USAID ECONOMIC RESILIENCE ACTIVITY:
QUARTERLY PROGRESS REPORT
October 01, 2020–December 31, 2020

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## ACRONYMS AND ABBREVIATIONS

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<tr>
<td>A2F</td>
<td>Access to Finance</td>
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<tr>
<td>AHEAD-EU</td>
<td>Agricultural Higher Education Advanced Development in Eastern Ukraine Program</td>
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<td>BSPU</td>
<td>Berdiansk State Pedagogical University</td>
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<td>CAP</td>
<td>USAID Credit for Agricultural Producers Program</td>
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<td>CEP</td>
<td>Competitive Economy Program</td>
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<td>CETA</td>
<td>Common Elements Treatment Approach</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>CN</td>
<td>Concept Note</td>
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<td>DG-East</td>
<td>Democratic Governance East Activity</td>
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<td>DonNTU</td>
<td>Donetsk National Technical University</td>
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<td>DOSA</td>
<td>Donetsk Oblast State Administration</td>
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<td>DRC</td>
<td>Danish Refugee Council</td>
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<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<td>EDP</td>
<td>Entrepreneurial Discovery Process</td>
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<td>EIB</td>
<td>European Investment Bank</td>
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<td>ESP</td>
<td>USAID Energy Security Program</td>
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<td>FAME</td>
<td>Farm-Machinery and Automotive Machine-building Enterprises</td>
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<td>FHI 360</td>
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<td>GAP</td>
<td>Good Agricultural Practices</td>
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<td>GBV</td>
<td>Gender-based Violence</td>
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<td>GCA</td>
<td>Government Controlled Areas</td>
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<td>GoU</td>
<td>Government of Ukraine</td>
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<td>ICA</td>
<td>Individual Consultant Agreement</td>
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<td>IDP</td>
<td>Internally Displaced Persons</td>
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<td>I4M</td>
<td>Innovations for Manufacturing</td>
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<td>IT</td>
<td>Information Technology</td>
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<tr>
<td>LGBTI</td>
<td>Lesbian, Gay, Bisexual, Transgender and Intersex</td>
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<tr>
<td>LLC</td>
<td>Limited Liability Company</td>
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<td>LNAU</td>
<td>Luhansk National Agrarian University</td>
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<td>LOSA</td>
<td>Luhansk Oblast State Administration</td>
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<td>MDA</td>
<td>Melitopol Development Agency</td>
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<td>MinTOT</td>
<td>Ministry of Reintegration of Temporarily Occupied Territories of Ukraine</td>
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<td>MEAL</td>
<td>Monitoring, Evaluation, Adaptation and Learning</td>
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<td>MoES</td>
<td>Ministry of Education and Science of Ukraine</td>
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<td>MSME</td>
<td>Micro, Small, Medium Enterprises</td>
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<td>MSRA</td>
<td>Market Systems Resilience Assessment</td>
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<td>MVP</td>
<td>Minimum Viable Product</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>OTI</td>
<td>Office of Transition Initiatives</td>
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<td>P2P</td>
<td>Peer-To-Peer</td>
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PE       Private Entrepreneur
PPP      Public-Private Partnership
PR       Public Relations
P&R      Pause and Reflect
PSTU     Pryazovskyi State Technical University
RFP      Request for Proposal
SAF      Small Architectural Form
SBG      Sustainable Business Group
SC       Sikorsky Challenge LLC
SMM      Social Media Marketing
SoA      Sea of Azov
STEM     Science, Technology, Engineering, Mathematics
STTA     Short-Term Technical Advisor
TEJ      Technical-Economic Justification
TSATU    Tavria State Agrotechnological University
ULA      Ukrainian Leadership Academy
UNDP     United Nations Development Program
UUCU     Ukrainian United Credit Union
UWF      Ukrainian Women’s Fund
VEI      Vocational Education Institutions
WFD      Workforce Development
I. INTRODUCTION

DAI is pleased to submit this Quarterly Report for USAID Economic Resilience Activity (ERA/Activity) covering the period of October 1 to December 31, 2020. The Activity aims to improve the overall economic resilience of eastern Ukraine in response to Russia’s aggression, which has left industry devastated, communities divided physically and politically, and weakened the social, financial, and physical assets that underlie resilience. The Activity will directly contribute to USAID/Ukraine’s Development Objective 2: Impacts of Russia’s Aggression Mitigated, and Intermediate Results 2.1: Conditions Improved for Reintegration, and 2.4 Common Civic Values Increasingly Embraced.

This report details the Activity’s accomplishments during the first quarter of the third year and describes the interventions completed, benchmarks achieved, and performance standards.

BRIEF SUMMARY OF ACTIVITY

Over the life of the Activity, ERA will help eastern Ukraine reorient its economy toward sustainable, diverse and inclusive growth by working through three interrelated objectives:

OBJECTIVE 1: PROVIDE ASSISTANCE TO STABILIZE THE ECONOMY OF EASTERN UKRAINE. This objective will build on previous work under Office of Transition Initiatives (OTI) programming and U.S. Government humanitarian assistance. ERA will continue to support quick-response, high-impact interventions that address the immediate needs of conflict-affected individuals, including internally displaced persons (IDPs), returnees, women, youth, veterans, IDP host communities and businesses (micro-enterprises with up to 10 employees and small enterprises with 10 to 50 employees).

OBJECTIVE 2: SUPPORT THE SUSTAINABLE DEVELOPMENT OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMES). This objective will support medium-term results by starting with end markets, improving SMEs’ ability to deliver in-demand goods and services, and building the surrounding market infrastructure—from information to finance to knowledge and skills—that enables longer-term growth. Objective 2 will focus primarily on SMEs with up to 250 employees; in select cases, it will support innovative Western-leaning companies with up to 1,200 employees that are near the line of contact and provide much-needed employment in stressed areas.

OBJECTIVE 3: BUILD CONFIDENCE IN THE FUTURE OF THE EASTERN UKRAINIAN ECONOMY. This objective will play a critical role in the integration and coordination of all ERA interventions and culminates in the most important result: a path forward to a viable economic future for the eastern region as an integrated part of the Ukrainian economy, one that is understood and supported by the population and energizes people into entrepreneurial action. By orienting interventions under Objective 3 around current and potential end markets for growth sectors that are a combination of traditional and new, ERA will simultaneously promote the diversification that will lead to a more resilient economy and create opportunities for innovations and transformative ideas.
II. CONTEXT UPDATE

The economic situation in eastern Ukraine at the end of 2020 remains depressed but indicates a gradual resumption of productive business activity due to the general adaptation of most economic actors to quarantine restrictions.

On December 23, the Cabinet of Ministers approved the Concept of Economic Development of Donetsk and Luhansk Oblasts as the basis for development of the economic development strategy for Government Controlled Area (GCA). Estimated war-damage reconstruction costs in the east are estimated to exceed $20 billion, according to Oleksii Reznikov, Deputy Prime Minister – Minister for the Reintegration of the Temporarily Occupied Territories. The Concept aims to stimulate investment in priority manufacturing and business clusters and the introduction of tax incentives to direct a percentage of enterprise profits to reinvestment in their own growth and development.

Quarantine restrictions in Ukraine and changes in the global situation affected different economic sectors in diverse ways. In Donetsk Oblast, the largest economic decline is in light industry, mining (including coal mining), mechanical engineering, and the chemical industry. At the same time, production of goods in the food industry and metallurgy increased 6.7% and 1.2% respectively. Luhansk Oblast also experienced a significant decline in the light industry, mining, and chemical industry sectors.

This challenging economic situation is likely to persist in early 2021 due to the planned reintroduction of COVID-19 lockdown measures throughout Ukraine and abroad during the winter months. However, the economy is expected to rebound in 2021, bolstered by a revival in domestic demand and adaptive fiscal and monetary policies. In December 2020, the World Bank raised its forecast for Ukraine's gross domestic product (GDP) growth to 3% in 2021, up from a modest forecast of 1.5% made in early October 2020.

III. KEY NARRATIVE ACHIEVEMENTS

ERA began Year 3 implementation with restructured operations and delivery mechanisms firmly in place to accommodate continued COVID-19 restrictions. ERA benefitted from the strong momentum of highly productive, integrated teamwork between our three program components of Inclusion, Growth and Transformation and our partners and beneficiaries throughout Donetsk, Luhansk, Zaporizhzhia and Kherson Oblasts in the east.

During the reporting period ERA consolidated its targeted COVID-19 response activities through the implementation of grants to Gender-Based Violence (GBV) focused NGO Slavic Heart, delivery of Distance Learning (DL) equipment and training to five eastern Ukraine University partners, support to eastern farmers and Urban Markets in Mariupol, and matching strategic business consulting to micro, small and medium enterprises (MSME) struggling to adapt to new economic realities.

ERA’s approved Year 3 workplan introduced increased opportunities for Activity collaboration between our three components as well as increased focus on coordination among our national, regional and local government partners, international donor and aid agencies, partners and beneficiaries. The Inclusion team, in addition to ongoing support to women, youth, universities and MSMEs, increased ERA support to the LGBTI community through a new grant to a local Mariupol based NGO to enable a more supportive environment for youth and the LGBTI community of Mariupol for safe self-improvement in creative industries and further integration into the city life.
Within the Growth component ERA hired the Roland Berger consulting group to develop international standard strategic business plans to help guide growth and market diversification efforts for 14 companies from the Luhansk and Donetsk Oblasts. ERA now stands ready to aid the companies in implementing their newly vetted plans. The Transformation component worked closely this reporting period with ERA grantee “Ukrainian Institute for International Politics” to support development of Luhansk and Donetsk Oblasts SMART specialization strategies to identify the most promising strategic areas for economic innovations and development, each Oblast identified their areas of focus and will work with ERA on strategy implementation and attracting new investment.

Throughout the reporting period, ERA played a significant role in assisting the preparation and coordination of increased investment of funds and activities planned for Donetsk and Luhansk from international financial institutions such as the European Investment Bank, the European Bank for Reconstruction and Development and the World Bank. ERA also continued to work closely with the Ministry of Reintegration of Temporarily Occupied Territories of Ukraine (MinTOT) to organize next steps for the critically important, large-scale proposed Luhansk Rail Connector project, now with wide government support, to prepare a Request for Proposal (RFP) based on the inter-ministerial working group Scope of Work (SOW) for the Rail Connector project, which was developed in November.

**TECHNOLOGY DRIVEN ADAPTATIONS**

Throughout the reporting period, ERA and its grantee partners delivered several technology-driven adaptations and innovations to COVID-19 related circumstances.

Global Compact NGO, a provider of free-of-charge web-based IT courses, has created channels in Telegram messenger service to offer extra materials and options for students to ensure connection with teachers, course work and helping with individual learning requests. Since the grant originally anticipated the offline elements like “hackathons” and thematic meetups, these types of events have been transferred to online modes. The meetups were converted to webinars, recorded and posted on Facebook to expand the audience of those interested in self-education in IT-related fields regardless of physical location.

Throughout the holiday season in the city centers of Kramatorsk, Mariupol and Sievierodonetsk, shoppers, citizens and passers-by could scan Quick Response (QR) codes using their smart phones on real Christmas tree decorations, which brought the consumers directly to the social network pages of 40 local women’s micro-enterprises. The women, most with very little previous experience in business and entrepreneurship, offered their products online in a new and creative way in time for holiday shopping. The women entrepreneurs were also the graduates of a business training courses organized by ERA partner grantee Ukrainian Women’s Fund.

In February 2021 the well-known Ukrainian online education platform Prometheus, under a subcontract with ERA, will launch a custom-designed course for small and medium entrepreneurs aiming to establish or increase its business online. The course is driven by artificial intelligence (AI) that allows each student to acquire a personalized study agenda based on his/her business needs and current level of competence. Once a short entry survey on the platform is completed, the system can guide the students in selecting which course components should be taken. Such a unique approach seeks to make the study process more client-oriented and efficient.

And finally, ERA’s grantee Social Boost NGO presented at the East Coast: IT Investment Forum which used specialized equipment for a teleconference between Kyiv and Mariupol to comply with COVID-19 quarantine restrictions. The event featured a jury selecting the best business pitches for
new IT startup activities. The event participants, including distinguished speakers, jury and startup presenters, were sitting in separate rooms, while 2,000 forum viewers could comfortably enjoy the single picture of several locations mixed on one screen.

**COVID-19 RESPONSE**

Throughout the reporting period ERA continued to implement a comprehensive, four-component response to support the economic survival and development of smallholder farmers, agriculture producers and municipal markets, MSMEs, Universities delivering distance learning and survivors of Gender Based Violence (GBV).

**COMPONENT 1: MARKET ACCESS**

In December ERA completed a tender for comprehensive online sales and marketing support for agricultural MSMEs. The selected firm will begin work in January 2021 with diverse food producers on developing user-friendly, attractive online sales and marketing platforms that are well integrated with offline businesses. Among the firms targeted to receive this assistance are the Famberry cornel berry orchard in Tokmak (Zaporizhzhia Oblast), Michurin greenhouse farm and orchard in Raihorodka and Tkachenko Family dairy products company in Koliadivka (Luhansk Oblast).

ERA is in the final stage of recruiting a Local Farmer Promotion Specialist who will assist participants in last year’s Berdiansk and Mariupol Local Farmer Festivals to enhance their online presence and sales, while popularizing local food brands in eastern Ukraine, organizing online festivals during COVID-19 restrictions and preparing the ground for in-person festivals once those limitations are lifted. The specialist will work to expand the Local Farmer network beyond the festival participants with an aim to convert the festivals into a comprehensive “Local Farmer Movement” engaging consumers preferring to purchase products grown by local farmers in support of them and the economic development of their native regions.

ERA signed MoUs with the city of Mariupol and three private produce markets to investigate potential renovations for improving sanitary and aesthetic conditions and attract more discerning consumers. By the time of reporting, ERA completed a tender to conduct a sociological survey in Quarter 2 on preferences of Mariupol consumers for conditions in produce markets. The survey results will contribute to designing the ERA infrastructure Concept Notes for private markets renovation ready for submission to USAID in the next quarter.

ERA also resumed dialogue with the city of Sievierodonetsk and the owners of the private Universalnyi (Radost) Market where many regional farmers have been operating. While maintaining a conservative approach, this is ERA’s second attempt to elaborate an intervention around Universalnyi (Radost) Market improvements. Because the market territory is divided between a private pavilion and public land, the current unprecedented harmony between the city officials and the private market owners has encouraged ERA to initiate new conversations with stakeholders to develop a market for farmers. Sievierodonetsk is uniquely important to the Luhansk Oblast as a focal point for all smallholder farmers who once sold to the 11 cities in the Luhansk NGCA, and currently has limited infrastructure for direct-to-consumer sales by smallholder farmers. A well-maintained and attractive farmers market would help farmers more efficiently access urban consumers with anticipated results in increased sales through direct-to-consumer channels for 100-200 smallholder farmers.
COMPONENT 2: RAPID ASSISTANCE TO MSMES

During the reporting period the I4M team initiated five targeted consultancies for existing I4M partners in the framework of the COVID-19 response consulting mechanism. A market research consultant provided services for three sewing companies (PE Korotun, PE Nimanikhina and Rubizhne Hosiery Manufacture) organizing three focus groups, a series of interviews with customers and buyers and delivery of market reports with recommendations on proper product positioning and marketing strategy development. As a result, the beneficiary companies widened their product assortment to accommodate the changed market demand e.g. across sport clothing niche, started catering more to new COVID-19 related customer requirements through introduction of faster shipment methods and safe packaging processes preventing COVID-19 transmission risks.

“Our individual strategic consultant not only provided general coordination while working on strategy but delved deeply into peculiarities of our business. His visionary position, openness in communications allowed us to conduct deep analysis and deliver our strategy within tight deadlines.”

- Druzhkivka Confectionary Company Co-Owner

A consultant on branding continued providing design services for manufacturing beneficiary companies, including the creation of a brand-book and how to implement those strategies for PE Nimanikhina. A consultant on increasing customer base and sales in agriculture assisted four companies from I4M in analyzing potential partners, the functioning of their sales and marketing departments, finding potential promising niches to enter into different agricultural market segments and possibilities for product portfolio diversification. The I4M team envisages a potential 15% annual sales increase in one of the beneficiary companies, Tandem LTD; another ERA partner I4M company, Kauchuk Inc., defined expansion of agriculture sector activity in Ukraine and the EU as one of its important priorities in 2021.

COMPONENT 3: DISTANCE LEARNING

In December, Dahl university and Luhansk National Agrarian University (LNAU) received delivery of equipment and software allowing the institutions to start preparation for planned COVID-19 lockdown in January 2021 and initiating the second semester with distance learning (DL). The universities received state-of-the-art equipment including laptops, video conferencing systems, projection equipment, an interactive whiteboard, smart TV and four portable kits for DL. Berdiansk State Pedagogical University (BSPU), Donetsk National Technical University (DonNTU) and Dmytro Motornyi Tavria State Agrotechnological University (TSATU) also received delivery of equipment for Laboratories of Distance Learning in late December for their shift to DL in February 2021.

In early December 50 Dahl university teachers participated in a training on the use of their new ERA provided software Adobe Premier Pro, ideal for creating quality video training materials for universities on Moodle, the world’s most popular online learning platform and course management system. The training course which ends in January 2021 includes unlimited access to online training materials, three Zoom consultations, testing and awarding of certificates. The certificates will advance the training process that university teachers will have for updating their qualifications. The same training course is planned for other teachers in ERA partner universities during the next quarter.
COMPONENT 4: ECONOMIC ASSISTANCE TO GENDER-BASED VIOLENCE SURVIVORS

In November ERA’s new grantee partner, NGO “Slavic Heart”, started implementation of its unique, wholistic approach to addressing psychological and legal issues of the GBV survivors, combined with several measures aimed to improve economic potential of the beneficiaries. After conducting information sessions in six locations across Donetsk Oblast, combined with a 24/7 hotline for survivors and information exchanges with the network of local activists, the grantee has at present identified and now assists 14 GBV-beneficiaries through a “case management” approach, which includes psychological support, personal and economic potential development. In line with the grant’s communication component, Slavic Heart published and widely disseminated an informational video clip about GBV with professional advice on how to react safely to GBV situations together with a special article explaining the role of police in cases of GBV instances.

In addition to direct grant activities by partner NGOs, ERA has facilitated GBV network linkage development as well. In December, ERA and Slavic Heart held an online meeting with the representatives of the Kyiv-Mohyla Academy’s Center of Psychiatric Health as an implementor of Common Elements Treatment Approach (CETA) based on evidence-based treatments for depression, anxiety, substance use and trauma and stress related disorders, including those resulting from GBV. There is an ongoing discussion on potential cooperation between local branches of the center and Slavic Heart to enable its clients to benefit from the CETA approach.

BIG INFRASTRUCTURE

On December 4, MinTOT sent a letter of request to USAID to authorize ERA to fund the technical-economic justification (TEJ), the preliminary technical document for large-scale construction projects, for the proposed Luhansk Rail Connector project. An inter-ministerial working group has already developed a Scope of Work (SOW) for development of the TEJ, which will help ERA save time in launching an RFP for this work. It is important to note that the development of unified political will now be directed toward the rail connector project. A ballot in the Ukrainian Parliament to consider the usage of national budget funds for this project received a significant number of votes (302 out of 342). MinTOT, the Ministry of Infrastructure, Luhansk Oblast State Administration (LOSA) and other government bodies have begun openly talking about the project in the press. Perhaps most importantly, the project is now supported by Ukrzaliznytsia (Ukraine Rail Service), which initially had been cool toward the concept due to the project’s limited ability to produce direct revenue for the state rail company.

The European Investment Bank (EIB) announced the opening of Ukraine Recovery Program II, a 340 million Euro fund for social infrastructure development in eastern Ukraine (Luhansk, Donetsk, Kharkiv, Dnipropetrovsk, and Zaporizhzhia oblasts). Because Luhansk and Donetsk Oblasts received a minority of support in EIB’s last round of funding, the bank has expressed a desire to fund at least EUR 200 million of infrastructure projects in the two conflict-affected oblasts this time. EIB’s Ukraine director Jean-Erik De Zagon explained at an online roundtable organized by MinTOT in November 2020 that his discussions with Ukrainian leadership at the Mariupol Investment Forum co-organized by ERA in 2019 cemented EIB’s interest in a second Ukraine Recovery Program fund.

Mr. De Zagon also stated at the MinTOT roundtable that his discussions with Luhansk governor Serhii Haidai at the Mariupol Investment Forum had inspired EIB to put EUR 100 million into the World Bank’s Eastern Ukraine: Reconnect, Recover, Revitalize (3R) project, which was announced in December 2020. EIB’s funds will go towards repairing rural roads in Luhansk Oblast and will complement USD 100 million from the World Bank for roads and agricultural infrastructure. ERA
played a key role in influencing the World Bank’s vision on how to spend these funds and will participate further in developing eastern Ukraine agricultural infrastructure concepts with the Bank.

Besides these developments, ERA has been preparing to support LOSA and DOSA in elaboration of concept notes and technical documentation for key social infrastructure objects, such as the Luhansk Oblast Center for Social Rehabilitation of Children with Disabilities, Luhansk Oblast Center for Social and Psychological Assistance, Renovation of pipelines and pump stations for the Voda Donbasu state-owned water utility company. An earlier “portfolio” of these projects was shared with the Ministry of Infrastructure at the Mariupol Investment Forum, and the Ministry representatives expressed their satisfaction and interest to see full concept notes. This reporting period, EIB has communicated to ERA that it would be glad if the Activity could assist LOSA and DOSA to address their primary bottlenecks of low capacity for developing technical project documentation.

**INCLUSION**

ERA has continued to pursue approaches that allow increased participation of and access to vulnerable and hard-to-reach populations. This includes working with NGO grantees that target various vulnerable groups, as well as supporting local MSMEs that provide services or employ ERA target beneficiaries. Notably, ERA Inclusion component grantees kept adapting to the changing and challenging circumstances faced this reporting period by modifying their initially planned interventions while maintaining focus on activities for IDPs, representatives of LGBTI community, women, gender-based violence survivors and other vulnerable populations. ERA provided direct assistance to individuals through multiple training and personal development opportunities for residents of Donetsk and Luhansk Oblasts. The ERA Inclusion team continued to develop and deliver on-line events and engagement of nation-wide platforms offering on-line education, training and assistance for a broader representation of the vulnerable population.

**INCREASING CAPABILITIES**

**WOMEN**

Like Year 2, ERA continued to prioritize its work with women in Year 3. ERA’s partner grantee, Ukrainian Women’s Fund (UWF) continued throughout the quarter to educate women in business schools in Kramatorsk, Mariupol and Sievierodonetsk. In response to the numerous challenges caused by the pandemic, the UWF organized an online business camp for more than 80 female participants. UWF held on-line information sessions for 680 women whose businesses were affectively hit by COVID-19 restrictions and focused on how to reach on-line markets. In late December the UWF summarized its grant activities and achievements by holding an online event that also combined the results from local conferences held in Kramatorsk, Mariupol and Sievierodonetsk. This large event allowed participants not only to extend their professional networks, but to highlight emergent issues and promising opportunities in the Donetsk and Luhansk Oblasts, including the creation of new business groups of women, formation of horizontal connections between different business stakeholders and joint efforts and support to online promotion of local businesses.

**YOUTH**

In the reporting period ERA followed a plan of activities by partner NGOs, developed during Year 2 and aimed at supporting youth in Donetsk and Luhansk Oblasts. ERA NGO grantee "Pokrovsk League of Business and Professional Women" implemented activities aimed at students of local vocational education institutions (VEIs) and high school graduates. In October-November, 30 VEI
students from Lysychansk, Luhansk Oblast, Selydove and Toretsk in Donetsk Oblast, participated in a two-module training program, conducted in mostly rural areas, covering issues of employment (including skills for finding a job, preparation of quality resume, job interview tips, and legal aspects of employment) and business (Including basic knowledge on identifying a new business idea, preparing a professional business plan, and viable business niches active in the region). After the training interventions the participants were better skilled to compile their resumes, including video CVs, cover letters and they are better equipped to enter local workforce markets.

ERA partner grantee Terre des Hommes Foundation in Ukraine started implementation of a new grant to increase the participation of under-educated youth in economic activities by strengthening Vocational Education Training (VET) through the creation of digital fabrication workshops and FabLabs for digital fabrication skills and raising their employability and entrepreneurial skills with a focus on digital and IT competencies. In the first stages of implementation, the grantee conducted several training of trainers (ToT) sessions for 25 VEI’s educational professionals and community-based organizations’ representatives on how to teach digital fabrication skills. In addition, 30 facilitators among VEI’s educators gained knowledge of employability and entrepreneurship methodology. In February 2021, those trained professionals will start delivering specialized lessons on digital fabrication and will teach 450 VEI students on entrepreneurial thinking.

**LGBTI**

ERA developed a grant with the NGO "Azov Development" locally known as ‘Platform TU’, which is a former UCBII grantee. With the new initiative, ERA will enable a supportive environment for under-educated youth and the LGBTI community of Mariupol for safe self-improvement in creative industries and further integration into the city life. Given the type of grant activities and their interactive nature, ERA and the grantee mutually agreed to avoid complete transition to online mode and postpone the grant kickoff until January 2021.

Apart from supporting Platform TU, ERA has started developing a non-competitive grant with another local NGO ‘Ukrainian Resource Centre’ to focus on reducing the negative effects of discrimination through development of professional and business skills by conducting a business school and a peer-to-peer mentorship program. According to the grant design, all activities will apply a mix of on-line and off-line approaches in order to better meet the needs of the prospective beneficiaries.

**INCREASING OPPORTUNITIES**

**SUPPORT TO MSMES**

ERA has continued aiding its entrepreneurial beneficiaries through direct and grant activities throughout the reporting period. Considering the continuing COVID-19 restrictions, the Activity keeps adapting to physical limitations and moving most planned training activities to an online format. ERA conducted an in-person (offline) Business Camp ‘The Path of the Winner’, an online business school, a marathon on Social Media Marketing (SMM) and a webinar on client targeting. Examples of ERA beneficiaries who participated in the Business Camp, which helped them diversify their businesses during the crisis, stay operational, and even expand and grow include: an entrepreneur from Mariupol who started a small craft food production unit and opened an online shop for his products branded as ‘Kopchumba’; and two business owners from Kramatorsk who can now offer more goods for sale in their respective wine shop and blueberry production facility.
ERA continued with its popular “Cup of Coffee” format which attracts entrepreneurs from both oblasts and serves as a platform for communication and professional experience exchange. On October 17, local entrepreneurs and self-employed persons joined a discussion with an ERA business trainer and mentor about copywriting as a promotional tool. The tips and guidelines discussed will help the participants make their on-line sales more effective via better adaptation of their promotional texts to search engine algorithms.

ERA also worked with the stakeholders on capacity building for local businesses in the Donetsk Oblast. Under a grant with Donetsk Chamber of Commerce and Industry, the latter provided three modules of trainings to 56 representatives of local enterprises about business modelling and financial planning, marketing, sales and negotiations. In order to implement those modules, the grantee had to adapt its initial plans to meet all COVID-19 safety requirements for providing a mix of offline activities and online streaming of selected training sessions. Despite these implementation adaptations three modules were completed by the middle of December, and as of the end of the quarter the training had led to three cases where the participants have applied the obtained skills for their business process optimization, new approaches to internal accounting and even updated their business model based on a one-year development strategy. ERA will monitor the results in the following quarters.

ERA started deliveries of equipment during the last quarter to a grantee private entrepreneur to ensure access to modern educational resources that develop engineering and/or entrepreneurship skills among children and adults from small industrial cities of the Donetsk Oblast via the currently functioning STEM (science, technology, engineering and mathematics) Center in Vuhledar and the opening of two more centers in Kurakhove and Volnovakha. The abovementioned entrepreneur can now properly equip the premises of three centers with interactive boards, multifunction devices, Lego starter sets for robotics and a training set for STEM “Arduino”, as well as train and employ two local teachers and start trainings for children. In parallel with equipping the STEM centers, the grantee has already created two new courses “Business Planning” and “YouTube Blogger” and provided a series of entrepreneurial on-demand consultations to local citizens. Over the life of the ERA grant the new STEM centers anticipate reaching 170 high school students.

SUPPORT TO UNIVERSITIES
During this period ERA completed the equipment and software deliveries to two laboratories at ERA grantee Volodymyr Dahl East Ukrainian University (Dahl university) while providing training for 25 teachers via local engineering company “Khimproject” using examples of real industrial objects and made use of the training models developed in Year 2. Dahl university will adapt the curricula of three master’s programs in chemical technology and engineering, applied mechanics and mechanical engineering. All these changes are being made to better align the skills of Dahl graduates with the needs of local private sector firms.

As a preliminary result of the current grant for Luhansk National Agrarian University (LNAU), two laboratories for Veterinary Medicine and Biological and Food Technologies are now fully equipped. LNAU has managed to enlarge the pool of partnering agrarian companies aimed at developing practical skills through combining companies’ and LNAU’s resources. Namely, LNAU signed agreements with Bakhmut-Agro LLC and Ilyus LLC to introduce modern technologies and best practices in agricultural methodology and establish a foundation for joint research and dual education for LNAU students. Additionally, LNAU will continue internal trainings on the delivered software to ensure better coordination of structural subdivisions and enabling electronic document circulation.

ERA also began equipment deliveries to Pryazovskyi State Technical University (PSTU) for the grant-supported coworking and training space “UNIVER” that allowed to start the implementation of two
new training modules with two more planned in January 2021. In November PSTU started a training course on start-up activities for its students, and in December, using its long-term collaboration with the local enterprise “Plant for Repairs and Mechanics”, launched a training course on robotics for the enterprise employees’ children. As a result, 14 PSTU students converted their ideas into minimum viable product (MVP) level and over 20 high-school students are studying robotics with the help of PSTU teachers.

In October-December, ERA started a series of peer-to-peer (P2P) consultations on dual education for partner universities and other educational institutions in targeted regions where participants discussed the specifics of a dual education format which include individual training pathways, documentation and workload, specialists’ involvement (trainers, mentors, curators), their functions and qualification and employee retention. On October 28, the Ministry’s of Education and Science of Ukraine Scientific-Methodological Center and Friedrich Ebert Foundation published a report on the results of the first year on the introduction of a pilot project in Ukrainian businesses for dual education-based training of specialists. ERA took part in this activity by conducting a survey of employers between March and October 2020. The interview-based survey of 55 employers representing predominantly food processing, railway, engineering, metallurgy and chemical industries revealed that more than half are prepared to implement the dual education approach. The set of recommendations for different stakeholders on correct implementation of the dual approach is supplemented by examples of companies located in ERA targeted oblasts that have been utilizing the dual-based collaboration with universities.

Throughout 2020 ERA staff assisted LNAU in developing an application to Agricultural Higher Education Advanced Development in Eastern Ukraine (AHEAD-EU) contest in a way that would complement ERA’s own grant, construction and consulting assistance. This involved multiple online meetings between ERA and LNAU from one side and the EU from the other. ERA played a particularly important role in helping the University understand and comply with the EU’s application requirement. On December 4, the EU Delegation approved a 27-month grant agreement for LNAU of EUR 695,000 for the purchase of equipment for scientific laboratories (five new scientific laboratories and one minivan for a mobile laboratory), improvement of student facilities (better conditions for study and recreation, and future employment), development of student self-government, as well as intensification of students and teachers’ academic mobility. New laboratories and optimization of training courses will compliment ERA’s ongoing support and make it possible to use the IT infrastructure provided by ERA as efficiently as possible and will be able to improve the quality of student education and workforce development. Altogether, this complementary assistance from the EU (which would not have happened without ERA’s support to the university) will help LNAU restore its standards of quality of education after returning to operation in eastern Ukraine and provide local agricultural companies with qualified personnel.

**GROWTH**

Growth interventions in Quarter 1 were focused on addressing long-term needs of partner MSMEs for market diversification and expansion and enhanced business resilience in a way that considered the additional challenges of the COVID-19 epidemic and restrictions. MSMEs across multiple growth sectors received close consulting support to develop corporate growth strategies, often aiming at new end markets and client categories. ERA consultants provided research on national and new export markets (such as Japan as an export destination for fine honey) and support in attaining certification that can open those markets. Interventions in the Tourism and IT sectors helped coalesce numerous micro and small enterprises around sectoral identities (brands or clusters) that
MARKET EXPANSION

BIOFUELS GROWTH SECTOR
The ERA team prepared an economic analysis on the use of local renewable biofuels to heat all public facilities in Velyka Chernihivka consolidated community in the Luhansk Oblast. The implementation of this project will allow for the complete replacement of Russian gas with local biofuel (straw) for this community. On November 11, ERA presented the results of this study to USAID Energy Security Program (ESP) for discussion of joint implementation, with local farmers and the consolidated community also sharing costs. ESP has already shared economic modeling showing how our activities could make this intervention economically viable. ERA will continue discussion with ESP on launching a potential joint intervention.

ERA is responding to an appeal from LNAU to help the oblast’s forest management units understand how to use wood from forests affected by catastrophic fires (more than 30,000 hectares in 2020) to produce biofuels and create new sustainable business. In 2021 ERA plans to accept grant applications through a new APS to support local initiatives on forest biofuel production, while anticipating an application from Novoaidar forest management unit in Luhansk Oblast on creation of the production line. This production line would be able to process approximately three tons of wood from affected forests per hour to speed up cleaning of the damaged areas from burned trees, foster forest regeneration and finally provide a sustainable biofuel market of 12,000 tons per year.

To support the initiative, LOSA plans to include into its energy development program the installation of boilers using biofuels from forests affected by fires. This activity will complement the large-scale strategy for the restoration of affected forests in the Luhansk Oblast, which ERA plans to prepare in 2021 at the request of LOSA, the State Forestry Agency and the Ministry of Environmental Protection and Natural Resources.

HONEY GROWTH SECTOR
In an effort to reach new markets ERA supported the honey enterprise Svoia Pasika, PE Hrebennyk, from Novooleksandrivka village, Luhansk Oblast in accessing the Japanese honey market. ERA provided consultations to Svoia Pasika to give insight into the Japanese market, support networking, and update the brand to make it more appealing to Japanese customers. As a result of ERA consultancy, on November 12 the honey producing company took part in the "Japanese Online Trade Mission to Ukraine", where 25 agricultural exporters from Ukraine were matched up with Japanese importers. Besides launching discussions on potential test shipments, Svoia Pasika got first-hand details about the requirements of Japanese importers and consumers, including a clear preference for organic certification and a preference for plastic squeeze bottles over glass jars. The company, while currently proceeding with test shipments and forming a database of potential clients who will receive promotional materials, Svoia Pasika expects to secure the first contract before the new season’s start by arranging shipments in summer-autumn 2021.

INNOVATIONS FOR MANUFACTURING (I4M)
During the reporting period, ERA continued cooperation with the international consulting firm Roland Berger and in late October ERA launched intensive individual coaching sessions for 14 manufacturing and engineering companies from Luhansk and Donetsk Oblasts. Directly after the business strategy design phase ended, on December 14, ERA and Roland Berger hosted a week of strategy presentations and defense sessions with all 14 beneficiary companies. The company presentations showed a very high level of preparation, mature strategic visions, clarity of goals and
cohesion with respective proposed strategic projects. With this process completed ERA stands ready to proceed with grant co-creation for manufacturing and engineering companies to facilitate implementation of their new strategies.

ERA engaged a consultant to study the farm machinery and automotive sector in the Azov region of Zaporizhzhia Oblast. His analysis revealed not only high technical capacity of firms in this sector, but also serious deficiencies in sales and marketing that are holding them back from expanding beyond their traditional CIS end markets. ERA is currently in consultation with UNDP and GIZ (who will also work in the Azov region) to develop an initiative called F.A.M.E. (Farm-Machinery and Automotive Machine-building Enterprises) to address these sales and marketing shortcomings and provide B2B connections with potential clients in new geographies. On December 18 ERA presented this initiative to representatives of Melitopol city administration and civil society and received feedback that will be used to develop content for the F.A.M.E. initiative that ERA is designing with partners such as the Melitopol Development Agency and Dmytro Motorny Tavria State Agrotechnical University. This initiative should equip Azov region enterprises with skills needed to enter into more dynamic and promising value chains.

The DAI Sustainable Business Group (SBG) has begun a study of the Sievierodonetsk industrial engineering sector with a similar goal of helping firms there branch out beyond the dwindling CIS market for oil, gas and chemical engineering services. SBG has extensive experience helping SMEs find their place in global oil and gas value chains. This consultation is scheduled to conclude in March 2021.

IT GROWTH SECTOR
On December 11 ERA supported the East Coast: IT Investment Forum held by ERA’s grantee NGO “Social Boost” and gathered more than 2,000 online viewers from Ukraine and abroad. Representatives of the IT community, the Ministry of Digital Transformation of Ukraine, members of the Mariupol City Council, Ukrainian Startup Fund and Quarter Partners Digital investment fund representatives, and startup developers personally attended the event. The forum’s core activity started when ten IT startup teams – graduates of ERA-sponsored “1991 Startup Incubation Program” – presented their startup concepts to a jury and forum participants.

All teams received professional advice from jury members on how to better promote their product, assure effective development or make it more customer oriented. The three best startups received services to the value of UAH 200,000 in total for further development. The forum ended with signing of MoU between ERA, Mariupol City Council and NGO “Social Boost” on the creation of the “Impact Tech Fund” to help startups get funding from the city budget and private investors to implement their ideas. ERA will provide technical support related to the Fund’s operations.

With ERA’s support and facilitation, on December 16 eight local IT companies and two educational institutions established the first IT cluster in Luhansk Oblast by signing in Sievierodonetsk. Successful examples of clusters in Mariupol and Kramatorsk were able to formalize with ERA support and inspired Luhansk Oblast IT companies to work together to improve the ecosystem in the region. One of the top priorities for the clusters will be to interact with educational institutions for updating curricula and educational processes to make the universities more market oriented. The IT cluster

“[A joint work within this project pushed our team to start thinking about our future and design the business development strategy. The strategic goals that we have defined for ourselves will help us increase the team unity and raise interest to new projects.]”

- TeraWatt company owner
will play a significant role in benefiting businesses across multiple ERA value chains. With this latest cluster’s formalization, in less than two years, ERA has catalyzed the formation of IT clusters / associations throughout its entire area of operation. As discussed in ERA’s original IT sector assessment, such collective action is a precondition for the advancement of the sector in the east.

Between October and December ERA’s grantee Sikorsky Challenge LLC (SC), earlier supported by the UCBI Activity, has organized a series of introductory workshops and trainings on startup development for student-professor startup teams from ERA partner universities aimed at establishing partnerships and cooperation in areas of innovative technology and sparking further interest in startup development. Their activities involved 168 students and professors and 21 representatives of regional and local authorities, business, and NGOs. Additionally, on October 6, LNAU signed an MoU with SC to launch a startup school and ensure further support for innovation development by students and professors.

**SEA OF AZOV TOURISM GROWTH SECTOR**

With the assistance of ERA, a three-day online training “Effective Cooperation of Market Participants for the Development of a Tourist Destination” was held in October and November for 100 representatives of the Mariupol, Melitopol, Kryvyrivka, Henichesk, and Berdiansk Communities tourism assets. The participants have identified resort advantages that could contribute to tourism development. In Henichesk they identified youth camps, balneological resorts (mud treatment), and the Koktebel Jazz Festival that the city can host annually to potentially attract up to 15,000 tourists who may spend around USD 150,000 per year; in Melitopol the cuisine of Karaite and Bulgarian communities which has preserved their culture was identified as a unique tourist interest. The Jazz festival would be a potential additional tourism promotion for the Sea of Azov sub-region, it would be a completely different, higher segment of consumers and travel service opportunities that ERA has been striving to engage.

On December 10 ERA initiated and supported the first Tourism Forum for the Sea of Azov (SoA) sub-region in partnership with the Hospitality Industry Association of Ukraine and the Federation of Employers in Tourism of Ukraine. The online event attended by 200 participants triggered discussion on the development of tourism in the Azov Sea area, reasons why Ukrainians should enjoy holidays in the region not only in summer, and what will be in trend in the 2021 season. In terms of encouraging multilateral cooperation, ERA cited the Henichesk District Hospitality Association that was formed as a result of earlier ERA-sponsored training to become a platform for cooperation between government, business and investors. Among the action items agreed at the forum that ERA will follow-up on are the creation of a Roadmap of the Sea of Azov region tourism development, the opening of Information Tourist Centers in Berdiansk, Melitopol, Mariupol and Henichesk, potential grant assistance to entrepreneurs and NGOs working in tourism, and the region’s future tourism promotional campaign including a tender for a Sea of Azov Travel Portal.

ERA has started a series of ERA Workforce Development Talks (ERA WFD Talks) with tourism sector business representatives. Two online events were conducted and highlighted a variety of issues in restaurant business management, the necessity of mentoring staff and improving their skills, hotel management, general working conditions, services for tourists and management of tourists’ expectations. The two events reached an audience of 80 participants during the live event and more than 1,000 viewers afterwards. The ERA WFD team decided to use this model to develop two more ERA WFD Talks for other ERA priority sectors (agrarian, engineering, manufacturing and IT) to promote professional development of the workforce in each sector by attracting employees of different levels, such as graduates, trainees and specialists. One of the next steps agreed to as a result of the online events is the creation of internships for students at BSPU and two area tourism colleges to start in spring 2021.
With ERA support the Sady Donbasu company finally obtained a Global GAP (Good Agricultural Practices) certificate required for access to the EU market; it will provide the company a real competitive advantage because it indicates the high-quality standard of the product. With help from ERA consultants in early November, Sady Donbasu obtained the long-awaited certificate as a part of jointly developed strategy to diversify the company’s market with a special focus on export to the Middle East and Asia. To further strengthen export market access ERA is in process of developing a grant for Sady Donbasu to assist in procurement and installment of a new sorting and packaging line for sweet cherries. With new equipment, the company will be able to access new markets with a product that is in demand with an improved recognizable brand.

The existing irrigation infrastructure, created in the Soviet era and now either obsolete or destroyed, exacerbates problems of small and medium farmers in eastern Ukraine making fruits and vegetables production a risky and unpredictable business. In this regard during September-November ERA conducted a technical and economic assessment of three potential irrigation projects in Sartana consolidated community (Donetsk Oblast), Kruhle (Luhansk Oblast) and Maksyma Horkoho village (Zaporizhzhia Oblast). Based on the assessment’s results ERA intends to develop two Infrastructure Concept Notes for Sartana and Kruhle to support smallholder farming clusters and increase the resilience of their businesses. TOV Magister Life, an enterprise that expressed an interest in the Zaporizhzhia project, is included in the list of enterprises for ERA Transaction Advisory Program.

INVESTMENT ACCELERATION FOR MSMES

INVESTMENTS

The Soul Partners boutique investment bank, ERA’s partner in implementation of the Transaction Advisory Program, provided a list of 20+ eastern Ukrainian SMEs from the Growth sectors with investment potential to be used for engaging SMEs not only through the Transaction Advisory Services, but via various Access to Finance (A2F) mechanisms. In January 2021, Soul Partners will present a two-page summary for each “long-listed” SME to be shortlisted by ERA for receiving the investment bank’s support in raising capital. In the next quarter ERA plans to award a second subcontract for Transaction Advisory Services with the goal of attracting at least USD 3 million in total investment.

In November ERA submitted to USAID the Catalytic Capital Whitepaper that proposes supporting the entry of the Gazelle Finance investment firm into Ukraine as the best means to attract new equity financing for eastern SMEs. As an independent fund manager that has committed USD 31 million in mezzanine financing to SMEs in Georgia and Armenia, Gazelle Finance is currently in the process of raising Fund II, which besides Georgia and Armenia will invest USD 50 million in Ukraine. In addition to providing financing, Gazelle adds significant value to its investees through a technical assistance facility that supports fundamental business improvement initiatives through zero-interest loans and, to a lesser extent, grants. Following the USAID review, ERA will initiate introductory meetings in the next quarter for trilateral discussions between the USAID mission in Ukraine, Gazelle Finance leadership and ERA.

On November 11 ERA signed a purchase order with Activemedia LLC, one of the most experienced complex website developers in Ukraine, to develop the DOSA investment portal to ensure the competitiveness of Donetsk Oblast investment promotion compared to other regions of Ukraine and neighboring countries. Activemedia
presented a web page design concept and new investment brand for Donetsk Oblast – “DOInvest”, where “DO” stands not only for Donetsk Oblast but gives a “call to action” for the investors. DOSA gave very positive feedback regarding the new investment promotion brand.

ERA has been seeking to support local investment initiatives by introducing investment promotion best practices in ERA targeted regions. As a first step, ERA is assessing current capacity regarding investment promotion through oblast-level agencies and municipal departments and assistance is needed in order to propose necessary measures for upgrading these practices. To support this effort ERA contracted an international consultant with extensive experience in USAID- and EU-funded projects focused on generating investments in post-conflict environments including the Balkans.

ACCESS TO FINANCE
In response to ERA grantee “Ukrainian Union of Credit Unions” underperformance in stimulating loan provisions to smallholder farmers by partner credit unions (CUs) as of December 2020, ERA’s A2F specialist organized between December 16-18 a study tour for five credit union representatives from Milove, Luhansk Oblast, Bilozerske and Vuhledar, Donetsk Oblast to CU “Kredyt SoyuZ” in Cherkasy, a leader in micro-business loans to farmers. Kredyt SoyuZ shared its in-depth approach to client search and advertising, farms’ risk assessment, legal aspects and credit checks with the selected credit unions. After the study tour the intensity of small loans is expected to increase, especially in the upcoming farming season. In Quarter 2, as the next step in this direction, ERA plans to hire a trainer from AgriAnalityka company to grow the CUs' capacity in financial analysis of potential loan takers. Furthermore, ERA is currently in discussions with the USAID Credit for Agricultural Producers (CAP) program on signing a three-way MoU between UUCU, ERA and CAP during the next quarter to continue the monitoring efforts after the grant term has expired.

ERA’s Credit Counselor program that helped local SMEs in Year 2 obtain more than USD 630,000 in bank loans continued through the reporting period and will be complemented with financial literacy trainings to beneficiaries of that program. The “Vouchers for Consultations” program initiated by SME-DO, the business support program of the Ministry of Economic Development and Trade, offers diverse consulting services at state expense to SMEs interested in growth and obtaining credits. ERA has a well-developed dialogue with SME-DO striving to enlarge its presence in eastern Ukraine. In this regard, it is anticipated that ERA consultants will play the role of service providers for enterprises that received SME-DO vouchers.

TRANSFORMATION
During Quarter 1, the ERA Transformation team continued work on the development strategy for Mariupol 2030 and the transformation strategy for coal cities in the Donetsk Oblast through cooperation with other international projects. One ERA partner grantee launched the development of Luhansk and Donetsk Oblasts’ SMART specialization strategies. ERA supported the promotion of tourism and investment attractiveness of the Lyman community through grant support activities. The Transformation team continued capacity building initiatives for the Mariupol SME Support and Development Center (SME Center) by providing tailored training events and organizing a study tour for representatives of the Center and selected local businesses. Additionally, the team has incentivized the development of Public-Private Partnerships (PPP) in ERA partner communities.

DRIVING VISION
In the beginning of Year 3, ERA ‘driving vision’ interventions received strong PR support and media coverage on the local, regional and national levels (articles, interviews), wide community outreach
through cooperation with media, posting information on websites, Facebook pages and conducting extensive raising awareness campaigns. Throughout the reporting period reports of many program interventions and about beneficiary achievements on ERA’s Facebook page were widely reprinted by such national publications as Uriadovyj Currier, (Governmental Currier), Holos Ukrainy (Voice of Ukraine), Unian, Ukrinform, as well as specialized media focused on agritechnology. Below, are some examples of the impact that ERA achieved through its media campaign.

**Expanding Opportunities for Eastern Ukraine Farmers.** Support of local agricultural producers especially farmers and beekeepers has been one of ERA’s priorities since the start of the Activity. During the last quarter, the Communications team continued to write and spread success stories about ‘Ovochi Stanychnykov’ – a vegetable cooperative in Luhansk Oblast, which is located 3 km from the contact line with the NGCA. ERA highlighted the cooperative’s achievements which included a successful completion of the harvesting season with increased sales and repair of an important local road that cooperative members managed paid for themselves in order to facilitate delivery to a new logistical center, which is anticipated to be constructed with ERA’s support in 2021. The article was reprinted in 12 regional and national media outlets, including Voice of Ukraine, Shotam, Agroportal, Agrotime, Seeds, Agroday, and Proagro. The wide publicity that the ‘Stanychnykov Cooperative’ received was followed by new orders for next season from grocery stores throughout Donetsk, Luhansk, and Kharkiv Oblasts. In addition, the Ovochi Stanychnykov cooperative received lots of inquiries from farmers and other vegetable cooperatives of the east interested to know more about their work with ERA and their new success.

After successful Local Farmer Fests events in August and September organized in Mariupol and Berdiansk, ERA followed up on their results, generating and spreading positive stories about farmers, who participated in these events. The ERA Communications team released 12 stories about farmers and their cooperation with each other, and how as a result some of them were able to expand production and increase sales. Those publications on ERA Facebook page were widely reposted, the Facebook users asked how to make orders and how to directly contact the farmers. In addition, consumers who tried the advertised products left positive feedback. ERA team facilitated all requests through its pages on Facebook and Instagram and helped potential customers reach the vendors. The leading agriculture sector media outlets, such as Agrotime, AgroYug, Agroreview and Agrobusiness have disseminated these success stories. ERA’s plan is to continue writing articles about farmers to support craft producers of eastern Ukraine and to facilitate the formation of a positive image of the east Ukraine region which is often perceived exclusively as an industrial one.

**Providing Innovative Education Opportunities for Youth.** STEM education, which is becoming increasingly popular in Ukraine and beyond-- is another direction ERA is supporting through its workforce development and Inclusion component interventions. An entrepreneur from Vuhledar, Donetsk Oblast received a grant from ERA to create a network of STEM education centers in the east of Ukraine. The centers promote robotics and programming for youth. Through the grant ERA purchased laptops, construction sets, and multimedia boards. In November, the entrepreneur launched one STEM education hub in the small city of Kurakhove. Due to publications generated by ERA with tags to her Facebook page, parents learned about this opportunity and brought their children to learn modern skills – robotics, programming and design. At the end of 2020, 60 children were enrolled at the new center. Such activity contributes to the creation of a positive image in both a small town and the Donetsk region in general. Now the entrepreneur enrolls students for robotics classes in another city in Donetsk Oblast - Volnovakha, with plans to start classes in January 2021. At the same time, she manages her existing center in Vuhledar, which is attended by more than 100 children.
Enhancing Workforce Development. Azov State Technical University received grant support from ERA of $60,000 to provide the university with equipment, furniture and tools needed for creation of labs on microelectronics and robotics to optimize the operation of the Center for Innovative Entrepreneurship. All these structures will be a part of the co-working training center, called ‘Univer’. This space will contribute to the popularization of technical specialties, that are currently lacking in the east of Ukraine.

ERA news about the creation of laboratory and co-working space at the university was reposted by regional media outlets and raised interest among local businesses. As a result – management of local companies approached the University to establish partnerships for potential implementation of joint projects and starting training courses on the basis of the co-working hub. Recently, the university signed an agreement with Ilyich Metallurgical Plant to train 60 of its employees and is negotiating with other enterprises regarding similar cooperation.

Creation of IT Clusters. Development of the IT ecosystem in the east of Ukraine is another priority for ERA. In September, Donetsk region IT entrepreneurs united and created two IT associations. In October, ERA signed a Memorandum of Cooperation (MoU) with them. The news, which was published on ERA’s Facebook page received wide publicity in national and regional media and caused great interest within the IT business sector in Luhansk Oblast. As a result, new negotiations and consultations began with ERA experts to help with creation of a Luhansk IT cluster. In December, IT companies from the Luhansk region and several educational institutions formed a new regional IT cluster and plans were made to sign an MOU with ERA. IT clusters will focus on training of qualified specialists who will not leave the east but will remain to contribute to the region’s development. They will stimulate the innovations in industrial production, positioning the region as sustainable and successful. Representatives of local IT community work under the slogan “Successful can be at home”, appealing to other professionals to contribute to the development of the region.

Enhancing Capacity of Media to Turn Problems of Region into Opportunities. To improve the image of eastern Ukraine among journalists and dispel myths about the east being just a military conflict zone, as well as to advocate and promote the region’s achievements via media outlets, the Communications team created three 20-minute video master classes featuring themes of constructive journalism, demonstration of how to turn the problems of the region into opportunities and tell the story of east Ukraine’s economy. For these master classes ERA engaged foreign journalists and experts working in ERA targeted oblasts.

About 40 participants—journalists, specialists working in the spheres of culture and art, education and science, marketing and PR, representatives of civil society organizations – took part in the master classes. ERA anticipates to promote these trainings by further expanding the audience via the networks of USAID, Internews and other stakeholders. It is planned to conduct regular monitoring of the regional and national press-coverage to see if the content and tonality of the media materials has improved and whether such influence can be attributed to ERA interventions.

“All the information provided was extremely useful and interesting. Mostly I liked the real examples shown by the presenters and the style of their presentation with accents on important things.”

Anonymous quote from the feedback questionnaire

LUHANSK GCA
In late September ERA’s grantees “Ukrainian Institute for International Politics” started developing Luhansk and Donetsk Oblasts SMART specialization strategies aimed at identifying the most promising areas for economic innovations based on analysis of each region’s research and innovation capacity, as well as local businesses and educational/scientific institutions capacity. At the beginning of October, 30 participants of the introductory workshop examined the Entrepreneurial Discovery Process (EDP) methodology and formulated a road map for their next activities towards innovation priorities according to the action plan. The chemical and agricultural sectors were the selected areas of priority focus for Luhansk Oblast, and the creative industry, mechanical engineering and the IT sectors were selected for Donetsk Oblast. Follow-on activities for the SMART specialization strategy development are postponed due to the COVID-19 quarantine restrictions and will be rescheduled when the current restrictions are lifted, and the situation is improved.

NORTHERN DONETSK GCA
ERA supports the promotion of tourism and investment attractiveness of the Lyman community through the grant for the Executive Committee of the Lyman City Council. The ERA Communications team through a professional production studio created a stunning promotional video to show the investment and tourism potential of the Lyman area in Donetsk Oblast to open it as an attractive tourism destination for Ukrainians and foreigners. ERA plans to widely distribute the video via social networks starting early January 2021, while ERA’s Lyman partners will place it on a variety of platforms and information channels, including the web site and YouTube channel of the Lyman City Council, the “Touristic Lymanshchyyna” website, the Investment portal of the Lyman consolidated community and other channels. ERA will continue to work with Lyman’s Department of Economics to track metrics like number of new SME registrations, number of registered resorts, number of visitors and amount of funds generated through the tourist tax to help assess the value added / impact of this joint investment in tourism promotion.

CENTRAL DONETSK GCA
In November, ERA supported a meeting of the Council for the development and implementation of a Transformation Strategy for coal cities. Mayors and deputy mayors of the seven participating cities took part in the meeting, including two newly elected mayors from Novohrodivka and Selydove, who expressed their commitment to full participation in development and implementation of the Transformation Strategy. Guidelines and Regulations for the establishment of a Transformation Strategy Council, multiple Working Groups, and an Advisory Board were approved during the meeting.

In early December ERA supported the second online meeting of the Working Committee for the development of the Strategy for the transformation of coal cities in the Donetsk Oblast which involved more than 50 participants including representatives of local authorities, businesses and international projects. At the meeting, ERA presented results from the business and community leaders’ surveys and the Profile of Coal Cities Platform. Additionally, the Dutch NGO “Dorcas” presented the conclusions of its Pre-Feasibility Study focused on Land, Water, and Markets to demonstrate eastern Ukraine’s opportunities for Sustainable Agricultural Development. During the meeting, participants identified next steps for the strategy development and the priority areas on which the transformation strategy will be based, including: attraction of investments, SME development, structural changes in regional economy, human capital development and alternative energy and energy efficiency. ERA anticipates the group moving from the planning / discussion phase into the action plan implementation phase by the 3rd quarter of this year.

MARIUPOL
During this reporting period the work on Mariupol Development Strategy for 2021-2030 was delayed slightly by the local elections held in October, which in turn reduced the number of...
committee meetings and public events for about two months. However, DG East and ERA held two online events titled “City of Opportunities” on October 2 and December 8 in support of the strategy development process. The next round of meetings of the strategy Working Groups began in November and will be completed in January 2021; the cross-working groups and preparations for the strategic committee have begun as well. ERA anticipates that the strategy will be completed by May and formally adopted by Mariupol City Council by June.

In addition, ERA has continued its support for capacity building of the Mariupol SME Support and Development Center (SME Center) in terms of developing the center’s three-year business plan initiated in early 2020 with detailed workplan, budget and operational model. From October 8–9 CIVITTA LLC, ERA’s subcontractor, organized a study tour to Lviv and Ivano-Frankivsk for seven representatives of the SME Center and local businesses, where participants learned about small business development in these cities, discussed possibilities for the development of the SME Center, and ways of attracting funds for small business loans. The Center’s team updated and finalized the business model in late 2020. It provides the framework for the follow-on ERA grant support, as the SME Center expands its activities in 2021–2022. Once fully operational, the Center will track such metrics as number of SME’s served, number of new SMEs registered and share of tax revenue generated from SMEs to assess the Center’s success / impact.

AZOV SEA COAST
During Quarter 1 ERA continued cooperation with partner communities on joint implementation of the following projects: Mariupol Municipal Trading Small Architectural Form (SAF), Berdiansk Conference Hall and Melitopol Expo Center. Separately, on November 11, ERA Transformation team and Tourist lead had a meeting with the city mayor of Henichesk to discuss potential priority infrastructure projects: reconstruction of the summer cinema, Cultural and Tourist Center and reconstruction of the embankment. In December, after completing an infrastructure questionnaire for each project, the ERA Infrastructure team conducted a site visit for preliminary technical assessment.

On December 18, the Transformation and Growth teams jointly participated in a Business Forum presenting the business development and export potential of Melitopol organized by the Melitopol Development Agency (MDA). ERA team demonstrated the results of farm machine building and mechanical engineering research for representatives of Melitopol city council, MDA, business and donor organizations. The conclusions and recommendations from the study will form the basis for MDA’s grant support to help local businesses, through trainings and seminars, which will allow businesses to reorient themselves and seek new markets in Ukraine and abroad.

COMMUNICATION
Using a variety of information channels, the ERA Communications team continued to manage planning and implementation of its public outreach strategy and media activities to draw the public’s attention to the eastern region, disseminate information about opportunities that ERA offers to support professional and business development, and attract investments benefiting the eastern Ukraine economy. In the absence of the possibility to organize “big picture” in-person events due to the COVID-19 restrictions, the Comms team amplified its focus on success stories to attract public attention to ERA’s activities.
To target the international community with success stories and interventions made by ERA to improve east Ukraine’s economy, the Communications team continued issuing ERA’s monthly newsletter, which is distributed to USAID, ERA sister-projects, OTI, UNDP, Friedrich Ebert Fund, and other international stakeholders.

During October-December, the team started several new initiatives envisioned in the Year 3 workplan:

‘Doing business—Doing it right—Making it digital’. During this quarter the Communications team started the preparation of the COVID-19 response digital marketing campaign for SMEs. The goal of this campaign is to support ERA partner enterprises adapt more quickly to the current demand for online sales. The team engaged a subcontractor to develop logo guidelines and a variety of visual materials, including outdoor signs, labels, promo brochures, etc. for 10 assisted businesses. The next step will be to develop marketing strategies for these SMEs and create landing pages to help them present their products online and thus develop attractive product branding and improve promotion via online marketplaces.

Promotion of ERA related opportunities among vulnerable groups. To reach vulnerable groups living in remote, rural areas who have no access to social media, ERA will spread the word about training sessions and grants opportunities through advertisements in village post offices as well as outdoor advertisements in those areas. The Communications team reached 13 village councils to solicit their support in distributing posters and leaflets advertising ERA supported training sessions and their schedule in their consolidated communities. These training sessions aim to help entrepreneurs to start or improve their business and get knowledge on how to sell their products online. The outreach materials will be shipped to villages in early January, while the advertising campaigns are planned for after the New Year and Orthodox Christmas holidays.

“Innovative Manufacturers” PR campaign. Following the Roland Berger training, ERA conducted a number of interviews with the participating companies to provide PR support by writing success stories and publicizing them in media outlets. The campaign should attract attention in Ukraine and beyond to the innovative projects, which have the potential to transform the local economy, bring positive changes to the welfare of the communities and shift the image of the eastern region from purely industrial to the center of innovative manufacturing. Through this activity ERA plans to reach Ukrainian and a foreign audience of at least 500,000 people.

SUPPORTING INFRASTRUCTURE INVESTMENT

To facilitate the implementation of the partner communities’ development strategies, the Transformation team conducted field research and identified the communities interested in public-private partnership (PPP) development. For these interested communities ERA conducted an online thematic webinar, attended by 40 representatives from 16 ERA partner communities, NGOs, and educational institutions of Donetsk, Luhansk, Zaporizhzhia, and Kherson Oblasts. The webinar provided the Transformation team a basis for development of potential PPP opportunities and to provide capacity building training and consultations needed for launching potential PPP related projects.

Y3 Q1 COMMS METRICS AT A GLANCE

- 123 Facebook news posts incl. 41 success stories on ERA beneficiaries, reaching 261,117 users with 24,283 engagements
- 225 reprints of ERA news in media outlets, on websites of the ministries and ERA partner cities
- 32 public events with 1892 participants supported and 1,717,511 people reached
In addition, ERA continues work on high priority construction projects that were identified in Year 2 and enumerated in the ERA Year 3 Work Plan. With feedback received from ERA COR during the reporting period, the Transformation team is revising the format and content of the Infrastructure Concept Notes (CN) for all potential priority construction projects. Revised CNs will be resubmitted early in the next quarter. The Transformation team identified potential new projects, among them are Starobilsk Open-air Cinema, Lysychansk Welding School, Stanytsia Logistics Facility, Torske Grain Elevator and Polovynkyne Strawberry Paradise.

The table below demonstrates the progress made on current Infrastructure projects:

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>SCOPE OF WORKS</th>
<th>STATUS UPDATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luhansk Regional Lab Center (LRLC) in Sievierodonetsk</td>
<td>Thermal efficiency of the existing building, protect the building from further deterioration, and strengthen the visual appearance of this State institution</td>
<td>The Contractors made several site visits since they have started design development. Expected the 50% design project is ready for ERA review and comments at the end of January 2021.</td>
</tr>
<tr>
<td>Phytosanitary Lab in Rubizhne</td>
<td>Partial interior renovation</td>
<td>USAID approved ERC for the project on October 15th. The RFP procedure for construction works is under review for development.</td>
</tr>
<tr>
<td>Lugansk National Agricultural University in Sloviansk, Phase 1 project</td>
<td>Replacement of windows and external doors in the Educational Building #1 (A-3-1) and Dormitory #2 (P-5)</td>
<td>Development of tender documentation for construction works.</td>
</tr>
<tr>
<td>Lugansk National Agricultural University in Sloviansk, Phase 2 project</td>
<td>Reconstruction of heating networks of the LNAU Campus</td>
<td>Design development stage and the Concept Note development.</td>
</tr>
<tr>
<td>Lugansk National Agricultural University in Sloviansk, Phase 3 project</td>
<td>Repair of the roofs</td>
<td>The Concept Note under development by ERA.</td>
</tr>
<tr>
<td>Lugansk National Agricultural University in Sloviansk, Phase 4 project</td>
<td>Large-scale renovation of the unused dormitory and unused classroom building</td>
<td>The Concept Note under development by ERA.</td>
</tr>
<tr>
<td>Tech club in Bakhmut</td>
<td>Renovation of three classrooms and an entrance corridor, addition of a toilet, replacement of windows and interior doors, replacement of floor coverings, minor lighting upgrades, and the addition of a disabled access ramp at the main entrance.</td>
<td>The Beneficiary has prepared the design project. It is under review for compliance with the Ukrainian law and USAID regulations by ERA.</td>
</tr>
<tr>
<td>IT hub Spalakh in Mariupol</td>
<td>Reconstruction of facades, roof and exterior paving of the Spalakh Chess Club at 35 Architect Nielsen Street in the city of Mariupol</td>
<td>ERA expert design contractor reviewed the design project developed by a Beneficiary and proposed suggestions. The design has changed by the Beneficiary in compliance with the Ukrainian law and USAID regulations and ERA received a positive conclusion from expert design. Also, ERA received a Design Acceptance Certificate signed by the Beneficiary.</td>
</tr>
<tr>
<td>MAF Kiosks in Mariupol</td>
<td>Creation of 16 prefabricated bus stops with 2 vendor kiosks</td>
<td>The Beneficiary is developing the design projects.</td>
</tr>
</tbody>
</table>
IV. PROGRESS AGAINST TARGETS

The following table presents Year three, Quarter 1 achievements towards ERA performance indicators. For details, including disaggregation of each performance indicator, see Annexes 1.1 through 1.3.

<table>
<thead>
<tr>
<th>PERFORMANCE INDICATOR</th>
<th>FY3 Q1</th>
<th>FY3 TO DATE</th>
<th>FY3 TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2 Number of individual beneficiaries from vulnerable and hard-to-reach populations in the target regions including targets for COVID-19 Rapid Response interventions</td>
<td>970</td>
<td>970</td>
<td>5,000</td>
</tr>
<tr>
<td>GNDR-2 Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)</td>
<td>54%</td>
<td>54%</td>
<td>60%</td>
</tr>
<tr>
<td>2.1 Total amount of new investments secured by MSMEs supported by USAID</td>
<td>$1,100,537</td>
<td>$1,100,537</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>2.2 Number of individuals with new or better employment as a result of USAID assistance including targets for COVID-19 Rapid Response interventions</td>
<td>187</td>
<td>187</td>
<td>800</td>
</tr>
<tr>
<td>CC.1 Number of people trained during the Activity</td>
<td>933</td>
<td>933</td>
<td>5,000</td>
</tr>
<tr>
<td>CC.2 Number of beneficiaries utilizing new practices, techniques, or business management skills as a result of USAID assistance including targets for COVID-19 Rapid Response interventions</td>
<td>396</td>
<td>396</td>
<td>1,300</td>
</tr>
<tr>
<td>CC.3 Achievements made toward leveraging Government of Ukraine (GoU), private sector and other donors funds</td>
<td>6</td>
<td>53</td>
<td>60</td>
</tr>
</tbody>
</table>

1 Numerator = 521, denominator = 970
2 Cumulative number of achievements starting from the beginning of the Activity
V. PERFORMANCE MONITORING, EVALUATION AND LEARNING

PAUSE AND REFLECT SESSIONS

PAUSE AND REFLECT (P&R) SESSION ON THE IMPACTS OF MULTIPLE SHOCKS AND STRESSES ON VULNERABLE POPULATIONS

On October 28, ERA hosted a Pause and Reflect (P&R) session on the Impacts of Multiple Shocks and Stresses facilitated by ERA Inclusion Component leaders. There were 86 participants from the ERA team and USAID. During the session, presenters reviewed existing data and evidence including the ERA vulnerable populations data collected during COVID-19 desk review, as well as available and collected statistics. ERA facilitated an interactive exercise that made use of the chat function in Teams to discuss the observations of the stresses that COVID-19 adds to various ERA vulnerable groups, followed by interactive, small group breakout sessions. As a result, a Pause and Reflect Learning Memo was drafted which contained a summary of action items to be implemented during Year 3, such as sharing recurrent ERA publications through local village councils in the Ukrainian language to facilitate the distribution of technical program content and better inform local communities about opportunities to participate in ERA’s interventions. The P&R Learning Memo (which was shared with USAID as a matter of course under separate cover) has become a new tool for ERA management and team leads to ensure steps are taken to maximize benefits of current interventions later in the program, such as basic level computer and digital literacy skills for people with disabilities to be offered in Year 3 then advanced in Year 4.

PAUSE AND REFLECT ON BASELINE MARKET SYSTEM RESILIENCE ASSESSMENT FOR ERA VEGETABLES GROWTH SECTOR

On November 19, ERA held a P&R session to present the key Market Systems Resilience Assessment (MSRA) Vegetables Value Chain findings to the ERA team and discuss any implications on how the findings could be used to adaptively manage programming in the coming year(s). The key output of the session was a table on potential and planned adaptive management actions that was incorporated into the written study. That study was then distributed to the ERA management team for feedback before submission to USAID. As a direct follow up to the P&R, on December 16, ERA senior management, MEL and Growth teams held a meeting to discuss potential next steps for studying resilience assessments in other target value chains (Honey, IT, Tourism) and sectors (Innovations for Manufacturing). The conclusion of the meeting was that each Growth sub-team would fill in a table articulating their hypotheses related to how their work will affect resilience, how it will go to scale, and potential indicators and data that would measure results. Completed tables are due to the MEL team on January 15, 2021. After analysis of results, a research planning meeting will be scheduled in the next quarter.
VI. LESSONS LEARNED

There are three things that came out of this past quarter’s Year 2 Award Fee Determination process that merit further discussion with USAID:

Absorption of Senior Management Bandwidth. There were several improvements to this past year’s determination process that added value, including holding verbal presentations on-line (which allowed more ERA team members to attend and take part) and to hold the review later in the year (which helped de-conflict the timing of the review from work on other “higher level” deliverables that also draws heavily on senior management – specifically, work planning and annual reporting). However, the award fee process still pulled limited senior management bandwidth away from day-to-day implementation for the better part of a month. As such, the ERA team recommends reviewing the process again with USAID and Resonance and discussing efficiency options -- such as the combining of ERA’s Annual Report with the Award Fee Self-Assessment Report.

Strategic Communications. The activity has clearly reached the point where a deepening of its approach to strategic communications is warranted. This is a multi-layered and complex process that will take sustained effort to get right but the activity believes is worth the effort. At the end of the reporting period, work had already begun on narrowing the range of messages in use across the program, setting up systems to track and test the effectiveness of those messages, procuring the services of a media monitoring firm and adding strategic communications personnel (STTA) to the ERA Communications team. A Pause and Reflect on the topic has been scheduled for January and work on a new higher-level indicator to be added to ERA’s AMELP is nearing completion. Finally, further discussion is needed with USAID and ERA’s sister activity, DGE about the utility and effectiveness of the CXID campaign, which has now been in use for about 18 months.

Strategic Partnerships. The activity has also reached a point where a review of its strategic partnerships is warranted. While the activity established formal relationships (that are normally documented by one of two mechanisms – a memorandum of understanding or a grant agreement) with a range of local entities (the Oblast Authorities and cities within ERA’s area of operation as well as local NGOs and associations) during its start-up phase, the activity has evolved since that point such that added formal relationships are needed to replace some that are currently managed on an ad-hoc basis. The ERA team will review and consider which organizations to engage more systematically and will discuss with USAID before making any new engagement decisions. The highest priority will be given to normalizing ERA’s relationship with MinTOT, which also happens to be DG-East’s primary project beneficiary.

Besides reflections on the Award Fee Determination process, ERA has also indicated several valuable lessons. While elaborating the Transformation Strategy for the seven coal cities, a lesson was learned on improving the process and efficiency of Council, Working Committee and thematic group meetings, especially when meetings are held online. The preparation of such meetings requires specific telephone dialogue with key event participants, i.e. officials, business, NGOs, in each city. The team tested this by comparing two meetings’ outcomes with and without personalized calls to “opinion leaders” and concluded that for a productive event it is critical to talk over in advance what the goals and desired results of the meeting should be and how they will further influence the formation and implementation of the strategy. Hopefully, the application of this lesson in the future will lead to more efficient realization of strategic plans, coherence of action plans, greater community participation and efficiency of strategy implementation.

The reporting period was distinguished by an increase in COVID-19 related contamination and a worsening of the overall epidemiological situation in eastern Ukraine and throughout the country.
Depending on the level of epidemic threat, the GoU set cities in different color zones – from “green” to “red” (safe to unsafe). According to the Workplan, ERA had planned a study tour for beneficiaries from Mariupol to the cities of Lviv and Ivano-Frankivsk (Western Ukraine). However, due to the designation of "red", the highest level of epidemic threat in one of the intended study tour cities, the planned tour was facing cancellation. Fortunately, the fact that ERA established all contracting procedures with the study tour organizer well in advance of the original travel date allowed for an option, using a window of opportunity with the contracts to carry out the intervention successfully on an alternative date and in full compliance with quarantine restrictions and recommendations. The lesson is that even in the current unstable, pandemic environment it is possible to rapidly adapt when contractual conditions are understood clearly, well planned and agreed.

The piloting of the “ERA WFD Talk” event, organized on Instagram this reporting period, helped to gather 60 participants – mostly students and teachers – from four educational institutions from the south of Ukraine, which was a strong level of participation. The second meeting took place on the Microsoft Teams platform and had a smaller number of participants, although it allowed those who attended to discuss the specifics of hotel business proficiency in Ukraine and abroad more in depth. As the ERA target audience is students and young people, the WFD team decided to organize the next ERA WFD Talks on social network platforms only such as Instagram and Facebook, since these are the spaces students and young people use, part of their natural “places of virtual living” especially during the pandemic. Also, this positive pilot experience will be expanded to include other ERA priority sectors (agriculture, engineering, manufacturing and IT) to further popularize professional workforce development.
VIII. ADMINISTRATION

At this point in the program, the ERA team is fully staffed. Any additional recruitment for long-term staff is targeted towards replacing staff that have left ERA and/or temporarily increases some of the Operations Team bandwidth in critical support areas during ERA “peak” Years 3 and 4. The following three staff members joined ERA in Kramatorsk during this quarter:

<table>
<thead>
<tr>
<th>POSITION</th>
<th>OFFICE</th>
<th>START DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Officer</td>
<td>Kramatorsk</td>
<td>Oct -2020</td>
</tr>
<tr>
<td>Procurement Officer</td>
<td>Kramatorsk</td>
<td>Nov-2020</td>
</tr>
<tr>
<td>Procurement Officer</td>
<td>Kramatorsk</td>
<td>Nov-2020</td>
</tr>
</tbody>
</table>

As of December 31, 2020, the Activity had a total of 86 full-time staff members, including 70 employees hired directly by ERA, twelve staff hired by DRC, three by FHI360, and one by CDM Engineering. All new hires received customized orientation and systems training upon arrival. While recruitment for replacement staff will continue (as a natural function of turn-over as people leave ERA and seek other opportunities), management expects staffing levels to remain stable for the next two peak years of ERA implementation.
IX. SUB-AWARD DETAILS

The pandemic and quarantine restrictions impacted ERA grants’ implementation leading to delays in some procurements under in-kind grants, the cancellation of prearranged travel, and the postponement of activities planned under some grants. Given these circumstances, some grantees requested ERA process no-cost time extensions to ERA grants. ERA signed 14 amendments to grant agreements to extend the grants’ period of performance or/and make minor changes to the modality of some activities).

The following five grants were approved by USAID in Year 3 Quarter 1 of Activity’s implementation:

<table>
<thead>
<tr>
<th>APPROVAL DATE</th>
<th>GRANT AMOUNT USD</th>
<th>COMPONENT AND SECTOR</th>
<th>ORGANIZATION AND GRANT DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 8, 2020</td>
<td>$15,565</td>
<td>Inclusion/Increasing opportunities</td>
<td>Private Entrepreneur Molchanov grant to assist the private bakery &quot;Tisto&quot; to expand the range and quality of the bakery goods by applying modern equipment in food production process.</td>
</tr>
<tr>
<td>October 27, 2020</td>
<td>$163,280</td>
<td>Inclusion/Increasing capabilities</td>
<td>NGO “Azov Development” grant to enable a supportive environment for non-educated youth and the LGBTI community of Mariupol for safe self-improvement in creative industries and further integration into the city life.</td>
</tr>
<tr>
<td>October 27, 2020</td>
<td>$166,450</td>
<td>Inclusion/Increasing capabilities</td>
<td>NGO &quot;Slavic Heart&quot; grant to reduce social and economic dependency of the gender-based violence (GBV) survivors from their abusers through implementation of a comprehensive approach on socio-economic assistance to the GBV survivors in Kostiantynivka and Druzhkivka (the Donetsk Oblast); And to build the capacity of municipal bodies to help them adapt their approach when working with GBV survivors.</td>
</tr>
<tr>
<td>October 27, 2020</td>
<td>$52,347</td>
<td>Growth/Market expansion</td>
<td>Private Entrepreneur Korotun grant to improve the performance of PE Korotun S.V.’s small sewing business by introducing production automation which will expand the range of products offered, improve the quality of goods produced, and support business promotion in a national-wide fashion exhibition.</td>
</tr>
<tr>
<td>December 18, 2020</td>
<td>$30,837</td>
<td>Inclusion/Increasing opportunities</td>
<td>Private Entrepreneur Tkachuk to improve the quality and expand the range of services provided by the veterinary clinic “White Bear” through the procurement of additional diagnostic equipment.</td>
</tr>
<tr>
<td>Total</td>
<td>$428,479</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At the end of the reporting period, several grant applications were in an advanced stage of development and are expected to be submitted to USAID for approval early in the next quarter, including:

- **NGO “Association “Ukrainian Agribusiness Club”** to support Luhansk National Agrarian University (LNAU) and Dmytro Motornyi Tavria State Agrotechnological University (TSATU) in development of highly qualified workforce for agro-companies in the east of Ukraine and Azov Sea region ($141,993).
• **NGO Ukrainian Leadership Academy** grant to strengthen the capability of the Ukrainian Leadership Academy to engage local youth in social and civic activities, teach them life skills, and help them develop their professional careers in the region (approx. $156,641).

• **Pryazovskyi State Technical University** grant to strengthen the organizational and technical capacity of “Pryazovskyi State Technical University”, to maintain high-quality distance learning and digital training for current and future students; and to support promotion of tourism sector in ERA targeted region of the Azov Sea coast and the Donetsk Oblast (approx. $93,653).

• **LLC “Sady Donbasu”** grant to enable production of a high quality, ready to export sweet cherries by loading the automation line to process not only its own sweet cherries but also the orchards harvest procured from the partners (approx. $500,000).

• **NGO “Mariupol Youth Union”** to increase economic capabilities of women and youth through education and to promote their employment, which will enhance economic capacity and resilience of the local businesses in Berdiansk, Mariupol and Melitopol (approx. $167,629).