percent, and in the USA 50 percent. The average income of representatives of the tenth income decile (those with the highest incomes) is 13 times higher than the average salary of the first median group (for comparison, in Scandinavian countries the figure is 2.9 times higher, in the EU 4.2 times higher, and in the USA 7.0 times higher) and 159 times higher than the income of the first decile. There is much less inequality in pay in the public sector (education, health and social assistance), where the basic wage is set by the Unified Tariff, and the additional components of remuneration (bonuses, pay raises, compensation etc.) are strictly regulated.

According to the State Statistics Service, in 2015 the gender gap in the average wages of men and women was over 25 percent, and in pensions over 30 percent. These and other gender

¹ Kyiv International Institute of Sociology; 'All-Ukrainian research on discrimination in Ukraine', Kyiv International Institute of Sociology, Kyiv, 2015.



inequalities and demographic factors mean that more women than men are considered vulnerable, which requires attention from public programmes and policies.

Key recommendations for achieving the goal:

- Support the development of social dialogue as a guarantee of the fairness of social and labour relations.
- Institute drastic changes in income policy.
- Increase labour remuneration, which will help to eliminate excessive inequality and reduce poverty among the working population.
- Reform the pension system.
- Devise a new fiscal policy that will ensure a balanced distribution of the tax burden on taxpayers.
- Ensure the strict observance of social guarantees regarding equal access to social services.
- Eliminate any discriminatory provisions from the national legal field.
- Introduce programmes to create an accessible environment for the full participation of people with special needs in economic and social life.



The SDGs will foster the improvement of regional infrastructure and attract additional investments needed for regional development. ”

*Vitalii Lytvyn,
Advisor to the Head of Dnipropetrovsk Regional
State Administration*





GOAL 11



SUSTAINABLE
DEVELOPMENT
OF CITIES AND
COMMUNITIES

TARGETS AND INDICATORS

TARGET 11.1.	▶ Indicator 11.1.1.
Ensure access to housing	Solvency ratio of the borrower (ratio of monthly payments of the borrower and his/her family on mortgage debt servicing to total monthly income)
TARGET 11.2.	▶ Indicator 11.2.1.
Ensure development of settlements and territories exclusively based on integrated planning and participatory management	Share of regions that have approved and implemented regional development strategies and action plans for their implementation developed with public participation, %
TARGET 11.3.	▶ Indicator 11.3.1.
Ensure protection and safeguarding of the cultural and natural heritage, with involvement of the private sector	Number of cultural and natural heritage sites included in the UNESCO World Heritage List, units
TARGET 11.4.	▶ Indicator 11.4.1.
Ensure timely public alert about emergencies through innovative technologies	Level of reconstruction of the national centralized public alert system, %



TARGET 11.5.

Reduce the adverse impact of pollutants, including on the urban environment in particular, through innovative technologies

▶ Indicator 11.5.1.

Ratio of air pollution emissions to 2015 level, %

▶ Indicator 11.5.2.

Total volume of air emissions of pollutants from stationary sources, conventionally reduced to carbon monoxide in view of the relative aggressiveness of main pollutants, % of 2015 level

▶ Indicator 11.5.3.

Total volume of air emissions of pollutants from mobile sources, conventionally reduced to carbon monoxide in view of the relative aggressiveness of main pollutants, % of 2015 level

▶ Indicator 11.5.4.

Number of cities in Ukraine where the average daily concentration of main air pollutants exceeds the average daily maximum permissible concentration, number of cities in Ukraine

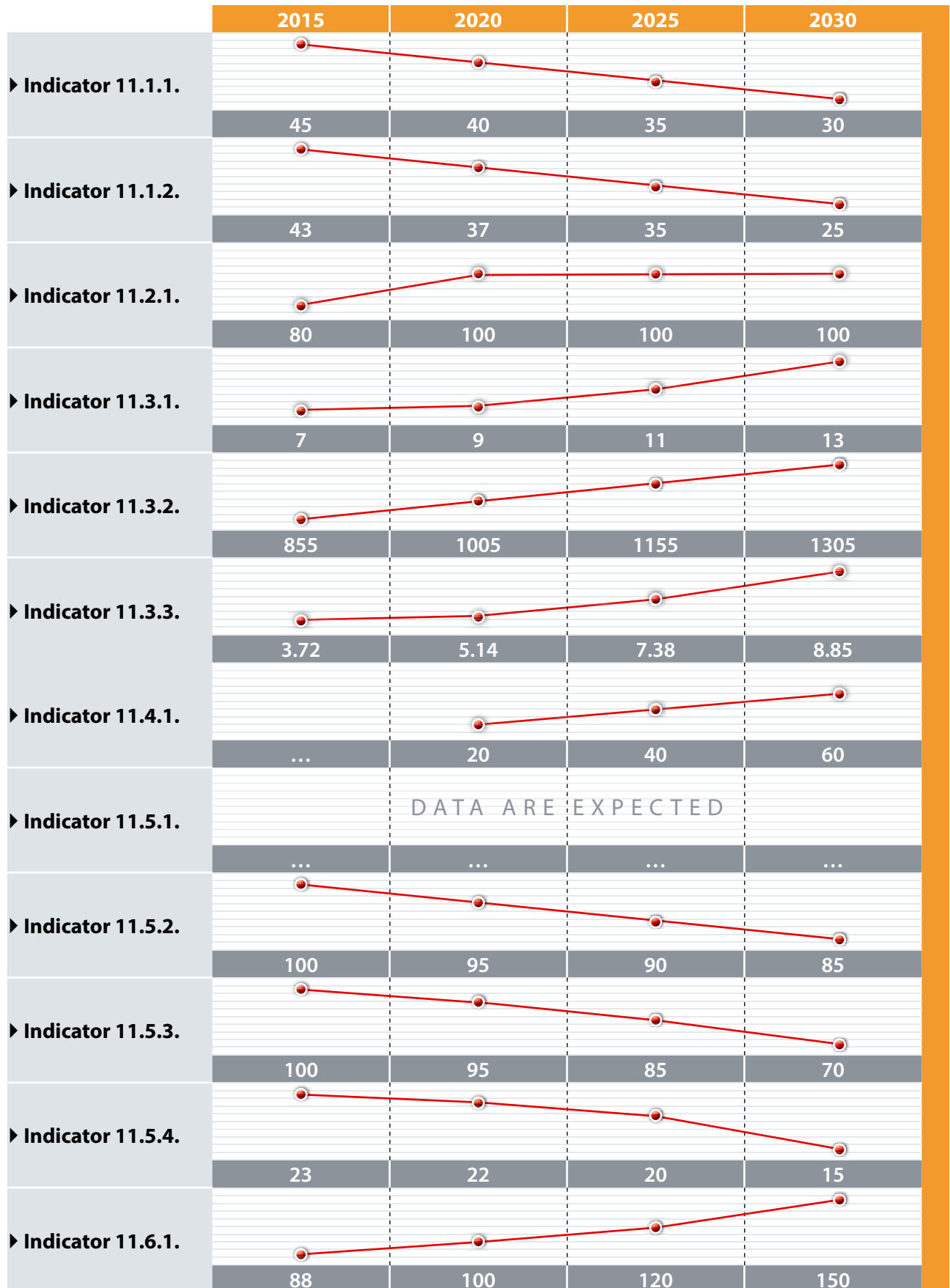
TARGET 11.6.

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

▶ Indicator 11.6.1.

Number of jobs in the tourism industry (average payroll of collective means of accommodation and subjects of touristic activity in Ukraine), thousands

TARGET VALUES OF THE INDICATORS





General economic, political, social and demographic trends and their specific regional and local contexts have affected the situation in some settlements. As a result of the decline in production, and the closure of businesses that were the main employer in town, many residents of small towns, especially those with an economy dependent on a single sector, have lost their jobs, while local authorities have lost their main source of revenue. A lack of funds has led to a deterioration of social infrastructure, particularly housing, and of the road network. The isolation of local labour markets has greatly increased. The extensive commuting which is traditional for Ukraine (people from small settlements commute daily to the more developed cities to work or study) has gradually been replaced by permanent migration, thus more of the population is concentrated in cities and oblast centres. This has led to a growing need for housing, social and personal services; therefore, the burden on infrastructure and communications has also risen. Thus, the current situation requires urgent solutions of complex issues in the areas of housing, the creation and expansion of convenient transport links, infrastructure, water and sanitation, electricity and heat, and building the cultural environment.

The needs of large numbers of the population for quality housing are not being met. A large proportion of households are forced to reside in inadequate flats in obsolete, hazardous or unsuitable buildings. There is no social and/or temporary housing, and the rental market is underdeveloped and poorly regulated.

The unfavourable living conditions in cities are aggravated by the lack of a systematic approach to urban development, which results from both a lack of modern general development plans and uneven funding. As a result, the development of municipal, social, transport, trade and consumer infrastructure is lagging far behind the ever-increasing public needs.

The public is often excluded from decision-making to solve issues of arranging residential spaces in a participatory manner and is often deprived of voicing its opinion about how to design residential districts. The reasons are varied, including incomplete decentralization, the lack of a sustainable mechanism for engaging civil society in decision-making, the lack of financial resources in communities etc.

Achieving sustainable development at the local level first requires efforts to improve the living conditions of socially vulnerable members of society – poor people, large families, people with disabilities, orphans and children deprived of parental care etc.

The housing needs of the population with average incomes will be met by accelerating the construction of new houses, simplifying and reducing the cost of procedures for acquiring land for construction, improving access to loans for building or purchasing houses and providing public support for specific loan programmes.

The housing policy should also be used as a component of structural, particularly regional, policies that promote labour mobility. Suitable mechanisms might include a building sector for affordable rental housing, including one owned by local communities, the implementation of partnership housing construction models or using employers' support to purchase houses etc.

Ensuring the sustainable development of towns, villages and communities to create a favourable living environment will require shifting the focus from administratively approved plans to strategizing for development consistent with the principles of universal design – i.e. for all people, including those with disabilities, women, children, elderly people etc. This would require partnerships, coordination and the inclusive participation of local communities, local authorities, civil society and businesses. The development strategies at the local level should be built based on principles of transparency, inclusiveness and scientific justification, with the simultaneous introduction of a system of indicators for further monitoring and public oversight of the process of implementation. Finance for the strategies from state and local budgets should be based on general layouts of settlements and areas approved by the appropriate councils.

Key recommendations for achieving the goal:

- Create and ensure access to sufficient, safe and affordable housing and basic living services.
- Develop reliable, safe and convenient transport and other infrastructure (based on the principles of universal design – i.e. including persons with disabilities, women, children, elderly people etc.).
- Develop settlements and areas exclusively on the basis of comprehensive and sustainable planning (based on general layouts) and ensure management by the public administration based on the principles of sustainable development while maintaining the existing sites of cultural and natural heritage and identifying new ones.
- Develop public alert systems for security threats or emergency situations, and a system to prevent emergency situations, ensure an effective response and eliminate their consequences.
- Minimize the environmental and security impacts on the life and health of the public.