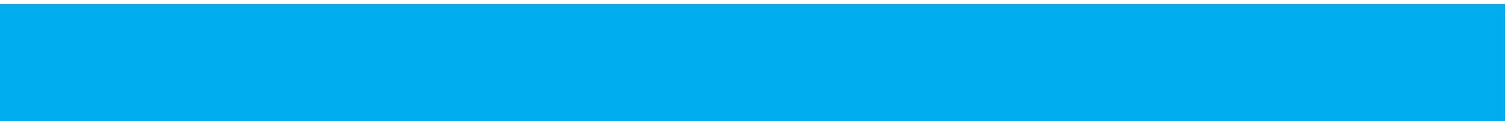




# A Brighter Future: An Investment Case for Youth in Ukraine

**Cost benefit analysis and fiscal space analysis**

Final Report



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# Table of Contents

<b>Executive summary</b>	<b>8</b>
<b>1. Purpose and objective of the study</b>	<b>13</b>
<b>2. Why invest in Ukraine's youth?</b>	<b>16</b>
2.1. Four key reasons	16
2.2. Critical areas for investment	21
<b>3. Selecting programmes for scale up</b>	<b>27</b>
3.1. Criteria for programme selection	28
3.2. Selected programmes	29
3.3. Scaling up selected programmes	30
<b>4. Cost-benefit analysis</b>	<b>32</b>
4.1. Cost estimates	34
4.2. Benefits assessment	37
4.3. Cost-benefit analysis	45
<b>5. Financing options</b>	<b>48</b>
5.1. Fiscal space analysis	48
5.2. Resource needs	50
5.3. Business-as-usual scenario	51
5.4. Economic downside scenario	52
5.5. Financing options	53
5.6. Maximising fiscal space scenario	59
<b>6. Conclusions and policy recommendations</b>	<b>61</b>
6.1. Policy recommendations	62
<b>7. Roadmap</b>	<b>65</b>
7.1. Prioritising interventions	65
7.2. Developing the roadmap	67
<b>8. Annexes</b>	<b>68</b>
8.1. Annex I: Programme selection	68
8.2. Annex II: Model data and assumptions	74
8.3. Annex III: Technical annex	77
8.4. Annex IV: Macro-fiscal context	83
8.5. Annex V: Sensitivity analysis	86

# Tables and Figures

## List Of Tables

Table 1.	Abbreviations	6
Table 2.	Limitations of the investment case study	15
Table 3.	Criteria for programme selection in the aspirational package	28
Table 4.	Programmes in the aspirational package	29
Table 5.	Criteria to ascertain “early-recovery” programmes	31
Table 6.	Programme type by phase of recovery	31
Table 7.	Target and scale up definition for the aspirational package	33
Table 8.	Calculations for BCRs and COIs	34
Table 9.	Cost estimates of the aspirational package, by 2030, UAH, discounted	35
Table 10.	Qualitative benefits of programmes in the aspirational package	42
Table 11.	Cost estimates for scaling up youth interventions under scenarios A and B, undiscounted, Billion UAH	51
Table 12.	Some of the medium to long-term revenue raising strategies	54
Table 13.	Some debt relief / restructuring initiatives for Ukraine	56
Table 14.	Roadmap framework	67
Table 15.	Education and Skills Development Programmes	68
Table 16.	Mental and Sexual Health Programmes	69
Table 17.	Employment Programmes	69
Table 18.	Participation Programmes	69
Table 19.	Prioritisation of programmes	70
Table 20.	Indicator definition for programmes	72
Table 21.	Indicator development for cost-benefit modelling	73
Table 22.	Effectiveness evidence of youth interventions	74
Table 23.	Data points used in the cost-benefit model	76
Table 24.	Benefit calculations	78
Table 25.	Cost Calculations	81
Table 26.	Sensitivity analysis lower bound (-10%)	86
Table 27.	Sensitivity analysis upper bound (+10%)	90

## Table of Figures

Figure 1. Population change in Ukraine from 2018 and 2023, percentages by age group	18
Figure 2. The Percentage Change in Population Across Oblasts in Ukraine from February 2022 and August 2023	18
Figure 3. 21st century skills for the labour market	21
Figure 4. Costs per scale up scenario, by 2030, discounted (Billion UAH)	36
Figure 5. Costs per programme, by 2030, Scenario B (Billion UAH)	36
Figure 6. Costs by funder, up to 2030 (Billion UAH)	37
Figure 7. Monetary benefits associated with skills programmes by 2030, Scenario B, billion UAH	38
Figure 8. Monetary benefits associated with health programmes by 2030, Scenario B, Billion UAH	39
Figure 9. Monetary benefits associated with employment programmes by 2030, Scenario B, Billion UAH	40
Figure 10. Monetary benefits associated with participation programmes by 2030, Scenario B, Billion UAH	41
Figure 11. Summary of benefit to cost ratios for every programme	46
Figure 12. Summary of BCRs by type of programme benefit	47
Figure 13. Fiscal space diamond	49
Figure 14. Trends in key sector spending structure, billion UAH	50
Figure 15. Projected financing gap for social sectors (billion UAH)	52
Figure 16. Real GDP (current prices, billion UAH) and Real GDP Growth (%) under baseline and downside scenarios	53
Figure 17. Potential tax revenues and reallocation for youth interventions (billion UAH)	55
Figure 18. Potential ODA for social spending (billion UAH)	56
Figure 19. Potential external support for social spending from debt relief and restructuring (billion UAH)	57
Figure 20. Potential efficiency gains for youth interventions by improving efficiencies in the health & secondary education sectors alone (billion UAH)	59
Figure 21. Potential Fiscal Space for youth programmes – scenario B (Billion UAH)	60
Figure 22. Summary of the policy implications of financing youth programming	64
Figure 23. Consumer price index (% year-on-year)	83
Figure 24. Trends in some key fiscal indicators in Ukraine	84
Figure 25. Ukraine’s exports and imports as a share of GDP between 2010 - 2022	85

# Abbreviations

**Table 1. Abbreviations**

Acronym	Definition
ALMPs	Active labour market policies
BAEI	Business activity expectations index
BCR	Benefit-cost ratio
CBA	Cost-benefit analysis
CIT	Corporate income tax
CMHT	Community mental health teams
COI	Cost of inaction
CSE	Comprehensive sexuality education
DALYs	Disability-adjusted life years
DPs	Development partners
DRM	Domestic revenue mobilisation
EU	European Union
FPF	Financial programming framework
FSA	Fiscal space analysis
GCU	Group of creditors for Ukraine
GGE	General government expenditure
GoU	Government of Ukraine
ICBIs	Interactive computer-based interventions
IDPs	Internally displaced persons
IMF	International Monetary Fund
MHPSS	Mental health and psychosocial support
MOES	Ministry of Education and Science
MOYS	Ministry of Youth and Sports
NBU	National Bank of Ukraine
NPV	Net present value
NVP	National Volunteering Platform
NYCU	National Youth Council of Ukraine
ODA	Overseas development assistance
PFM	Public financial management
PIT	Personal income tax
PTSD	Post-traumatic stress disorder
RCTs	Randomized controlled trials
SDR	Social discounting rate
SES	State Employment Service
SRH	Sexual and reproductive health
STIs	Sexually transmitted infections
UAH	Ukrainian Hryvnia
UGU	Ukrainian Global University
USD	United States Dollar

# Definitions

For this report, the following definitions have been adopted:

**Aspirational package** is a selection of programmes that are likely to deliver significant benefits to youth in Ukraine and that are proposed to be made available to youth in this study.

**Cost-benefit analysis (CBA)** is a comparative analysis of the relative costs and outcomes of two or more alternative courses of action, where both the costs of an intervention and its resulting outcomes are expressed in monetary terms.

**Development partners (DPs)** are multilateral and bilateral funding organisations that provide financial support to in-country policies and programmes.

**Investment case** is an argument for investing in a particular area or intervention, using an analysis of the value for money of investments in a range of interventions that meet desired goals.

**Net present value (NPV)** is the sum of all future cash flows over an investment's lifetime, discounted to the present value.

Sensitivity analysis is a financial model that determines how target variables are affected based on changes in input variables. It is a way to predict the outcome of a decision given a certain range of variables.

**Social discounting rate (SDR)** is the rate used to calculate how society values, future benefits, and costs compare to present ones.

**Youth** are defined as the age group between 14 and 35, following the definition adopted by the Government of Ukraine.

**Youth programmes** are defined as a subset of initiatives targeted specifically at the needs of those in the youth age group. These programmes are typically outside of the realm of "traditional" human development sectors, such as education, health, and social protection, as these target a wider age group. Instead, youth programmes target the specific needs of youth, including entrepreneurial and workforce readiness skills, mental and sexual health, active and passive labour market policies, and participation opportunities.

# Executive summary

## Purpose and objective of the study

**Ukraine's youth are crucial to the country's recovery, but the unprecedented opportunity to capitalise on their potential is at risk of being missed.** Recognizing youth (aged 14-35) as critical for the nation's recovery from the ongoing war, this study underscores the need to support their rights and their development to spearhead economic recovery, support social cohesion, and reverse demographic decline. The study accomplishes this by providing a concrete evidence base which demonstrates why investing in Ukraine's youth is so important, and how to do it effectively and efficiently. The study firmly establishes that spending on a wide range of youth-related programmes is a good investment. These investments are not only imperative for upholding the rights of young people and promoting their well-being but also serve as prudent financial decisions with robust returns on investment.

The Government of Ukraine's National Recovery Plan outlines human capital development as a key pillar. However, executing such a plan requires a nuanced understanding of the most effective investments and scalable funding mechanisms. This investment case study was developed by Genesis Analytics and Partnership for Every Child, and commissioned by UNICEF. The study involves a cost-benefit analysis (CBA) to determine the value for money of potential programme scale ups, a fiscal space analysis to explore financing options at a high level, and a roadmap for pragmatic implementation.<sup>1</sup>

**The report's robust cost-benefit analysis underscores the imperative of investing in youth.**<sup>2</sup> The CBA identifies high-return interventions, explores financing possibilities, and culminates in policy recommendations for the Government of Ukraine and its partners. Detailed analyses within the report cover the overarching rationale for investing in youth, the selection and scaling up of programs, comprehensive cost and benefit assessments, and tailored financing strategies. The ultimate goal is to inform and guide stakeholders, especially the Ukrainian Government and its development partners, to increase and efficiently allocate resources towards youth programmes during the critical recovery phase.

## Why invest in Ukraine's youth?

It is critical to invest in Ukraine's youth for four key reasons.



- **High return on investment.** Investments in Ukraine's youth have a significant return to society. For every UAH 1.00 invested in a young person's skills, health, employment, or participation opportunities, UAH 2.50 is returned to society by 2030, with returns increasing further over time.<sup>3</sup> This reflects the fact that human capital development is a public investment - rather than a cost to societies - that generates returns to society through higher economic growth.<sup>4</sup> Furthermore, investments in human capital development are cumulative, since investments made early in a person's life have longer to materialise.<sup>5</sup> Thus, investing in young people is a particularly good investment; underinvestment in youth, on the other hand, is difficult to reverse later in life, and the price for society is high. This has significant implications for Ukraine's youth, since many of the services traditionally available (including education, healthcare, and employment opportunities) are compromised due to the full-scale war.

<sup>1</sup> The roadmap will follow in a separate report.

<sup>2</sup> It is important to note the limitations of the study, particularly around cost, which is high level and is designed to assess value for money. It is not suitable for programme implementation.

<sup>3</sup> See section "Cost-benefit analysis" for details

<sup>4</sup> Becker, G. S. (1993), Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education.

<sup>5</sup> Hempel, K. and Cunningham, W. (2010), Investing in Your Country's Children and Youth Today: Good Policy, Smart Economics.

- **Youth are a driver of recovery.** Investing in Ukraine's youth is essential for the country's recovery and reconstruction, as demonstrated by the critical roles youth have played in post-war scenarios in countries like Rwanda and Bosnia-Herzegovina. Ukrainian youth are eager to contribute to their nation's rebuilding efforts with fresh ideas and innovation, underscoring the importance of investing in youth programme initiatives, which are crucial not only for the youths' future but also for the country's long-term stability and prosperity.
- **Safeguarding against demographic decline.** Ukraine needs its young people to run the economy, society, and polity in the future. However, only 19% of the population are between 14 and 35 years old. This figure is significantly less than the average proportion of young people globally, where 34% are between these ages.<sup>6</sup> Ukraine had a rapidly ageing and declining population before the war, which has only accelerated in recent years. A considerable percentage of young Ukrainians have either fled or been displaced internally. Under a high estimate scenario, Ukraine may face losses of up to USD 255 billion due to the adverse effects of war caused by population displacement and declining productivity over time.<sup>7</sup> The reasons given for not planning or hoping to return include the lack of work and livelihood opportunities and inadequate basic utilities and infrastructure.<sup>8</sup> Investing to ensure the requisite opportunities for services are available will facilitate return of this population group, and improve the demographics and thus economic future of the country. In short, the right investments have the potential to build a country that youth want to return to, live in, and contribute to.
- **Alignment with EU Accession.** Strategically, youth investments could support Ukraine's EU accession goals. Targeted youth investments align with the European Youth Strategy and could potentially expedite the accession process whilst contributing to economic growth through access to EU funds and programs. For example, Ukraine's potential association with the European Youth Guarantee could significantly benefit the country by providing opportunities for young people and driving structural reforms and innovation.

**Not investing in youth poses significant risks for the realisation of their rights, as well as for the success of Ukraine's recovery.** This age cohort is critical to overcoming the economic and social impacts of the war and resulting decline in Ukraine's productive population. They are also the group most likely to foster the innovation needed to accelerate Ukraine's growth.

**There are several areas which are deemed critical areas for investing in youth, based on the relative rates of return on investment.** Focused investments in education and skills, mental and sexual health, employment and social protection, and participation are identified as critical. These areas are strategically chosen based on the likelihood of offering a high rate of return and aligning with the specific needs precipitated by the ongoing war in Ukraine.

## Selecting programmes for scaling up

From an initial list of 35 programs, 11 were chosen for an aspirational package based on four criteria<sup>9</sup>:

- **Alignment with national recovery priorities.** Programs must match the recovery goals set by the Ukrainian Government, for example, in the Ukraine Recovery Plan and departmental plans (although it should be noted these policies are currently being revisited due to the dynamic situation in the country).
- **Critical thematic areas for youth.** Programs should focus on thematic areas like education and skills, health, social protection, protection from violence, and participation—areas that are determined by evidence to be critical for young people's development.
- **Strength of effectiveness evidence.** Only programmes and thematic areas with robust evidence from studies, such as RCTs, impact evaluations, etc., are included to ensure they provide good value for money.
- **EU accession agenda.** Programmes must not contravene the EU acquis and should support Ukraine's agenda for accession to the European Union.

<sup>6</sup> United National Population Division (2024) World UN Population Prospects.

<sup>7</sup> Kyiv School of Economy, Ukraine Human Capital Report.

<sup>8</sup> UNHCR (2023), Lives on hold: Intentions and Perspectives of Refugees and IDPs from Ukraine #4. <https://data.unhcr.org/en/documents/details/101747>

<sup>9</sup> Only pre-existing programmes are selected, rather than novel ones, since these have already proven to operate successfully in Ukraine. It is more cost-effective to scale up what works than to create new interventions.

Based on these criteria, different programme types have been selected to form an aspirational package for scaling up. These programmes include self-employment courses, career counselling, 21<sup>st</sup> century skills training, online learning platforms, study abroad programmes, entrepreneurship grants, hiring subsidies, psychosocial support, mental health consultations, peer-to-peer consultations, youth councils, and volunteering platforms. Each programme type includes an example of a specific programme for modelling, such as Career Hub Pro Freelance for self-employment courses and the National Youth Council of Ukraine for youth councils. These programmes have also been stratified according to the urgency of their need in war time; priority programmes are planned to commence scale up in 2024, and later recovery programmes are planned to commence scale up in 2027.

The aspirational package aims to scale up existing programmes that have already demonstrated benefits within the ecosystem, providing a cost-effective pathway to enhancing service delivery for Ukrainian youth. Details of the programme selection process, including evidence and assumptions, are included in [Annex I: Programme selection](#).

## Cost-benefit analysis

**The cost-benefit analysis for this study assessed the value for money for scaling up youth programmes in Ukraine.** Using normative cost estimates, the CBA calculated the benefits and costs between the «baseline» rate and the «target coverage» rate. The programmes were converted to indicators with baseline units, scale-up targets, and target populations, allowing for a percentage-based assessment of potential youth reach. It is important to note these are only examples of programmes; the investment case does not advocate for scaling up specific programmes, merely programmes with similar characteristics.

Two scale-up scenarios were analysed:

- Scenario A (frozen conflict): Incremental scale up of urgent programmes to target rates by 2027, with coverage rates maintained to 2030.<sup>10</sup>
- Scenario B (military de-escalation): Incremental scale up of urgent programmes to target rates by 2027, with coverage rates maintained to 2030. Incremental scale up of later recovery programmes from 2027, to target rates by 2030.

**The CBA results indicate that all programmes in the aspirational package have a benefit-cost ratio (BCR) above 1, meaning each investment yields a positive return.** This means that every investment studied in this analysis generates substantial societal value. By 2030, Scenario A shows a BCR of 2.2, and Scenario B shows a BCR of 2.5, signifying substantial returns on investment for society. Specific programmes like Profosvita, Teenergizer, and the National Volunteering Platform demonstrated exceptionally high BCRs, often due to their scalable online delivery mechanisms. Conversely, programmes like UPSHIFT, Salary Matching, and Career Hub Pro Freelance had lower BCRs but still exceeded the investment threshold. The cost of inaction (COI) highlighted that failing to invest in the aspirational package could result in a missed economic benefit of UAH 57 billion for Scenario A and UAH 68 billion for Scenario B. Furthermore, each programme also has qualitative benefits that could not be included in the calculations, and so the actual BCRs and COIs are likely to be significantly higher.

**In line with findings from international literature, scaling up youth programmes is found to be cost-effective and to have strong benefit-cost ratios in the medium- to long-term.** The study argues for pursuing the scale up of all youth programmes studied, given they have a BCR above 1. The preferable scenario (Scenario B) presents an aspirational yet attainable goal, yielding higher BCRs despite its greater financial commitment, and a significantly higher overall COI. Additionally, the qualitative benefits of the programmes mean the investments are likely to have a far better rate of return that could be captured quantitatively, further underscoring the importance of these investments in supporting Ukraine's youth and long-term development.

## Financing options

**Fiscal space analysis is the process of determining the Government's capacity to allocate additional funds for youth programmes from 2024 to 2030.** The analysis explores the country's economic structure, revenue-raising capabilities, and budgeting priorities. A Financial Programming Framework is used to project the macro-fiscal indicators, considering historical and current data from Government and IMF sources. It is particularly important in the context of Ukraine's current constrained fiscal space environment which is a result of defence spending needs.

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<sup>10</sup> Target rates differ by programme.

**Before considering the specific needs of the aspirational package, an understanding of the general sectoral spending relevant to youth must be established.** Historical data shows that spending on relevant sectors (social sectors and economic activities) is 37% of the general Government expenditure and is projected to increase to UAH 970 billion by 2030, provided current spending trends continue. Specific funding for the aspirational package is outlined, with costs for scaling up interventions under Scenarios A and B calculated at a total of UAH 47.3 billion and UAH 53.2 billion, respectively, between now and 2030.

Scenarios and financing options:

- Business As Usual scenario (where no key measures are taken) projects a financing gap for youth programmes, increasing to an estimated UAH 10.6 billion and UAH 13.1 billion by 2030 for Scenarios A and B, respectively.
- Economic Downside scenario incorporates a 29% decline in GDP to account for the uncertainties of the ongoing war.
- Options to close the financing gap:
  - Domestic Revenue Mobilisation (DRM): Strategies to enhance tax collection and reforms are suggested, aiming to reach 30% by 2030. Projected increases in tax revenue could potentially allocate UAH 1.1 billion annually for youth programs.
  - Official Development Assistance (ODA): A substantial increase in ODA to Ukraine might provide additional resources of UAH 4.5 billion annually until 2030.
  - Debt Relief and Restructuring: Structural adjustments and international aid packages, including an IMF support package, could repurpose funds to decrease the financing gap, with an estimated UAH 1.1 billion annually until 2030.
  - Efficiency Savings: Optimising resource utilisation in health and secondary education sectors could create a budgetary surplus of UAH 0.9 billion annually until 2030.
- Maximising Fiscal Space scenario (where a range of available measures are taken) combines all financing options and significantly reduces the financing gap, even for the more ambitious Scenario B. This suggests that exploring additional innovative financing options could close the remaining gap.

## Conclusions and policy recommendations

**The study recognizes Ukraine's youth as vital for the country's recovery and emphasizes the need for strategic investments in their education, employment, mental and sexual health, and participation.** The cost-benefit analysis reveals substantial returns on these investments, with significant monetary and non-monetary benefits; thus demonstrating a need to prioritise such interventions to promote sustainable development. The CBA also reveals a high cost-of-inaction with significant implications for young people and the country if investment opportunities are forgone.

**Key findings include:**

- Investing in youth is imperative to ensure long-term economic returns to society, to ensure youth act as a driver of recovery, and to align with the EU accession process.
- Investments in youth could also play a crucial role in reversing demographic decline. The aging structure of Ukraine's population has been exacerbated by a greater number of youth fleeing. Investments have the potential to build a country that youth want to return to, live in, and contribute to.
- The aspirational package is a strategic framework to address the multifaceted needs of youth, including enhancing skills, health, employment opportunities, and participation.
- Scaling up youth programmes is cost-effective, with BCRs above 1 for all interventions studied.
- Scenario B, despite being costlier, is recommended due to higher BCR (2.5) and COI (68 bn UAH), indicating more substantial returns and societal benefits.

- Resources available to finance the scale up of youth programmes are estimated at UAH 1.1 billion annually from domestic initiatives, around UAH 4.5 billion annually from ODA, and approximately UAH 1.1 billion annually from debt relief up to 2030, alongside efficiency improvements. These measures could substantially close the financing gaps for youth programmes under various future scenarios.

**Policy recommendations include:**

- **Integration into national recovery plans.** The Government of Ukraine and its developmental partners should incorporate these findings into recovery plans, ensuring youth recover and thrive post-war.
- **Seeking opportunities of funding from foreign support packages.** While further clarity on support needed by the Government of Ukraine on the youth portfolio, roadmaps and workplans associated need to be further developed, medium-term opportunities for funding are shaping, particularly around foreign support packages (namely the EU's Ukraine Facility). Funding recommendations can be further aligned to this package as asks for support become clearer."
- **Costed scale-up plan.** As the costing conducted for this report is normative and high-level, detailed costing exercises are necessary to prepare recommended programmes for implementation.
- **Prioritizing cost-effective investments.** Investments with strong evidence of cost-effectiveness should be prioritised to ensure maximised resource utilisation. All programmes in this study demonstrate a strong return on investment and therefore provide a framework for future investments in youth. An approach to further prioritisation is outlined in the roadmap, a separate document which includes consideration of which needs and target groups should be prioritised, and whether the policy and legal framework exist to support the scale up of each programme.
- **Policy coherence and inclusion.** Policymaking for youth should be regionally aligned, coherent, and include an overarching youth strategy that fosters participation, especially those of the EU. The [EU Youth Guarantee](#) (from the Youth Employment Youth employment support - Employment, Social Affairs & Inclusion - European Commission) for instance needs to coherently be implemented both on a national and regional levels. In order to achieve this, it is necessary to strengthen the role of line ministries, and regions in coordinating and developing programmes aimed specifically at youth.
- **Domestic revenue mobilization.** Robust fiscal policy actions such as comprehensive tax reforms, broadening the tax base, strengthening tax compliance, and enhancing tax administration are imperative to meeting fiscal targets and increasing domestic revenues for sustainable funding of youth programmes.
- **Securing predictable ODA commitments.** Aligning ODA allocations with social sector priorities will require negotiations with international partners.
- **Efficiency in spending.** Implementing efficiency measures and streamlining processes can maximise fiscal space and optimise resource allocation.

The implementation of these recommendations hinges on strong political commitment, effective governance, and resilient monitoring and evaluation systems. The impact of the ongoing war and its economic and social effects needs to be thoroughly considered when applying these recommendations. Collaboration among Government entities (including at the national and local level), civil society, and development partners is crucial for devising and executing efficient financing strategies for youth programmes in Ukraine. This will be explored in the roadmap, which lays out responsible parties, required resources, available support, and measurements of success through monitoring and evaluation.



# Purpose and objective of the study

**Investing in young people is necessary to ensure the realisation of their rights, and to support their engagement in the long-term recovery of the country.** Their outcomes have been dramatically impacted by the ongoing war. 40% of 14–35-year-olds have fled the country, which has exacerbated the existing demographic crisis in Ukraine<sup>11</sup>; and the remaining youth face learning loss from disrupted education, and challenges accessing the labour market and remaining competitive within it.<sup>12, 13</sup> Young people’s mental health, social protection, and protection from violence are also impacted by the war.<sup>14, 15</sup> This creates the risk that their rights will not be realised, that their generation will not have the potential to support the future development and wellbeing of the country, and that they might be unable to spearhead the recovery efforts that Ukraine will need to undergo in the coming years. Thus, it is a priority to ensure adequate social services and social assistance is put in place that support ‘the development of the youth.

<sup>11</sup> Brookings Institute (2022), Ukrainian Refugees’ Challenges in a Welcoming Europe. <https://www.brookings.edu/blog/future-development/2022/10/14/ukrainian-refugees-challenges-in-a-welcoming-europe/>

<sup>12</sup> UNICEF (2023), War Has Hampered Education. <https://www.unicef.org/ukraine/en/press-releases/war-has-hampered-education>

<sup>13</sup> CEPR (2023), The Labour Market in Ukraine: Rebuild Better. <https://cepr.org/voxeu/columns/labour-market-ukraine-rebuild-better#:~:text=On%20the%20workers%20side%2C%20the,7.9%20million%20are%20refugees%20abroad.>

<sup>14</sup> UNDP (2023), Impact of War on Youth in Ukraine: Findings and Recommendations. <https://ukraine.unfpa.org/sites/default/files/pub-pdf/undp-ua-impact-war-youth-eng-findings-recommendations.pdf>

<sup>15</sup> UNDP (2023), Human Impact Assessment. <https://reliefweb.int/report/ukraine/ukraine-human-impact-assessment-june-2023-enuk>

**The country's recovery provides an opportunity not just to heal from the war but to set the country on a path of higher standards of living and economic growth.** Plans are already underway to ensure an effective recovery from the war. The Government of Ukraine's National Recovery Plan's stated aims are to: "start now, ramp up gradually", grow prosperity in an equitable way, integrate into the EU, build back better, and enable private investment and entrepreneurship.<sup>16</sup> This includes a push towards human capital development with a key pillar of the plan focusing on «increased quality of life (education, social protection, healthcare, environment, culture, sport)”, as well as “proactive and efficient immigration policy aimed at bringing Ukrainians back to Ukraine as soon as possible”.<sup>17</sup> The country is preparing for economic and social recovery, which will require significant levels of funding to execute.

**What is needed is a better understanding of the key investments that are required to secure the realisation of rights and a promising future for Ukraine's youth.** There are a significant number of investments that could be made to support young people's potential, and there will be a large number of demands on resources that are provided to aid Ukraine's recovery efforts. Gaining a greater understanding of the ratio of benefits to costs of specific interventions will help inform decisionmakers of which investments are the best value for money. This study aims to identify those services that will help youth to be the driver of the recovery in the context of limited resources. There is also a need to understand the feasible options available for financing the scale up, and to add the desired package of interventions into the budgets of the Government administration and their partners. Finally, the study develops a roadmap that outlines specific timelines, responsible actors, and funding mechanisms for the desired package of interventions, and to ensure its practical and feasible implementation on the ground.

**Genesis Analytics and Partnership for Every Child were contracted by UNICEF to conduct an investment case study for youth in Ukraine.** This includes a cost-benefit analysis to assess value for money of programme scale ups, fiscal space analysis to assess options for financing, and roadmap creation to develop the practicalities of scale up. The following research questions guided the development of the investment case study:

- Based on relative returns on investment in Ukraine, which investments in young people should be prioritised?
  - What are the current coverage rates of each intervention and what gaps exist?
  - What are the expected benefits of each intervention?
  - What are the expected costs of each intervention? What is the cost per young person covered?
  - What is the resultant benefit-cost ratio of each intervention?
- How can the required resources be mobilised for investing in cost-effective youth interventions?
  - What fiscal space exists in Ukraine to facilitate the scale up of youth interventions?
  - What are the next steps to mobilise finances, human resources, and infrastructure?

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<sup>16</sup> National Recovery Council (2022), National Recovery Plan. [https://uploads-ssl.webflow.com/621f88db25bf24758792dd8/62c166751fcf41105380a733\\_NRC%20Ukraine%27s%20Recovery%20Plan%20blueprint\\_ENG.pdf](https://uploads-ssl.webflow.com/621f88db25bf24758792dd8/62c166751fcf41105380a733_NRC%20Ukraine%27s%20Recovery%20Plan%20blueprint_ENG.pdf)

<sup>17</sup> ibid

**Table 2. Limitations of the investment case study**

There are a series of limitations to investment cases and this study. Here is what those who engage with this document should know about how it can and cannot be	
1	<b>Costing is not designed for programme implementation.</b> As indicated throughout the report, the costing that has been undertaken is at a high level and relies on a normative costing exercise to derive estimates. As such, costing is designed to be indicative of value for money and not for the implementation of programmes.
2	<b>The study was conducted primarily at a national level.</b> The financing has primarily considered aggregate levels of regional and national financing and has not considered exactly from what regional bodies this financing will be allocated. Furthermore, most of the programmes are not targeted at specific geographies but are instead focused on the national level. Further regionalisation will be explored in the roadmap phase of the study and is expected to be the subject of further research beyond this.
3	<b>Benefits can only be calculated for programmes where robust evidence is available.</b> Evidence of impact on youth is necessary and needs to be conducted in impact evaluations. The value of these impacts must also have evidence that allows them to be assigned a monetary value. Programmes must also have evidence of their impact. Thus, a large number of potential programmes are automatically excluded due to this constraint.
4	<b>The full value of programmes cannot be captured by a cost-benefit analysis alone.</b> Even for programmes that meet the evidence and data requirements, it is only possible to measure certain aspects of their benefit. Most youth programmes have a series of benefits and only part of these are captured. A qualitative analysis has accompanied the quantitative analysis to account for these.
5	<b>Programme scale up requires the development of a detailed roadmap and implementation plan.</b> Whilst it is within the scope of the study to produce a roadmap, this document would only provide high level guidance regarding next steps around programme implementation. Policy-makers and programme implementers will need to develop costed implementation plans to ensure programmes are ready for scale up.

**This report is designed as a strong piece of empirical evidence and a compelling advocacy tool.** Broadly, the first stage of the study will be a cost-benefit analysis. This will illustrate why investing in youth is so imperative. It not only illustrates the significant positive rates of return to GDP and tax revenues that are generated from scaling up youth programmes, but it also explores the comprehensive non-monetary benefits that these interventions can produce. The second stage explores how financing can be scaled-up. The current available fiscal space and the costs required to enact the suggested scale ups are examined. This work will deliver a framework for scale up that can be utilised by the Government and development partners. This study is designed to motivate the Government to leverage funding (both domestic and external) for the scale up of youth programmes as a pivotal component of the rebuilding process.

#### **Specifically, this report covers:**

- **Why we should invest in Ukraine's youth.** The reasons include the overall rationale for investing scarce resources in young people, highlighting the return on investment that can be achieved, the importance of safeguarding against demographic decline in the context of the war, and bolstering support for the EU accession process. This section also outlines the critical areas that require investment, which are shown to generate a high rate of return, highlighting why they are needed in Ukraine in particular. These areas include skills development, employment and social protection, mental and sexual health, and volunteering and participation.
- **Selecting programmes for scale up.** This section outlines how this study proposes investments in youth should be made, through the scale up of programmes that show promise for improving youth outcomes. The criteria that have been applied for selecting programmes are outlined before presenting the "aspirational package" for Ukraine's youth that is proposed. And finally, the section outlines how these programmes should be scaled up.
- **The results of the cost-benefit analysis.** This section presents the findings of the cost-benefit analysis, highlighting the approach taken to develop the analysis before presenting cost estimates and the benefits assessment. Both quantitative and qualitative benefits are presented here. Finally, this section outlines the benefit-cost ratios that the youth programmes in the aspirational package deliver.
- **Options for financing the scale up.** This section highlights the findings of the fiscal space analysis, which take the resource needs of the scale up scenarios and assess the options for financing. This includes assessment of domestic resource mobilization, ODA, debt relief and restructuring, and efficiency savings and reprioritisation.
- **Conclusions and policy recommendations.** This includes recommendations to be acted upon based on the study findings.
- **Next steps of the study: Develop a roadmap.** This outlines the steps required to outline a roadmap for the investment case.
- **Annexes.** The annexes of this report include the programme selection process, underlying model data and assumptions, and other methodological notes. It also includes an analysis of Ukraine's macro-fiscal context, a more detailed analysis of the qualitative benefits of the aspirational package, and the results of a sensitivity analysis.

## 2

# Why invest in Ukraine's youth?

This section outlines the key reasons why investing in Ukraine's youth is so important, before highlighting the specific areas which are shown to provide effective avenues for youth programming.

## 2.1. Four key reasons

### 2.1.1. A high return on investment

**The first reason to invest in Ukraine's youth, and the key theme of this study, is that investments in youth have a significant return to society.** As demonstrated by the findings in this report, for every UAH 1 invested in a young person's skills, health, employment or participation opportunities, society is returned UAH 2.60 by 2030, with returns increasing further over time. Real returns are expected to be even higher than this, given that only quantitative benefits are included in the UAH 2.60 figure. This reflects the fact that human capital development is a public investment, rather than a cost to societies, and generates returns to society through higher economic growth.<sup>18</sup>

Furthermore, human capital development investments are cumulative, since investments made early in a person's life have longer to materialise.<sup>19</sup> This means that investing in young people is a particularly good investment. On the other hand, underinvestment in youth is difficult to reverse later in life, and the price for society is high. This has significant implications for Ukraine's youth, since many of the services traditionally available (including education, healthcare, and employment support) are compromised due to the full-scale war.

<sup>18</sup> Becker, G. S. (1993), Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education.

<sup>19</sup> Hempel, K. and Cunningham, W. (2010), Investing in Your Country's Children and Youth Today: Good Policy, Smart Economics.

## 2.1.2. Youth as a driver of recovery

**Investing in Ukraine's youth is crucial as they will serve as the driving force behind the country's recovery and reconstruction efforts.** History has shown that youth play a pivotal role in the post-war phase of a country, contributing to its rebuilding and development in various ways. For instance, in countries such as Rwanda and Bosnia-Herzegovina, where devastating conflicts occurred in the 1990s, youth have been instrumental in fostering reconciliation, promoting peace-building initiatives, and driving economic growth. In Rwanda, youth-led organisations, like the Rwandan Youth Action Network (RYAN), have played key roles in promoting unity and reconciliation among different ethnic groups; Whilst in Bosnia-Herzegovina, youth-led initiatives, such as youth councils, have worked towards social cohesion and community development. Moreover, young entrepreneurs and innovators often emerge as drivers of economic revitalisation, creating new businesses, generating employment opportunities, and fostering innovation in post-conflict settings.

**Ukrainian youth have demonstrated a keen desire to contribute to the rebuilding of their nation.** Those who participated in the study shared their perspectives on Ukraine's reconstruction and recovery. Across all 22 focus groups, young individuals affected by the war expressed a strong willingness to actively participate in the country's reconstruction efforts.<sup>20</sup> They aspire to bring fresh ideas, innovative thinking, and accountability to Ukraine's future. Furthermore, a total of 65.7% of young people noted they want to acquire skills to help with Ukraine's reconstruction.<sup>21</sup> It is not only a desire to help; Ukraine's youth are already actively participating in reconstruction efforts. In 2022, 30% of youth responded to a survey suggesting they had volunteered in 2022, compared to only 6% in 2021.<sup>22</sup> Furthermore, through programmes like UPSHIFT, young individuals have spearheaded various initiatives, ranging from assisting homeless animals to providing technological solutions and psycho-emotional support.<sup>23</sup> These endeavours underscore the importance of government investment in youth-centred initiatives, which are crucial not only for the youths' futures but also for the country's long-term stability and prosperity.

## 2.1.3. A safeguard against demographic decline

The third reason investing in Ukraine's youth is so important is because, compared to other age cohorts in the population, there are not that many young people. Only 19% of Ukraine's population are between 14 and 35 years old. This is significantly less than the average proportion of young people globally, where 34% are between 14-35. In lower-middle-income countries, the proportion is 37%; and in Eastern Europe, 26%.<sup>24</sup> This makes Ukraine an outlier in the region and in its income bracket in terms of the number of youths in its population. This has significant negative implications for the economy and society of Ukraine in the future. This issue is discussed further in this section.

Ukraine needs its young people to run the economy, society, and polity in the future. However, without young people returning, the situation is likely to worsen given long-term trends of demographic decline. Ukraine had a rapidly ageing and declining population before the war, and this rate has only accelerated in recent years. It has been estimated that seven million people have fled the country since the war escalated in February 2022; over four million of these people are aged between 15 and 35.<sup>25</sup> Thus, as of 2023, Ukraine's population is estimated to stand at 37 million,<sup>26</sup> significantly less than the population of 52 million in 1991.<sup>27</sup> Nearly two years after the full-scale war began, approximately ten million Ukrainians are still unable to go back to their residences.<sup>28</sup> Nearly four million individuals are internally displaced within Ukraine, whilst over six million refugees have sought refuge abroad, spanning not only Europe but also other continents.<sup>29</sup>

<sup>20</sup> Plan International (2023), Young People on The War in Ukraine: Amplifying Youth Voices for Ukraine's Reconstruction and Recovery. <https://plan-international.org/uploads/2023/06/Plan-International-Ukraine-Response-Youth-Voices-Policy-Paper-June-2023-Final.pdf>

<sup>21</sup> UNFPA (2022) Impact of War on Youth in Ukraine.

<sup>22</sup> UNFPA (2022), Impact of War on Youth in Ukraine.

<sup>23</sup> UNICEF (2023), Youngsters Become Driving Force for Change in Ukraine. <https://www.unicef.org/ukraine/en/ukraine/press-releases/upshift-graduation>

<sup>24</sup> United National Population Division (2024) World Population Prospects.

<sup>25</sup> Ibid

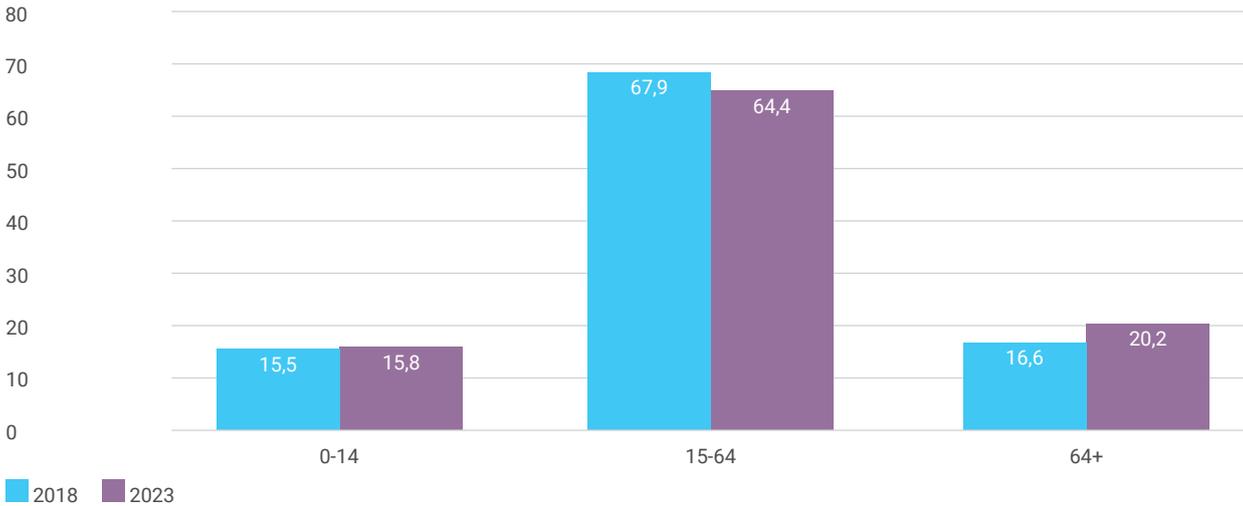
<sup>26</sup> Ibid

<sup>27</sup> United National Population Division (2024) World Population Prospects.

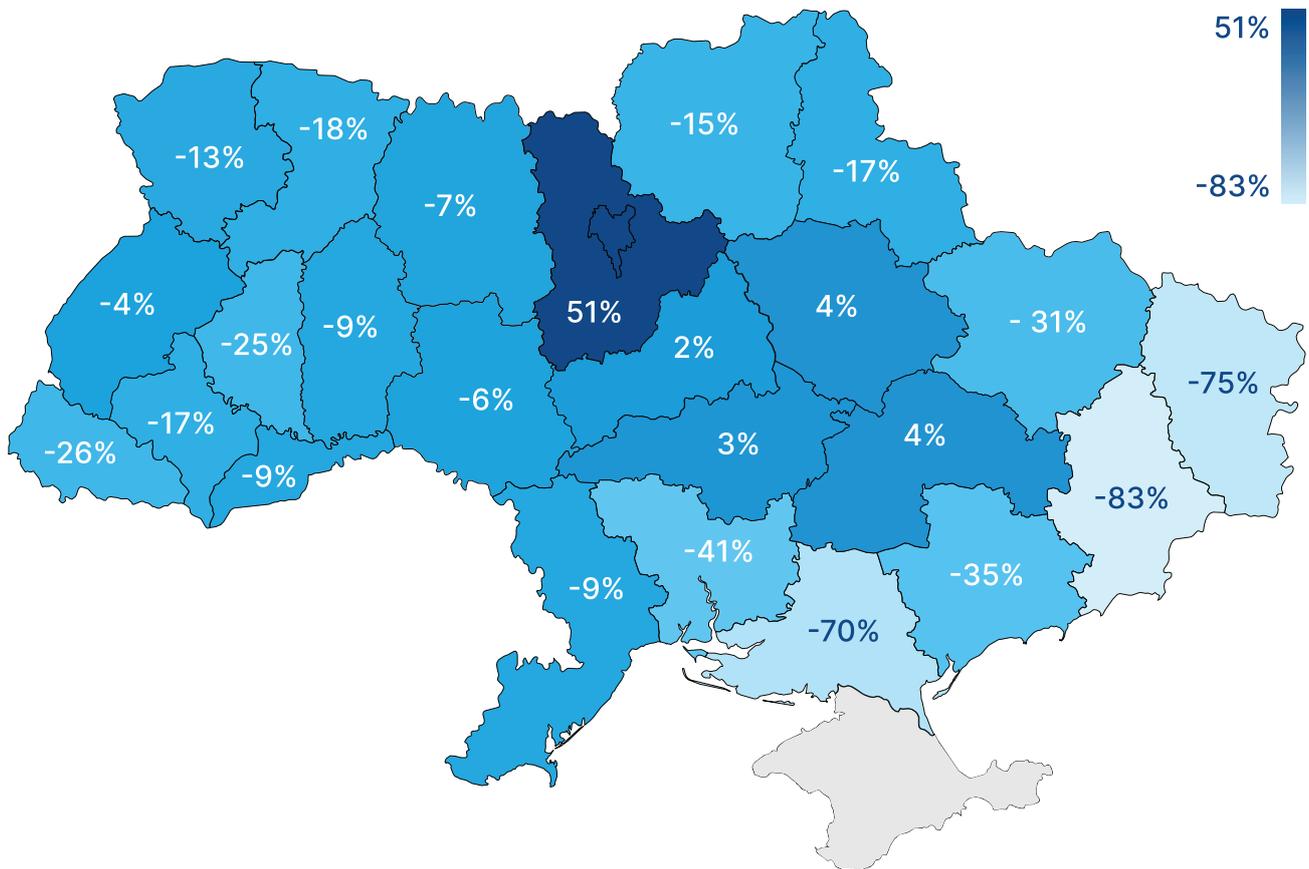
<sup>28</sup> OCHA (2024), Ukrainian Refugee Crisis: The Current Situation. <https://reliefweb.int/report/ukraine/ukrainian-refugee-crisis-current-situation-encs#:~:text=Up%20to%20a%20third%20of,in%20Europe%20but%20also%20overseas>

<sup>29</sup> Ibid

**Figure 1. Population changes in Ukraine from 2018 and 2023, percentages by age group**



**Figure 2. The percentage change in population across oblasts in Ukraine, February 2022 - August 2023**



**Demographic decline and the further departure of young people creates both economic and social problems for the country.** Under a high estimate scenario, Ukraine may face losses of up to USD 255 billion due to the adverse effects of war caused by population displacement and declining productivity over time. In a more conservative estimate, losses could amount to as much as USD 210 billion.<sup>30</sup> Furthermore, the departure of young people can create social fragmen-

<sup>30</sup> Kyiv School of Economy, Ukraine Human Capital Report.

tation within communities, as families are torn apart, social bonds are weakened, and collective resilience is impacted. This can contribute to feelings of isolation, loneliness, and disempowerment among those left behind, further exacerbating the social impact of war. This issue is likely to be of much greater significance in frontline war oblasts where internal displacement has been significant, as shown in the map below.

**The lack of young people in Ukraine results in significant loss of human capital and adverse economic consequences.**<sup>31</sup>

Often serving as the future leaders, entrepreneurs, and innovators of a nation, emigrating youth represent potential talent and leadership crucial for long-term development and post-war reconstruction. Their absence diminishes the workforce's productivity, curbing the country's economic output and growth potential; thereby exacerbating existing economic disparities and poverty, particularly in war-affected areas with limited job opportunities. Moreover, the working-age population, comprised largely of young individuals, is essential for sustaining the pension system and supporting vital social services relied upon by the elderly.

**Furthermore, the displacement of young people due to the war could create significant challenges for nation building post war.**

Amidst the challenges of the ongoing war and the significant number of IDPs, the proportion of youth who stated they did not wish to leave Ukraine increased to 66% in 2022 (after the war escalated), marking a notable climb from 48% in 2021.<sup>32</sup> This shift could potentially be linked to an upswing in patriotic sentiments and the enhancement of social unity. There is a risk, however, that these sentiments will decline as the war becomes more protracted, further underlying why investments in youth are required now to capitalise on this trend.

**Investing in services for youth in Ukraine will support the much-needed return of youth to Ukraine.**

A recent UNHCR report indicates that among the displaced young population, some of the reasons for not planning or hoping to return were the lack of work and livelihood opportunities, and the inadequate basic utilities and infrastructure.<sup>33</sup> It is therefore critical to provide key programmes that support their development and provide the tools young people need to create decent lives for themselves in order to ensure the future prosperity of Ukraine.

## 2.1.4. Support for the EU accession process

**The fourth reason that investing in youth in the Ukrainian context is so important is alignment with the EU accession process.**

As part of the accession process, there are specific requirements Ukraine must meet in order to progress its application. Appropriate youth investments can support this process, particularly if these investments build on current arrangements with the EU and promote further integration in programming.

**Accession to the EU offers significant potential benefits to candidate countries.**

In purely economic terms, there are indications that the benefits of EU membership outweigh the costs for new joiners. A study conducted by CEPR found an approximate 12% gain in per capita GDP on average for members, despite substantial differences across countries.<sup>34</sup> The European Union highlights several further benefits and achievements, including:

- the potential for increased political influence.
- funding schemes and grants in multiple sectors to aid economic development.
- over 70 years of peace and stability.
- freedom of movement.
- protections for the environment, human rights, and consumers.<sup>35</sup>

<sup>31</sup> Kyiv School of Economy, Ukraine Human Capital Report.

<sup>32</sup> UNFPA (2023), Impact of War on Youth in Ukraine. <https://ukraine.unfpa.org/sites/default/files/pub-pdf/undp-ua-impact-war-youth-eng-findings-recommendations.pdf>

<sup>33</sup> UNHCR (2023), Lives on Hold: Intentions and Perspectives of Refugees and IDPs from Ukraine #4. <https://data.unhcr.org/en/documents/details/101747>

<sup>34</sup> Coricelli, F. et al (2014), How Much do Countries Benefit from Membership in The European Union? <https://cepr.org/voxeu/columns/how-much-do-countries-benefit-membership-european-union>

<sup>35</sup> European Union (2023), Key European Union Achievements and Tangible Benefits. [https://european-union.europa.eu/priorities-and-actions/eu-priorities-achievements\\_en](https://european-union.europa.eu/priorities-and-actions/eu-priorities-achievements_en)

Since the full-scale war began in February 2022, Ukraine has accelerated its progress towards accession to the EU, and “the Ukrainian Government and Parliament [have shown] determination to carry out the necessary reforms required by the EU accession process, in particular the seven steps mentioned in the Opinion”.<sup>36</sup>

**The accession of Ukraine to the EU is linked to the EU Youth Strategy, which aims to promote the active engagement of young people in democracy and society.**<sup>37</sup> The strategy, spanning from 2019 to 2027, provides a framework for European cooperation on youth policy, emphasising objectives, principles, and priorities aimed at addressing the challenges facing young people in Europe. It identifies three core themes – engage, connect, and empower – and sets out measures that Member State governments and the European Commission should take to achieve these goals.<sup>38</sup> By aligning with the objectives and principles of the EU Youth Strategy, Ukraine’s accession process to the EU would involve adopting measures that promote youth involvement in decision-making processes, facilitate networking opportunities, and provide resources for youth empowerment programs. The strategy emphasises evidence-based policies anchored in young people’s real needs and situations, fostering mutual learning, participatory governance, and communication through platforms like the EU youth dialogue and the European Youth Portal.<sup>39</sup> As Ukraine integrates with the EU, the country would be expected to implement and contribute to the objectives outlined in the EU Youth Strategy, thereby strengthening youth engagement and empowerment across the region.

**Ukraine’s association with the European Youth Guarantee can significantly benefit the country by providing opportunities for young people and driving structural reforms and innovation.** The Youth Guarantee ensures that all individuals under the age of 30 receive within four months of becoming unemployed or leaving education: quality offers of employment, continued education, apprenticeships, or traineeships.<sup>40</sup> This initiative has been successful in reducing the number of young people not in employment, education, or training (NEET) across the EU, with significant drops in youth unemployment rates.<sup>41</sup> By aligning with the European Youth Guarantee, Ukraine can leverage its framework to address youth unemployment and NEET rates, promoting economic growth and social stability. Additionally, participation in the Youth Guarantee can lead to improvements and expansion of public employment services (PES) in Ukraine, further enhancing opportunities for young people and contributing to overall societal development.

**Investments in youth can further support the accession process.** Existing partnerships can be built upon to further solidify programmatic allegiances. For example, the Ministry of Youth and Sports (MOYS) has been working with the European Commission to allow Eastern Partnership nations access to the Erasmus+ program’s capacity building initiatives for youth and sports. Erasmus+ is the EU’s initiative to support education, training, youth, and sport. In its latest 2021-2027 programme, the organisation prioritised social inclusion, green and digital transitions, and youth engagement in democracy.<sup>42</sup> Additionally, MOYS has partnered with the Council of Europe to implement the Long-Term Training Course for Trainers in Human Rights Education for young people in Ukraine. The activities in 2019-2020 included a youth policy review, training seminars for Ukrainian youth experts and youth workers, and more.<sup>43</sup> EU4Youth is another EU programme focused on enhancing youth employment and facilitating job placement within the Eastern Partnership region,<sup>44</sup> whereas EU4Skills aims to improve the quality and attractiveness of vocational education and its relevance to the labour market. Ensuring these partnerships are built on through youth investments can lead to further significant benefits for Ukraine’s future via their contribution to the accession process.

<sup>36</sup> European Commission (2023), Communication from the Commission to The European Parliament, The Council, The European Economic and Social Committee and The Committee of The Regions. [https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD\\_2023\\_699%20Ukraine%20report.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_699%20Ukraine%20report.pdf)

<sup>37</sup> European Union (n.d.), EU Youth Strategy. [https://youth.europa.eu/strategy\\_en](https://youth.europa.eu/strategy_en)

<sup>38</sup> EUR-Lex (n.d.), EU Youth Strategy (2019–2027). <https://eur-lex.europa.eu/EN/legal-content/summary/eu-youth-strategy-2019-2027.html>

<sup>39</sup> Ibid

<sup>40</sup> European Commission (n.d.), The Reinforced Youth Guarantee. <https://ec.europa.eu/social/main.jsp?catId=1079&langId=en>

<sup>41</sup> Ibid.

<sup>42</sup> European Commission (n.d.), What is Erasmus+? <https://erasmus-plus.ec.europa.eu/about-erasmus/what-is-erasmus>

<sup>43</sup> Council of Europe (n.d.), Ukraine. <https://www.coe.int/en/web/youth/ukraine>

<sup>44</sup> EU NeighboursEast (n.d.), EU4Youth: Youth Employment and Entrepreneurship. Available at: <https://euneighbourseast.eu/projects/eu-project-page/?id=1641>

## 2.2. Critical areas for investment

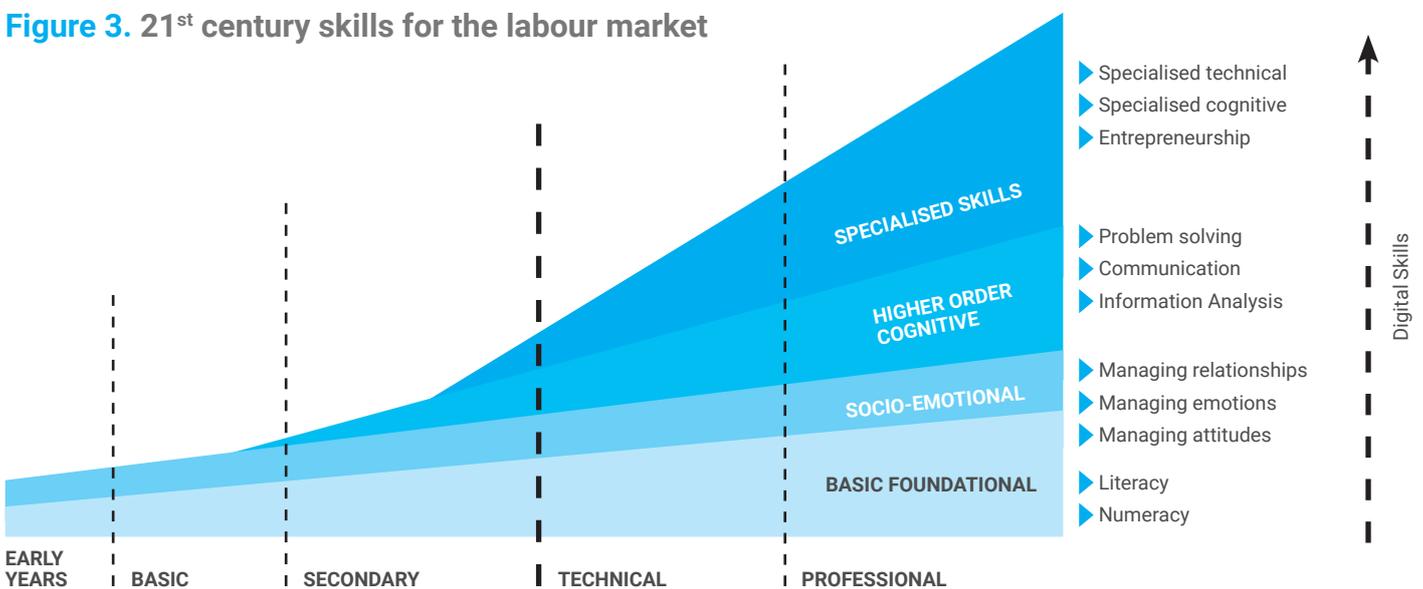
This section discusses the need for investments in Ukraine’s youth in specific areas which are paramount for the country’s post-war recovery. It discusses the need for investments in four areas where international evidence suggests that investments in youth have a high rate of return of investment. These areas are skills development, employment and social protection, mental and sexual health, and participation. Each investment area will be discussed in turn. The global evidence to support the investment will be outlined. The importance of the investment in the Ukrainian context will also be included. In each area, the key finding is that, whilst potential returns to investment are significant, Ukraine is currently not in a position to capitalise on these opportunities to ensure its young people prosper in the future, and action must be taken to address this. More detailed information about the studies that have been used to ascertain the key investments needed can be found in [Annex II: Model data and assumptions](#).

### 2.2.1. Skills development<sup>45</sup>

Across the world, investments in skills development have high returns from preschool through post-secondary education and vocational training. A significant body of empirical work highlights the importance of skills development in fostering employment and productivity.<sup>46, 47</sup> A landmark study from George Psacharopoulos indicates that, globally, the private average rate of return for each additional year of schooling stands at approximately 9% annually, remaining consistently stable over decades.<sup>48</sup> In the context of Ukraine, this figure is approximately 5%.<sup>49</sup>

**Investing in skills development is crucial for empowering youth and driving long-term economic recovery.** Skills development enhances human capital by providing individuals with specialised expertise, leading to a more productive workforce. Skilled workers are more likely to innovate and engage in entrepreneurial activities, driving technological advancements and economic development. Higher levels of education also create better job opportunities, reduce income inequality, and improve a country’s overall economic competitiveness. Moreover, education generates positive externalities that benefit society as a whole, contributing to long-term economic growth and stability. Furthermore, quality education and vocational training programmes equip young people with the knowledge, skills, and competencies needed to succeed in the workforce and contribute to economic development. The World Bank identifies the set of skills young people need to succeed in the 21st century labour market, as shown in Figure 3<sup>50</sup>

**Figure 3. 21<sup>st</sup> century skills for the labour market**



<sup>45</sup> The focus across the four investment categories is limited to the most pressing areas for youth. In skills development, the package focuses on skills development outside of formal education to complement the skill building opportunities in the education system. Programmes outside the education system are more flexible to adapt to labour market needs and are more scalable than programmes within, which typically already cover the majority of the population. The package also allows coverage of young people beyond tertiary education, which is necessary to cover the entire 14-35 age group.

<sup>46</sup> OECD (2015), Skills for Social Progress: The Power of Social and Emotional Skills.

<sup>47</sup> Banerji, A., W. Cunningham, A. Fiszbein, E. King, H. Patrinos, D. Robalino and J.-P. Tan (2010), Stepping Up Skills for More Jobs and Higher Productivity.

<sup>48</sup> Psacharopoulos, G. et al (2018), Returns to Investment in Education: A Decennial Review of the Global Literature. <https://documents1.worldbank.org/curated/en/442521523465644318/pdf/WPS8402.pdf>

<sup>49</sup> Ibid.

<sup>50</sup> World Bank (2023), Skills and Workforce Development. <https://www.worldbank.org/en/topic/skillsdevelopment>

**Even before the war escalated, Ukraine's skills profile was not sufficient to meet the demand of the labour market.** A 2017 World Bank report indicated that workers lacked a mix of advanced cognitive, socio-emotional, and technical skills to succeed in the labour market.<sup>51</sup> It also found that skills training outside the formal education system had very low take-up rates, and partnerships between firms and education institutions were scarce. Its recommendations included introducing financial incentives for firms to promote training, and integrating other types of learning into traditional education beyond foundational, including socio-emotional and technical skills.

**The full-scale war has further worsened the skills profile of Ukraine's youth.** Ukraine was able to participate in the PISA study between 2022 and 2023, which assesses the knowledge and skills of 15-year-old students in mathematics, reading, and science across a range of countries.<sup>52</sup> It is estimated that Ukraine is 1.5 years behind the OECD average in mathematics and 2.5 years behind in reading. This may be in part due to the limits of the education system during the full-scale war. As of February 24, 2023, shelling and bombing had damaged 3,151 educational institutions, of which 440 were destroyed. About 23 vocational education and training institutions were destroyed, and 128 institutions were damaged. Furthermore, 167 professional pre-higher and higher education institutions were damaged, and 24 institutions were destroyed. According to the Ministry of Education and Science, over 70% of higher education institutions reported that up to 30 percent of their students were forcefully displaced abroad between June and August of 2022. About 30% of teachers have also been internally displaced or have moved abroad, with more than 60 educational institutions reporting a shortage of teachers. The full-scale war may have negatively impacted the PISA results; it is likely that the educational outcomes of Ukrainian educational institutions will be affected over time if investments are not made to support recovery.

**The skills mismatch is most likely attributed to the quality and relevance of skills learned, rather than school attendance or enrolment rates.** Surveyed employers in Ukraine in previous studies have indicated that the educational system fails to adequately fulfil their requirements. The survey findings suggest that graduates lack practical skills, as well as up-to-date knowledge, resulting in a perceived shortage in the supply of skilled labour.<sup>53</sup> On the other hand, Ukraine's enrolment for primary and lower secondary schools is at or close to 100%. There is also a relatively high enrolment rate for higher education, compared to the average in the EU. As of 2020, whilst 57.1% of 30–34-year-old Ukrainians (49.7% of men and 64.8% of women) had completed tertiary education, only 41% in the EU (46.1% among women and 36% among men) had done the same.<sup>54</sup> Ukrainian students are also more likely to pursue further education beyond the first degree. About 74% of bachelor's degree graduates entered master's programmes in 2018. This is attributed to the expectation that better qualifications lead to a higher chance of being employed. Research shows that, in 2021, the employment rate among 20-64-year-olds holding at least a master's degree stood at 75%; whilst it was 51.3% for those with only a secondary school education, and 59.8% for individuals with only a bachelor's degree.<sup>55</sup> Given these statistics, Ukraine appears to be performing well in terms of creating access to formal education (although access may be impacted by the disruption of school buildings due to the war). The major challenge, however, is that the current education system lacks skill-building opportunities within the curriculum to equip students with in-demand skills for the labour market and offers limited opportunities beyond the educational system for skills building.

**Furthermore, specialist skills will be required to rebuild infrastructure destroyed during the war.** This rebuilding will place particular emphasis on the need for vocational skills. As stated in the Ukraine Facility Plan, which places importance on the need for vocational skills in reconstruction efforts, this includes locksmiths, electricians, welders, carpenters, tractor drivers, combine operators, etc.<sup>56</sup>

<sup>51</sup> World Bank (2017), SABER: Skills for a Modern Ukraine. [http://wbfiles.worldbank.org/documents/hdn/ed/saber/supporting\\_doc/Background/WFD/SABER\\_WFD\\_Background\\_Skills\\_for\\_a\\_modern\\_Ukraine.pdf](http://wbfiles.worldbank.org/documents/hdn/ed/saber/supporting_doc/Background/WFD/SABER_WFD_Background_Skills_for_a_modern_Ukraine.pdf)

<sup>52</sup> Only students from 18 out of 27 regions participated. OECD (2023), PISA Results 2022. <https://www.oecd.org/publication/pisa-2022-results/country-notes/ukrainian-regions-18-of-27-78043794/>

<sup>53</sup> OECD (2015), Identifying and Addressing Skills Gaps in Ukraine. [https://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/Skills\\_Gap\\_Assessment\\_Ukraine\\_ENG.pdf](https://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/Skills_Gap_Assessment_Ukraine_ENG.pdf)

<sup>54</sup> Relief Web (2022), Ukraine Higher Education Needs Assessment. <https://reliefweb.int/report/ukraine/ukraine-higher-education-needs-assessment-25-june-25-october-2022>

<sup>55</sup> Ibid

<sup>56</sup> European Union (2024), Ukraine Facility Plan. <https://www.ukrainefacility.me.gov.ua/wp-content/uploads/2024/03/ukraine-facility-plan.pdf>

## 2.2.2. Employment and social protection<sup>57</sup>

**Investments in employment and social protection are essential to ensure that youth receive a minimum income to sustain a decent life.** Core employment and social protection programmes for the youth cohort include active labour market policies (ALMPs) and unemployment benefits. ALMPs and social protection measures for youth can significantly drive economic growth by addressing unemployment challenges and supporting young individuals in the workforce. ALMPs include wage and hiring subsidies, independent worker assistance, vocational training programmes, and public employment programmes. These policies enhance young people's skills, productivity, and employability, ultimately contributing to a more dynamic and competitive labour market. An effective set of ALMPs is important in ensuring that young people are secure against shocks to the labour market demand and supply.<sup>58</sup> These programmes are mostly found to have a positive effect on earnings, with meta-analyses finding a median impact of 16.7% for wage subsidies, 16.5% for independent worker assistance, and 7.7% for vocational training.<sup>59</sup> Social protection schemes, including unemployment benefits and healthcare coverage, not only improve the well-being of youth but also reduce poverty and inequality. The results foster a more inclusive society that can drive economic growth through increased consumer spending, human capital development, and social stability. Unemployment benefits also have positive effects by supporting young people to find more productive employment during the school-to-work transition and improving long-term labour market productivity.<sup>60</sup>

**The social protection system is under increasing strain due to the pressures brought about by the escalation.** Approximately 14.6 million people are in need of humanitarian assistance and protection; 7.3 million people face challenges with food insecurity and livelihoods.<sup>61</sup> The increase in displaced persons and the urgent need for social assistance and pension payments have exacerbated the challenges faced by Ukraine's social protection system. The war has also resulted in widespread job loss, with estimates suggesting that up to 44% of jobs may have been lost.<sup>62</sup> Additionally, wage income, which constitutes 60% of total disposable income according to national statistics, has been significantly affected.<sup>63</sup> Even before the full-scale war, the unemployment benefit available to youth was around USD 15, or UAH 560, per month<sup>64</sup>, which is relatively low compared to European averages. There was limited capacity to support youth during the job search process. There is also limited access to the benefits for youth in Ukraine due to limited fiscal space. It appears that, with conscription efforts, young men may be inclined to evade official recognition and visibility in receiving these benefits.

**During and after the war, Ukraine will face a formidable challenge in revitalising its employment landscape.** Before the onset of the full-scale war, Ukraine had existing challenges hindering youth employment, including limited opportunities to obtain work experience, declining work-based learning mechanisms, and uninformed career choices driven by misconceptions of prestige. Additionally, there was a scarcity of career counselling services available to students.<sup>65</sup> The rate of youth unemployment was already at 19.1% before the full-scale war and is likely to be significantly higher at the time of writing (excluding the Armed Forces).<sup>66</sup> There are reports of the private sector losing qualified workers due to forced displacement and mobilisation of up to 1 million working-age men into the Armed Forces.<sup>67</sup> Women would typically increase labour participation rates in times of conscription, but instead they make up the vast proportion of

<sup>57</sup> For employment and social protection, the package focuses on active labour market policies rather than social assistance programmes. This is because most social assistance programmes are targeted at different age groups or do not require further scale up since they are already universal (e.g., the universal childbirth grant and unemployment benefits).

<sup>58</sup> CEPR (2019), Understanding What Works for Active Labour Market Policies. <https://cepr.org/voxeu/columns/understanding-what-works-active-labour-market-policies>

<sup>59</sup> *ibid*

<sup>60</sup> Pignatti, C. (2018), Better Together: Active and Passive Labour Market Policies in Developed and Developing Economies. [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms\\_660003.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_660003.pdf)

<sup>61</sup> OCHA (2023), Ukraine: Humanitarian Response Plan 2024 (December 2023). <https://www.unocha.org/publications/report/ukraine/ukraine-humanitarian-needs-and-response-plan-2024-december-2023-enuk>.

<sup>62</sup> ILO, Brief, May 11, 2022.

<sup>63</sup> World Bank (2022), Ukraine Social Protection: Current & Future Needs. <https://documents1.worldbank.org/curated/en/099945206202219727/pdf/P17758700c71e80640908c01ac5c3b162a8.pdf>

<sup>64</sup> State Employment Center (2018) State Employment Service. <https://www.dcz.gov.ua/en>

<sup>65</sup> United Nations Ukraine (2019), The State of Youth in Ukraine. <https://ukraine.un.org/sites/default/files/2020-06/THE%20STATE%20OF%20YOUTH%20IN%20UKRAINE%20report.pdf#:~:text=Besides%20these%20issues%2C%20other%20problems,lack%20of%20employer%20involvement%20in>

<sup>66</sup> ILO (2023), ILOSTAT: Ukraine.

<sup>67</sup> Epravda (2023), The Workforce in Ukraine: How Does The War Affect Its Future? <https://www.epravda.com.ua/columns/2023/06/8/700951/>

externally displaced. The path to restoring pre-war levels of employment in the country is expected to be prolonged, given the substantial damage to production capacities and logistical networks coupled with a sluggish domestic demand.<sup>68</sup> Consequently, high unemployment is anticipated to persist for an extended duration even after the war. This period could, in turn, contribute to worsening the rates of vulnerability among populations and families grappling with challenging life circumstances.

**Investing in employment and social protection programmes for youth is imperative to address the pressing economic challenges and social vulnerabilities that will arise in the aftermath of the war.** Such programmes could offer essential support to young individuals who may have been disproportionately affected by unemployment, displacement, and economic instability during the war. Since these initiatives provide opportunities for gainful employment and access to social safety nets (e.g., social assistance), they also contribute to poverty reduction, promote social inclusion, and help rebuild the livelihoods of youth and their families. Moreover, by fostering economic resilience and stability, such programmes lay the groundwork for sustainable recovery and development in the country.

### 2.2.3. Mental and sexual health<sup>69</sup>

**Adolescence and youth are particularly vulnerable times for developing mental health issues or facing sexual health challenges.** In terms of the former, young individuals are particularly vulnerable to developing mental health issues or vulnerabilities when compared to adults. Transitioning away from the parental home, financial concerns, restricted job or educational prospects, and interpersonal worries can lead to heightened stress levels, potentially activating mental disorders. Various conditions like depression, schizophrenia, and substance abuse are recognized to emerge during this developmental stage.<sup>70</sup> For sexual health, youth are also at higher risk of a range of issues, including initiation of sexual activity, whilst they lack adequate knowledge and skills for protection; this places adolescents at a higher risk of unwanted pregnancy, unsafe abortion, and sexually transmitted infections, including HIV/AIDS.<sup>71</sup>

**Improving mental and sexual health directly contributes to increased economic growth.**<sup>72, 73</sup> Enhanced mental health reduces absenteeism, boosts productivity, and fosters innovation; whilst lower healthcare costs free up resources for economic investments. Better mental and sexual health outcomes positively influence education, learning, and social relationships, creating a skilled, adaptable workforce and a supportive environment for collaboration. Addressing mental health issues reduces stigma and discrimination, leading to a more inclusive society where individuals can fully participate in economic activities, ultimately driving productivity and economic growth. Addressing sexual health issues, particularly reducing unwanted pregnancies, positively impacts work opportunities for women and the ability to plan for their economic futures, as well as reduces poverty rates.<sup>74</sup>

**There is a wide spectrum of investments that have proven to be effective in supporting young people's mental and sexual health.** For example, Comprehensive Sexuality Education (CSE) has proven effective in postponing the initiation of sexual activity, decreasing the instances of sexual encounters and partners, boosting the use of condoms and contraceptives, and lowering the occurrence of adverse sexual health outcomes (e.g., teenage pregnancies, HIV or STI infections).<sup>75</sup> Investing in mental and sexual health programmes like interactive computer-based programmes and online consultations for youth has also proven effective in several case studies. Interactive computer-based interventions (ICBIs) have demonstrated a more pronounced impact on sexual health knowledge compared to face-to-face interventions. ICBIs serve as effective tools for educating individuals about sexual health and exhibit promising effects on self-efficacy,

<sup>68</sup> UNICEF Ukraine Country Office (2023), Budget Brief: State Budget of Ukraine Analysis in 2021-2023 Years.

<sup>69</sup> Only mental and sexual health have been prioritised given that these areas disproportionately impact youth whereas other health areas, such as non-communicable diseases, do not disproportionately impact the youth age group vis-a-vis other age groups (e.g., the elderly).

<sup>70</sup> Stengard, et al (2010), Mental Health Promotion in Young People – an Investment for the Future. <https://www.consaludmental.org/publicaciones/Mentalhealthpromotionyoungpeople.pdf>

<sup>71</sup> WHO (2023), Adolescent Sexual and Reproductive Health. <https://www.who.int/southeastasia/activities/adolescent-sexual-reproductive-health>

<sup>72</sup> The Lancet Global Health (2020), Mental Health Matters. [https://www.thelancet.com/journals/langlo/article/PIIS2214-109X\(20\)30432-0/fulltext](https://www.thelancet.com/journals/langlo/article/PIIS2214-109X(20)30432-0/fulltext)

<sup>73</sup> World Economic Forum (2024), Closing the Women's Health Gap: A \$1 Trillion Opportunity to Improve Lives and Economies. [https://www3.weforum.org/docs/WEF\\_Closing\\_the\\_Women%E2%80%99s\\_Health\\_Gap\\_2024.pdf](https://www3.weforum.org/docs/WEF_Closing_the_Women%E2%80%99s_Health_Gap_2024.pdf)

<sup>74</sup> Starbird, E. et al (2016), Investing in Family Planning: Key to Achieving the Sustainable Development Goals. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4982245/>

<sup>75</sup> Michielsen K., and Ivanova O. (2022), Comprehensive Sexuality Education: Why Is It Important? [https://www.europarl.europa.eu/RegData/etudes/STUD/2022/719998/IPOL\\_STU\(2022\)719998\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/719998/IPOL_STU(2022)719998_EN.pdf)

intention, and sexual behaviour.<sup>76</sup> Moreover, studies have highlighted the efficacy of online depression treatment through group courses tailored for young people with depressive symptoms. In some cases, the treatment group exhibited significantly greater improvements in depressive symptoms at the three-month mark compared to the control group.<sup>77</sup> As traditional avenues for mental health support may be limited or inaccessible due to the war, online interventions offer a convenient and accessible means of delivering much-needed mental healthcare to Ukrainian youth, helping to alleviate their suffering and promote resilience during this challenging time.

**Due to the escalating war in Ukraine, the accessibility of essential Sexual and Reproductive Health (SRH) services has emerged as a critical concern, affecting numerous individuals.** Key impediments (such as pharmacy closures, damaged medical facilities, and disruptions in supply chains) have resulted in the constrained distribution of vital SRH medications.<sup>78</sup> This situation is much worse in frontline areas, which have been deeply affected by the war. Grappling with one of Europe's highest rates of HIV infection prior to the crisis, Ukraine now confronts heightened concerns regarding the potential escalation of HIV/AIDS and other sexually transmitted infections due to the insufficient use of condoms, interrupted treatment, compromised diagnostics, and increased GBV.<sup>79</sup> Particularly vulnerable populations, such as IDPs, rural residents, and those residing in frontline areas, face compounded obstacles in accessing fundamental SRH services.<sup>80</sup> Over 2% of reproductive-age women face unintended pregnancies annually, a figure expected to rise due to the ongoing war.<sup>81</sup> Research shows that teenage mothers experience lower educational achievement and subsequently secure lower-paying jobs.<sup>82</sup> This highlights the urgency of investing in interventions for proper sexual health for young Ukrainians.

**During continuous war and destruction of homes and communities, many young Ukrainians have been severely at risk of mental health complications, including post-traumatic stress disorder (PTSD), anxiety, and depression.**<sup>83</sup> A recent survey conducted by UNICEF in U-Report revealed that 73% of Ukrainian youth aged 14 to 34 express a need for emotional or psychological support.<sup>84</sup> However, only 30% of them actively sought help. This disparity may be attributed to stigma, as well as limited awareness or inadequate access to mental health services, which is further exacerbated by the ongoing war. The research underscores a strong desire among children and adolescents to better understand their emotions and cope with stress. However, it also highlights a gap in parental support, particularly amid the challenging circumstances of war.<sup>85</sup> According to a study conducted by UNDP, concerns regarding mental health issues (such as mood swings, depression, anxiety, and loneliness) among young people have doubled from 11% in 2021 to 22% in 2022.<sup>86</sup> This alarming increase underscores the urgent need for interventions and support services to address the growing mental health crisis among young people affected by the war. Addressing these issues necessitates investment in mental health services to offer professional assistance to those most vulnerable.

**The traumas of war can have profound psychological effects, leading to increased rates of mental health disorders and sexual health challenges.** By investing in accessible and comprehensive mental health services and sexual education programs, young Ukrainians can receive the support and resources they need to cope with trauma, address mental health issues, and make informed decisions about their sexual health. Such investments not only promote individual well-being but also contribute to building a healthier and more resilient society capable of overcoming the lingering effects of war.

<sup>76</sup> Bailey, J. V., Murray, E., Rait, et al. (2012), Computer-Based Interventions for Sexual Health Promotion: Systematic Review and Meta-Analyses. *International Journal of STD & AIDS*, 23(6), 408-413.

<sup>77</sup> van der Zanden, R., Kramer, J., Gerrits, R., & Cuijpers, P. (2012), Effectiveness of An Online Group Course for Depression in Adolescents and Young Adults: A Randomized Trial. *Journal of Medical Internet Research*, 14(3), e2033.

<sup>78</sup> UN Women (2022), Making the Invisible Visible. An Evidence-Based Analysis of Gender in The Regional Response to The War in Ukraine. [https://reproductiverights.org/wp-content/uploads/2022/10/RGTF\\_MakingTheInvisibleVisible\\_ENG.pdf](https://reproductiverights.org/wp-content/uploads/2022/10/RGTF_MakingTheInvisibleVisible_ENG.pdf)

<sup>79</sup> UNAIDS (2023), UNAIDS' Response to The Crisis in Ukraine. [https://www.unaids.org/sites/default/files/media\\_asset/Ukraine-SitRep.pdf](https://www.unaids.org/sites/default/files/media_asset/Ukraine-SitRep.pdf)

<sup>80</sup> UN Women (2022), Making The Invisible Visible. An Evidence-Based Analysis of Gender in The Regional Response to The War in Ukraine. [https://reproductiverights.org/wp-content/uploads/2022/10/RGTF\\_MakingTheInvisibleVisible\\_ENG.pdf](https://reproductiverights.org/wp-content/uploads/2022/10/RGTF_MakingTheInvisibleVisible_ENG.pdf)

<sup>81</sup> Ravelo (2022), UNFPA Expects Unintended Pregnancies in Ukraine to Go Up Due to War. <https://www.devex.com/news/unfpa-expects-unintended-pregnancies-in-ukraine-to-go-up-due-to-war-102950#:~:text=Each%20year%2C%20more%20than%202,country's%20ongoing%20war%20with%20Russia>.

<sup>82</sup> Levine P. (2014), Teenage Childbearing and Labour Market Implications for Women. <https://wol.iza.org/articles/teenage-childbearing-and-labor-market-implications-for-women/long>

<sup>83</sup> Riad, A., Drobov, A., Krobot, M., et al.. (2022), Mental Health Burden of The Russian–Ukrainian War 2022 (RUW-22): Anxiety and Depression Levels Among Young Adults in Central Europe. *International Journal of Environmental Research and Public Health*, 19(14), 8418.

<sup>84</sup> UNICEF (2023), UNICEF Helps 'How Are You?' Campaign Boost Mental Health in Ukraine. <https://www.unicef.org/ukraine/en/press-releases/unicef-helps-how-are-you-campaign-boost-mental-health-ukraine>

<sup>85</sup> Ibid

<sup>86</sup> UNDP (2023), Impact of War on Youth in Ukraine: Findings and Recommendations. <https://ukraine.unfpa.org/sites/default/files/pub-pdf/undp-ua-impact-war-youth-eng-findings-recommendations.pdf>

## 2.2.4. Participation<sup>87</sup>

**Youth civic participation and volunteering play a crucial role in driving economic growth through various channels.**<sup>88</sup>

By engaging in civic activities, young individuals develop essential skills, expand their networks, and contribute to community development and entrepreneurship, fostering a skilled and innovative workforce. Participation in volunteering projects enhances education outcomes, promotes critical thinking, and encourages social impact initiatives that address pressing societal challenges. By instilling civic values and active citizenship, youth are empowered to advocate for social change, support sustainable development efforts, and positively impact the economy by creating value, fostering innovation, and driving community revitalization, ultimately contributing to overall economic growth.

**In particular, youth centres and councils play a crucial role in increasing participation opportunities for young people.**<sup>89,90</sup>

They provide platforms for young people to actively engage in civic activities and decision-making processes. By participating in youth-led initiatives, community projects, and advocacy campaigns, young people can contribute to positive social change and address issues affecting their communities. These platforms empower young people to take on leadership roles and develop essential skills, such as communication, teamwork, and problem-solving. Through leadership training, mentorship programs, and peer support networks, youth centres and councils nurture the next generation of leaders who can drive sustainable development and foster inclusive societies. Youth centres and councils create inclusive spaces where young people from diverse backgrounds can come together, share experiences, and build supportive relationships. By promoting diversity, equity, and inclusion, these platforms help combat discrimination and social exclusion, ensuring that all young people have equal opportunities to participate and thrive.

**Volunteer work serves as the initial step into civic involvement for young individuals.** It can help young people to identify their priorities, establish their agendas, and interact with other youth or individuals; and can even act as a trigger to engage in the political sphere.<sup>91</sup> Furthermore, participation in civic and community activities not only enhances the sense of belonging and ownership among youth but also cultivates leadership skills and strengthens democratic values. There is also evidence that it can support employment prospects in the future, if done in correctly. For example, a study conducted by the European Union found a 2.7% positive impact on future wages among volunteers.<sup>92</sup> Several mechanisms contribute to this result, including that volunteering offers individuals an alternative avenue for acquiring skills and experience, thereby enhancing productivity.<sup>93</sup>

**In Ukraine, youth centres and councils address the specific needs and concerns of young people, such as education, employment, health, and well-being.** By offering support services, resources, and referrals, they help empower young people to overcome challenges, access opportunities, and achieve their full potential. Investing in youth through centres and councils is critical for sustainable development, as young people represent a significant demographic group with the potential to drive economic growth, innovation, and social progress. By engaging youth as active stakeholders in development processes, Ukraine can harness their energy, creativity, and ideas to address pressing challenges in the recovery phase and build a brighter future for all.

**Ukraine currently has a promising wave of youth volunteers.** In 2022, 30% of youth responded to a survey suggesting they had volunteered in 2022, compared to only 6% in 2021.<sup>94</sup> This is a significant increase in volunteering, and harnessing this interest could support young people develop skill, as well as pursue future political and economic activity. By investing in these programmes, Ukraine can harness the potential of its youth as agents of positive change and progress in the post-war phase.

<sup>87</sup> For participation, programmes with quantifiable benefits have been prioritised, given that these are measurable and can be subjected to an investment case. Youth councils have also been included since they are understood to be a fundamental component of youth policy, despite not having quantifiable benefits.

<sup>88</sup> Generation Unlimited (2021), Young People's Participation and Civic Engagement. <https://www.generationunlimited.org/media/3021/file/Action%20Guide%205-%20Young%20people%E2%80%99s%20participation%20and%20civic%20engagement.pdf>

<sup>89</sup> OECD (no date), Engaging Young People in Open Government. <https://www.oecd.org/mena/governance/Young-people-in-OG.pdf>

<sup>90</sup> SQW (2024), Youth Provision and Life Outcomes. Systematic Literature Review. [https://assets.publishing.service.gov.uk/media/65ce4180e1bdec0011322215/Literature\\_Review\\_-\\_Report\\_-\\_Youth\\_Evidence\\_Base-accessible.pdf](https://assets.publishing.service.gov.uk/media/65ce4180e1bdec0011322215/Literature_Review_-_Report_-_Youth_Evidence_Base-accessible.pdf)

<sup>91</sup> UN Volunteers (2023), Youth and Volunteering. <https://knowledge.unv.org/theme/youth-and-volunteering>

<sup>92</sup> Bruno, B., & Fiorillo, D. (2014), Voluntary Work and Wages (No. 05/2014). EERI Research Paper Series.

<sup>93</sup> Ibid.

<sup>94</sup> UNFPA (2022), Impact of War on Youth in Ukraine.

### 3

## Selecting programmes for scale up

**This section of the report outlines our approach to scaling up investments in Ukraine's youth.** The previous chapter outlined the potential for return on investment and the need to make these investments in Ukraine. This section responds to this need by outlining how this can be done. There are many levers that need to be pulled to ensure young people receive the services they need to thrive. This includes ensuring appropriate governance structures, strong youth policies, and supportive human development systems (e.g., healthcare, education, and social protection). All of these areas are of significant importance. The contribution of this investment case is primarily programmatic. It proposes investing more resources in programmes that show promise for improving the outcomes of youth and for tackling the challenges Ukraine's youth face (as outlined in the above sections). These promising programmes are referred to as an "aspirational package" for Ukraine's youth.

**The development of an aspirational package is the first step to developing an investment case for youth.** The aspirational package is a set of programmes that are relevant to addressing the challenges facing young people in Ukraine. In this case, young people are defined as those between 14-35 years old, aligning with the Government of Ukraine's definition of youth.<sup>95</sup> A relevant investment case in this context must meet several conditions. The interventions that make up the package: must align with the Government's national recovery priorities in the context of the ongoing war, are in critical thematic areas for youth development, have robust evidence of effectiveness to support them, and comply with European Union accession guidance. It is important to note that the programmes that have been selected are merely example programmes; this investment case supports the scale up of programmes similar to the ones in the aspirational package, not the specific programmes, per se.

**This section will proceed as follows.** First, the criteria and process for programme prioritisation will be set out in more detail. This includes the process for separating out the aspirational package programmes into early- and late-stage recovery. Secondly, the aspirational package will be presented outlining the specific features of each programme and the scale up scenarios envisaged. This section does not include several inputs to the prioritisation process that were developed (e.g., the landscape mapping of youth programmes), or the target group and indicator definition process to prepare programmes for the cost-benefit analysis. Mapping of services for youth was conducted to understand what services currently exist in Ukraine. In the developing the aspirational package, it was important to understand what currently exists in Ukraine and what is currently providing value to youth. The scale up of currently existing programmes is the preferred pathway to increase service delivery to youth; existing programmes have already demonstrated benefit in the ecosystem and present a more cost-effective option to reaching youth than creating programmes from scratch. Further details of these processes can be found in [Annex I: Programme selection](#).

## 3.1. Criteria for programme selection

The shortlisting of Ukrainian youth programmes to be included in the aspirational package required developing and applying specific criteria. These criteria are necessary to ensure programmes with the highest priority within each intervention category are included in the package. This selection process will increase the relevance to key stakeholders and therefore increase the likelihood that the interventions in the investment case will receive funding.<sup>96</sup>

**Table 3. Criteria for programme selection in the aspirational package**

**Alignment with national recovery priorities.** In some cases, national recovery priorities are spelled out in Government plans, such as the National Recovery Plan, at a Government-wide level, and sector-specific strategies, such as the Recovery Plan of the Youth and Sports Working Group. In most cases, national policy is largely under review due to the extent to which several factors are in flux. One factor, for example, is the number of young people in the country, where they are located, and what services they may need. The number of fiscal resources in the future is also uncertain. National policy is, therefore, constantly in the process of being adjusted, and thus is not completely reliable as a resource for understanding national priorities going forward. Hence, we combine our understanding of policy with listening to what national counterparts see as priorities. This input was captured in the key informant interviews undertaken in the inception phase mission, including with the Ministry of Youth and Sports, Ministry of Education and Science, State Employment Service, Ministry of Finance, and the Youth Council of the President. One priority outlined in the National Recovery Plan is for refugees to return and reintegrate. This priority has been given consideration under these criteria, ensuring that the aspirational package is attractive to people considering returning to the country.

**Critical thematic areas for youth.** Key areas are highlighted in global literature as critical to the development of young people, as discussed in Critical areas for investment, specifically skills development, mental and sexual health, employment and social protection, and participation. These priority areas are ones UNICEF focuses on align with international evidence on what works for investing in services for youth.

**Strength of effectiveness evidence.** It is the objective of the aspirational package to include only thematic areas and specific programmes that are likely to improve the outcomes of youth in Ukraine. There is a range of evidence showing the effectiveness of programmes from randomized controlled trials (RCTs), longitudinal studies, impact evaluations, and other literature and data sources. This literature is summarised in [Annex II: Model data and assumptions](#). Selected programmes should also be measurable and specific so that outputs can be attributed to the programme and these can be assessed for their effectiveness. This will ensure that programmes included in the aspirational package have demonstrated that they are good value for money (in terms of the ratio of benefits to costs); and, thus, would be more likely to attract international funding because of this. Programmes with less tangible benefits could be included but only as qualitative support (with description) for the overall quantitative analysis.

**The full value of programmes cannot be captured by a cost-benefit analysis alone.** Even for programmes that meet the evidence and data requirements, it is only possible to measure certain aspects of their benefit. Most youth programmes have a series of benefits and only part of these are captured. A qualitative analysis has accompanied the quantitative analysis to account for these.

**The EU accession agenda.** The investment case also factors in prioritising interventions that align with the institutions and opportunities of the European Union, through the EU *acquis* legal framework and other key documentation of the EU (e.g., the EU Youth Strategy).<sup>97</sup> This action ensures the youth sector is contributing to Ukraine's overall accession to the European Union agenda. It is a priority of the aspirational package that nothing is promoted that is seen to be non-compliant with the *acquis*. Programmes in the EU Youth Strategy may be prioritised to further facilitate the accession process.

<sup>95</sup> Law of Ukraine (2021), On Basic Principles of Youth Policy. <https://zakon.rada.gov.ua/laws/show/1414-20#n356> =

<sup>96</sup> It is important to note that these are only examples of potential interventions.

<sup>97</sup> European Youth Portal (2022), EU Youth Strategy. [https://youth.europa.eu/strategy\\_en](https://youth.europa.eu/strategy_en)

## 3.2. Selected programmes

Based on the application of these criteria, alongside consultation and validation with partners, the final aspirational package consists of the types of programmes outlined in Table 4 (below). An example programme from each type of programme has been included and described. These example programmes will be subjected to cost-benefit analysis as examples of the benefit-cost ratios of these types of programmes.

The focus across the four investment categories is limited to the most pressing areas for youth. In skills development, the package focuses on skills development outside of formal education to complement the skill-building opportunities in the education system. Programmes outside the education system are more flexible and able to adapt to labour market needs and are more scalable than programmes within, which typically already cover the majority of the population. These programmes also allow coverage of young people beyond tertiary education, which is necessary to cover the entire 14-35 age group. This also recognises Ukraine's high emigration rate of tertiary graduates, thus encouraging skills programmes more directly tied to opportunities in the Ukrainian labour market. The exception to this are study abroad programmes, with the cultural exchange benefits from these deemed to outweigh "brain drain" risks. For employment and social protection, the package focuses on active labour market policies rather than social assistance programmes. This is because most social assistance programmes are targeted at different age groups or do not require further scale up since they are already universal (e.g., universal childbirth grant, unemployment benefits). For health, only mental and sexual health have been prioritised given that these areas disproportionately impact youth whereas other health areas, such as non-communicable diseases, do not disproportionately impact the youth age group more than other age groups (e.g., the elderly). Finally, for participation, programmes with quantifiable benefits have been prioritised, given that these are measurable and can be subjected to an investment case. Youth councils, however, have also been included since they are understood to be a fundamental component of youth policy, despite not have quantifiable benefits.

**Table 4. Programmes in the aspirational package**

Category	Programme type	Example programme for modelling	Description	Subject of scale up
Skills development	Self-employment course for youth with disabilities	<a href="#">Career Hub Pro Freelance</a>	An educational course for young people with disabilities, the programme of which is designed taking into account the needs of the audience, so that it is accessible to every young person.	Course participants
	Career counselling at youth centres	<a href="#">Youth centres</a>	Youth centres are places designed to provide a range of services to youth, particularly vulnerable youth (e.g., IDPs). Slightly over half of youth centres report providing some form of career counselling to their participants. <sup>98</sup>	Class-based sessions with career counsellors
	21st century skills training including entrepreneurship	<a href="#">UPSHIFT</a>	Combines human-centred design workshops with mentorship and "mini grants" to unleash the creative problem-solving skills of young leaders.	Course participants
	TVET online learning portals	<a href="#">Profosvita.online</a>	Online platform for distance and mixed learning specifically for students of vocational education institutions, teaching staff, and independent acquirers of professional qualifications.	Online course participants
	Study abroad programmes	<a href="#">Erasmus+</a>	Organises student and doctoral candidate exchanges in EU and specific non-EU countries	Students studying abroad
Employment and social protection	Entrepreneurship grants	SES start-up grants	Entrepreneurship funding for young people whose businesses have demonstrated the promise of potential employment creation.	Grant recipients
	Hiring subsidies	SES salary matching	50% salary matching for 6 months for youth in their first professional jobs to ease their transition to the labour market.	Subsidy recipients
Mental and sexual health	Psychosocial support in youth centres	<a href="#">Youth centre psychosocial support</a>	Youth centres are places designed to provide a range of services to youth, particularly vulnerable youth such as IDPs. Slightly over half of youth centres report providing psychosocial support to their participants. <sup>99</sup>	Consultations for psychosocial support
	Mental health consultations for IDPs	<a href="#">Community Mental Health Teams</a>	Responds to the mental health needs of IDPs in the east of Ukraine with person-centred and recovery-oriented care to people, particularly for people living in remote-regions with limited access to mental health services.	Consultations with professionals for IDPs

<sup>98</sup> Kindrat, L. (2022), Research of the Needs and Challenges of the Ukrainian Youth Centres of Different Ownership Forms at the Local, Regional and National Levels. Available at: <https://rm.coe.int/needs-of-youth-centres-in-ukraine-2022/1680ab69f5>

<sup>99</sup> Ibid.

Category	Programme type	Example programme for modelling	Description	Subject of scale up
	Online peer-to-peer sexual and mental health consultations	<a href="#">Teenergizer</a>	Teenergizer is a free online information portal and site where young people can access online peer-to-peer consultations or consultations with a psychologist about sexual and mental health.	Online peer-to-peer consultations
Participation	Youth councils	<a href="#">National Youth Council of Ukraine (NYCU)</a> <sup>100</sup>	NYCU aims to consolidate and develop democratic youth organizations in Ukraine to protect and represent the interests of young people at local, national, and international levels.	Participants in NYCU and associated organisations
	Volunteering platforms	<a href="#">National Volunteering Platform</a>	Non-governmental organizations can add their volunteer projects to the online portal, whilst all those interested can easily find opportunities and engage in volunteering in their cities.	Registrations on the platform.

### 3.3. Scaling up selected programmes

**The benefit associated with the investment case is derived from the scale up of the selected programmes.** In many investment cases, the goal is for programmes to reach all participants in their target group, otherwise known as universal coverage. The nature of youth programming means that universal coverage is not achievable nor desirable in most cases. The majority of the interventions in the youth package require agency on behalf of the young person, therefore achieving universal coverage is not possible. It would also not be a good use of scarce resources. For example, if every young person received an entrepreneurship grant from the State Employment Service, competition among small businesses would be unnaturally fierce, and successful entrepreneurs would be crowded out. There are also the implementation capacities of programmes to consider, which prevent the rate of scale up that is feasible over a specific timeframe. A bespoke approach is required, per indicator, given the different type of programmes. Each programme scale up has been modelled based on one of four factors.

#### 1. Benchmarking against similar programmes in the region.

- For volunteering platforms, the targets here were based on countries which already have high rates of people engaged in voluntary activities. Estonia, Denmark, France, Latvia, and Finland all have volunteering rates between 20% and 30%.
- For study abroad programmes, the target is to have the equivalent proportion of students travelling abroad for studies as in the average EU country.

#### 2. Proxy indicators demonstrate the appropriate level of supply for the programme.

- For self-employment courses for youth with disabilities, the proportion of self-employed people in Ukraine (14.7% of the labour force) informs the scale of the ambition for this programme.

#### 3. Implementation capacities limit the pace of scale up.

- In general, it is considered feasible to add double the existing number of participants each year.
- For programmes that are solely online, such as the TVET online portal, scale up constraints are considered less, with ten times the participant numbers being added each year considered as feasible.

#### 4. Geography, with some programmes only targeting specific areas.

- Mental health consultations for IDPs targets IDPs specifically; therefore, the goal of scale up is to reach 100% of clinically anxious and depressed youth in the four oblasts with the highest levels of IDPs.

Further details on the specific rates of scale up can be found in [Annex I: Programme selection](#).

<sup>100</sup> The National Youth Council is unable to be assessed in the cost-benefit analysis due to limited quantitative effectiveness evidence that is available. However, a costing has been conducted for the National Youth Council, and the qualitative benefits of the programme have been described.

**Given the current context of the war, it is infeasible to scale up all programmes immediately.** With limited resources and capacities, most likely only programmes with significant urgency in the war context will be able to scale up in the short term. Thus, criteria have been developed to assess which programmes are most urgent to ensure young people’s resilience through the wartime. These criteria, along with the corresponding scores, will aid decisionmakers in determining which programs should be prioritised for immediate scale up, i.e., “early recovery”, and which ones should be considered for long-term focus during the “later-recovery” phase.

**Table 5. Criteria to ascertain “early-recovery” programmes**

<p><b>Urgency of need:</b> This criterion assesses the immediacy and severity of the problem that the intervention aims to address. It considers how pressing the issue is in the context of post-war recovery. For example, interventions targeting urgent needs, such as mental health support for traumatised youth or access to basic necessities (e.g., food and shelter) for displaced populations, would rank higher in terms of urgency. Understanding the urgency of need helps decisionmakers prioritise interventions that address critical challenges faced by youth in the aftermath of war, ensuring that resources are allocated effectively to areas where they are most urgently needed.</p>
<p><b>Target population:</b> This criterion evaluates the specific group or demographic that the intervention aims to serve. It considers factors such as vulnerability, the extent of impact from the war, and the specific needs of these groups. For example, interventions targeting internally displaced youth would prioritise serving highly vulnerable populations. Understanding the target population helps tailor interventions to meet the unique needs and circumstances of different groups, ensuring that resources are directed towards those who are most at risk or in need of support.</p>
<p><b>Ease of implementation:</b> This criterion assesses the feasibility and practicality of implementing an intervention, taking into account factors such as logistical challenges and scalability. It considers whether the intervention can be delivered online or in-person, and how this deliverability impacts its ability to reach a larger audience. Interventions that are easily scalable, such as those that can be delivered online and reach a wide geographic area, may be more advantageous in terms of broader impact and cost-effectiveness. However, the feasibility of online delivery depends on factors such as digital infrastructure, internet access, and technological literacy. On the other hand, in-person interventions may be more suitable for certain contexts or target populations where online access is limited or where face-to-face interaction is preferred for building trust and rapport.</p>

Broadly speaking, the early recovery programmes either focus on mental health, employment, or specific types of skills needed in wartime. Mental health is considered an urgent need, given the mental toll placed on young people during the war and the resilience needed in the early stages of recovery. Employment is prioritised, given the need to ensure the economy is sustained in the short-term to support livelihoods and public finances. Finally, specific types of skills are prioritised, given their utility in the early phases of recovery: entrepreneurship skills are required to support business and job creation in early stages of recovery, whereas technical and vocational skills (particularly in construction-related trades) will be necessary to support rebuilding.<sup>101</sup> The division of programmes can be found in Table 6 (below).

**Table 6. Programme type, by phase of recovery**

Phase	Programme type
Early recovery (from 2024)	21st century skills training, including entrepreneurship
	TVET online learning portals
	Entrepreneurship grants
	Hiring subsidies
	Psychosocial support in youth centres
	Mental health consultations for IDPs
	Volunteering platforms
	Career counselling in youth centres
Later recovery (from 2027)	Self-employment courses for youth with disabilities
	Study abroad programmes
	Online peer-to-peer sexual and mental health consultations
	Youth councils

<sup>101</sup> European Union (2024), Ukraine Facility Plan. <https://www.ukrainefacility.me.gov.ua/wp-content/uploads/2024/03/ukraine-facility-plan.pdf>

## 4

## Cost-benefit analysis

At its core, **cost-benefit analysis (CBA)** is a method of economic evaluation that involves weighing up the direct and indirect positive and negative impacts of an intervention or set of interventions (measured in costs and benefits). The outcome provides clear information to decisionmakers on whether the intervention or package of interventions has a net benefit to society and, therefore, whether it is advisable to fund.

**The programmes needed to be further defined before they could be modelled in a CBA.** The model estimated the benefits and costs associated with scaling up the coverage of the programmes from a “baseline” rate to the “target coverage” rate. Converting programmes to indicators was necessary. Each indicator was required to have a baseline unit, as well as targets for scale up and target populations, so that baselines and targets could be expressed as a percentage of the potential number of young people reached by the programme. The selection of target groups is informed by the group that the programme typically covers. Baseline data was collected either through desk review or from key informant interviews with programme implementers. This data is expressed as a percentage of the target group. Placeholder baseline rates were used when this information was not available. For the scale up scenarios to target coverage rates, each indicator required a bespoke approach, which is outlined in Table 4. Programmes in the aspirational package. A full mapping of selected programmes to indicators, target groups, baseline coverage rates, and target coverage rates can be found in [Annex I: Programme selection](#).

**Table 7. Target and scale up parameters for the aspirational package**

Phase	Intervention	Target age	Target group	Baseline coverage	Target coverage	Rationale
Early Recovery	Youth registered on the National Volunteering Platform	15-34	All	0.46%	30.00%	Benchmarking (Estonia, Denmark, France, Latvia, Finland)
	Youth receiving career counselling in youth centres	15-34	All	1.51%	22.71%	Implementation capacity
	Youth with depression receiving psychosocial support in youth centres	15-34	Youth with depression	3.03%	45.44%	Implementation capacity
	Youth with anxiety receiving psychosocial support in youth centres	15-34	Youth with anxiety	3.03%	45.44%	Implementation capacity
	Youth suffering with depression undertaking consultations with CMHT	18-34	Youth with depression	0.29%	11.00%	Geography
	Youth suffering with anxiety undertaking consultations with CMHT	18-34	Youth with anxiety	0.34%	11.00%	Geography
	Youth receiving startup grants from the State Employment Service	18-24	Unemployed	0.02%	0.28%	Implementation capacity
	Youth participating in the UPSHIFT programme	15-24	All	0.05%	0.78%	Implementation capacity
Later recovery	Upper secondary vocational education students who undertake courses on the Profosvita platform	14-18	Upper secondary vocational students	0.89%	63.19%	Implementation capacity*
	Students visiting universities in Europe for studies with Erasmus	18-24	University students	0.44%	8.00%	Benchmarking (EU average)
	Youth obtaining course completion certificates on the 'Career Hub Pro: Freelance' platform	15-34	Youth with disabilities	0.02%	14.70%	Self-employment rate (14.7%)
	Youth with HIV undertaking consultations about their sexual health with Teenergizer	15-29	Youth with HIV	29.78%	90.00%	Existing coverage rates
	Youth with STIs other than HIV undertaking consultations about their sexual health with Teenergizer	15-29	Youth with STIs other than HIV	0.76%	11.41%	Implementation capacity
	Youth with depression undertaking consultations about their mental health with Teenergizer	15-29	Youth with depression	2.21%	33.15%	Implementation capacity
	Youth with anxiety undertaking consultations about their mental health with Teenergizer	15-29	Youth with anxiety	2.58%	38.75%	Implementation capacity

The model was run for two scale-up scenarios based on how the war progresses in the future:

- **The frozen conflict scenario (Scenario A):** This scenario assumes limited changes to the war situation before 2027. Coverage rates for early-recovery programmes are scaled up incrementally to their target coverage rates by 2027. These are then maintained up to 2030.<sup>102</sup> Later-recovery programmes are not scaled up in this scenario.
- **The military de-escalation scenario (Scenario B):** This scenario assumes positive changes to the situation of the war by 2027. Similarly to Scenario A, coverage rates for early-recovery programmes are scaled up to their target coverage rates by 2027. These are then maintained up to 2030. Late-recovery programmes are then scaled up incrementally to target coverage rates between 2027 and 2030.

**A Social discounting rate (SDR) has been applied to the benefits and costs to ensure to net present value (NPV) is captured.** SDR is the rate used to calculate how society values future benefits and costs compared to present ones. In this case, an SDR of 5% was used, reflective of the approach recommended by Haacker et al. for lower middle-income countries.<sup>103</sup> This informs the Net Present Value (NPV), which is the sum of all future cash flows over the investment's lifetime, discounted to the present value. The implication is that benefits gained or costs incurred today are greater than they will be in the future.

<sup>102</sup> Programmes are expected to continue beyond 2030, but this analysis only models costs and benefits up to 2030.

<sup>103</sup> Haacker, M. et al (2020), On Discount Rates for Economic Evaluations in Global Health. <https://academic.oup.com/heapol/article/35/1/107/5591528?login=false>

**Furthermore, all figures in this report are an average of estimates within a range.** Due to the uncertainty around cost and benefit data (which is inherent in a cost-benefit analysis exercise where assumptions are necessary), only an average estimate is able to be produced rather than a precise figure. The lower and upper bound for the estimates are available in [Annex V: Sensitivity Analysis](#). A sensitivity analysis is a financial model that determines how target variables are affected based on changes in input variables. It is a way to predict the outcome of a decision given a certain range of variables. In this case, each figure is subjected to a 20% range; the upper bound is 10% higher than the mid bound, and the lower bound is 10% lower than the mid bound.

The outputs (in sections below) include a description of the anticipated additional costs incurred for each scale-up scenario by 2030. Benefits associated with the youth programmes according to each scale-up scenario are also presented here in both monetary and non-monetary terms. Both benefits and costs are reported in incremental (or additional) terms; i.e., the difference between the baseline scenario and the scale-up scenario under study. The monetised benefits and costs were then compared and are expressed as incremental benefit-cost ratios and the incremental cost-of-inaction. The calculations for incremental benefit-cost ratios (BCRs) and incremental cost-of-inaction (COI) are presented below.

**Table 8. Calculations for BCRs and COIs**

Output	Formula
Incremental benefit-cost ratio (BCR)	Additional benefit (monetary) <b>divided</b> by additional costs (monetary)
Incremental cost-of-inaction (COI)	Additional benefit (monetary) <b>minus</b> additional costs (monetary)

**Overall, the results of the CBA highlight the strong economic case for investing in a range of youth programmes.** All the programmes that were studied as part of the CBA demonstrated a rate of return above 1, which means they are all advisable to fund given no fiscal limitations. By 2030, the total BCR for the package is 2.2 for Scenario A and 2.5 for Scenario B. This means that for every UAH 1 invested in the aspirational package of youth programmes, the benefits to society will equate to UAH 2.20 for Scenario A and UAH 2.50 for Scenario B.

## 4.1. Cost estimates

**Scaling up youth programmes to higher rates of coverage has cost implications.** The associated costs have been modelled across the two scenarios and highlights how costs are anticipated to differ between scale up scenarios.

**The costing exercise is high level and relies primarily on normative cost estimates.** Normative costing involves costing out service delivery as it should be in an efficient and high-quality system (normative) rather than as it currently is (empirical). For an aspirational package of interventions, where this is an interest to demonstrate the cost of expanding coverage but also quality by adhering to standards, use of normative estimates is traditionally recommended.<sup>104</sup> This is preferred given stakeholders will be more convinced to invest in efficient and high-quality services for youth. The downside of this approach is that it may overestimate costs due to the assumption that services are high quality, or it may underestimate due to system inefficiencies. The cost estimates relied upon benchmarking against costs of similar programmes, assuming a typical rate of economies of scale during the scale up for specific cost categories, such as administrative costs, and the use of Ukraine-specific data, such as wage data.

**A bespoke costing model has been developed for each of the programmes in the aspirational package.** Depending on the programme and data available, cost categories have been identified either via expense items (e.g., personnel costs) or activities (e.g., programme management). Unit costs for programme components are established from a range of sources, including national data (e.g., average salaries), or literature about similar programmes in Ukraine or elsewhere in Eastern Europe, which are used to make assumptions about the specific costs of the programmes. Costs have then been divided into fixed and variable costs, with variable costs increasing as programmes cover a greater number of participants. Economies of scale are applied to variable costs in line with experiences of similar programmes.

<sup>104</sup> Jeet, G. et al (2021), Costing of Essential Health Service Packages: A Systematic Review of Methods from Developing Economies. <https://www.sciencedirect.com/science/article/pii/S1098301521016028>

**Given this, this costing should not be used for planning purposes or the actual rollout of interventions.** Instead, it is an indication of the overall cost that the scale up is likely to involve over time. If the Government of Ukraine and its partners are to pursue the programme scale ups, it will be important to undertake detailed costing exercises to determine planning and budgeting.

**The cost estimates for the scale ups (Table 9) show the anticipated costs between 2024 and 2030 of the programmes in the aspirational package.** Baseline costs are based on what the total costs would be if the programme maintained its existing coverage rate until 2030. The costs of each scale up scenario are outlined before delving into more specific detail for Scenario B (the optimistic scenario).<sup>105</sup>

**By 2030, the overall costs for scale up under Scenario A would be UAH 40.1 billion and the costs of scale up under Scenario B would be UAH 44.4 billion.** This represents 4.1% and 4.6% of total projected spending in related sectors in Ukraine (social sectors and economic activities) of UAH 970 billion by 2030 (as noted in the fiscal space analysis in section 5.2) for Scenario A and B, respectively.

**Table 9. Cost estimates of the aspirational package, by 2030, UAH, discounted**

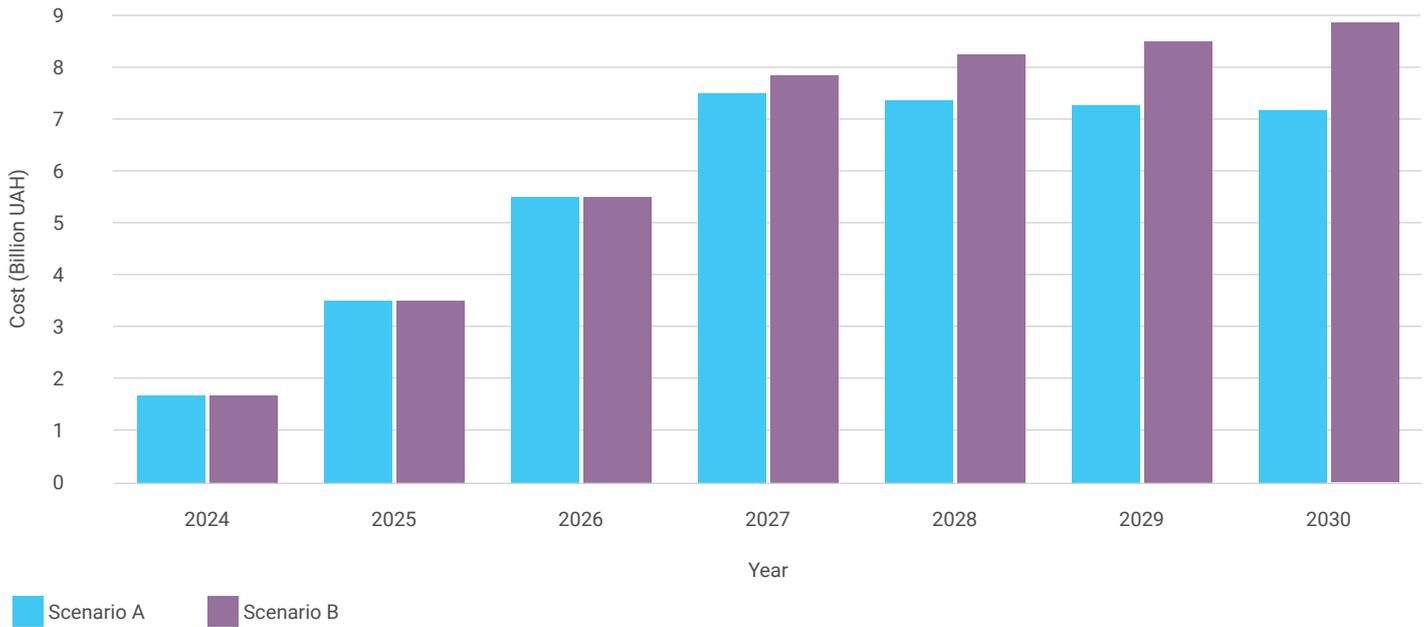
Recovery Phase	Programme	Scenario A	Scenario B
Early	CMHT	1,377,527,399	1,377,527,399
	National Volunteering Platform	9,533,607,449	9,533,607,449
	Profosvita	436,731,513	436,731,513
	Salary matching	8,665,625,299	8,665,625,299
	Startup grant	1,799,631,025	1,799,631,025
	UPSHIFT	1,743,545,555	1,743,545,555
	Youth Centre Career Counselling	4,821,104,263	4,821,104,263
Later	Youth Centre Psychosocial Support	11,759,512,667	11,759,512,667
	Career Hub Pro Freelance	0	270,017,570
	Erasmus	0	1,641,512,757
	National Youth Council	0	257,137,270
	Teenergizer	0	2,066,043,161
<b>Total</b>		<b>40,137,285,173</b>	<b>44,371,995,930</b>

Figure 4 illustrates the additional costs for each year required to invest until 2030. Costs are further disaggregated into the annual additional amount required to fund the scale-up scenarios. Costs increase at the same rate in both scale up scenarios up to 2027; Then, Scenario B costs more overall due to the scale up of late-recovery programmes that are modelled for a military de-escalation scenario.<sup>106</sup>

<sup>105</sup> Given that the scenarios are relatively similar, particularly up to 2027, details are only shared for Scenario B to avoid repetitive data presentation and analysis. The key difference between Scenario A and B is the exclusion of late-recovery programmes in Scenario A (the frozen conflict scenario).

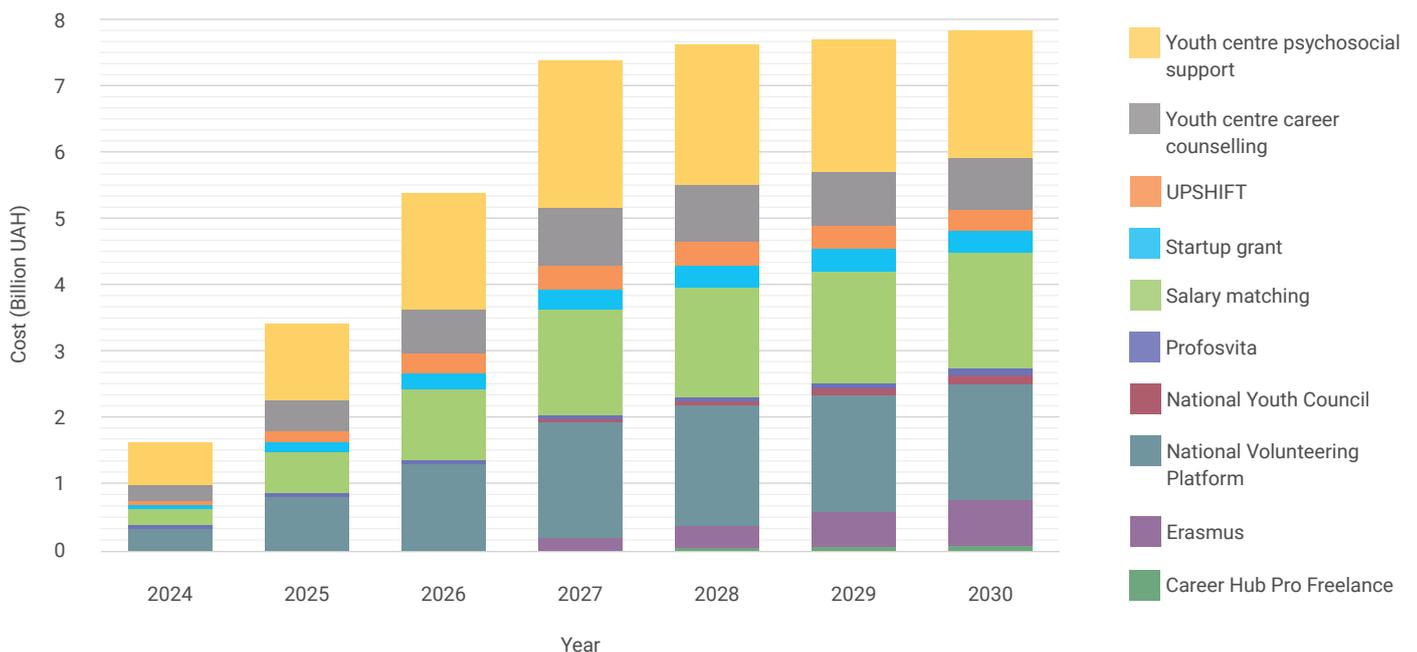
<sup>106</sup> Costs in Scenario A are shown to fall after 2027 due to the social discounting rate applied to costs over time, as well as continued economies of scale for the scale up scenarios compared with the baseline.

**Figure 4. Costs per scale up scenario, by 2030, discounted (Billion UAH)**



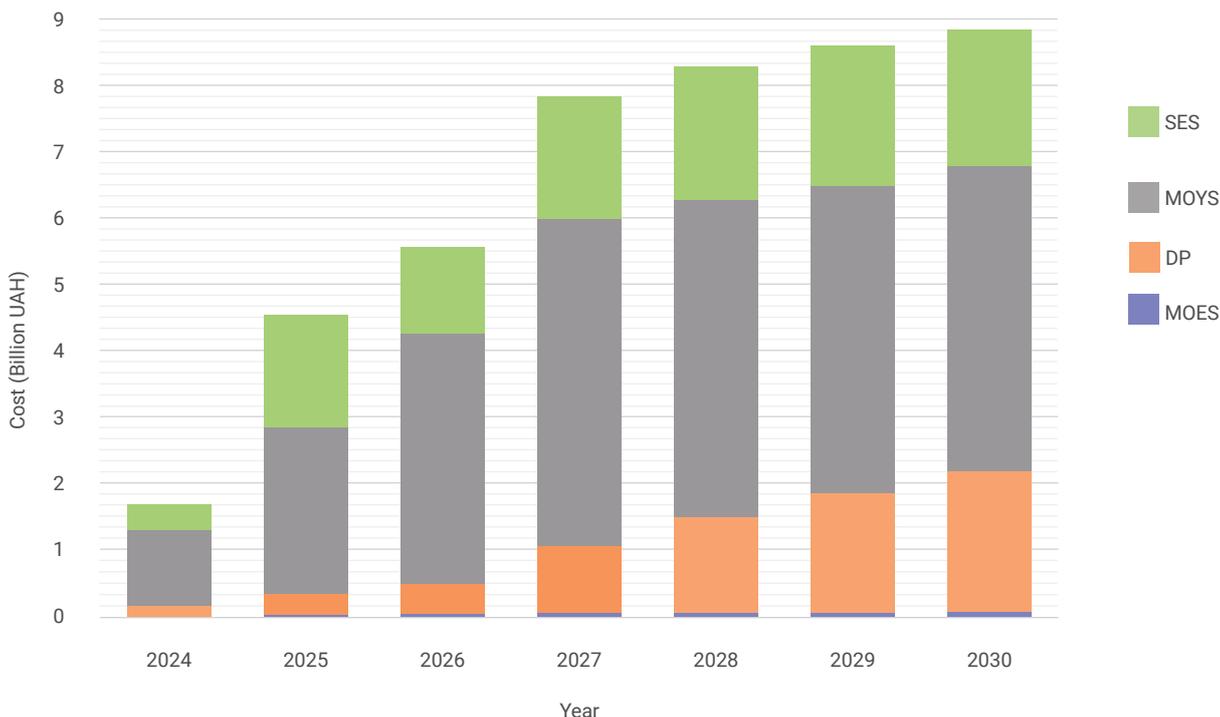
**Figure 5 visualises the data found in Figure 4 for Scenario B only to emphasise the significant differences in the overall costs of different programmes.** Large programmes that target more young people stand out as the main cost drivers in the package, including the National Volunteering Platform, youth centres, and the startup grant. The cost is not a reflection on their value for money, which is covered in the cost-benefit analysis section, but it does indicate the number of youths that it would be preferable to cover. For example, youth centre career counselling hopes to cover 1,877,799 youths in 2030, indicating a cost of UAH 754.2 per young person. On the other hand, the startup grant is only modelled to cover 1,869 youths in 2030, indicating a cost-per-participant of UAH 295,784. Thus, whilst career counselling costs more than startup grants in total cost, this is purely a function of the number of young people it covers, due to the larger target group or greater perceived need of scale up to a larger percentage of that target group. In this example, career counselling is needed for most young people, whereas a startup grant is only needed for a limited number of young entrepreneurs.

**Figure 5. Costs per programme, by 2030, Scenario B (Billion UAH)**



The costs of the scale up are also shown according to the type of funder that currently funds the programme, i.e., cost apportionment according to either the Ministry of Youth and Sports, Ministry of Education and Science, State Employment Service, or Development Partners.<sup>107</sup> This is based on the assumption that scale up costs are covered by the Ministries or agencies that currently oversee the programmes. Over the period from 2024 to 2030, MOYS is expected to incur the highest projected costs, indicating the need for a substantial financial commitment from the Ministry to support youth initiatives. Following MOYS, DPs contribute significantly to funding, highlighting the need for solidifying current collaborative efforts between the Government and external stakeholders. The SES also plays a key role overseeing resource-intensive services such as salary matching and supporting startups with grants. These dynamics are explored further in the Financing options section of the report.

**Figure 6. Costs by funder, up to 2030 (Billion UAH)**



## 4.2. Benefits assessment

The benefits of youth programmes include both quantitative and qualitative impacts. The quantitative impacts are also compared with the costs of the programmes, and outlines the results of the cost-benefit analysis. Following on from the quantitative benefit assessment, each programme’s non-quantifiable benefits are discussed in turn in the qualitative benefits section.

### 4.2.1. Quantitative benefits

Four types of benefits were quantified for the cost-benefit analysis: skills, health, employment, and participation. Each indicator that makes up the aspirational package is associated with one of these four types of benefit. These types correspond to the category of each programme in the package: skills development corresponds to “skills”, mental and sexual health corresponds to “health”, employment and social protection corresponds to “employment”, and participation corresponds to “participation”. Youth councils are only studied qualitatively, but all other programmes in Table 4. Programmes in the aspirational package are included in the quantitative benefits modelling. The way these are calculated and monetised is explained in each section and further detail can be found in [Annex II: Model data and assumptions](#).

<sup>107</sup> Development Partners referred to here are multilateral and bilateral funding organisations that provide financial support to in-country policies and programmes.

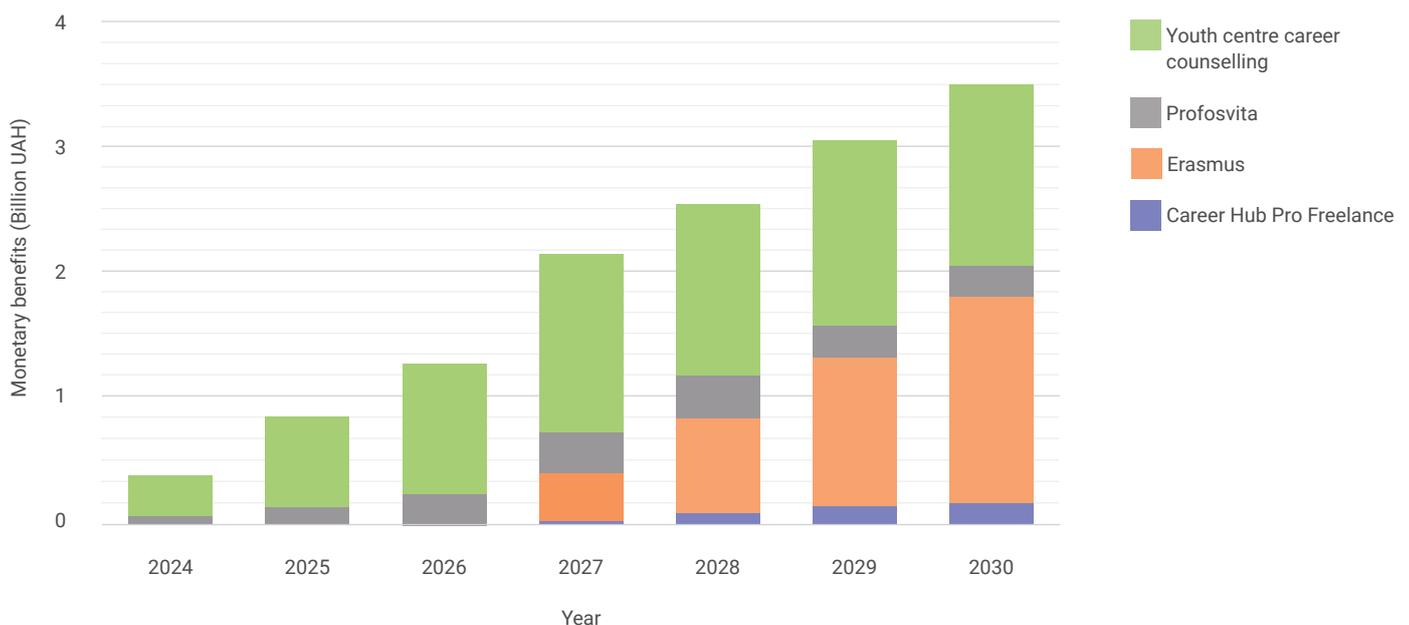
### 4.2.1.1. Skills

**One of the main benefits associated with investments in youth is the acquisition of skills to support future activity in the labour market.** There were five programmes in the aspirational package most associated with skills: Career Hub Pro Freelance, Profosvita.online, career counselling in youth centres, UPSHIFT, and the Erasmus exchange. Non-monetary benefits are expressed in terms of equivalent years of education. Programmes have been assessed for the amount of skill provided when compared to an additional year of education. This has been achieved by assessing the amount of time a course takes in comparison to a year of education. This is then monetised using the effect size of an additional year of education on lifetime earnings, estimated in Ukraine as 4.5%.<sup>108</sup>

**Figure 7 depicts the projected monetary benefits of four of the five programmes (Career Hub Pro Freelance, Profosvita.online, career counselling in youth centres, and the Erasmus exchange) by the year 2030.** All indicated programmes contribute to the benefits, including the development of diverse skill sets. Career counselling for youth provides invaluable support in the development of essential skills for navigating the evolving job market. UPSHIFT integrates human-centred design workshops with mentorship to cultivate the professional skills of young leaders, including teamwork, problem analysis, critical thinking, project management, creative problem-solving, entrepreneurship, and more. Profosvita offers an online platform where young individuals can access short courses covering technical skills in diverse fields such as fashion, hospitality, entrepreneurship, languages, and more. Participating in Erasmus or other student exchange programmes offers students a unique opportunity to develop a wide range of valuable skills. Through immersion in a different academic and cultural environment, students enhance their intercultural competence, communication skills, and adaptability. Additionally, navigating unfamiliar settings fosters independence, resilience, and problem-solving abilities. Career Hub Pro Freelance has an educational course for young people with disabilities that provides them with employable skills in copywriting, graphic design, and video montage.

**Figure 7 also reveals the relative contributions of programmes to monetary benefits, based on the impact on lifetime earnings each programme is likely to deliver.** Although some deliver substantial benefits, such as Erasmus (additional wage premiums associated with studying abroad offer substantial wage premiums in the future), it should be noted that this is primarily due to the lower coverage rate of the programme compared to others in the skills category. Overall, the monetary benefits alone do not suggest that some programmes are less cost-effective than others. This is mainly an indication of the different coverage rates for each of these programmes. As a package of five interventions, annual benefits are approximately UAH 3.5 billion by 2030.

**Figure 7. Monetary benefits associated with skills programmes by 2030, Scenario B, billion UAH**



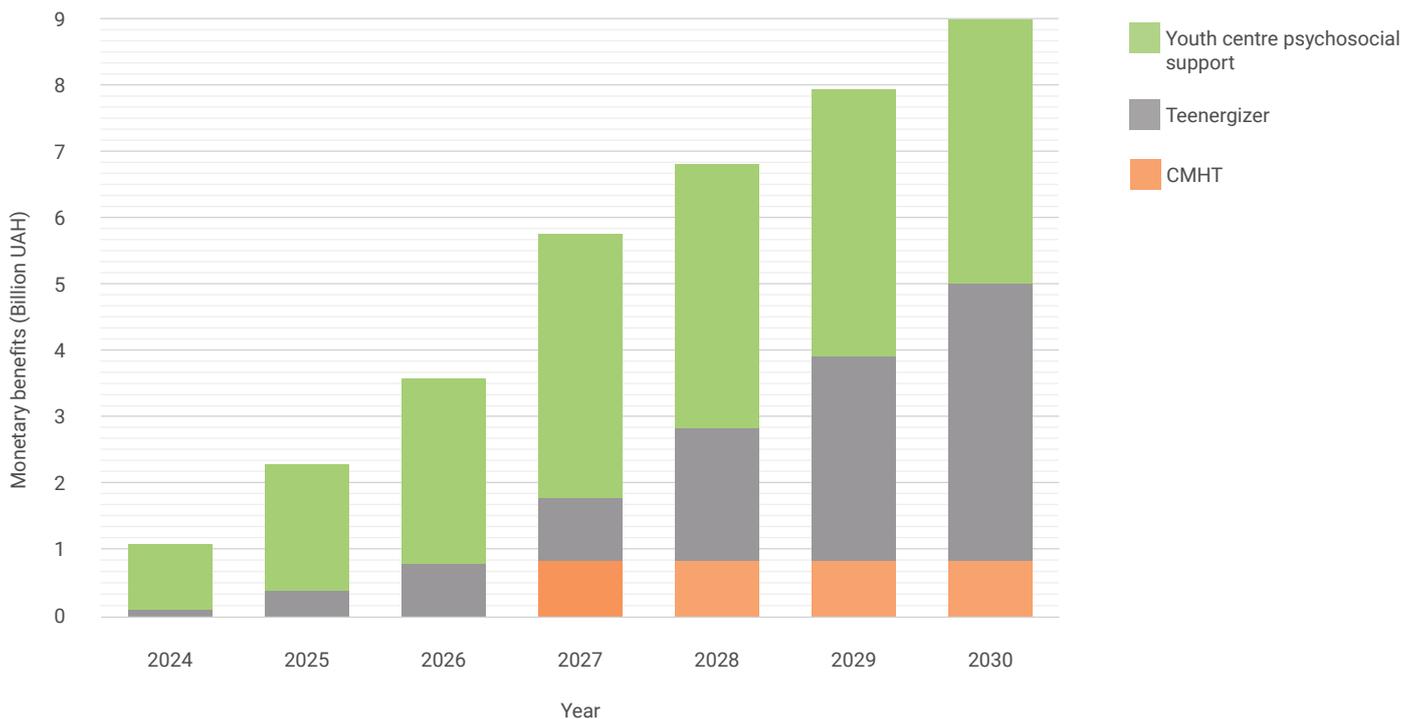
<sup>108</sup> Psacharopoulos, G. et al (2018), Returns to Investment in Education: A Decennial Review of the Global Literature. <https://documents1.worldbank.org/curated/en/442521523465644318/pdf/WPS8402.pdf>

### 4.2.1.2. Health

**Another quantifiable benefit associated with investments in youth is the improvement of mental and sexual health.** There were three programmes in the aspirational package most associated with health benefits: CMHT, Teenergizer, and psychosocial support in youth centres. Non-monetary benefits are expressed in terms of disability-adjusted life years (DALYs), a common measure of overall disease burden expressed as the number of years lost due to ill-health, disability, or early death. Programmes have been assessed for the amount of health provided in terms of DALYs saved. This calculation was achieved by assessing the extent to which the programmes reduce the likelihood of specific diseases, then using disability weights established by IHME to assess how many DALYs this was worth. DALYs are then monetised by multiplying the number of DALYs saved by 1.5 GDP per capita, following best practices.<sup>109</sup>

**Figure 8 depicts the projected monetary benefits associated with CMHT, Teenergizer, and psychosocial support in youth centres (mental and sexual health interventions) by the year 2030.** Each of these interventions contribute in unique ways to increase health benefits for young people in Ukraine. Teenergizer is a free online information portal and site where young people can access online peer-to-peer consultations for diseases with a high health burden, such as HIV and STIs. The programme also provides benefits for young people with depressive and anxiety symptoms. The benefits of psychosocial support in youth centres are also significant, particularly given the potential for the number of youth than could be reached via youth centres. CMHT has lower overall benefits, although this reflects the fact that its target group is smaller, compared to Teenergizer and psychosocial support in youth centres; it responds to the mental health needs of IDPs living in remote areas and thus working to ensure health equity. Lower benefit levels for a programme like CMHT do not necessarily indicate lesser impact or effectiveness for youth.

**Figure 8. Monetary benefits associated with health programmes by 2030, Scenario B, Billion UAH**



### 4.2.1.3. Employment

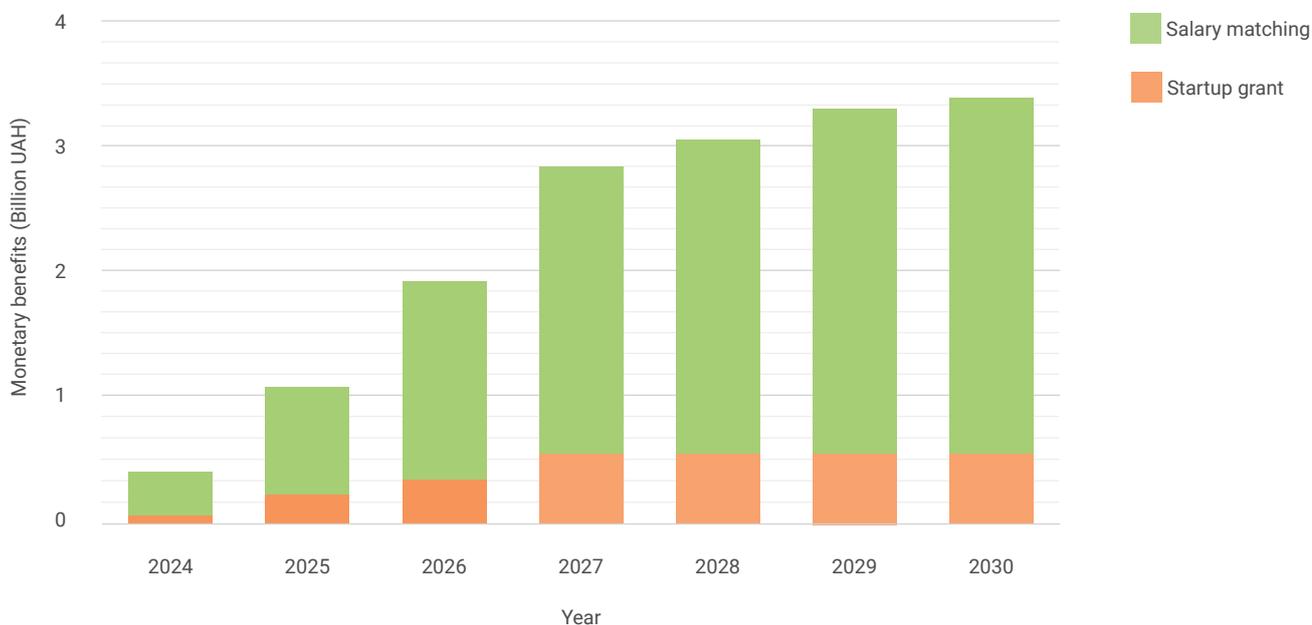
**The third category of quantifiable benefits associated with investments in youth is the increased likelihood or quality of employment.** Programmes can either decrease the likelihood of unemployment or increase the wages of youth in previously poor-quality employment. Many of the programmes in the package are associated with the increased likelihood or quality of employment, but the two that are most directly linked are the salary matching scheme and the startup grant, both from the State Employment Service. The link between employment and monetary benefits is directly linked

<sup>109</sup> Stenberg, K. (2014), Advancing Social and Economic Development by Investing in Women’s and Children’s Health: A New Global Investment Framework. [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(13\)62231-X/abstract](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(13)62231-X/abstract)

to the increased wages commanded by employees as a result of their employment or grants. The calculation of benefits considers the potential increase in consumption levels resulting from increases in youth wages, taking into account the multiplier effect.

**Figure 9 depicts the projected monetary benefits associated with the salary matching scheme and the startup grant (youth employment interventions) by the year 2030.** It is evident from the Figure that the salary matching scheme yields notably greater monetary benefits than the startup grant throughout the entire period. However, it is important to note that this outcome is directly linked to the higher coverage of the salary matching scheme compared to the startup grant. Both initiatives provide effective impact pathways for increasing employment. Startup grants mainly support entrepreneurs to expand operations, increase production capacity, or enter new markets and ultimately hire new employees to meet the growing demands of the business. For salary matching schemes, employers may create new job positions or expand their existing workforce to take advantage of the financial incentives provided by the scheme. Eligible young workers (often recent graduates or individuals transitioning from education to employment) benefit from increased job opportunities facilitated by the salary matching scheme. These employment opportunities may include entry-level positions, internships, apprenticeships, or traineeships in various sectors and industries.

**Figure 9. Monetary benefits associated with employment programmes by 2030, Scenario B, Billion UAH**



#### 4.2.1.4. Participation

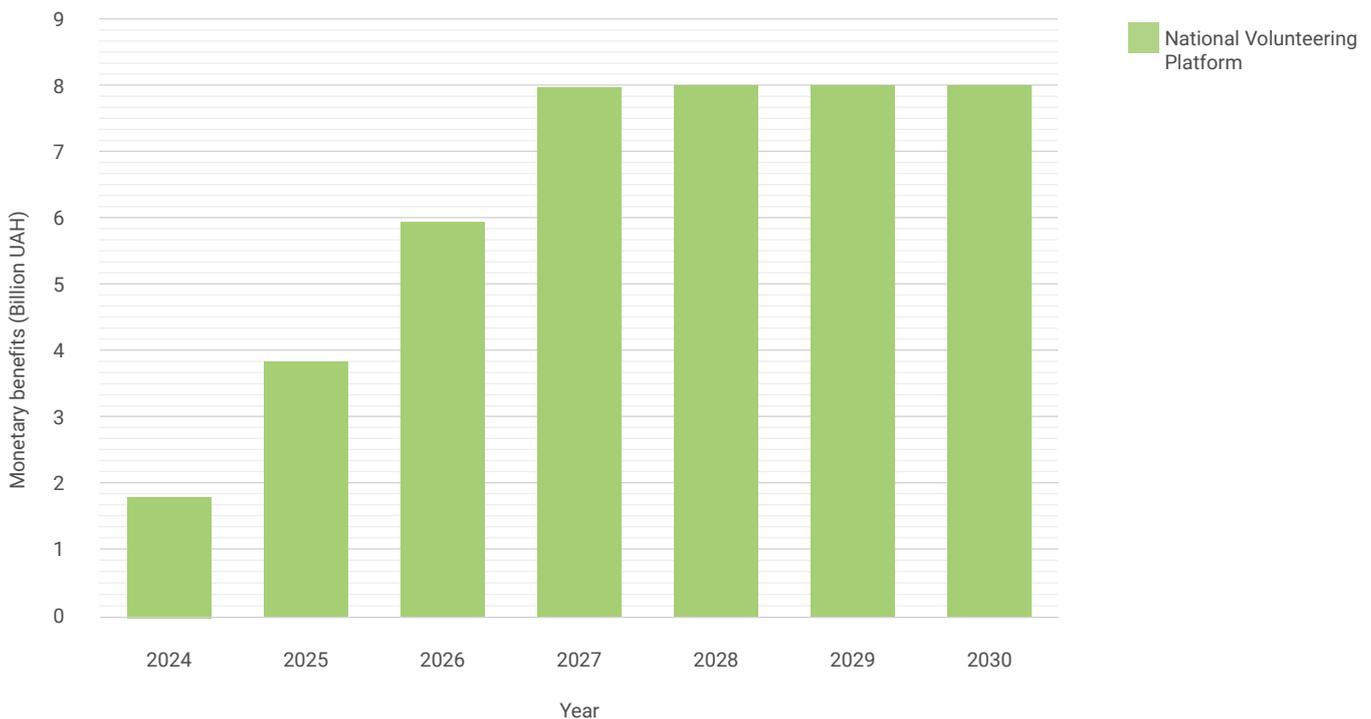
**The final category of quantifiable benefits associated with investments in youth is via increased participation.** Of the two participation programmes in the package, the National Volunteer Platform was included in the quantitative analysis. Youth councils are covered in the qualitative section. The programme that directly targets participation is the National Volunteering Platform (NVP). Whilst the majority of the benefits of participation are non-quantifiable, there is a link with increased lifetime earnings, provided that the volunteering being undertaken is not so regular as to deter from employment.<sup>110, 111</sup> Thus, NVP is associated with monetary benefits, given the increased wages that result from participation activities.

**Figure 10 shows that the monetary benefits from the National Volunteering Platform increase overtime.** This shows the significant impact of earnings attributed to taking up participation roles. It is important to note that this outcome is a relatively small aspect of the benefit achieved from participation, but only effects on future employment can be monetised. The reason the benefits are so high is primarily due to the high coverage rates the scale up could achieve, with Scenario B targeting 30% coverage of all youth in Ukraine.

<sup>110</sup> Eberl, A. and Krug, G. (2020), When and How Does Volunteering Influence Wages? – Evidence From Panel Data. <https://journals.sagepub.com/doi/10.1177/0001699320902809>

<sup>111</sup> Bruno, B. and Fiorillo, D (2014), Voluntary Work and Wages. [https://www.econstor.eu/bitstream/10419/142668/1/EERI\\_RP\\_2014\\_05.pdf](https://www.econstor.eu/bitstream/10419/142668/1/EERI_RP_2014_05.pdf)

**Figure 10. Monetary benefits associated with participation programmes by 2030, Scenario B, Billion UAH**



## 4.2.2. Qualitative benefits

**Many aspects of youth programmes have significant benefits that are not monetisable.** Whilst the quantitative analysis highlights the benefits in monetary terms, this only represents a proportion of the overall benefits associated with the programmes. Thus, benefit calculations are an underestimation in each of the examples above. This section aims to create a more complete picture of the overall benefits of each of the programmes in the aspirational package.

The qualitative benefits have been identified through a combination of methods:

- **Review of Case Studies.** Literature reviews of case studies of similar programmes and interventions through systematically searching and synthesizing existing research studies, reports, and evaluations. Reviewing literature, common themes, patterns, and findings related to the qualitative benefits experienced by participants in similar programmes.
- **Programme implementers and beneficiaries.** Testimonials from programme implementers and programme end-users (e.g., participants) offer first-hand accounts of the qualitative benefits experienced. These testimonials provide personal narratives and anecdotes that highlight the positive experiences, transformations, and successes resulting from programmes and interventions.
- **Program Monitoring and Evaluation.** Information from programmes which have conducted regular monitoring and evaluation activities provided insights into the qualitative outcomes and impacts.

**Table 10. Qualitative benefits of programmes in the aspirational package**

<p><b>Youth centres</b></p>	<p>Youth centres offer a range of benefits to young people. These benefits span further than the programmes associated with youth centres above, namely career counselling and psychosocial support, since youth centres are involved in a wide range of activities. These includes:</p> <ul style="list-style-type: none"> <li>▪ Empowerment and civic participation. Youth centres contribute to the civic participation of young people. By creating spaces for active engagement, these centres empower young individuals to influence their communities positively. The youth centres give young people the opportunity to understand that they can be change makers in their community, influence it, and create changes.</li> <li>▪ Skill development and self-realisation. Youth centres provide skills necessary for self-realisation, emphasising the importance of youth-driven initiatives. These skills are particularly relevant in the modern context and include civic participation, fostering sustainability, and enabling young people to drive positive change.</li> <li>▪ Social and physical security. Youth centres prioritise social and physical security, providing a safe space for young people to express themselves and actively participate in community life. This aspect contributes to the overall well-being and confidence of the participants.</li> <li>▪ Community building and networking. Youth centres stimulate youth development in the community, creating networks of active citizens. Even those who do not directly participate become aware of opportunities, fostering a sense of community and encouraging voluntary engagement.</li> </ul> <p>Furthermore, youth centres in Ukraine use European Council Standards as a reference point, pursuing alignment with international best practices. This contributes to the overall quality and effectiveness of youth centre initiatives and could potentially play a role in EU accession for Ukraine.</p>
<p><b>Youth councils</b></p>	<p>The benefits of youth councils have been studied both by governments and civil society, when seeking to create more opportunities for youth to develop as active citizens and contribute to policymaking locally and nationally.<sup>112</sup> Youth councils also play a critical role in advocating for marginalised groups of young people, and increasing people's sense of belonging and inclusion in social, political, and economic processes. Youth councils and similar formal structures offer Governments a traditional channel through which policymakers can interact with organised youth and take their concerns into account. Youth councils encourage young people to play an active role in their communities and teach vital skills that support wider economic development, such as communications skills, planning, project management, and advocacy. They can also strengthen intergenerational ties by encouraging collaboration between young people and adults on shared goals. As such, youth councils are an important element of a communications approach and can also function as an intermediary to communicate with the youth they represent. Communication must be seen as continuous, rather than a one-off or occasional activity. And youth council members should be considered full citizens – not future citizens in training.<sup>113</sup></p> <p>The war has seen a surge in young people in Ukraine who are determined to be a part of rebuilding the war-torn country. Research undertaken by the UNDP highlights that only 1% of young people state that they are currently involved in the recovery efforts in their community in Ukraine.<sup>114</sup> Furthermore, 72% of young Ukrainians report that they are willing to contribute to rebuilding efforts in their community.<sup>115</sup></p> <p>A further body of evidence on the importance of platforms and structures for youth in Ukraine is the significant increase in civic engagement that has been seen since the full-scale war started. The percentage of youth engaged in volunteering has risen from 20% to 42%. Furthermore, the number of young people who started volunteering within the last 12 months increased from 6% in 2021 to 30% in 2022. A growing proportion of young people (66%) do not wish to emigrate from Ukraine, compared to 49% in 2021. 76% of young people who were displaced abroad due to the war express the desire to return to Ukraine.<sup>116</sup> These statistics reported by the UNDP show that there is a willingness from the youth to participate in rebuilding efforts. There is a risk that these sentiments will decline as the war becomes more protracted, further underling why investments in youth are required now to capitalise on this trend. Youth councils are often the link between the State and young people. For inclusive rebuilding efforts and an active youth population, councils, such as the Ukraine National Youth Council (NYCU), have an important role to play in Ukrainian society.</p> <p>In 2015, the inception of the NYCU marked a significant milestone in Ukraine's commitment to fostering the development of its youth.<sup>117</sup> The NYCU was established as a result of collaborative efforts between national and international youth organisations, with the shared objective of consolidating and advancing democratic youth associations in Ukraine to effectively safeguard and represent the diverse interests of the youth, from local to international levels.<sup>118</sup> This remains the primary objective of the NYCU's activities. Through its multifaceted initiatives, the NYCU plays a pivotal role in shaping a more inclusive and empowered future for the youth of Ukraine.</p>

<sup>112</sup> OECD (2017) Engaging Youth in Policymaking Processes. <https://www.oecd-ilibrary.org/docserver/9789264283923-10-en.pdf?expires=1721656568&id=&accname=guest&checksum=67188F971397BD7F2D35BCAA4CB88488>

<sup>113</sup> OECD: Engaging Young People in Open Government. <https://www.oecd.org/mena/governance/Young-people-in-OG.pdf>

<sup>114</sup> United Nations Development Programme (2023), Impact of War on Youth in Ukraine. [https://www.undp.org/sites/g/files/zskgke326/files/2023-07/undp-ua-impact-war-youth-eng-findings-recommendations\\_2023\\_2.pdf](https://www.undp.org/sites/g/files/zskgke326/files/2023-07/undp-ua-impact-war-youth-eng-findings-recommendations_2023_2.pdf)

<sup>115</sup> Ibid.

<sup>116</sup> Ibid.

<sup>117</sup> NYCU (n.d.), The National Youth Council of Ukraine. <https://nycukraine.org/en/about/#>

<sup>118</sup> Ibid.

<b>UPSHIFT</b>	<p>UPSHIFT supports a diverse group of young people, ensuring that all youth, regardless of their background or social standing can actively participate, contributing to a more inclusive and representative development process. The programme has four key objectives, which can lead to benefits for young people:</p> <ol style="list-style-type: none"> <li>1. Developing 21st century skills that are crucial for the challenging transition from school to the labour market. Among these skills are problem-solving, teamwork, communication, leadership, and critical thinking. The skills development aspect of the programme contributes to the personal and professional growth of participants, assisting them in identifying and nurturing their talents.</li> <li>2. Empowering disadvantaged and excluded adolescents and youth, including strengthening their resilience and sense of agency.</li> <li>3. Building sustainable civic engagement, where young people become changemakers in their communities and gaining leadership. Reaching young people in smaller communities or socially isolated settings in Ukraine can have a positive ripple effect on the community.</li> <li>4. Encouraging social entrepreneurship, as both a skill set and a mindset for implementing projects with social impact components. This aspect could have benefits on the future social entrepreneurship of the country, developing much needed businesses to solve social problems.</li> </ol> <p>Two direct quotes from a programme implementer of UPSHIFT further detail the benefit that young people receive due to participating in the programme.</p> <ul style="list-style-type: none"> <li>▪ “One boy with hearing impairment took part in UPSHIFT, where he developed his project and then he expanded this project to schools for children with hearing and vision impairments. Then his life changed for the better. He began to participate in other UNICEF projects. He spoke at the UN General Assembly. He received an offer to study abroad at a university. Now he is studying; he is an athlete and an activist. The programme helped him gain new opportunities in life.”</li> <li>▪ “There was a team of young people who had never travelled outside of the Donetsk Oblast (at that time it was a frontline territory). Thanks to UPSHIFT, they travelled for the first time, took part in the program’s boot camp, received funding, made a project, and became known throughout the community. They were invited to various events. One girl from this project received an award from UNICEF, which was presented to her by the First Lady. It was recognition. Young people got a lot of experience, travelled. It gave them a boost, and they chose a different education than they could have chosen before. They admit the above and are very grateful.”</li> </ul>
<b>Career Hub Freelance Pro</b>	<p>Self-employment and freelance is the form of employment enables individuals to ensure financial stability and find fulfilment in an inspiring field of work.<sup>119</sup> Career Hub Pro Freelance and other such programmes do not just enhance the skills of participants to enable this type of work to take place. Rather, the focus on disabilities, with the course meticulously designed to cater to the specific needs of the audience, ensure accessibility for every participant, which has an important impact on equity.</p>
<b>Profosvita</b>	<p>Online learning portals provide a valuable resource, offering young people the opportunity to upskill and reskill, often at no cost, positioning themselves more effectively in the face of economic challenges. The benefits of online learning platforms for young people were seen globally during the COVID-19 pandemic. In the context of war-torn countries, there is mounting evidence of programmes that have been rolled out to vulnerable groups. For example, aid groups have demonstrated how the Internet can be used to provide conflict-related refugees with educational opportunities. This includes international competitions to develop smartphone applications to improve psychosocial wellbeing and build literacy.<sup>120</sup> These efforts are critical to ensuring that internally displaced youth in Ukraine or those who have fled the country since the start of the war still have access to education, as the rebuilding efforts will require a skilled workforce.</p>

<sup>119</sup> Ibid.

<sup>120</sup> Project Syndicate (2016), Virtual Education in Conflict Zones. <https://www.project-syndicate.org/commentary/syria-refugees-online-schooling-by-gordon-brown-2016-02>

<b>Erasmus+</b>	<p>In a highly globalised world, with interconnected economies and learning opportunities in different countries, young Ukrainians get the opportunity to pursue academic opportunities in European Union countries. The skills and knowledge acquired can be used to benefit industries in Ukraine and improve the communities that young Ukrainians return to. In the event that students chose to stay in the host European country, as seen with previous statistics wherein about 40% of former exchange students moved to another country after graduating, and about 93% of exchange students imagine themselves living abroad in the future<sup>121</sup> This creates a cohort of young people who will have the capacity to send remittances back to their families as Ukraine rebuilds its infrastructure and economy after the war.</p> <p>In terms of providing funding to Ukrainian students, the educational benefits of Erasmus+ cannot be understated. In the 2023 Government fiscal year, the Ukrainian Government spent approximately USD 56 billion on defence, whilst only spending USD 2 billion on education.<sup>122</sup> The Ukrainian Government has a very limited fiscal space to adequately fund education and this funding gap must be filled through partnerships with various stakeholders, including Erasmus+. A post-war Ukraine will need an educated workforce, which will come from its current youth population. The Erasmus+ programme had a budget of EUR 26.2 billion for 2021, and this budget continues to increase. Continued partnerships with programmes like Erasmus will be key to ensuring educational and vocational training opportunities for young Ukrainians who may not be able to access opportunities in their home country due to the war.</p> <p>Under international law, Ukraine holds the status of a partner country within the programme, aligning with the Eastern Partnership - Region 2. In this capacity, Ukrainian organisations gain access to engage in tenders, either independently as sole beneficiaries or as integral components of partnerships spanning multiple programme countries.<sup>123</sup> This includes the opportunity to act as applicants in up to five out of eleven areas covered by tenders and as partners in up to twenty out of thirty-nine designated areas.<sup>124</sup> This further creates business opportunities for Ukrainian businesses owned by youth.</p>
<b>Community Mental Health Teams</b>	<p>CMHT and other mental health teams that are able to travel to remote communities offer significant benefits to youth with mental health concerns. Since the onset of the war, CMHT has been able to deliver 23,000 consultations to 1,400 people with severe mental health disorders, offering crucial support during challenging times. The additional benefits to those beyond the benefits to youth include:</p> <ul style="list-style-type: none"> <li>▪ Building capacity. Efforts in Ukraine supported by WHO have strengthened the capacity of health personnel and community mechanisms, enhancing the provision of quality mental health and psychosocial support (MHPSS).</li> <li>▪ Building a sustainable system and streamlining humanitarian responses. The ongoing efforts will contribute to establishing a stronger and more sustainable mental health system in Ukraine, and promoting better mental health outcomes for all Ukrainians, even during the post-war rebuilding phase.</li> </ul>
<b>Teenergizer</b>	<p>Teenergizer and other organisations that are focused on awareness campaigns on human rights, discrimination, HIV, and other prevalent issues that affect the youth have been found to increase youth participation and awareness.<sup>125</sup> Organisations with a similar mandate have achieved much success in increasing human rights and AIDS awareness. Their vision is to create an inclusive region where the human rights of young key affected people are respected, the impact of HIV and AIDS is mitigated through the meaningful involvement of such populations, and equal and equitable access to HIV prevention, treatment, care, and support is provided. Giving Teenergizer and other such organisations opportunities to engage communities, physically or through the media, can yield significant results.</p> <p>Furthermore, a freely accessible online information portal and platform like Teenergizer offers avenues for investing in and enhancing skills development among young peer counsellors, fostering active participation rather than being only service beneficiaries. Moreover, the online model underscores a cost-efficient approach, being scalable at a reduced cost, whilst also aligning with the global trend of youth seeking support in virtual spaces, where anonymity and privacy are often preferred, though the safety of such environments may vary.</p> <p>A multivariate regression conducted by Jean Bago et al suggested that the frequency of exposure to mass media increases both adolescents' likelihood to get tested for HIV and their HIV-related knowledge score. These findings imply that health educators and HIV programme planners should take advantage of traditional mass media and deliver more HIV-related messages through television, radio, and print media in order to enhance the levels of HIV testing and HIV-related knowledge among adolescents.<sup>126</sup> Increasing support to Teenergizer will ensure the impact of their work is amplified, especially during the war whilst gross human rights violations and lack of access to HIV and reproductive health medications is compromised.</p>

<sup>121</sup> Sligocfe,(n.d.), Why Should You Go on an Erasmus Programme – The Benefits of Erasmus+. [https://www.sligocfe.ie/the\\_benefits\\_of\\_erasmus](https://www.sligocfe.ie/the_benefits_of_erasmus)

<sup>122</sup> Politico (2024), Ukraine's Funding Gap – By the Numbers. <https://www.politico.eu/article/ukraine-war-funding-budget-defense-european-union/>

<sup>123</sup> Ibid.

<sup>124</sup> Ibid.

<sup>125</sup> Youth Lead website. <https://www.youthleadap.org/>

<sup>126</sup> Bago, J. and Lompo, M., Exploring The Linkage Between Exposure to Mass Media and HIV Awareness Among Adolescents in Uganda, Sexual & Reproductive Healthcare, Volume 21, 2019, Pages 1-8. <https://doi.org/10.1016/j.srhc.2019.04.004>. <https://www.sciencedirect.com/science/article/pii/S1877575619300102>

<b>Start-Up Grants</b>	<p>The establishment of the Ukrainian Startup Fund (Innovation Development Fund) in 2018 at the initiative of the Prime Minister of Ukraine was a landmark event for the Ukrainian innovation sector. For Ukraine, the creation of such a fund was an important stage in the development of the ecosystem. The mission is to promote the creation and development of technology startups in the early stages (pre-seed and seed), to increase their global competitiveness, to help businesses get on their feet, and to give impetus to developing a Ukrainian startup ecosystem<sup>127</sup>.</p> <p>In July 2022, in response to the challenges of the war, Ukraine's digital governance platform, Diia, created the eRobota portal. The platform offers various Government grants for starting and developing businesses in Ukraine. There is financial support, a kind of stimulus the Government provides entrepreneurs to help them realise their business ideas. The funding could be used for a new product launch, technology development, or even business expansion. In addition, the Government grants do not need to be repaid. The money is returned to the treasury during the enterprise's activity – in the form of paid taxes and fees.</p> <p>A study followed an Estonian Government's startup programme where businesses received grants between 2002 - 2003 using econometric methods, namely propensity score matching. Data from the Estonian Business Register was also used to study the impact of startup grants on various economic indicators like the number of employees, turnover, equity, fixed assets and firm survival.<sup>128</sup> The results revealed that start-up grants positively affected the number of employed people and turnover.</p>
<b>Salary matching</b>	<p>Salary matching schemes have been shown to generate employment and have a positive impact on equity. A study was conducted on the employment effects of a large-scale wage subsidy programme that was introduced in 2016 in Poland for unemployed youth. The results revealed that the new wage subsidy programme was effective for low- and middle-skilled eligible young women, but not so much for men.<sup>129</sup> Given that young women are often adversely affected by unemployment, especially if they are low to semi-skilled, salary matching and wage subsidies serve as a protective function for young people, but mostly for young women. Interventions such as these will be critical in the rebuilding efforts of Ukraine.</p>
<b>National Volunteering Platform</b>	<p>Volunteer platforms aggregate volunteer opportunities, facilitating connections among like-minded individuals. This connection has the potential to empower volunteers to engage in meaningful activities, fostering positive change in Ukraine. Simultaneously, the platforms provide non-profit organisations with a valuable resource to identify reliable volunteers for collaborative efforts and establish effective communication channels between them. Ukraine's National Volunteering Platform offers a diverse range of volunteering opportunities. The Platform spans 18 fields, including human rights protection, sports, education, science, online volunteering across various areas, social assistance, city development (including reconstruction and urban planning), animal welfare, and ecology. These opportunities can lead to positive change in a wide range of fields beyond just providing young people with the benefits from volunteering.</p>

## 4.3. Cost-benefit analysis

**The benefits assessment and the costing exercise have been aggregated to produce benefit-cost ratios (BCRs) and a cost of inaction (COI).** The BCR shows the relationship between the relative costs and benefits of the programmes, expressed in monetary terms. If the BCR is greater than 1.0, a scale up is expected to deliver a positive net present value to the economy. The cost-benefit analysis also incorporates a COI, which is the opportunity cost associated with not investing in the aspirational package.

**Both Scenarios A and B have positive benefit-cost ratios for the overall aspirational package of youth programmes.** This indicates that the aspirational package as a whole is an investment that represents good value for money. By 2030, the total BCR for the package is 2.2 for Scenario A and 2.5 for Scenario B. This means that for every UAH 1 invested in the aspirational package of youth programmes, the benefits to society will equate to UAH 2.20 for Scenario A and UAH 2.50 for Scenario B. Given the additional qualitative benefits of the programmes that are not captured in the quantitative analysis, this estimate is conservative, with the actual figure likely to be significantly higher than this.<sup>130</sup>

<sup>127</sup> Tech Ukraine (2022), Driver of Innovation: How the Ukrainian Startup Fund is building an innovative Ukraine. <https://techukraine.org/2022/12/16/driver-of-innovation-how-the-ukrainian-startup-fund-is-building-an-innovative-ukraine/>

<sup>128</sup> Maso, J. (January 2013), The Impact of Start-up Grants on Firm Performance in Estonia. [https://www.researchgate.net/publication/228347449\\_The\\_Impact\\_of\\_Start-up\\_Grants\\_on\\_Firm\\_Performance\\_in\\_Estonia](https://www.researchgate.net/publication/228347449_The_Impact_of_Start-up_Grants_on_Firm_Performance_in_Estonia)

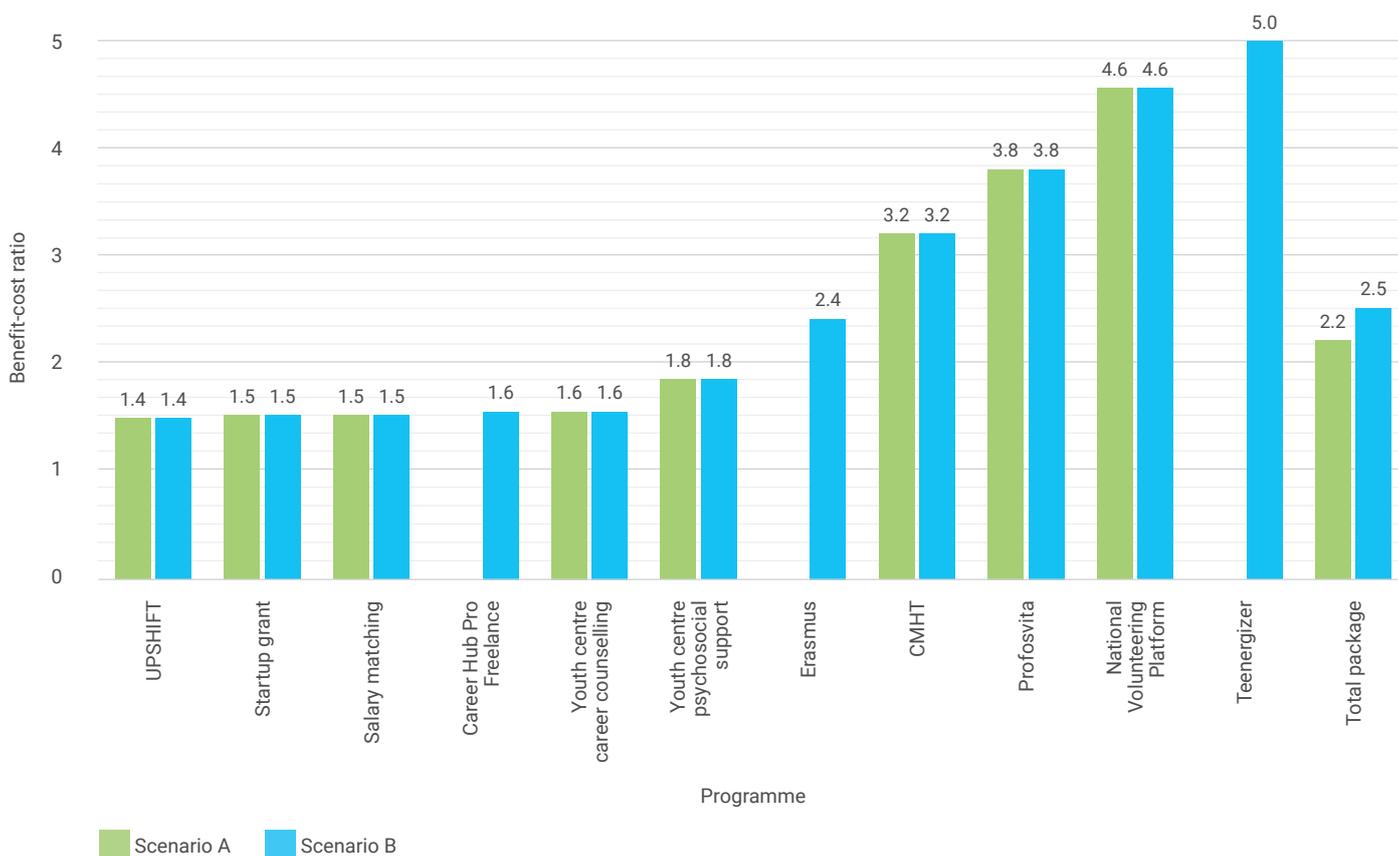
<sup>129</sup> Bodnar, I. (July 2023), Contribution of Partner Countries to EU Youth Wiki Chapter 3: Ukraine. Employment and Entrepreneurship. [https://pjp-eu.coe.int/documents/42128013/246625197/Ukraine\\_Chapter+III.pdf/9f2f3377-2f5c-83da-b262-129238b8ae67?t=1692954482564](https://pjp-eu.coe.int/documents/42128013/246625197/Ukraine_Chapter+III.pdf/9f2f3377-2f5c-83da-b262-129238b8ae67?t=1692954482564)

<sup>130</sup> Given the nature of qualitative benefits, it is not possible to estimate how much higher these benefits would be.

**Every investment in the package is good value for money and worth investing in on its own merit.** Each programme has a BCR of more than 1, meaning that for each UAH of investment, Ukraine gains more than a UAH 1 back on each intervention. Particularly noteworthy are interventions like Profosvita, Teenergizer, and the National Volunteering Platform, which consistently exhibit BCRs exceeding 4.0, indicating exceptional efficiency and substantial benefits relative to their costs. This return can be attributed, in part, to their online service delivery mechanisms, which offer a low-cost base, especially when scaled up. The National Volunteering Platform emerges with the highest BCR when averaging both Scenarios, highlighting the low cost associated with operating the platform and the fact that much of the benefit youth derive is from activities that are essentially free for them to partake in, i.e., voluntary activities. Conversely, interventions like UPSHIFT, Salary Matching, and Career Hub Pro Freelance demonstrate comparatively lower BCRs, ranging from 1.4 to 1.6. Whilst these programmes still yield positive returns, optimising or adjusting them could further enhance their cost-effectiveness and overall impact.

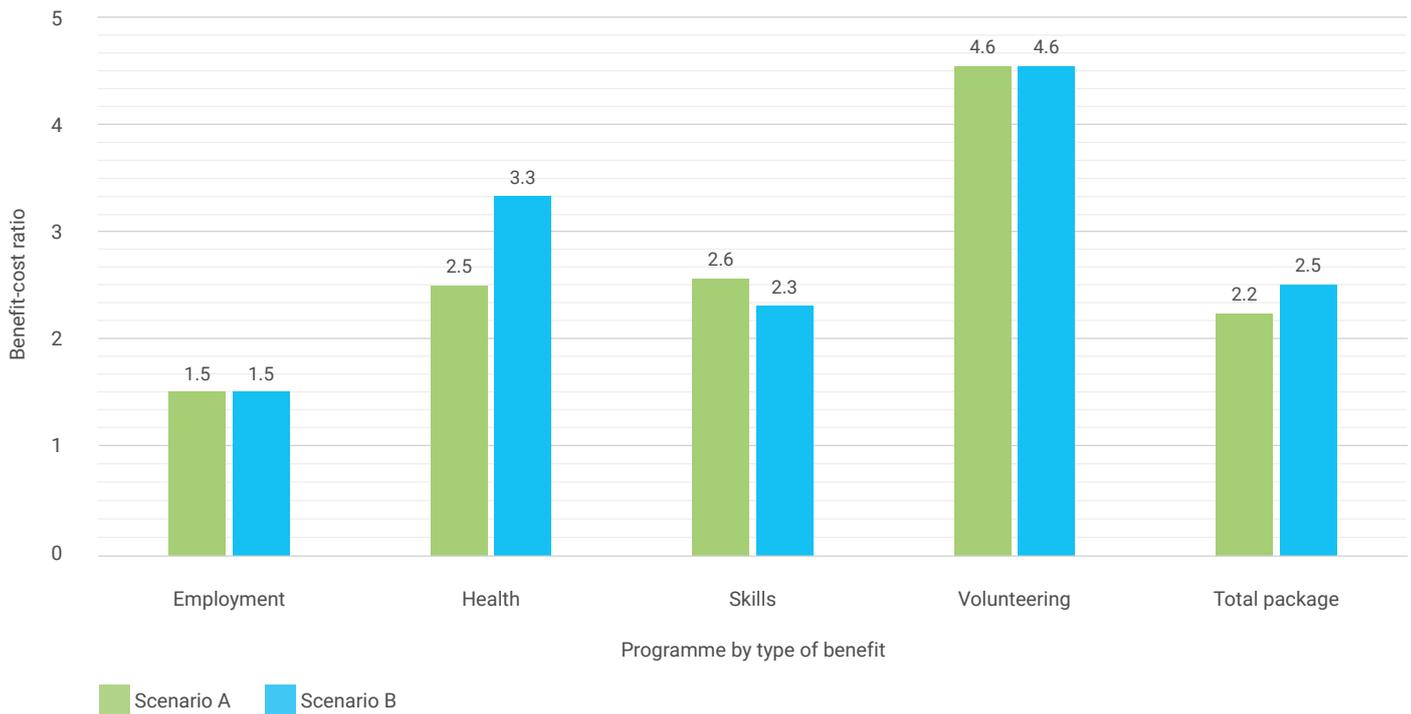
**As mentioned, COI is the opportunity cost associated with not investing in the aspirational package.** The opportunity cost of not investing in the overall package equates to UAH 57 billion for Scenario A and UAH 68 billion for Scenario B. These figures demonstrate that significant economic benefits will be lost if these investments are not made. Similarly, the COI is expected to be significantly higher given the qualitative benefits not included in the benefit calculations.

**Figure 11. Summary of benefit to cost ratios for every programme**



**Figure 12 provides an overview of the benefit-to-cost ratios (BCRs) for the different types of programmes.** Participation initiatives display the highest BCR among all types, indicating exceptional cost-effectiveness and significant benefits. This programme type is followed by health programmes, where the BCR increases from 2.5 in Scenario A to 3.3 in Scenario B. Both employment and participation initiatives maintain a consistent BCR in both Scenarios A and B. Whilst skills programmes record a higher BCR in Scenario A than B; this is due to the fact that programmes with higher BCRs are included in the later recovery phases in this benefit category. Among all programme types, only employment has BCRs less than 2, recording a BCR of at least 1.5.

**Figure 12. Summary of BCRs by type of programme benefit**



**The analysis of BCRs and COIs for youth interventions in Ukraine underscores the significant potential of investments in Ukraine’s youth.** As observed globally, youth investments yield a high return, a trend that this analysis shows is mirrored in Ukraine’s context. The findings reveal a spectrum of BCRs across various interventions, with all demonstrating strong cost-effectiveness, some stronger than others. Whilst there is a relatively wide range between the different programmes, each remains higher than one across both scenarios and therefore can be recommended to be taken forward for investment. Furthermore, each investment also carries additional qualitative benefits, which, as mentioned above, are not captured in these figures.

**Given the higher COI and also the higher BCR for Scenario B as a whole, this is the preferred option, all other things being equal.** The overall COI is roughly higher in scenario B, and the BCRs are also higher given the economies of scale available for larger programmes. Thus, this analysis proposes Scenario B to be taken forward, should the fiscal space be available to scale up interventions for the more ambitious and expensive scenario.

## 5

# Financing options

**Ukraine faces a constrained fiscal space that has been exacerbated by the ongoing war.** The national budget is heavily skewed towards defence and security needs, leaving limited room for crucial investments in social sectors, including youth programmes. With limited tax receipts and rising public debt (estimated at 102% by the end of 2023), the reliance on international aid has become pivotal for sustaining essential services and mitigating the economic downturn. Further details on the macro-fiscal context are elaborated in [Annex IV: Macro-fiscal context](#).

Within this context, this section highlights how the resources necessary to scale up the youth programmes in the aspirational package can be mobilised, specifically the resources needed and the options available to fund the programmes. The section begins with an introduction to fiscal space analysis, before assessing resource needs, the financing gap, and policy options to reduce this gap.

## 5.1. Fiscal space analysis

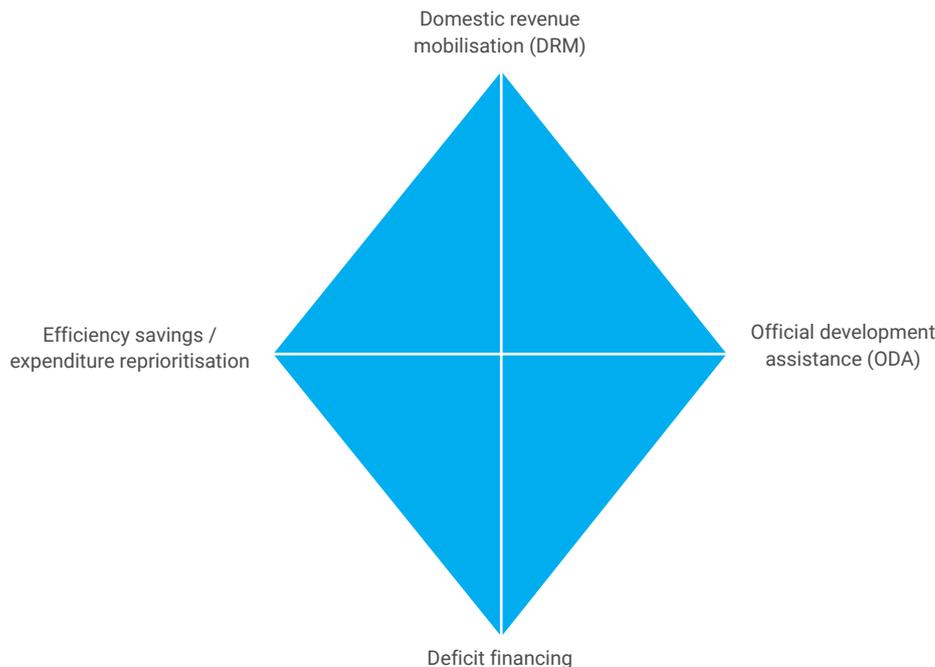
Fiscal space is a multifaceted term that refers to the capacity of governments to raise revenue and allocate resources toward competing priorities.<sup>131</sup> In a broader sense, fiscal space encompasses a country's economic structure and growth rate, a government's ability to raise revenues, and social and political choices reflected in resource allocation.<sup>132</sup> These choices are mediated through complex political processes influenced by various institutional interests competing for limited resources. Fiscal space can also be understood narrowly as the potential to increase allocation to a specific sector (social protection, in this case) or set of linked priorities in the short or medium term. In essence, fiscal space relates to governments' ability to undertake discretionary fiscal policy without jeopardising the macroeconomic sustainability of the economy.

<sup>131</sup> Roy, R., & Heuty, A. (2009), Fiscal Space: Policy Options for Financing Human Development. Earthscan.

<sup>132</sup> Heller, P. S. (2005), Understanding Fiscal Space. IMF Policy Discussion Paper, PDP/05/4. <https://www.imf.org/external/pubs/ft/pdp/2005/pdp04.pdf>

The primary question this study aims to answer is, what is the scope for allocating additional resources to youth programmes over the medium-term (2024-2030), based on Ukraine’s overall macroeconomic environment and medium-term outlook. This analysis uses data and economic projections to model the availability of financial resources within Ukraine’s budget and compares this with the costs of achieving targets for social protection. The analysis highlights financing gaps that exist for youth programmes and provides recommendations around potential financing options to close this gap. Fiscal space can be created in a number of ways, including (i) domestic revenue mobilisation (DRM), (ii) Official Development Assistance (ODA), (iii) deficit financing, and (iv) efficiency savings and expenditure reprioritisation. The feasibility of each financing option, however, should be contextualised based on the macroeconomic realities of the country.

**Figure 13. Fiscal space diamond**



**We use a Financial Programming Framework (FPF) to model the macro-fiscal indicators for Ukraine’s economy over time.** The FPF makes use of national data from Government sources, as well as projections from the IMF for 2018 – 2030. Historical trends were utilised as a baseline for projections, and the macro-fiscal data covered the last six years from 2018 to 2023. Data points were taken from the latest available International Monetary Fund - World Economic Outlook (2023), the IMF Article IV report.<sup>133</sup> For the social sector expenditures, State budget data was taken from the State Statistics Service of Ukraine and Ministry of Economy. Thus, the fiscal space analysis (FSA) involved three steps:

- **Estimated Cost** - The needs of the aspirational package that dictate the demands on spending, which leads to the costing side of the analysis.
- **Available Resources** – An analysis of historic expenditure for social sectors related to youth programmes is presented, highlighting any budget gaps. Using these and any forward-looking expenditure plans for the sector, a projection was produced of the likely budget allocation to social sectors (education, healthcare, social protection and social security, and economic activities).
- **Financing Gap** - Comparing costs and resources provides a baseline scenario for financing projections into the future for youth programmes, and is underpinned by a consistent macroeconomic framework.

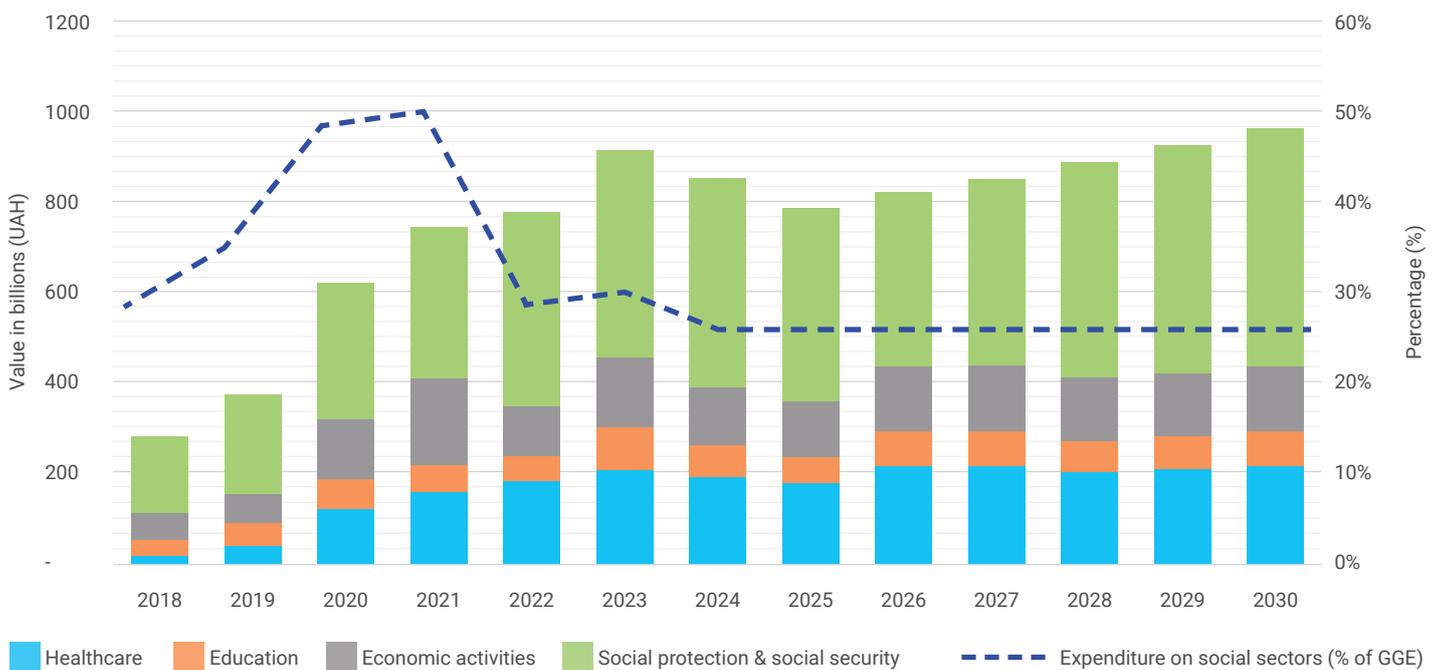
<sup>133</sup> International Monetary Fund (2023) World Economic Outlook October 2023. <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023>

## 5.2. Resource needs

**Before delving into the specific needs of the aspirational package, it is critical to understand the overall picture of sectoral spending relevant to youth.** The following figure highlights trends in related sectoral spending in Ukraine between 2018- 2023, projected to the medium-term (2030). When referring to related sectoral spending, this report refers to all the sectors that are relevant to youth investments: education, healthcare, social protection, and economic activities. The projections undertaken here are conservative, with the main assumption being that current volumes of relevant sectoral spending will be maintained in the short to medium term (2024 – 2030). The historical state expenditures are obtained from the most recent data (State budgets) from the State Statistics Service of Ukraine and Ministry of Economy.

**The data suggests that social spending between 2018 and 2023 averaged around 37% of general Government expenditure (GGE).** Spending in relevant sectors increased from about UAH 286 billion in 2018 to UAH 923 billion in 2023 and is projected to reach about UAH 970 billion by 2030, if the current spending as a share of the State budget is maintained. The data suggests that social protection and social security constitutes the largest share of social spending. Additionally, capital expenditures in the structure of expenditures on social protection and social security amounted to about 0.3-2.4% of the State budget between 2018 – 2023, of which 97-99% were current expenditures. Social protection spending between 2018 and 2030 peaked at 15% of social spending in 2023. This is followed by healthcare (7%), economic activities (5%), and education (3%) in the same year.<sup>134</sup> Since the start of the war in 2022, defence spending has received priority in the State budget, nearly tripling from 20% of State budget in 2021 to 59% in 2022, with a slight decline to 51% in 2024.<sup>135</sup>

**Figure 14. Trends in key sector spending structure, billion UAH**



**Social services in Ukraine are sustained by a diverse array of funding streams.** The National Budget remains pivotal, allocating funds for social benefits, subsidies, and pensions, providing vital financial support to individuals and families. International support significantly contributes to financing social sectors, with international organisations offering substantial financial assistance. For instance, in 2022, international grant aid accounted for 26.9% of the total National

<sup>134</sup> UNICEF (2023), Budget Brief: State Budget of Ukraine Analysis In 2021-2023 Years.

<sup>135</sup> UNICEF (2023), Ukraine's State Budget 2024. <https://www.unicef.org/ukraine/media/38981/file/National>

Budget revenue, amounting to UAH 481.1 billion.<sup>136</sup> Local budgets also play a crucial role, financing utility services, energy consumption at municipal healthcare facilities, and pre-school and out-of-school education. Additionally, 75% of individual income tax contributes to local budgets, with 100% of revenue generated from taxes on military staff allowances and rewards being used to fund social services at the State budget level since October 2023.

**Assessing resource needs in Ukraine to finance youth programmes is a crucial first step in determining the financing gap that currently exists.** The sectoral allocations above are not specific to youth. The sectors cover all age groups, with the 14-35 age group only representing one portion of this funding. Understanding the exact money that is spent on this age group out of these sectors is beyond the scope of this study. However, in the costing exercise, a total cost estimate for the aspirational package was developed based on normative cost estimations. This provides a basis for understanding what the costs of achieving the aspirational package are and what the financing gap looks like. Therefore, an understanding of the current funding for the aspirational package specifically is available. Both scale up Scenarios also have been costed; thus, an understanding of the resource needs for the aspirational package is also available. These figures are presented in Table 11. Please note that they are different to the figures presented in the cost-benefit analysis since they are undiscounted, which is necessary for budgeting purposes, whereas a discount rate of 5% is applied to the costing in the cost-benefit analysis.

**Table 11. Cost estimates for scaling up youth interventions under Scenarios A and B, undiscounted, Billion UAH**

Cost Estimates	2023	2024	2025	2026	2027	2028	2029	2030
Baseline (currently available resources)	0.40	0.62	0.69	0.76	0.80	0.84	0.86	0.89
Additional costs - Scenario A	-	1.81	4.12	6.76	9.54	9.98	10.30	10.60
Additional costs - Scenario B	-	1.81	4.12	6.76	10.10	11.12	12.05	13.10

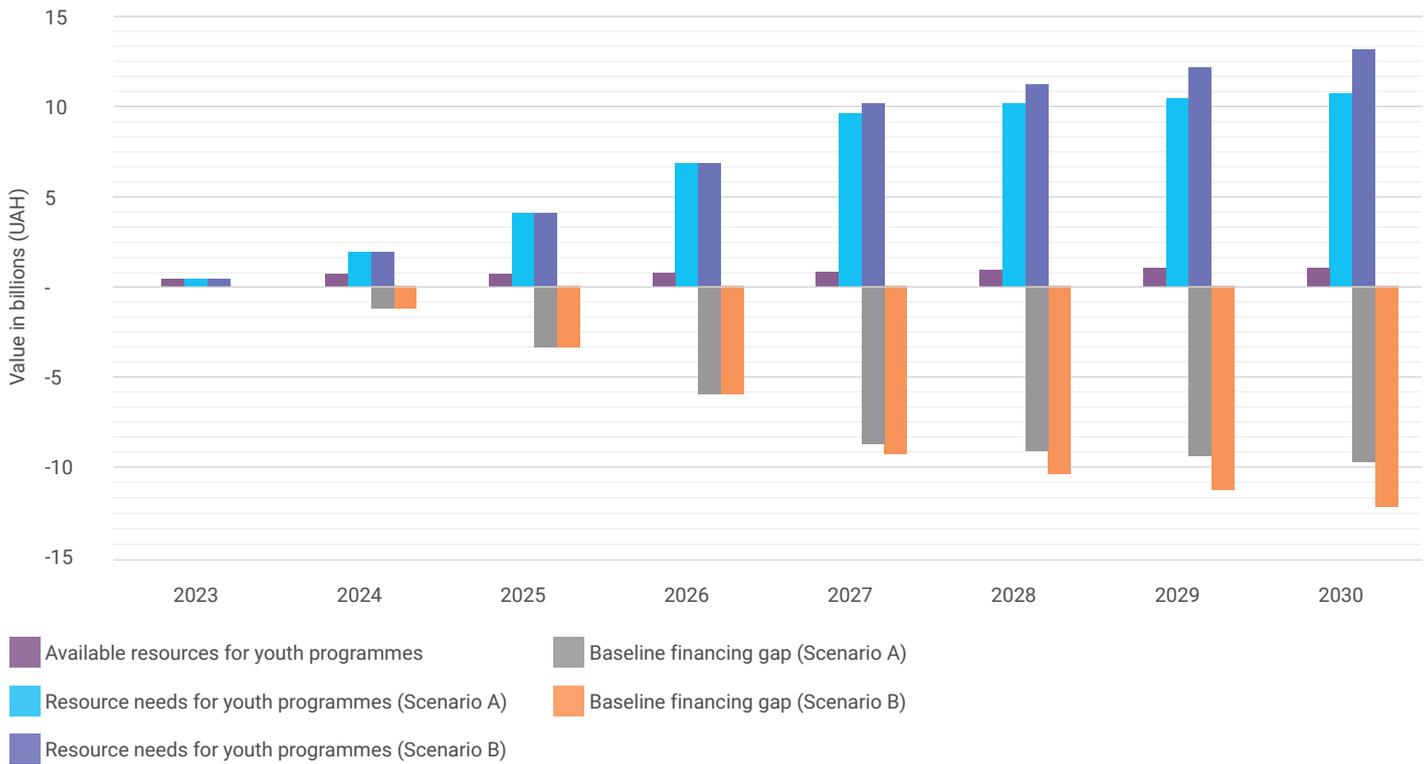
## 5.3. Business-as-usual scenario

**The business-as-usual scenario represents the current macroeconomic situation and policy stance.** It's essentially a projection of what would happen if the current trend in social spending continues, and no significant policy changes are made (business-as-usual scenario). It constitutes the projections of available resources and resource needs for the aspirational package. This provides a reference point against which alternative scenarios can be compared. After the baseline scenario, different financing options are considered and discussed in the next section.

- Under the business-as-usual scenario, the financing gap for youth programmes in the aspirational package is projected to increase from an estimated UAH 1.81 billion for both Scenarios in 2024 to an estimated UAH 9.7 billion and UAH 12.2 billion by 2030 under scale-up Scenarios A and B, respectively.

<sup>136</sup> UNICEF (2023), Budget Brief: State Budget of Ukraine Analysis in 2021-2023 Years.

**Figure 15. Projected financing gap for social sectors (Billion UAH)**

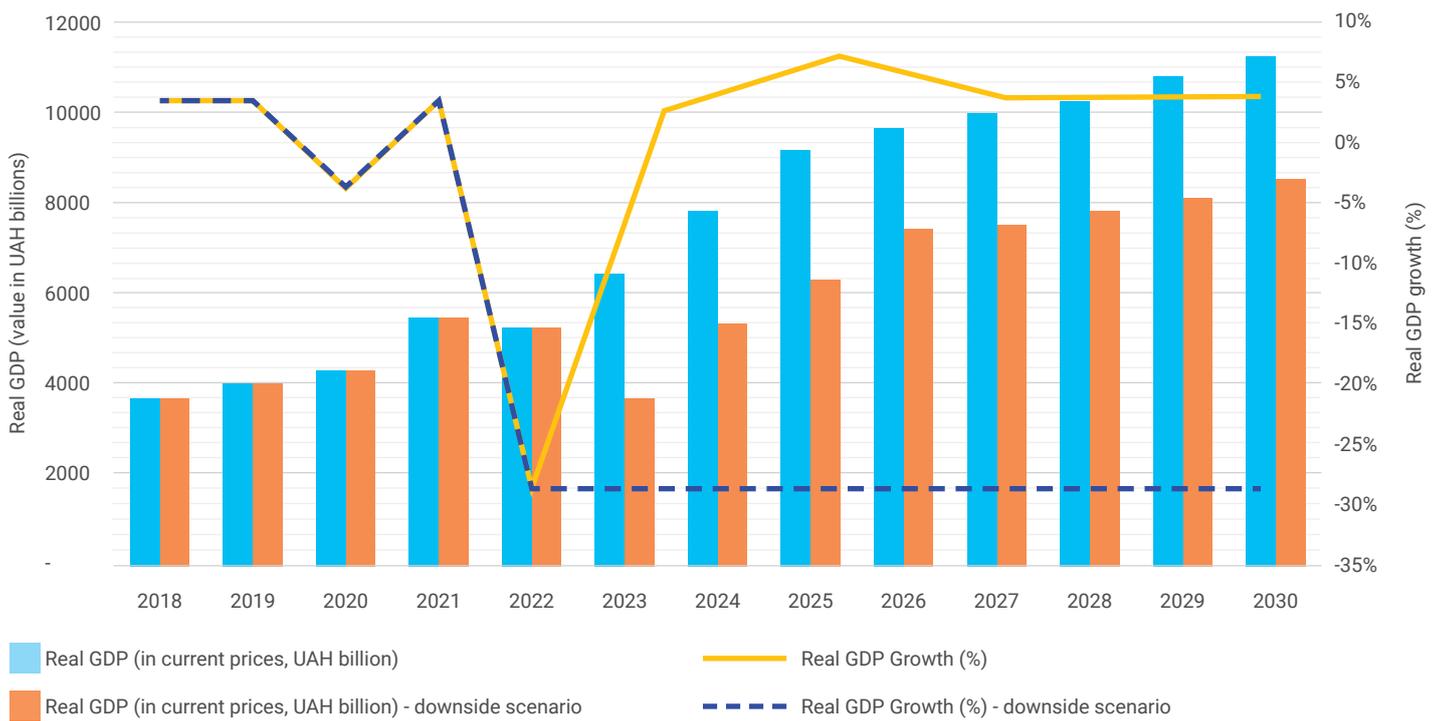


## 5.4. Economic downside scenario

Given the context of war in which the country currently operates, it is important to account for economic uncertainties in the model. This offers insights into what resource mobilisation efforts for financing youth programmes would amount to and the feasibility of these policy options in an economic downturn scenario. To do this, a 29% decline in economic output (GDP) was included and projected key macroeconomic indicators into the medium term (until 2030), given this shock. The 29% decline is in line with evidence that suggests that over a one-year period following the full-scale invasion, the country lost approximately 29% of its GDP - representing the worst-case scenario since the start of the war.<sup>137</sup>

<sup>137</sup> Whilst they are related, Scenario A and Scenario B from the cost-benefit analysis have been conceived separately from the business as usual scenario and economic downside scenarios here in the fiscal space analysis. Scenarios A and B are different scale up scenarios for the aspirational package of youth interventions, whereas the business as usual and economic downside scenarios illustrate how finances will be affected according to different economic forecasts.

**Figure 16. Real GDP (current prices, Billion UAH) and Real GDP Growth (%), under baseline and downside scenarios**



## 5.5. Financing options

This section elaborates on the analysis of the four financing options modelled as guided by the fiscal space diamond, i.e., (i) DRM, (ii) ODA, (iii) deficit financing (debt relief and restructuring) and (iv) efficiency savings and expenditure re-prioritisation. It highlights the key considerations and assumptions made and presents the findings on the potential fiscal space these policy options stand to create for reducing the financing gap for the aspirational packages for scaling up youth programmes in the medium-term (2024-2030).

### 5.5.1. Domestic revenue mobilisation and allocation

**Domestic revenue mobilisation is the most sustainable way of creating fiscal space for financing a national budget.** This often involves strategies that spell out clear revenue collection targets in line with broader national development goals. Such strategies include precise, yet comprehensive, reforms, such as public financial management and tax reforms aimed at broadening the tax base, strengthening tax compliance and administration, digitising processes, and building institutional capacity, among other goals. For this analysis, the 41.2% regional revenue averages from the European Union region are not used as a benchmark for revenue targets due to the absence of clear quantitative revenue targets in Ukraine’s 2024-2030 DRM strategy document.<sup>138</sup> This benchmark would not be feasible by 2030 even if all tax reforms were implemented. It is assumed that the tax-GDP ratio grows at the same pace as GDP in the medium-term under an economic recovery scenario. Ukraine’s tax revenue as a share of GDP stood at 21.8% in 2023<sup>139</sup>, and is projected to grow at the same pace as projected economic growth, in line with the IMF Article IV projections, to reach about 30% by 2030.

**To achieve this revenue target amidst considerable risks and uncertainty, robust policy action is imperative.** Key measures to achieve this will include restoring pre-war taxation regimes to bolster revenue with a focus on reversing tax eroding measures, such as exemptions and deferrals introduced during Martial Law, and enhancing tax compliance whilst

<sup>138</sup> Ministry of Finance (2024), National Revenue Strategy. [https://mof.gov.ua/storage/files/National%20Revenue%20Strategy\\_2030\\_.pdf](https://mof.gov.ua/storage/files/National%20Revenue%20Strategy_2030_.pdf)

<sup>139</sup> State Statistics Service of Ukraine and Ministry of Economy

ensuring new tax measures are targeted and time bound. Reports indicate that the country's simplified taxation system, whilst initially aimed at easing compliance burdens, has resulted in tax leakages and inconsistencies, necessitating reforms to prevent tax evasion and ensure fairness in the tax system. Addressing these challenges is vital for ensuring fiscal stability and sustainable economic growth in order to create budgetary room for social spending, including on youth programmes.

**Table 12. Some medium to long-term revenue raising strategies**

**The National Revenue Strategy (2024-2030)<sup>140</sup> outlines a number of priorities including:** A simplified taxation reform that ensures the system is used by micro and small businesses as intended, whilst transitioning medium and large businesses to the standard corporate income tax (CIT) rate over time; Personal Income Tax (PIT) changes, including reintroducing progressive tax rates to add fairness to the system; Adjusting corporate incentives to prevent erosion of the tax base, ensuring compliance with global minimum tax rules (Pillar 2) and shifting from reduced tax rates to instant depreciation models; And, boosting tax administration through improving tax collection efficiency and reducing the informal economy. The following are some specific tax reforms aimed at enhancing domestic revenues as envisioned in the National Revenue Strategy – 2030:

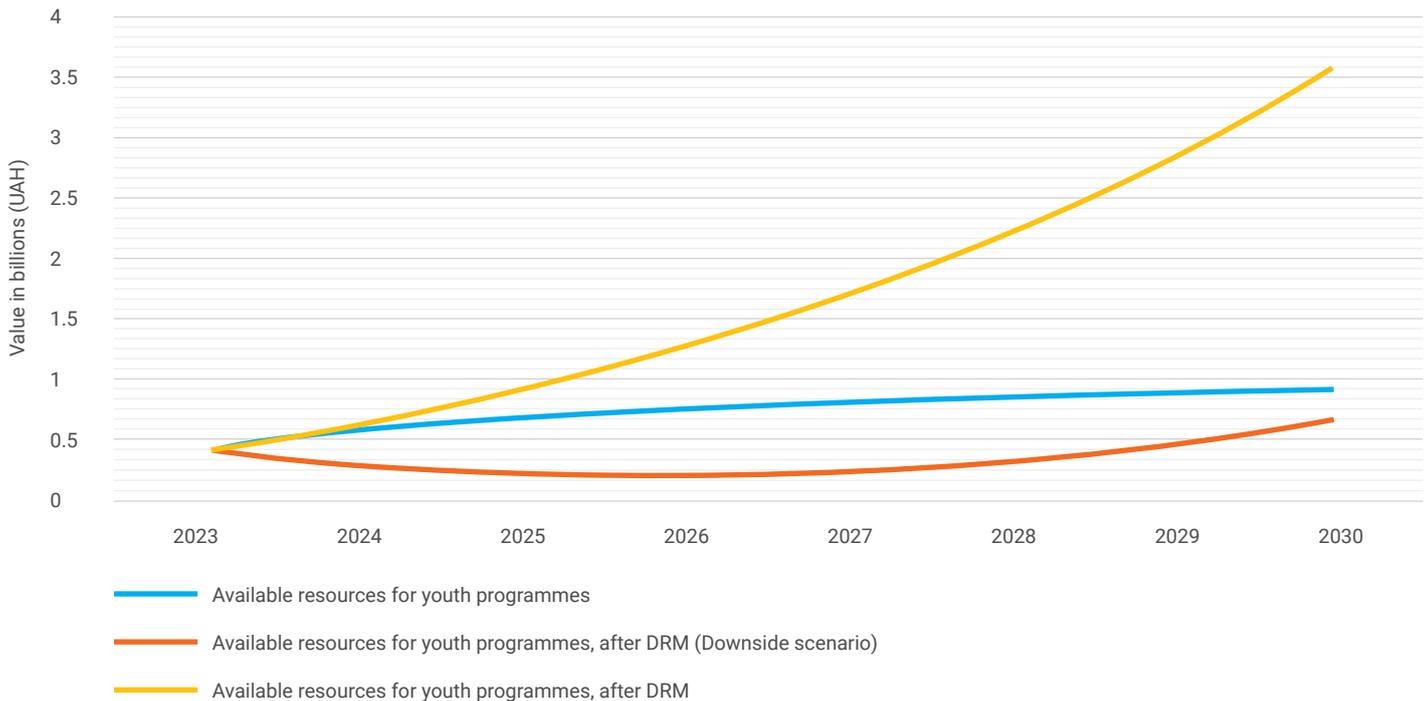
- **Enhancing tax administration.** The strategy outlines a number of reforms aimed at improving tax administration and subsequently achieving its overall objectives, including:
  - a) Increasing the level of compliance with tax legislation through: implementing a tax risk management system (compliance risks) based on the Concept of the Risk Management System; embracing cutting-edge approaches and technologies for transfer pricing analysis to ensure compliance with international standards for transfer pricing and information security; and other measures.
  - b) Digitisation and data through IT consolidation of information resources within the state finance management system, specifically the State Fiscal Service (DPS). This involves centralising administration at the Ministry of Finance level. An independent IT institution oversees these resources. Key measures include implementing standards for information security, ensuring secure data use and access to taxpayer funds, and developing policies for handling personalised and depersonalised taxpayer information. Additionally, ensuring a secure loop is created within the unified information system, allowing for processing depersonalised taxpayer data. Integration with European VAT systems, VAT refunds, and monitoring excise goods movement is also prioritized
  - c) DPS organizational and personnel measures through various ways, including a functional survey conducted for both the DPS and its territorial bodies. Based on the survey results, adjustments to the organisational structure and staffing lists will be approved, aiming to optimise staffing levels; improving the processes of managing the effectiveness of DPS personnel; and, providing guarantees of the independence of authorised units for the prevention and detection of corruption, among others.
- **Tax policy.** The strategy outlines a number of direct and indirect tax policy reforms, including: reforms to the simplified taxation system narrowing the scope of its application by excluding legal entities; introducing safeguards to reduce abuses; raising the VAT registration threshold; and, increasing the effective tax rates to the general level
- **Regime.** Revising/rationalising the current regimes of investment incentives within the limits of the corporate income tax (referred to as P&P); bringing the P&P rules into compliance with EU legislation; and other measures. On the indirect tax side, reforms include: bringing VAT into line with EU legislation, whilst cancelling reduced rates and benefits that are not provided for by the EU directive on VAT; Increasing excise duties on fuel, alcoholic beverages, and tobacco products to EU minimum rates. Other notable reforms highlighted in the strategy relate to customs administration and policy. They emphasise the need to: strengthen anti-corruption measures and increase trust in customs authorities; develop the institutional capacity of customs authorities: support and cooperate with business; develop international customs cooperation; harmonise Ukraine's customs legislation with EU legislation; and, develop the law enforcement function of customs bodies, among others.

**If these reforms are implemented, this would generate additional revenue that can be channelled towards youth programmes.** For example, these reforms could create additional Government revenue of about **UAH 1.1 billion** annually between 2023 and 2030 for youth programmes. This is based on the assumptions that (i) VAT-related reforms are undertaken, as per the national revenue strategy, and generate 0.6% of GDP in additional revenue annually until 2030, (ii) excise duty, corporate profits, and environmental taxation, and resource payment reforms are undertaken and generate between 0.6% - 4% of GDP in revenue annually, and (iii) various tax administration, compliance, and customs reforms are undertaken and all together facilitate tax revenue (tax-GDP ratios) to increase from the current 21.8% to 30.1% by 2030. The results would increase budgetary room for spending on an aspirational package of youth programmes from the baseline of **UAH 397 million** in 2023 to about **UAH 3.5 billion** by 2030. Under an economic downside scenario, the budgetary room falls below baseline levels.

**This outcome would, on average, reduce the financing gap for youth interventions by approximately UAH 1.1 billion, year on year, between 2023 and 2030.** This assumes about 26% of the additional revenues generated are allocated to social sectors related to youth programmes, of which up to 1% are allocated to youth interventions in line with the rate of growth in annual resource needs.

<sup>140</sup> Ministry of Finance (2024), National Revenue Strategy. [https://mof.gov.ua/storage/files/National%20Revenue%20Strategy\\_2030\\_.pdf](https://mof.gov.ua/storage/files/National%20Revenue%20Strategy_2030_.pdf)

**Figure 17. Potential tax revenues and reallocation for youth interventions (Billion UAH)**

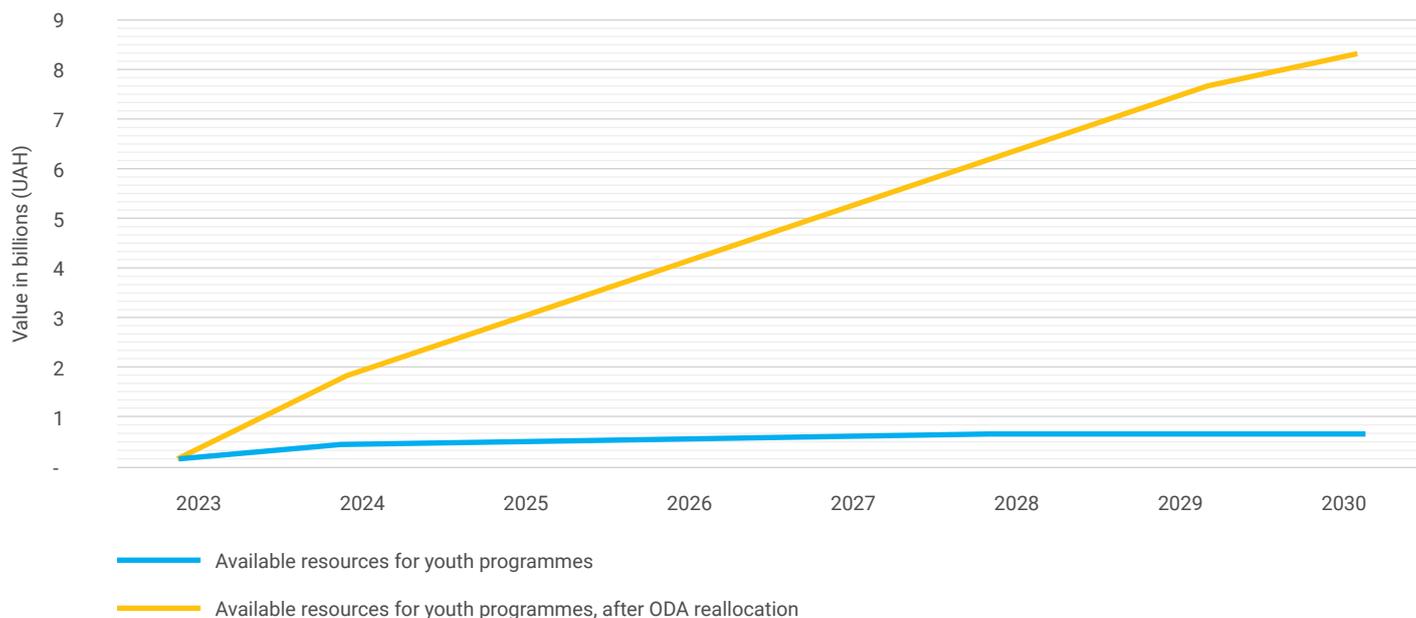


## 5.5.2. Official Development Assistance (ODA)

OECD data indicates that ODA to Ukraine in 2023 amounted to USD 20 billion, a significant increase from the USD 918 million in 2021. Humanitarian aid accounted for USD 1.8 billion of this total.<sup>141</sup> ODA inflow is expected to continue as a result of the ongoing war. The IMF estimates, however, that on-budget support in the form of grants will decline overtime, from 6.7% of GDP in 2023 to 0.7% of GDP by 2030. It is unlikely that the funds generated from ODA will all be spent on social sectors given the competing priorities (especially reconstruction of damaged physical infrastructure worth USD 135 billion, as result of the war). It is assumed that up to 71% of ODA will be allocated to the social sectors – in line with current prioritisation in the State budget (excluding defence spending). Based on these assumptions, ODA will create additional budgetary room of about UAH 4.7 billion annually between 2023 and 2030. This amount would shrink the financing gap for youth interventions by about UAH 4.5 billion annually between 2023 and 2030.

<sup>141</sup> OECD (2023), Foreign Aid Surges Due to Spending on Refugees and Aid for Ukraine. <https://www.oecd.org/newsroom/foreign-aid-surges-due-to-spending-on-refugees-and-aid-for-ukraine.htm>

**Figure 18. Potential ODA for social spending (Billion UAH)**



### 5.5.3. Debt relief and restructuring

In the current fiscally constrained environment characterised by vast uncertainties, deficit financing offers a pathway for creating fiscal space. Ukraine’s public debt, however, already presents enormous fiscal distress given its high debt to GDP ratio of about 97.3% as of 2023, and is estimated to peak at 100.7% of GDP in 2025<sup>142</sup> (under the baseline scenario) or 135.8% of GDP in 2027 (under the downside scenario).<sup>143</sup> Moreover, gross financing needs would remain very high in both scenarios. This raises significant fiscal sustainability concerns given the high debt servicing burdens - 13% of the 2024 state budget (UAH 419.9 billion), a 58.3% increase from the previous budget, which comes amidst fiscal constraints, competing priorities, and economic uncertainties presented by the ongoing war. Based on this context, further borrowing – domestic or international – is not recommended for social spending.

**Table 13. Some debt relief / restructuring initiatives for Ukraine**

<b>IMF support package</b>	Under the Extended Fund Facility, the IMF Board approved a 48-month extended arrangement of about USD 15.6 billion, which is part of a USD 115 billion total support package for Ukraine. <sup>144</sup>
<b>Debt relief and restructuring</b>	This broader IMF package includes debt relief and restructuring estimated at USD 15.3 billion for the program’s duration. <sup>145</sup> However, the total need for Ukraine’s full reconstruction and recovery is estimated at USD 411 billion.
<b>Debt sustainability measures</b>	The Group of Creditors for Ukraine (GCU) committed to a two-step process involving an extension throughout the programme period of the current debt standstill on official sector debt, which was set to expire at the end of December 2023, followed by a final debt restructuring. <sup>146</sup>
<b>Debt service suspension</b>	Ukraine’s debt service suspension has been extended until 2027, as part of an agreement with bilateral creditors like Germany, to provide coordinated debt service suspension. <sup>147</sup>

<sup>142</sup> State Statistics Service of Ukraine and Ministry of Economy, State Budget Data.

<sup>143</sup> International Monetary Fund (2023) World Economic Outlook October 2023. <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023>

<sup>144</sup> IMF (2023), IMF Executive Board Approves US\$15.6 Billion under a New Extended Fund Facility (EFF) Arrangement for Ukraine as Part of a US\$115 Billion Overall Support Package. <https://www.imf.org/en/News/Articles/2023/03/31/pr23101-ukraine-imf-executive-board-approves-usd-billion-new-eff-part-of-overall-support-package#:~:text=March%2031%2C%202023%20The%20IMF,total%20support%20package%20for%20Ukraine>

<sup>145</sup> Carnegie Endowment for International Peace (2023), Unpacking Ukraine’s New IMF Program. <https://carnegieendowment.org/2023/05/05/unpacking-ukraine-s-new-imf-program-pub-89691#:~:text=Ukraine%E2%80%99s%20economic%20growth%20is>

<sup>146</sup> IMF (2023), First Review Under the Extended Arrangement Under the Extended Fund Facility—Press Release; Staff Report; Staff Statement; and Statement by The Executive Director For Ukraine.

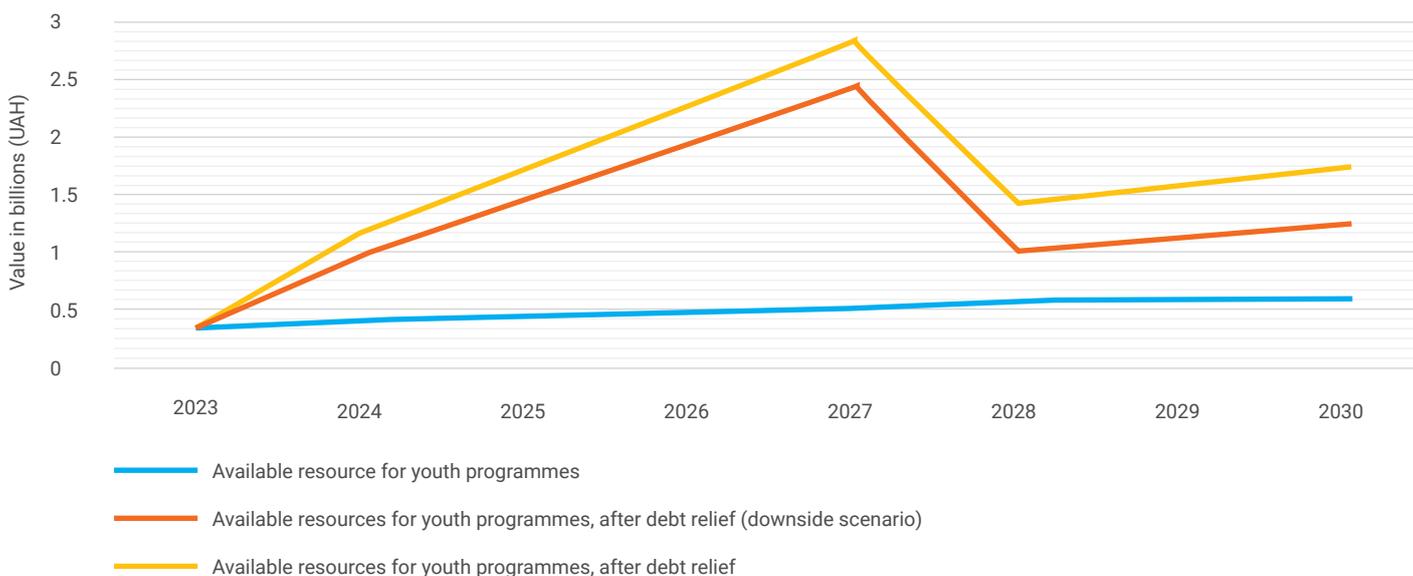
<sup>147</sup> Federal Ministry of Finance (2023), Debt Service Suspension for Ukraine Extended Until 2027. <https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Europe/War-in-Ukraine/debt-service-suspension-for-ukraine.html#:~:text=Europe%20War%20in%20Ukraine%2027,debt%20service%20suspension%20for%20Ukraine>

<b>Creditor agreements</b>	Ukraine has agreements with bilateral creditors, including the United States, Britain, and Japan, for a two-year freeze on USD 20 billion of overseas debt. <sup>148</sup>
<b>Savings from debt suspension</b>	If the debt service suspension is extended, it would result in a saving of USD 4.4 billion (2.9% of GDP) in 2024, which is due to international bondholders. <sup>149</sup> There are plans to begin negotiations with commercial creditors in late 2023 or early 2024, with an agreement likely by mid-2024.

Whilst these initiatives provide substantial short-term relief, the long-term sustainability and economic recovery of Ukraine will depend on ongoing support, successful negotiations with creditors, and comprehensive reconstruction efforts. The savings from debt relief and restructuring would be in terms of interest payments that would have otherwise been spent on debt servicing, and these funds can therefore be repurposed to priority social spending, including on youth interventions. A total debt relief package of USD 115 billion is programmed to run until 2027, implying further review and negotiations will have to be undertaken to extend the package. Otherwise restructuring efforts can help alleviate potential fiscal pressures emanating from heightened debt servicing. This explains the projected fall in additional funds from 2028 onwards, as seen in the Figure 19. These initiatives would increase the budgetary room for youth interventions from **UAH 397 million** in 2023 to **UAH 1.7 billion** by 2030. Under a downside scenario, these strategies would only increase the budgetary room from the baseline UAH 397 million in 2023 to UAH 1.2 billion by 2030.

This would imply a reduction of the financing gap for youth interventions by about UAH 1.1 billion annually, on average, between 2023 and 2030 (about UAH 200 million less under a downside scenario). This outcome assumes reallocation of about 26% of savings from debt relief and restructuring to social spending, of which up to 1% would be allocated to youth interventions in line with the rate of growth in annual resource needs.

**Figure 19. Potential external support for social spending from debt relief and restructuring (Billion UAH)**



<sup>148</sup> Reuters (2023), Ukraine’s Creditors Agree 2-Year Freeze on \$20 Billion Overseas Debt. <https://www.reuters.com/markets/europe/ukraines-creditors-agree-two-year-payment-freeze-almost-20-billion-international-2022-08-10/#:~:text=DEBT%20RELIEF%20With%20Ukraine%20facing,had%20also%20backed%20a%20debt>

<sup>149</sup> Scope Ratings (2023), Ukraine Is Set for Foreign Debt Restructuring Next Year, Debt Forgiveness Likely Medium Term. <https://scoperatings.com/ratings-and-research/research/EN/173929>

## 5.5.4. Efficiency savings

**Inefficiency essentially means not making the most of available resources.** Efficiency savings can be simplified as achieving one of two things: getting better results with the same amount of investment, or achieving the same results with less investment. Enhancing efficiency involves bridging the gap between the current social sector performance and what could be achieved if resources were used more effectively. 'It is not just about cutting costs but also about getting more value from spending and using funds more efficiently in any sector. The primary focus is on getting value for money, which means controlling or reducing expenses without compromising results or, ideally, achieving better results from interventions with the same investment. Efficiency, therefore, encompasses both the quality and quantity of outputs (outcomes or services) relative to the input (cost). Another aspect of efficiency involves improving the overall global structure. Development partners can streamline the delivery of their funds and reporting requirements from recipient countries, reducing duplication.

**There is little social sector-specific empirical data available which transforms assumptions about efficiencies into financial figures.** There is, however, some international evidence for education and health. The efficiency input scores are estimated using the Data Envelopment Analysis benchmarking methodology. This involves comparing the performance of countries based on inputs and outputs in the education and health sectors. The scores are specific to Ukraine, meaning that they are calculated based on the country's inputs and outputs. The methodology takes into account factors such as public spending, private spending, and the educational level of adults for secondary education. The scores provide an indication of the efficiency of the country's educational spending relative to the best performers in the sample. To better understand the kinds of inputs (expenditures) that could be reduced without necessarily reducing outcomes in healthcare and secondary education would require an in-depth analysis of the expenditure structures and input mix within these sub-sectors. This is beyond the scope of this study.

- Secondary education received an efficiency input score of only 43%. This means that inputs into secondary education could be reduced by 57% "without a marked reduction in the output".<sup>150</sup>
- Health received an efficiency input score of 46%. This implies that inputs into health could be reduced by 54% "without a marked reduction in the output".<sup>151</sup>

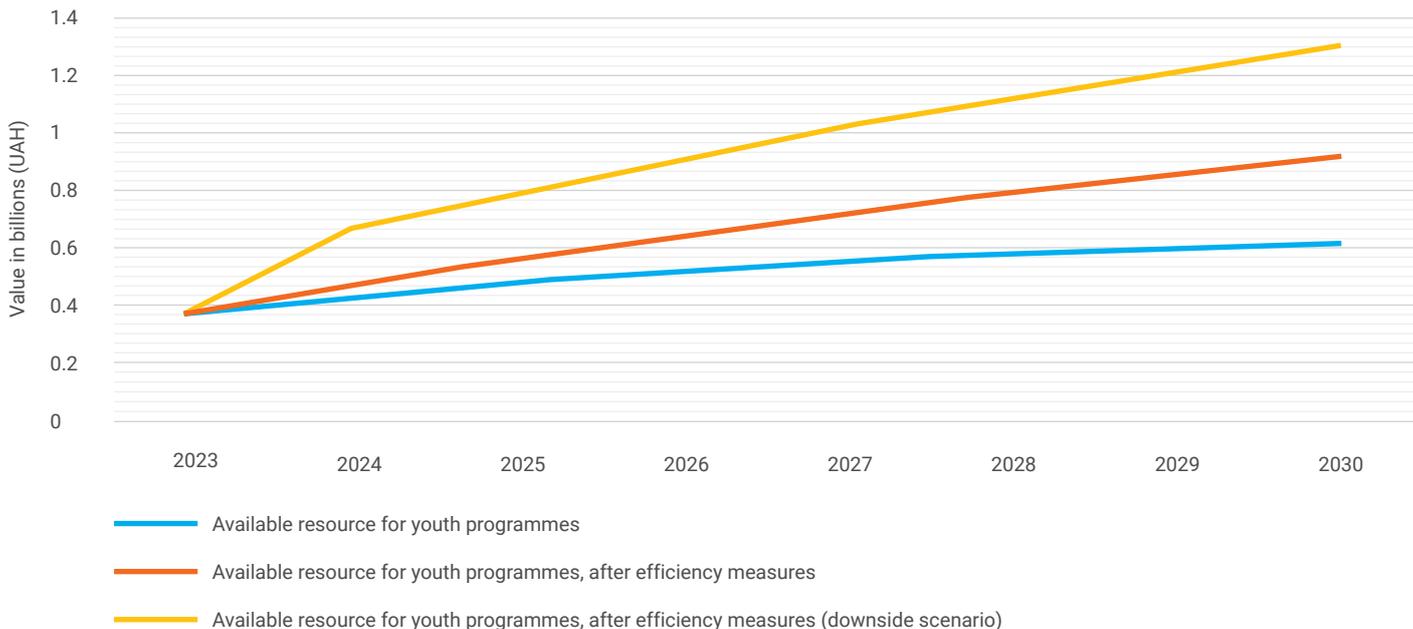
**The efficiency scores for outputs were relatively high, around 90 - 92%, implying a need of between 8 - 10% improvements in these sectors.** The focus is, therefore, on the significant efficiency gains possible on the input side. To do this, these input scores are converted into a monetary value, providing a quantitative picture of how much the Government could save if it made the education and health sectors more efficient. To accomplish this, some high-level assumptions were made, including current spending in education and health, to estimate efficiency savings based on the input efficiency scores. Another key assumption is that Ukraine can move to up to 100% efficiency by 2030, making it an ambitious target and hence the projections here represent optimal values.

**Efficiency input scores were used to estimate efficiency gains by improving efficiency to 100% by 2030 in the health and secondary education sectors.** The efficiency input score refers to the percentage of the current inputs that are needed to maintain the current output level. If the efficiency input score is 43% for education, this means that 43% of the current inputs are effectively used, and the rest (57%) are not contributing to increasing the output significantly. Inputs in this case strictly represent the amount of money spent on each sector, using 2023 figures as the baseline. If implemented, this change would increase budgetary room from UAH 397 million in 2023 to UAH 1.3 billion by 2030 (about UAH 400 million less under the downside scenario).

<sup>150</sup> Kapsoli, M., & Teodoru, I. (2017), Benchmarking Social Spending Using Efficiency Frontiers. International Monetary Fund.

<sup>151</sup> Ibid.

**Figure 20.** Potential efficiency gains for youth interventions by improving efficiencies in the health and secondary education sectors alone (Billion UAH).

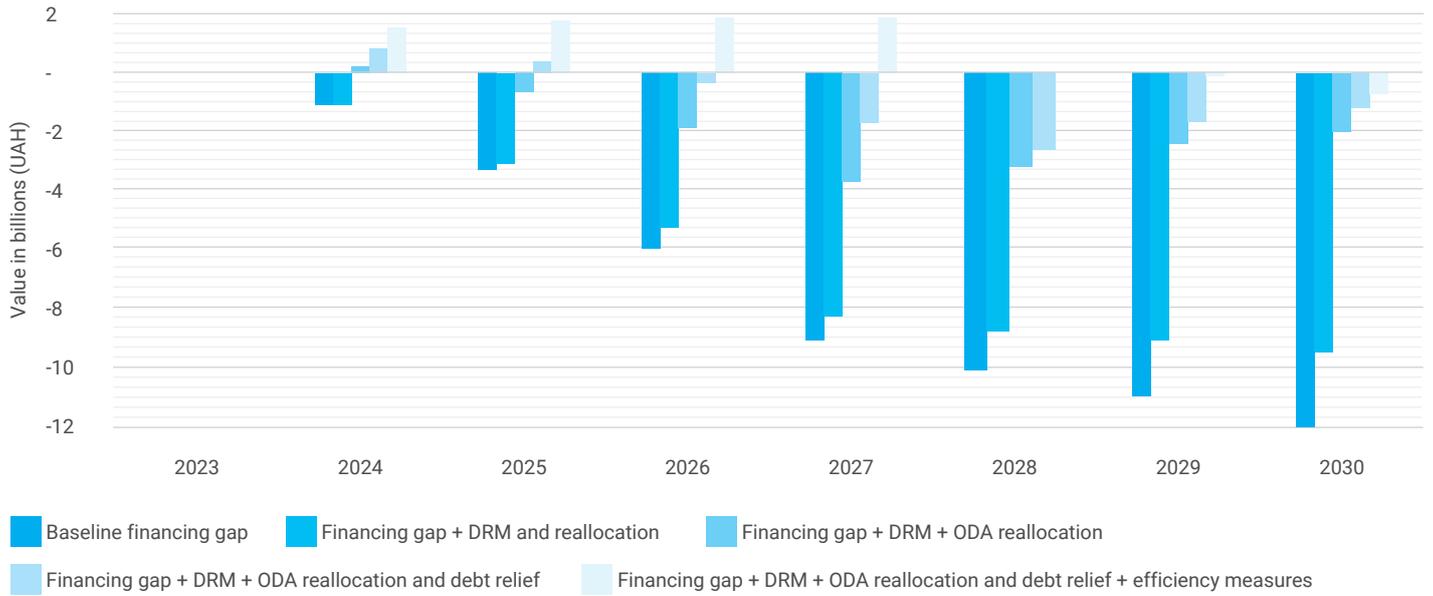


## 5.6. Maximising fiscal space scenario

**Summing all the different financing options together would eliminate the financing gap for scale-up Scenario A and eliminate the gap under Scenario B until 2027, with small financing gaps existing between 2028-30, i.e., the gap under Scenario B is reduced by 93%, from UAH 12.2 billion by 2030 to UAH 0.82 billion.** This improvement is under an optimistic scenario where the Government prioritises additional fiscal space to youth-related social sectors (healthcare, education, social protection and social security, and economic activities) based on current prioritisation. The remaining financing gap could be closed by exploring other financing options not modelled here; these may include exploring innovative financing options, such as climate finance / green bonds, public private partnerships, and more robust efficiency measures across all sectors, to minimise leakages and optimise sector performance and outcomes. Under the downside scenario, these financing options would reduce the financing gap for Scenario A by 39%, leaving a UAH 5.4 billion financing gap by 2030. Whereas under Scenario B, the financing gap would reduce to UAH 7.7 billion, from the baseline value of UAH 12.2 billion by 2030. As can be seen in Figure 21, ODA constitutes the largest share in reducing the financing gap in the medium-term.

**Comprehensive cost-benefit analysis in this study underscores the compelling case for prioritising youth-focused investments.** These interventions not only uphold youth rights and well-being but also yield substantial value for money through enhanced skills, improved health, increased employment, and heightened civic engagement, offering a strategic pathway for sustainable development amidst resource constraints.

**Figure 21. Potential fiscal space for youth programmes – Scenario B (Billion UAH)**





# 6

## Conclusions and policy recommendations

**Ukraine's youth are a crucial element of the country's recovery, but the opportunity to capitalise on their potential is at risk of being missed.** The analysis presented in this investment case underscores the necessity of investing in this demographic to harness their potential for spearheading economic recovery and social cohesion. The cost-benefit analysis conducted reveals that investments in skills, employment, mental and sexual health, and participation yield significant monetary and non-monetary benefits, thus advocating for the prioritisation of such interventions to foster sustainable development.

**The study firmly establishes that spending on a wide range of youth-related programmes is a good investment.** These investments are not only imperative for upholding the rights of young people and promoting their well-being but also serve as prudent financial decisions with robust returns on investment. These returns on investment are derived from skills development, better health, more youth in employment, and more youth volunteers. The aspirational package exemplifies a comprehensive approach to youth development and provides a strategic framework to meet the multifaceted needs of youth within the constraints of limited resources.

**All interventions analysed exhibit benefit-cost ratios above 1, signalling that every investment made generates substantial societal value.** In line with findings from international literature, scaling up youth programmes is found to be cost-effective and to have strong BCRs in the medium- to long-term. The preferable scenario (Scenario B) presents an aspirational yet attainable goal, yielding higher BCRs despite its greater financial commitment and a significantly higher overall COI. To reiterate, some of the headline figures are:

- The overall package has a **benefit-to-cost ratio** of at least **2.2** for Scenario A and **2.5** for Scenario B. This means that every UAH 1 spent on the aspirational package, returns to society are at least UAH 2.20 by 2030 in Scenario A, and at least UAH 2.50 in Scenario B. Due to the qualitative benefits that are not included, the true BCR is likely to be significantly higher.
- These benefits are obtained from youth gaining more **skills**, having better **health**, having more **employment**, and accessing more **participation** opportunities.
- Certain interventions, such as **peer-to-peer consultation services, volunteering platforms, and online learning portals**, have BCRs over 4. A significant reason for this is that their cost base is able to remain low during scale up due to their online service delivery mechanism.
- The overall COI for Scenario A is **UAH 57 billion** and for Scenario B **UAH 68 billion**.

**Investments in youth have significant benefits beyond those quantitatively modelled and could also play a crucial role in reversing demographic decline.** The aging structure of the population has been exacerbated by a greater number of youth fleeing. Investments have the potential to build a country that youth want to return to, live in, and contribute to. The effects of this would be far reaching, beyond what is modelled in this investment case. Access to high-quality services and opportunities for Ukrainian youth is a necessary component of realizing these fundamental goals. Furthermore, each programme modelled has additional benefits ranging from improving social cohesion to boosting youth equity, self-realisation, and civic participation.

## 6.1. Policy recommendations

To actualise the findings of this report and enhance the role of youth in Ukraine's recovery, the following policy recommendations for the Government of Ukraine are proposed:

**To turn these insights into action, the Government of Ukraine must chart a course that integrates these findings into national recovery plans, ensuring that the youth not only recover from the war but thrive in its aftermath.** Taking the necessary steps to develop cost-effective youth programmes includes:

- Building upon the roadmap to ensure programmes are scaled-up to the levels proposed in Scenario B by 2030.
- Ensuring programmes for investment are evaluated to confirm their impact, and ensuring that marginalised groups and minorities are reached.
- Developing the fiscal space analysis further to ascertain potential sources of funding and budgets available. Exploring different avenues for fiscal space will be important given the uncertain future Ukraine faces. It will be necessary to consider different approaches to financing the scale up of youth programmes to account for unpredictability in the short- to medium-term. While further clarity on support needed by the Government of Ukraine on the youth portfolio, roadmaps and workplans associated need to be further developed, medium-term opportunities for funding are shaping, particularly around foreign support packages (namely the EU's Ukraine Facility). Funding recommendations can be further aligned to this package as asks for support become clearer.
- Developing a costed scale-up plan for each key stakeholder. The costing that has been undertaken in this exercise is normative and high-level. If these recommended programmes are to be implemented, a full costing exercise needs to be developed to ensure these programmes are ready for rollout.

**Ensure that investments with robust evidence of cost-effectiveness are prioritised so that available resources are used to maximum effect.** All programmes in this study demonstrate a strong return on investment and therefore provide a framework for future investments in youth. Each sector includes:

- **Skills development.** Skills development outside the traditional education sector requires adaptation to the labour market and a focus on entrepreneurial, technical, and socio-emotional skills delivers strong return on investment, as illustrated by the cost-effectiveness of these programmes. Career counselling is also an important source of workplace readiness.

- **Health.** Investments in expanding mental and sexual health services that are accessible to all youth, including IDPs and those in rural areas, leads to significant benefits. Online consultations are a particularly cost-effective way to do this; and using youth centres as a base for psychosocial support can encourage youth to seek support who would not otherwise do so.
- **Employment and social protection.** Programmes that support young people's entry into the labour market, including hiring subsidies and entrepreneurship grants, both demonstrate cost-effectiveness and are an important source of financial security for youth.
- **Participation.** Online platforms for volunteering opportunities are a cost-effective way to encourage young people to volunteer, build their skills and confidence, contribute to society, and increase their future wages.

**Ensure future policymaking for youth is coherent, regionally aligned, anchored around an overarching youth strategy, and inclusive.** In Ukraine, there is scope to improve the policy coherence and the coordination of services for youth among policymakers at both national and local levels. The [EU Youth Guarantee](#) (from the Youth Employment Youth employment support - Employment, Social Affairs & Inclusion - European Commission) for instance needs to coherently be implemented both on a national and regional levels. In order to achieve this, it is necessary to strengthen the role of line ministries, and regions in coordinating and developing programmes aimed specifically at youth/ It would also be beneficial to engage young individuals in policy development processes, fostering a participatory approach that considers the aspirations and perspectives of Ukrainian youth. Aligning youth development strategies with regional standards and practices, particularly those of the EU, could ensure compatibility and facilitate smoother integration processes.

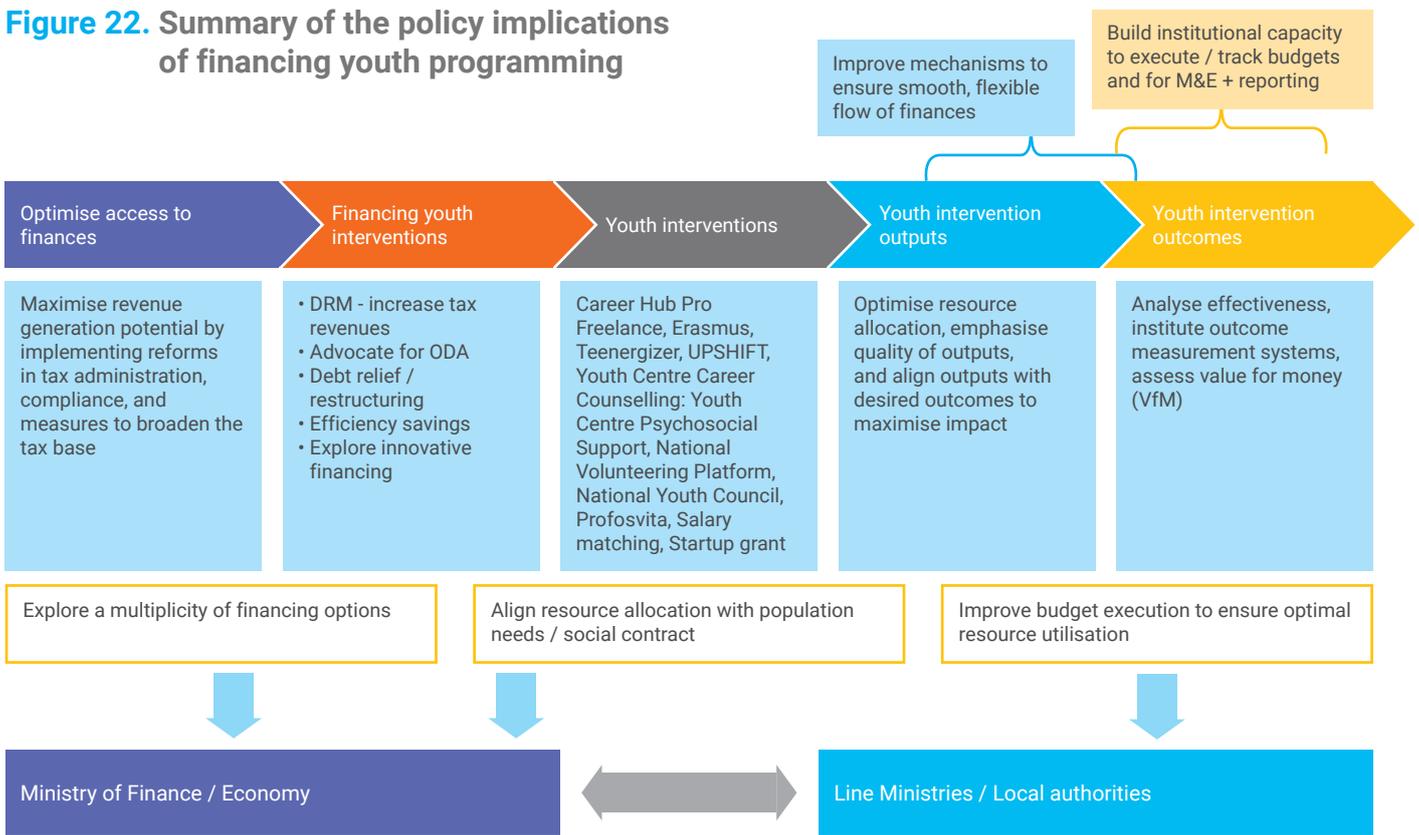
**Prioritise negotiations with international partners to secure predictable ODA commitments in the short- and medium-term with clear allocations for social sectors, including youth programs.** Whilst ODA inflows remain significant, there is a need to align ODA allocations with social sector priorities guided by population needs, including youth programs, amidst competing reconstruction demands. Strengthening partnerships with international donors and ensuring transparent allocation mechanisms can maximise the impact of ODA on youth interventions.

**Optimise domestic revenue mobilisation as the most sustainable source of funding for youth programs in the long-term.** To meet fiscal targets amidst considerable risks and uncertainty, robust fiscal policy action is imperative. Optimising access to finances and increasing domestic revenues necessitates prioritising comprehensive tax reforms to increase domestic revenue mobilisation, focusing on broadening the tax base, strengthening tax compliance, and enhancing tax administration. The Government should ensure the reforms are targeted, time-bound, and complemented with effective enforcement mechanisms.

**Focus on controlling expenditures and implementing efficiency measures to avoid further debt accumulation.** Given the country's high debt burden, caution should be exercised in further borrowing, focusing instead on leveraging debt relief and restructuring initiatives to repurpose savings for social spending. The Government should prioritise negotiations with creditors to secure favourable terms for debt relief and restructuring. Savings from debt servicing should be reallocated to priority social sectors, including youth programs, to enhance their effectiveness and sustainability.

**Explore areas to streamline administrative processes, reduce duplication of services, and improve targeting of resources.** Improving efficiency in spending is essential for maximising fiscal space and optimising resource allocation for youth programs. The Government should invest in measures to enhance efficiency in the social sectors and in the PFM system, focusing on streamlining processes, minimising leakages, and improving service delivery.

**Figure 22. Summary of the policy implications of financing youth programming**



**It is important to note that the success of these recommendations depends on strong political will, effective governance, and robust monitoring and evaluation systems.** The ongoing war in Ukraine and its economic and social impacts need to be carefully considered when implementing these recommendations. Additionally, continuous dialogue and collaboration among the Government, civil society organisations, and development partners are crucial for designing and implementing effective financing strategies for youth programmes in Ukraine.



# 7

## Roadmap

**The next stage of this project considers what is required to feasibly scale up the interventions presented.** The roadmap aims to provide a framework that can be utilised to support the Government and its partners in scaling up youth interventions. It does not look to detail a concrete plan, rather it presents key questions and ideas that could be considered when deliberating on how to implement the scale-up scenarios. To do this, the roadmap focuses on two key areas:

- **How selected interventions can be further prioritised.** This section provides a framework for approaching further prioritisation, under the assumption that it may be challenging to scale up all interventions immediately. This consists of a set of key questions that should be answered, as well as guiding principles to support this process.
- **How the interventions will be scaled-up.** This section explores the practical questions around implementation once priority interventions have been selected. It explores who should be responsible for the scale up, how long the process might take, how the interventions will be financed, what resources will be required, what additional support will be necessary, and how the interventions will be monitored to ensure key goals are met.

### 7.1. Prioritising interventions

The first stage of developing the roadmap considers the prioritisation of selected interventions. The initial phase of prioritisation was conducted whilst developing the aspirational package. In that phase, the existing initiatives in Ukraine providing value to youth were outlined. To ensure relevance to key stakeholders and to increase the likelihood of the interventions in the investment case receiving funding, the criteria that was used are as follows.<sup>152</sup>

- **Alignment with national recovery priorities**
- **Critical thematic areas for youth**
- **Strength of effectiveness evidence**
- **The EU accession agenda**

<sup>152</sup> For more detail, see Section 3.1: Criteria for programme selection

Each of the existing initiatives was assessed using these criteria to narrow down the number of interventions from 35 to 12. For the second phase of prioritisation, it was important to recognize that each intervention has a different scale-up scenario, which have been created based on a number of factors, including:

- **Constrained implementation capacities.** Scaling up from a low coverage rate requires a phased approach with incremental increases in reach over time. Rapidly scaling up from a low base can strain resources and lead to quality compromises or operational inefficiencies.
- **Target setting.** Setting targets for scaling up should be based on realistic assessments of current coverage rates and growth potential. Initiatives with low coverage rates may need to prioritise reaching underserved populations or expanding into new geographic areas before aiming for universal coverage.
- **Best practice.** Examining scale-up scenarios from other European countries can help set realistic targets and expectations for the expansion of youth initiatives in Ukraine. By understanding the pace and trajectory of scale-up efforts in comparable settings, stakeholders can develop feasible and achievable goals for the long term.
- **Method of implementation.** Initiatives with scalable implementation methods require fewer logistical constraints and can adapt more readily to changes in demand or resource availability. Initiatives that utilise digital platforms often have higher scalability compared to brick-and-mortar initiatives as they can reach a larger audience more easily and at a lower cost.

To begin this process of prioritising among selected interventions, the first question that should be answered is:

**Will it be possible to scale up all interventions by 2030? That is:**

- Are the necessary financial resources available to scale up?
- Are the necessary resources available to scale up?
- Do the relevant Government ministries and key stakeholders have the capability to scale up?
- Is there enough support for the scale up to implement it?

If completing the scale up under these parameters will be challenging, then a process of prioritisation should be undertaken. This process considers which interventions should be scaled up, and to whom and in what timeframe should the available financial resources be given.

The key areas to consider when contemplating prioritisation are:

- **Which needs should be prioritised? In which areas are indicators for youth falling behind?**
- **Which target groups should be prioritised? Considerations should be made around prioritising:**
  - a specific age-group
  - certain genders
  - certain geographic areas
  - groups affected by the war, such as IDPs
  - the poorest areas
  - youth with disabilities
- **What coverage level should the interventions be scaled up to?**
  - Should a lower coverage rate be prioritised across more interventions?
- **Does the policy and legal framework exist to support the scale up of certain interventions?**
  - Does this need to be adapted?
  - Do new policies / laws need to be passed to justify the scale up of certain interventions?
  - Is the legal / political framework strong enough to help generate wider support for interventions?

It is important to consider the key objectives of the scale up as this will help determine what should be prioritised first. For Ukraine, it is essential to take into consideration:

- The ongoing impacts of the war
- Demographic challenges
- The sustainability of development partner support

Once priority interventions have been selected, stakeholders should consider the practical implementation of this scale up.

## 7.2. Developing the roadmap

**The second stage of the roadmap explores how the chosen interventions will be scaled up.** Table 14 provides an overview of the draft framework proposed to be used to finalise the roadmap. The questions detailed in the 'Action' column will be taken forward during further engagements and used to form concrete action points during the final draft of the investment case. The roadmap is a separate document to the investment case.

**Table 14. Roadmap framework**

Action	Process	Timeframe	Responsible entity	Partner support
<b>Financing</b>				
How can a detailed costing of all interventions be completed to establish the necessary resources?				
Estimate fiscal space available				
Determine the extent of affordability				
Who will finance the scale up?				
<b>Law, policy, and governance</b>				
Can governance and coordination mechanisms be strengthened?				
Should additional laws and policies be introduced?				
<b>Service delivery</b>				
What capabilities are needed for the scale up to be successful?				
How can resources obtained and capabilities be developed?				
How can the efficiency of services be improved?				
<b>Monitoring and evaluation</b>				
What are the metrics of success?				
How will monitoring and evaluation be done? Should data collection tools and systems be designed?				
Is data collected equitably?				

# 8. Annexes

## 8.1. Annex I: Programme selection

### 8.1.1. Youth programme mapping

The programmes that from the evidence review are detailed in the tables below, organised by thematic area.

**Table 15. Education and skills development programmes**

Programme	Partners	Summary
Action. Digital Education: "Entrepreneurship for Schoolchildren"	Ministry of Digital Transformation, Ministry of Education and Culture	A special educational series for schoolchildren with 36 episodes and 6 modules.
<a href="#">Better Skills for Modern Ukraine</a>	EU4Skills, European Commission	A programme that aims to increase the effectiveness of reform, improve the quality and attractiveness of vocational education and its relevance to labour market needs, train VET-school management and teachers, and modernise selected vocational education institutions.
<a href="#">Ecolab</a>	UNFPA	This educational programme is designed to empower young people, including those from vulnerable backgrounds (such as IDPs), to embrace and implement an eco-oriented approach in their daily lives. This initiative welcomes both boys and girls between the ages of 14 to 17, providing them with valuable knowledge and skills to promote environmentally responsible practices.
<a href="#">Erasmus+</a>	European Commission	The EU's programme to support education, training, youth, and sport in Europe.
<a href="#">Laptops to support teachers</a>	Olena Zelenska Foundation	Every second teacher in Ukraine is currently not equipped with the necessary devices for distance learning. Approximately 82,000 educators are waiting for laptops. This programme aims to address this issue and ensure access to education.
<a href="#">PLAST</a>	PLAST	A programme that provides Ukrainian youth with the skills needed to develop Ukraine, as based on the Scout Law and the Scout Promise.
<a href="#">Profosvita.online</a>	MOES	"Professional Education Online" is an all-Ukrainian platform for distance and mixed learning, created based on "All-Ukrainian School Online". It is specifically for students of vocational education institutions, teaching staff, and independent acquirers of professional qualifications.
<a href="#">STEM is FEM</a>	STEM is FEM	This programme is a Ukrainian educational project promoting 'STEM interests and skills for girls, challenging gender stereotypes, increasing women's participation in STEM fields, and fostering a supportive community of women.
<a href="#">TERRA</a>	UNDP	A UNDP programme to support and build the capacity of women entrepreneurs, in particular those working in the agri-food sector. It was relaunched and refocused on conducting business activities in crisis conditions. It is expected that the online training, which introduces the skills and practices women entrepreneurs need to succeed, will also help strengthen the Ukrainian agricultural sector and economy.
<a href="#">The Ukrainian Global University (UGU)</a>	Consortium of Ukrainian Academic Institutions	This programme aims to identify talented individuals, provide them with the support they need to achieve their goals, and allows them to work on real projects to rebuild Ukraine and help overcome the devastating consequences of war.
<a href="#">UPSHIFT</a>	UNICEF	This project supports adolescents and youth, including the most disadvantaged, as agents of change. It combines human-centred design workshops with mentorship to unleash creative problem-solving skills in young leaders.
<a href="#">YouthPass</a>	European Commission	This recognition tool is used for non-formal and informal learning in youth projects.
<a href="#">Zero-rated online courses</a>	Coursera, Udemy, EdX	Ukrainian authorities have secured agreements with Coursera, Udemy, and EdX to provide free of-charge online courses to Ukrainian students hosted by these platforms, thus allowing students to continue their study programmes.

**Table 16. Mental and sexual health programmes**

Programme	Partners	Summary
<a href="#">Community Mental Health Teams</a>	WHO	These teams respond to the mental health needs of IDPs in the east of Ukraine.
<a href="#">National Programme of Mental Health and Psycho-social Support</a>	Ministry of Healthcare, WHO	This programme aims to build an effective system of high-quality and affordable mental health services. It provides training to specialists, "self-help plus" (training of trainers on stress management), and teacher training on "first psychological aid".
<a href="#">No Trivia chatbot</a>	Molodvizi, UNFPA	This project addresses mental health issues and provides psychological assistance to teenagers.
<a href="#">SupportMe</a>	HealthRight	An information portal offers online consultations for adolescents to raise their awareness on sexual and reproductive health, HIV, and mental health.
<a href="#">Teenergizer</a>	Teenergizer, UBS, Global Giving	An online information portal and site provides access to consultations about sexual and mental health.
<a href="#">Youth Friendly Clinics</a>	UNICEF	These drop-in centres or clinics aim to create a safe and supportive environment for youth, and provide them with information, counselling, and health services with the main focus on preventing HIV and sexually transmitted infections (STIs).

**Table 17. Employment programmes**

Programme	Partners	Summary
<a href="#">Career Hub Pro Freelance</a>	Career Hub Pro Freelance, MOYS, UNFPA, UNICEF, USAID	This centre unites young people, employers, State bodies, and educational institutions for the career development of young people - from school to successful implementation in a profession.
<a href="#">EU4Youth: Youth Employment and Entrepreneurship</a>	Central Project Management Agency, EU Neighbours East	This programme seeks to establish structural cooperation and networking with all regional institutions and actors active in youth employment policy.
Salary matching	State Employment Service	This State programme provides 50% salary matching for 6 months to youth in their first professional jobs, helping ease their transition into the labour market.
Start-up grants	State Employment Service	This State programme provides entrepreneurship funding for young people whose businesses have demonstrated promise for employment creation potential.

**Table 18. Participation programmes**

Programme	Partners	Summary
e-Youth programme	Ministry of Youth and Sports	The Ministry of Youth and Sports, in collaboration with UNICEF, plans to establish the e-Youth programme and transfer competitions to an electronic platform. This initiative aims to enhance transparency and improve accessibility to services for young people.
<a href="#">EU countries and Ukrainian Youth Exchange</a>	The Polish-Ukrainian Council of Exchange, MOYS, Ministry of National Education (Poland)	The Council supports financially (project competition) and substantively (training system, consultations) the implementation of young people's ideas. It co-finances youth exchanges, youth meetings, and information and promotion projects.
<a href="#">European Solidarity Corps</a>	EU, European Youth Foundation	This Corps offers volunteering activities to young people who are legal residents in the EU and in partner countries, which includes Ukraine. In 2023, the programme already featured projects offering relief and assistance to those whose lives have been disrupted by the ongoing war.
<a href="#">National Volunteering Platform (online portal)</a>	Ukrainian Volunteer Service, MOYS, UNICEF	Non-Governmental organizations can add their volunteer projects to this online portal, whilst all those interested can easily find opportunities and engage in volunteering in their cities.
National Youth Council	MOYS	This Council aims to consolidate and develop democratic youth organizations in Ukraine to protect and represent the interests of young people at national and international levels.
Professional Development of Youth Workers	MOYS	In-service training is provided to the staff of youth councils to ensure they are adequately skilled to provide the services associated with youth centres.
<a href="#">Special Call to Support Young People (Project Funding)</a>	European Youth Foundation	This programme responds to the current needs expressed by the Ukrainian authorities and stakeholders in the field of youth by allowing applications to be submitted both for pilot activity grants and for international activity grants.

Programme	Partners	Summary
Ukrainian Youth Fund	UNICEF / Ministry of Youth and Sports	(Aligned to the EU Youth Guarantee)
<a href="#">VIDNOVA:UA</a>	MOYS, Eidos, All-Ukrainian Youth Centre, UNDP, MOFA (Denmark), Government of Japan	The programme (Vidnova means recovery in Ukrainian) aims to promote volunteering and engaging young people in the recovery of Ukraine. At the same time, it introduces young people to their peers in other regions, and those peers to Ukraine, through youth exchanges.
<a href="#">Youth Centre Redevelopment</a>	MOYS	This programme restores damaged youth centres, builds new ones, and modernises the network of youth centres and spaces according to EU requirements, namely, creating barrier-free spaces.
<a href="#">Youth for Democracy in Ukraine</a>	Council of Europe	This project responds to the needs of youth workers, youth centres, and youth organisations in Ukraine and to support youth policy and youth policy stakeholders in war time.
<a href="#">Youth Work: Focus on Recovery</a>	Council of Europe	The project aims to strengthen the competencies of youth workers at youth centres in Ukraine to implement educational and educational activities in trauma-informed youth work.

## 8.1.2. Programme prioritisation

Shortlisting the programmes to include in the aspirational package required applying selection criteria. This process ensures that programmes that have the highest priority in each intervention category are included in the package. The same criteria for selecting categories were applied to programme selection, with the results in Table 19.

The approach to inclusion in the aspirational package is phased. Interventions that score eight or more are included in the aspirational package. These are the interventions where cost, coverage, and impact data will be collected. If successful, these programmes will be included in the aspirational package and subjected to modelling. If cost, coverage, or impact data is unavailable and reasonable assumptions cannot be made to fill data gaps, interventions from the “reserve” list will be selected in their place from the same category as the previously included intervention that is being replaced. Reserve programmes should score seven in total. Any programmes that score six or less are excluded from the aspirational package altogether.

**Table 19. Prioritisation of programmes**

Programme	1. National Recovery Priority for Youth	2. Critical thematic areas	3. Global evidence	4. EU accession priority	Total	Status in package
<a href="#">Youth centre redevelopment</a>	3	3	2	2	10	Included
<a href="#">UPSHIFT</a>	2	3	3	1	9	Included
<a href="#">Profosvita.online</a>	3	2	3	1	9	Included
<a href="#">Erasmus+</a>	2	2	2	3	9	Included
<a href="#">Community Mental Health Teams</a>	2	3	3	1	9	Included
<a href="#">Teenergizer</a>	3	2	2	1	8	Included
Startup grants	3	1	3	1	8	Included
Salary matching	3	1	3	1	8	Included
Professional Development of Youth Workers*	3	2	1	2	8	Included
National Youth Council*	3	2	1	2	8	Included
<a href="#">National Volunteering Platform (online portal)</a>	3	3	1	1	8	Included
<a href="#">Career Hub Pro Freelance</a>	2	2	3	1	8	Included
<a href="#">YouthPass</a>	1	2	2	2	7	Reserve
<a href="#">Youth Friendly Clinics</a>	1	3	2	1	7	Reserve
Ukrainian Youth Fund*	2	3	1	1	7	Reserve
<a href="#">The Ukrainian Global University (UGU)</a>	2	2	2	1	7	Reserve
<a href="#">SupportMe</a>	3	1	2	1	7	Reserve

Programme	1. National Recovery Priority for Youth	2. Critical thematic areas	3. Global evidence	4. EU accession priority	Total	Status in package
<a href="#">STEM is FEM</a>	1	3	2	1	7	Reserve
<a href="#">Special Call to Support Young People (Project Funding)</a>	2	2	1	2	7	Reserve
<a href="#">PLAST</a>	2	2	2	1	7	Reserve
<a href="#">No Trivia chatbot</a>	2	2	2	1	7	Reserve
<a href="#">National Programme of Mental Health and Psychosocial Support</a>	2	2	2	1	7	Reserve
<a href="#">Laptops to support teachers</a>	2	2	2	1	7	Reserve
<a href="#">EU4Youth: Youth Employment and Entrepreneurship</a>	1	2	1	3	7	Reserve
<a href="#">EU countries and Ukrainian Youth Exchange</a>	2	2	1	2	7	Reserve
<a href="#">Ecolab</a>	1	3	2	1	7	Reserve
e-Youth program	2	2	1	2	7	Reserve
<a href="#">Better Skills for Modern Ukraine</a>	1	2	2	2	7	Reserve
Action. Digital Education: "Entrepreneurship for Schoolchildren"	2	2	2	1	7	Reserve
<a href="#">Zero-rated online courses</a>	1	2	2	1	6	Excluded
<a href="#">Youth Work: Focus on Recovery</a>	1	2	1	2	6	Excluded
<a href="#">Youth for Democracy in Ukraine</a>	1	2	1	2	6	Excluded
<a href="#">VIDNOVA:UA</a>	1	2	1	2	6	Excluded
<a href="#">TERRA</a>	1	2	2	1	6	Excluded
<a href="#">European Solidarity Corps</a>	1	2	1	2	6	Excluded

Based on these ratings, the aspirational package includes the following eleven programmes:

- Youth centre redevelopment
- UPSHIFT
- Profosvita.online
- Erasmus+
- Community Mental Health Teams
- Teenergizer
- Startup grants
- Salary matching
- National Youth Council
- National Volunteering Platform (online portal)
- Career Hub Pro Freelance

**Of these eleven programmes, ten have robust global evidence to support their effectiveness.** This means that these programmes can be taken forward and a cost-benefit analysis can be conducted with quantitative evidence. These ten programmes are discussed in the following section, in relation to the indicator and target definition, to prepare these programmes for analysis. One programme in the aspirational package has been included despite the limited quantitative evidence of its effectiveness: the National Youth Council. Despite scoring a "1" in global evidence, this programme scored well in all other areas, meaning it met the threshold for inclusion despite limited evidence. This programme is included in the package, but the lack of evidence means it has not been included in the analysis of quantitative benefits. The NYC has still been included in the costing exercise, and benefits are captured in the qualitative analysis.

### 8.1.3. Indicator and target definition

The final phase to develop the aspirational package involved converting programmes to measurable indicators. Converting programmes to indicators is necessary to ensure that modelling scale up scenarios can be conducted. This requires an indicator to have a baseline unit, as well as targets for scale up and target populations, so that baselines and targets can be expressed as a percentage of the potential number of young people reached by the programme. A mapping of selected programmes-to-indicators is found in Table 20.

**Table 20.** Indicator definition for programmes

Category	Programme	Indicators
Skills development	Erasmus+	Students visiting universities in Europe for studies
	UPSHIFT	Youth participating in the programme
	Profosvita.online	Vocational education students who undertake courses on the platform
Employment and social protection	Career Hub Pro Freelance	Youth obtaining course completion certificates on the 'Career Hub Pro: Freelance' platform
	Salary matching	Number of young people receiving 50% salary matching from the State Employment Service for six months on commencement of employment
	Startup grants	Number of young people receiving startup grants from the State Employment Service
Sexual and mental health	Community Mental Health Teams	Number of young people suffering with depression undertaking consultations
		Number of young people suffering with anxiety undertaking consultations
	Teenergizer	Number of young people with HIV undertaking consultations about their sexual health
		Number of young people with STIs other than HIV undertaking consultations about their sexual health
		Number of young people with depression undertaking consultations about their mental health
Participation	National Volunteering Platform	Number of young people registered on the platform
	Youth centre redevelopment	Number of young people receiving career counselling in youth centres
		Number of young people with depression receiving psychosocial support in youth centres
		Number of young people with anxiety receiving psychosocial support in youth centres

**Target groups, baseline coverage rates, and target coverage rates have been applied to each indicator.** The selection of target groups is informed by the group that the programme typically covers. Baseline data was collected either through desk review or from key informant interviews with programme implementers. This is expressed as a percentage of the target group. Placeholder baseline rates were used when this information was not available. For the scale up scenarios to target coverage rates, each indicator required a bespoke approach. The nature of youth programming means that universal coverage is no longer achievable nor desirable in most cases. There are also implementation capacities to consider, which prevent the rate of scale up that is feasible. Thus, scale up of each indicator is based on one of four factors:

#### 5. Benchmarking against similar programmes in the region

- a. For the National Volunteering Platform, the targets here were based on countries which already have high rates of people engaged in voluntary activities. Estonia, Denmark, France, Latvia, and Finland all have volunteering rates between 20% and 30%.
- b. For Erasmus, the target is half the EU average of students travelling abroad if Scenario A, and the equivalent proportion of students travelling abroad if Scenario B.

## 6. Proxy indicators, which indicate the appropriate level of supply for the programme

- a. For Career Hub Freelance Pro, which trains people with disabilities to become freelancers, the proportion of self-employed people in Ukraine informs the scale of the ambition for this programme.

## 7. Implementation capacities limit the pace of scale up. In general, it is considered feasible to add the existing number of participants every year for Scenario A, or adding double the existing number of participants every year for Scenario B.

- a. For programmes that are solely online, such as Profosvita, scale up constraints are considered less, with five or ten times the participant numbers being added every year being considered feasible.

## 8. Geography, with some programmes only targeting specific areas.

- a. CMHT targets IDPs specifically; thus the scale up attempts to reach all clinically anxious and depressed youth in the four oblasts with the highest levels of IDPs:

Information on the target population, baseline coverage rates, and target coverage rates are found in Table 21.

**Table 21. Indicator development for cost-benefit modelling**

Intervention	Target age	Target group	Baseline coverage (%)	Target coverage (%)	Rationale
Youth registered on the National Volunteering Platform	15-34	All	0.46%	30.00%	Benchmarking (Estonia, Denmark, France, Latvia, Finland)
Youth receiving career counselling in youth centres	15-34	All	1.51%	22.71%	Implementation capacity
Youth with depression receiving psychosocial support in youth centres	15-34	Depression	3.03%	45.44%	Implementation capacity
Youth with anxiety receiving psychosocial support in youth centres	15-34	Anxiety	3.03%	45.44%	Implementation capacity
Youth obtaining course completion certificates on the 'Career Hub Pro: Freelance' platform	15-34	Disabilities	0.02%	14.70%	Self-employment rate (14.7%)
Youth participating in the UPSHIFT programme	15-24	All	0.05%	0.78%	Implementation capacity
Upper secondary vocational education students who undertake courses on the Profosvita platform	14-18	Upper secondary vocational students	0.89%	63.19%	Implementation capacity
Students visiting universities in Europe for studies with Erasmus	18-24	University students	0.44%	8.00%	Benchmarking (EU average)
Youth suffering with depression undertaking consultations with CMHT	18-34	Depression	0.29%	11.00%	Geography
Youth suffering with anxiety undertaking consultations with CMHT	18-34	Anxiety	0.34%	11.00%	Geography
Youth receiving startup grants from the State Employment Service	18-24	Unemployed	0.02%	0.28%	Implementation capacity
Youth with HIV undertaking consultations about their sexual health with Teenergizer	15-29	HIV	29.78%	90.00%	Existing coverage rates
Youth with STIs other than HIV undertaking consultations about their sexual health with Teenergizer	15-29	STIs other than HIV	0.76%	11.41%	Implementation capacity
Youth with depression undertaking consultations about their mental health with Teenergizer	15-29	Depression	2.21%	33.15%	Implementation capacity
Youth with anxiety undertaking consultations about their mental health with Teenergizer	15-29	Anxiety	2.58%	38.75%	Implementation capacity

## 8.2. Annex II: Model data and assumptions

### 8.2.1. Effectiveness evidence

Table 22 presents the range of studies referenced to assess the impact sizes of the different programmes within the aspirational packages. Each category of evidence drew upon multiple studies conducted in various contexts. Priority was given to evidence from Ukraine, followed by studies conducted in other EU countries, and finally, studies conducted globally. Since each study focused on distinct target groups, it is crucial to include an applicability column indicating the similarities and differences between the target groups in the evidence studies and the Ukrainian context. To ensure robustness, an average of the effect sizes across different studies were used to determine the potential impact of introducing similar programmes in Ukraine.

**Table 22. Effectiveness evidence of youth interventions**

Pathway linkage	Study	Country	Effect size	Applicability
The impact of volunteering on future earnings	<a href="#">When and How Does Volunteering Influence Wages? – Evidence From Panel Data</a>	Germany	0.017	All age groups (not just youth)
The impact of volunteering on future earnings	<a href="#">Voluntary Work And Wages</a>	EU	0.027	National representative sample of all persons aged 16 - 64 residing in private households within EU member states
The likelihood of participating in volunteering after expressing interest	<a href="#">Volunteer Retention as a Management Challenge</a>	USA	0.83	20-29 year old age group, turnover rates used as a proxy indicator for intention to volunteer when signing up to a volunteering platform
The impact of career counselling on future earnings	<a href="#">Career Education That Works: An Economic Analysis Using The British Cohort Study</a>	UK	0.0045	14-15 year olds (0.8%), 15-16 year olds (0.1%)
The impact of startup grants for small businesses on future number of employees	<a href="#">The Impact of Startup Grants on Firm Performance</a>	Estonia	0.124	
The impact of wage subsidies on future employment	<a href="#">Wage Subsidy Meta-Analysis</a>	UK, Netherlands, Sweden	0.04	Employment after 24 months
The impact of student exchange programmes on future earnings	<a href="#">Are Exchange Programs Worth It?</a>	Switzerland	0.033	17–35-year-olds, impact on starting salary
The impact of an additional year of education on future earnings	<a href="#">Psacharopoulos et al, 2018</a>	Ukraine	0.05	
The impact of online SRH consultations on contraception use	<a href="#">Improving Adolescent Sexual and Reproductive Health: A Systematic Review of Potential Interventions</a>	Global	0.15	Peer-led counselling specifically
The impact of online SRH consultations on contraception use	<a href="#">Improving Adolescent Sexual and Reproductive Health: A Systematic Review of Potential Interventions</a>	Global	0.02	Technology-based counselling specifically
The impact of online SRH consultations on contraception use	<a href="#">Carpenter et al</a>	USA	0.03	Men who have sex with men only
The impact of online SRH consultations on contraception use	<a href="#">Billings et al</a>	USA	0.05	Women only, age range 18-50
The impact of online SRH consultations on contraception use	<a href="#">Bull et al</a>	USA	0.06	
The impact of condom use on the likelihood of contracting HIV	<a href="#">Pinkerton and Abramson</a>	Global	0.9	
The impact of condom use on the likelihood of contracting STIs other than HIV	<a href="#">Marfatia et al</a>	Global	0.9	Average of a range of STIs (not including HIV)

Pathway linkage	Study	Country	Effect size	Applicability
The impact of online SRH consultations on SRH "mean knowledge score"	<a href="#">Improving Adolescent Sexual and Reproductive Health: A Systematic Review of Potential Interventions</a>	Global	0.67	Peer-led counselling specifically
The impact of online SRH consultations on SRH "mean knowledge score"	<a href="#">Improving Adolescent Sexual and Reproductive Health: A Systematic Review of Potential Interventions</a>	Global	0.59	Technology-based counselling specifically
The impact of online SRH consultations on SRH "mean knowledge score"	<a href="#">Computer-based interventions for sexual health promotion: systematic review and meta-analyses</a>	Global	0.72	
The impact of online SRH consultations on SRH "mean knowledge score"	Tian et al	China	0.15	Two county average
The impact of an improved "mean knowledge score" on the likelihood of contracting an STI	N/A	N/A	0.05	Author estimates
The impact of online mental health consultations on depressive symptoms	<a href="#">Stasiak et al</a>	New Zealand	0.12	13–18-year-olds, computerised cognitive behavioural therapy (CBT) programme
The impact of online mental health consultations on depressive symptoms	<a href="#">Zanden et al</a>	Netherlands	0.94	16–25-year-olds, web-based group course
The impact of online mental health consultations on anxiety symptoms	<a href="#">Internet-Delivered Indicated Prevention for Anxiety Disorders: A Randomized Controlled Trial</a>	Australia	0.067	Average across 5 measures for anxiety on an online CBT consultation
The impact of online mental health consultations on anxiety symptoms	<a href="#">Zanden et al</a>	Netherlands	0.49	16–25-year-olds, web-based group course
The impact of online mental health consultations on anxiety symptoms	<a href="#">Cukrowicz and Joiner</a>	USA	0.57	18–21-year-olds, BAI indices
The impact of online mental health consultations on anxiety symptoms	<a href="#">Kenardy et al</a>	Australia	0.9	CES-D indices, median age 20.7 years
Disability weight of HIV	<a href="#">IMHE Global Burden of Disease estimates</a>	Ukraine	1.069	Author's calculations based on 15–34 age group. 2019 data (pre-war)
Disability weight of STIs other than HIV	<a href="#">IMHE Global Burden of Disease estimates</a>	Ukraine	0.001	Author's calculations based on 15–34 age group. 2019 data (pre-war)
The impact of online mental health consultations on depressive symptoms	<a href="#">Universal and Targeted Computerised Cognitive Behavioural Therapy (Think, Feel, Do) For Emotional Health in Schools: Results From Two Exploratory Studies</a>	UK	0.36	Online CBT. Only 13 participants, 10–16 years old
The impact of online mental health consultations on depressive symptoms	<a href="#">Sandford et al</a>	Canada	0.5	Reduction in RADS, 13–18 years
The impact of online mental health consultations on depressive symptoms	<a href="#">Parker et al</a>	Australia	0.41	Depressive symptoms, 15–25-year-olds
The impact of online mental health consultations on depressive symptoms	<a href="#">Feiss et al</a>	Global	0.39	Adolescents, 11–18, meta-analysis
The impact of online mental health consultations on depressive symptoms	<a href="#">Werner-Sneider et al</a>	Global	0.23	School-based, meta-analysis
The impact of online mental health consultations on depressive symptoms	<a href="#">Interventions for Adolescent Mental Health: An Overview of Systematic Reviews</a>	Global	0.16	Systematic review of school-based targeted group-based interventions and CBT. 95% CI

Pathway linkage	Study	Country	Effect size	Applicability
The impact of online mental health consultations on anxiety symptoms	<a href="#">Universal and Targeted Computerised Cognitive Behavioural Therapy (Think, Feel, Do) For Emotional Health in Schools: Results From Two Exploratory Studies</a>	UK	0.33	Online CBT. Only 13 participants, 10–16 years old
The impact of online mental health consultations on anxiety symptoms	<a href="#">Feiss et al</a>	Global	0.56	Adolescents, 11–18, meta-analysis
The impact of online mental health consultations on anxiety symptoms	<a href="#">Werner-Sneider et al</a>	Global	0.23	School-based, meta-analysis
The impact of online mental health consultations on anxiety symptoms	<a href="#">Interventions for Adolescent Mental Health: An Overview of Systematic Reviews</a>	Global	0.33	Systematic review of school-based targeted group-based interventions and cognitive behavioural therapy. 95% CI
The impact of online mental health consultations on anxiety symptoms	<a href="#">Interventions for Adolescent Mental Health: An Overview of Systematic Reviews</a>	Global	0.079	Waitlist vs CBT for anxiety. 95% CI
Disability weight of depression	<a href="#">IHME Global Burden of Disease Estimates</a>	Ukraine	0.178	Author's calculations based on 15–34 age group. 2019 data (pre-war)
Disability weight of anxiety	<a href="#">IHME Global Burden of Disease Estimates</a>	Ukraine	0.098	Author's calculations based on 15–34 age group. 2019 data (pre-war)
The impact of saving a disability adjusted life year on economic productivity	<a href="#">Stenberg et al</a>	Global	1.5	

## 8.2.2. Underlying data and assumptions

**Table 23.** Data points used in the cost-benefit model

Indicator	Value	Source
Discount rate	5%	<a href="#">Haacker et al, 2020</a>
Exchange rate (USD to UAH)	42.20	National Bank of Ukraine (2024)
GDP per capita (USD)	5,220	IMF (2023)
Statistical value of a DALY (in GDP per capita terms)	1.5	<a href="#">Stenberg (2014)</a>
Age to enter labour force	15	Labour Force of Ukraine, 2019
Age to exit the labour force	59	Labour Force of Ukraine, 2019
HIV rate (15-29)	0%	IHME GBD 2019
Other STI rate (15-29)	14%	IHME GBD 2019
Depression rate (15-29)	5%	IHME GBD 2019
Anxiety rate (15-29)	4%	IHME GBD 2019
Share of vocational students (upper secondary)	27%	UIS Stat
University students	1,328,988	State Statistics Service (2022)
Youth unemployment rate (15-24)	19%	ILOSTAT
VET graduate wage ratio compared with average student	0.87	<a href="#">Matthews, et al (2022)</a>
Minimum monthly unemployment benefits (USD)	14.79	State Employment Service (2018)
Output multiplier from wage subsidy	1.32	<a href="#">Watson, et al (2022)</a>
Average salary (USD)	4,755.60	State Statistics Service (2022)
Graduate earnings premium	10%	Boero et al (2023)
NEET rate	17%	ILOSTAT
Inflation	13%	<a href="#">IMF (2023)</a>
Multiplier effect from additional income	1.57	<a href="#">Average from multiple cash transfer studies</a>

## 8.3. Annex III: Technical annex

### 8.3.1. Demographics

The analysis of the demographic context in Ukraine informs the methodology in two key ways.

1. **In line with UN Population Prospects, it is assumed population will grow until 2030.**<sup>153</sup> This growth is primarily assumed to be driven by the return of a proportion of people who have fled since the onset of the full-scale war. This population growth could be further enhanced by proposed investments in services for youth. Many of the people who have fled have been youth. Their return is more likely, given investment, since an improvement in services will enhance their long-term prospects. Given Ukraine's aging population, cultivating a well-educated and economically prosperous working-age demographic is imperative.
2. **It is assumed that there will be relatively limited return of IDPs to their home oblasts.** Given ongoing uncertainties around the war, the study assumes that the majority of IDPs will remain in the oblasts in which they currently reside. This is important for the methodology since resources for scale up will be prioritised based on current population figures. It is proposed that adjustments to these allocations be made, depending on how the war progresses and the implications for the feasibility of return for IDPs.

### 8.3.2. EU accession

The methodology will be impacted in two key ways by the ongoing accession process:

1. **The selection of interventions.** There is an interest in ensuring the investment case is prioritising interventions that align with the institutions and opportunities of the European Union through the EU acquis legal framework and other key documentation of the EU, such as the EU Youth Strategy.<sup>154</sup> This will ensure the youth sector is contributing to the overall accession agenda of Ukraine to the European Union. It is a priority for the aspirational package that nothing is promoted that is seen to be non-compliant with the acquis, and programmes in the EU Youth Strategy may be prioritised to further facilitate the accession process. Thus, compliance with the EU accession process is used as one of the four criteria for selecting interventions.
2. **Financing options.** The scale of the financial commitments from the EU to support the recovery is notable, particularly the €50 billion Ukraine Facility Fund. This could be a key source of financing for scaling up the aspirational package of youth interventions outlined in this investment case. This Fund will be considered in the fiscal space analysis financing options, and a policy brief will be developed specifically targeting this Fund.

### 8.3.3. Benefit calculations

**With each investment case, as a programme or intervention is scaled to reach more beneficiaries, both the monetary and non-monetary benefits of implementation also increase.** Using a model, the benefits were estimated that were associated with scaling up the coverage of the programmes from the baseline rate to the target coverage rate. At baseline, the percentage of youth reached by the intervention remains the same over the years of implementation. Conversely, in alternative scenarios, the access to benefits gradually increases at varying rates over time until the target coverage is attained. The analysis of potential youth beneficiaries over the specified period was informed by the UN's projected population data for Ukraine.<sup>155</sup> The selection of target groups is informed by the group that the programme typically covers. Baseline data was collected either through desk review or from key informant interviews with programme implementers. This is expressed as a percentage of the target group. Placeholder baseline rates were used where this information was not available.

<sup>153</sup> United Nations Population Division (2024), World Population Prospects. <https://population.un.org/wpp/>

<sup>154</sup> European Youth Portal (2022), EU Youth Strategy. [https://youth.europa.eu/strategy\\_en](https://youth.europa.eu/strategy_en)

<sup>155</sup> United Nations (2024), World Population Prospects.

In order to determine the monetary benefit derived from each programme, evidence of the impact of similar programmes conducted in other contexts were used as a benchmark of potential impact in Ukraine. Each category of evidence drew upon multiple studies conducted in various contexts. Priority was given to evidence from Ukraine, followed by studies conducted in other EU countries, and finally, studies conducted globally. A key limitation of this approach is that each study focused on distinct target groups. Therefore, applicability to Ukraine's context was not consistently precise, meaning there were cases of both similarities and differences between the target groups in the evidence studies and the Ukrainian context. To enhance reliability, the average effect sizes from various studies were used to assess the potential impact of introducing similar programmes in Ukraine.

**Table 24. Benefit calculations**

Programme	Non-monetary benefits	Monetisation
Career Hub Pro Freelance	<p>The average length of the programme's course was converted to the equivalent approximate years of education received.</p> <p>An assumption was made that an hour of the course was equivalent to the hour in a year of school.</p> <p>An assumption was made about the length of the courses taught, based on descriptions provided on the Career Hub Pro Freelance website. For example, 14 workshops for developing professional skills with a professional trainer by field; 6 workshops on the peculiarities of freelance work.</p> <p>To determine the equivalent years of education received, the number of Career Hub courses taken was multiplied by the number of equivalent years of education.</p>	<p>To find the total GDP increase, the average worker's salary in Ukraine [(according to State Statistics Service (2022))] was multiplied by 4.5%<sup>156</sup> (the yearly percentage earnings increase from one year of education in Ukraine).</p> <p>The result was then multiplied by the equivalent approximate years of education gained from completing a Career Hub Pro Freelance course. This gives the increase in average earnings. Finally, this result was multiplied by the number of Career Hub Pro Freelance courses taken to get the total GDP increase.</p>
Profosvita.Online	<p>An assumption was made about the length of a course. A sample of courses was taken and averaged to find the average length of a course.</p> <p>The average course length was converted to the equivalent approximate years of education received. To determine the equivalent years of education received, the number of Profosvita.Online courses taken was multiplied by the equivalent number of years of education.</p>	<p>To find the total GDP increase, the average TVET graduate's salary in Ukraine was multiplied by the yearly percentage earnings increase from one year of education. The result was then multiplied by the approximate years of education gained from completing a Profosvita.Online course. This gives the increase in average earnings from Profosvita.Online. Finally, this result was multiplied by the number of Profosvita.Online courses taken to get the total GDP increase.</p>
Erasmus	<p>The assumption was made that each student in the programme is engaged for one full year of education in another country. Therefore, the equivalent years of education received was determined by multiplying the number of students involved in Erasmus for a particular year by 1 year of education.</p>	<p>To find the total GDP increase, the average graduate's salary in Ukraine was multiplied by the additional percentage (3.3%) wage premium on studying abroad yearly.<sup>157</sup> Then, the result was multiplied by the number of students on Erasmus for each year.</p>
Youth centre (Career Counselling)	<p>Assumptions were made about the length of time the average participant was involved in career counselling sessions. This figure was then converted to the equivalent approximate years of education received.</p>	<p>To find the total GDP increase, the average salary in Ukraine was multiplied by the yearly percentage earnings increase from one year of education. The result was then multiplied by the total number of youth receiving career counselling.</p>

<sup>156</sup> Psacharopoulos, G., & Patrinos, H. A. (2018), Returns to Investment in Education: A Decennial Review of the Global Literature. *Education Economics*, 26(5), 445-458.

<sup>157</sup> Messer, D., & Wolter, S. C. (2007), Are Student Exchange Programs Worth It? *Higher Education*, 54, 647-663.

Programme	Non-monetary benefits	Monetisation
UPSHIFT	<p>An assumption on the length of training and mentorship was made based on information provided on the Upshift website.<sup>158</sup></p> <p>The benefits of UPSHIFT were calculated into parts: grants and mentorship / skills development.</p> <p>For grants: Non-monetary programme benefits (youth receiving startup grants from UPSHIFT), i.e., the number of young people receiving small grants from UNICEF each year.</p> <p>For mentorship / skills development: Non-monetary programme benefits (equivalent years of education received).</p> <p>The average length in UPSHIFT was converted to the equivalent approximate years of education received. To determine the equivalent years of education received, the number of people participating in UPSHIFT was multiplied by the number of equivalent years of education from UPSHIFT.</p>	<p>For grants: This was calculated by multiplying the size of the grant by the multiplier effect of investment.</p> <p>For mentorship / skills development: To find the total GDP increase, the average salary in Ukraine was multiplied by the yearly percentage earnings increase from one year of education. The result was then multiplied by the approximate years of education gained from completing UPSHIFT. This gives the increase in average earnings from UPSHIFT. Finally, this result was multiplied by the number of people participating in UPSHIFT to get the total GDP increase.</p>
Teenergizer	<p>To calculate the total increased DALYs from sexual health consultations:</p> <p>First, the increase in condom usage among youth receiving online sexual health consultations was calculated. This was done by multiplying the average percentage increase from multiple studies by the number of people receiving consultation.</p> <p>Next, the impact on HIV prevention from condom usage was determined. This involved multiplying the average percentage effect from multiple studies by the number of youth using condoms.</p> <p>Finally, increased DALYs from HIV prevention was calculated by multiplying the effect size by the number of youth not affected by HIV due to condom use.</p>	<p>The increase in GDP due to increases in economic productivity per DALY was measured by multiplying the Statistical value of a DALY (in GDP per capita terms) by GDP per capita in Ukraine. The result was then multiplied by the total increase in DALYs to get the increase in GDP.</p>
Youth Centre PSS	<p>The impact of in-person consultations on depressive and anxiety symptoms was calculated by multiplying the average reduction percentage in depression and anxiety<sup>159</sup> due to these consultations by the number of youth receiving psychosocial support for depression and anxiety in youth centres. Increased DALYs from reduced anxiety and depression symptoms was determined by multiplying the effect size of anxiety and depression on DALYs by the number of youth experiencing a reduction in depression and anxiety symptoms.</p>	<p>The increase in GDP per DALY was found by multiplying the GDP per capita by the economic value of a DALY (in GDP per capita terms). Then, this result was multiplied by the total increased DALYs to calculate the increase in GDP.</p>
Community Mental Health Teams	<p>The impact of consultations on depressive and anxiety symptoms was calculated by multiplying the average reduction percentage in depression and anxiety due to these consultations by the number of youth receiving support from CMHTs for depression and anxiety. Increased DALYs from reduced anxiety and depression symptoms was determined by multiplying the effect size of anxiety and depression on DALYs by the number of youth experiencing a reduction in depression and anxiety symptoms.</p>	<p>The increase in GDP per DALY was found by multiplying the GDP per capita by the economic value of a DALY (in GDP per capita terms). Then, this result was multiplied by the total increased DALYs to calculate the increase in GDP.</p>

<sup>158</sup> UNICEF (2023), UPSHIFT. <https://www.unicef.org/innovation/upshift#:~:text=The%20Innovator%20Journey,workshops%2C%20and%20an%20entrepreneurial%20challenge.>

<sup>159</sup> This percentage reduction is an average of effect sizes from five studies on the impact of in-person consultations on depressive and anxiety symptoms.

Programme	Non-monetary benefits	Monetisation
Salary matching scheme	The number of additional employed youth were calculated by multiplying the effect size of the increased likelihood of employment (for youth in the salary matching scheme) after 24 months by the number of youth who received salary matching for six months from the State Employment Service upon starting employment. This gives the number of youth still employed after 24 months who would not have been employed otherwise.	The additional salary received through the scheme was determined per participant, which amounted to 50% of the average employee earnings over a six-month period. This figure was then multiplied by the number of youth receiving salary matching for six months through the State Employment Service upon starting employment to yield the total additional salary for regular participants. Additionally, the extra salary received by individuals who, without the intervention, would have remained unemployed 24 months post-intervention, is added to the total additional salary for regular participants. This sum is then multiplied by the multiplier effect derived from additional income (determined from existing studies) to ascertain the GDP increase.
Grants for startup programmes	To calculate the number of people hired as a result of providing grants to businesses, the effect size (on hiring new staff) of receiving grants was multiplied by the number of youth receiving startup grants from the State Employment Service	To calculate the increase in GDP, the assumed earnings per employed youth were multiplied by the multiplier effect from additional income. The results were then multiplied by the total number of employed youth as a result of the intervention.

### 8.3.4. Cost Calculations

**The costing exercise is high level and relies primarily on normative cost estimates.** Normative costing involves costing out service delivery as it should be in an efficient and high-quality system (normative) rather than as it currently is (empirical). In an aspirational package of interventions, there is an interest in demonstrating the cost of expanding coverage, but also quality, by adhering to standards. In this case, the use of normative estimates is traditionally recommended<sup>160</sup> and is preferred, given stakeholders will be more convinced to invest in efficient and high-quality services for youth. The downside of this approach is that it may overestimate costs due to the assumption that services are high quality, or it may underestimate due to system inefficiencies. The cost estimates have relied upon benchmarking against costs of similar programmes and the use of Ukraine-specific data, e.g., wage data.

**With each investment case, as a programme is scaled to reach more beneficiaries, the cost of implementation also increases.** The model used estimated the costs associated with scaling up the coverage of the programmes from a baseline rate to the target coverage rate. However, a typical rate of economies of scale during the scale up for specific cost categories, such as administrative costs, is assumed. When output increases over time or, in this case, when the reach of a programme increases to benefit more youth, there are efficiency gains that lead to an overall reduction in the cost of attaining a higher level of output. Furthermore, inflation data is extracted from the IMF's projections for Ukraine. Assumptions for inflation are that they remain constant after IMF projections end in 2028, then revert back to pre-conflict trends in 2037, once the population is predicted to be back to pre-conflict levels.

**The expense item approach for costing was used for calculating the cost of implementing each programme.** With this approach, each programme was divided into its various expense categories and assumptions were made on the percentage each component of the programme contributed to the total cost. The main cost components were grouped into fixed and variable costs. Fixed costs are expenses that remain the same regardless of the level of output in a programme. For example, the rent paid for using a warehouse does not change because the business owner produces more products. Variable costs, on the other hand, are expenses that increase as output increases. In the example of the warehouse, the business owner will have to pay for more raw materials if the production output level is to be increased. It should be noted that in both cases of fixed and variable costs, the cost of inflation is added for each.

**Costing for each programme was carried out using readily available data and robust assumptions. It is important to note, however, that this was a high-level exercise and should not be relied upon for program implementation purposes.** The limitation is that the costing process may not have captured all the intricacies of implementing each programme'. It might overlook certain nuances or variations that could significantly impact the actual costs during implementation.

<sup>160</sup> Jeet, G. et al (2021), Costing of Essential Health Service Packages: A Systematic Review of Methods from Developing Economies. <https://www.sciencedirect.com/science/article/pii/S1098301521016028>

Despite efforts to make robust assumptions, there is always a degree of uncertainty associated with cost estimations, especially when relying on available data. Variations in market conditions, resource availability, or other unforeseen factors could render the initial assumptions inaccurate over time. For effective programme implementation, a more detailed and comprehensive cost analysis tailored to specific project phases, activities, and risks is often required. High-level cost estimates serve as initial benchmarks but should be followed up with detailed analyses at the programme inception phase to ensure accurate budgeting and resource allocation.

**Table 25. Cost calculations**

Programme	Formula/calculations
Career Hub Pro Freelance	<p>According to the website, the programme runs 3 courses with 25 students in each course. This equals 75 students per wave. There are also 14 workshops per wave.</p> <p>To calculate the costs of running the programme, the following assumptions were made:</p> <p>Each of the 14 workshops organised lasts 2 hours each.</p> <p>Each programme components represents a certain percentage of the total cost of running the programme.</p> <p>The main cost components of the programme include: Trainer fees and professional development workshops, course materials and resources, mentorship and coaching, sign language interpretation services, administrative and overhead costs, marketing and promotion, and certificates and awards. It should be noted that these costs are grouped in fixed and variable costs.</p> <p>Estimates for trainer fees and professional development workshops were determined by averaging the salaries of trainers from online Ukraine salary portals.</p> <p>From these results, the total cost of running the programme was determined and divided by 75 to get the estimated cost of running the programme for one participant. The result was used as the basis for calculating the cost for each year of the programme.</p>
Profosvita.Online	<p>To calculate the costs of running this programme, the following assumptions were made:</p> <p>Each programme component represents a certain percentage of the total cost of running the programme. However, given that this intervention relies heavily on the smooth running of the website, it is assumed that the cost of maintaining the website represents the largest cost component of the total cost of the programme. Estimates for the cost of maintaining the website were determined by data from digital marketing solutions websites.</p> <p>The main cost components of the programme include: Cost of maintaining the website, content creation and curriculum development, personnel costs, marketing and outreach, administrative and overhead costs, and collaboration and partnership building.</p> <p>From these results, the total cost of running the programme was determined, and was used as the basis for calculating the cost for each year of the programme.</p>
Erasmus	<p>The main cost components of the programme include: Application processing, pre-departure and post-arrival support, monitoring and evaluation, outreach and promotion, and additional administrative costs. Each component contributes a certain percentage of the total administrative cost per person, which has already been determined.</p> <p>The total cost of running the programme is, therefore, the sum of each cost component. This is calculated by multiplying the number of participants by the total administrative cost per person and the percentage that cost component represents of the total cost. For example, the cost of running outreach and promotion for 1,000 participants would be <math>1,000 \times 80</math> (total administrative cost per person) <math>\times 10\%</math> (percentage of outreach and promotion of the total administrative cost).</p>
Youth centre (career counselling)	<p>To calculate the costs of running the programme, the following assumptions were made:</p> <p>30 participants per career counselling session.</p> <p>6 sessions per person.</p> <p>Each programme components represents a certain percentage of the total cost of running the programme. However, it is assumed that personnel / staff costs represent the highest component.</p> <p>The main cost components of the programme include: Personnel costs per participant, resources and information materials, marketing and outreach, and administrative costs.</p> <p>The cost of volunteering for a year per head is \$27, according to the information from programme implementers. For each year, the cost of running the programme was determined by the number of people volunteering, the cost per head, and inflation.</p>

Programme	Formula/calculations
UPSHIFT	<p>The cost for running the programme was separated into two parts: Grants and mentorship</p> <p>For grants, the cost components included: Mini grants for young people, logistic expenditures, and administrative costs.</p> <p>For mentorship: Wages and mentorship, logistic expenditures, and administrative costs.</p> <p>Each of the components were allocated a percentage of the total cost.</p> <p>According to UNICEF, the average cost for running UPSHIFT was \$15,000 for one wave of 40 individuals, serving as a guide for calculating the total cost of the programme across any time period.</p>
Teenergizer	<p>To calculate the costs of running the programme, the following assumptions were made:</p> <p>Teenergizer hires at least 5 professional psychologists to train peer counsellors (about 74).</p> <p>The main cost components of the programme include: Psychologist wages, peer trainer stipends, technology and infrastructure, marketing and outreach, and operational costs and administration. Each programme component represents a certain percentage of the total cost of running the programme.</p> <p>Estimates for the cost of professional psychologists were sourced from the Economic Research Institute website, a reliable source. From this, the total cost of running the programme was determined. This result was used as the basis for calculating the cost per head for the programme.</p>
National Volunteering Platform (NVP)	<p>To calculate the costs of running the programme, the following assumptions were made:</p> <p>Each programme component represents a certain percentage of the total cost of running the programme. However, it is assumed that personnel / staff costs represent the highest component.</p> <p>The main cost components of the programme include: Personnel / staff, marketing and outreach, and operational expenses and technology infrastructure.</p> <p>The cost of volunteering for a year per head is \$27, according to the information from programme implementers. For each year, the cost of running the programme was mainly determined by the number of people volunteering, the cost per head, and inflation.</p>
Youth centre psychosocial support	<p>To calculate the costs of running this programme, the following assumptions were made:</p> <p>Each young person benefits from 8 counselling sessions with each session lasting 1 hour.</p> <p>The main cost components of the programme include: Marketing and outreach, salary for psychologists, and administrative costs.</p> <p>Estimates for the hourly wage of a psychologist was sourced from the Economic Research Institute website, a reliable source. From this, the total cost of running the programme was determined. This result was used as the basis for calculating the cost per head for the programme.</p>
Community Mental Health Teams	<p>To calculate the costs of running this programme, the following assumptions were made:</p> <p>Participants receive an average of 5 consultations each.</p> <p>Each staff member conducts 1,840 consultations per year.</p> <p>Salaries for professional psychologists, psychiatrists, social workers and nurses are in line with average salaries in Ukraine for those occupations.</p> <p>Personnel costs make up 50% of the cost of the consultation, with other costs including medical supplies, admin, and overheads.</p> <p>Admin and overhead costs are assumed to fall in the scale up scenarios as compared to the baseline scenario.</p>
Salary matching	<p>To determine the total cost of direct salary support, the number of participants in a year is multiplied by the direct salary support per participant.</p> <p>The various cost component of the programme are assumed to be as follows: Administrative costs, program management, marketing and outreach, and monitoring and evaluation. Each component contributes a certain percentage of the total direct support.</p> <p>The total operational cost of running the salary matching scheme is, therefore, the sum of each cost component.</p>
Startup grants	<p>To determine the total cost, the size of the grant was added to the cost of other components for delivering the grant, including administrative costs, training and workshops, marketing and outreach, and monitoring and evaluation.</p>
NYCU	<p>The main cost components of the programme include: Software experts, meals for participants, accommodation and travel, office expenses, advocacy, printing, rent, and other costs. Each component contributes a certain percentage of the total administrative cost per person, which has already been determined.</p> <p>The total cost of running the programme is the sum of each cost component. This is calculated by multiplying the number of participants by the total administrative cost per person and the percentage that cost component represents of the total cost.</p>

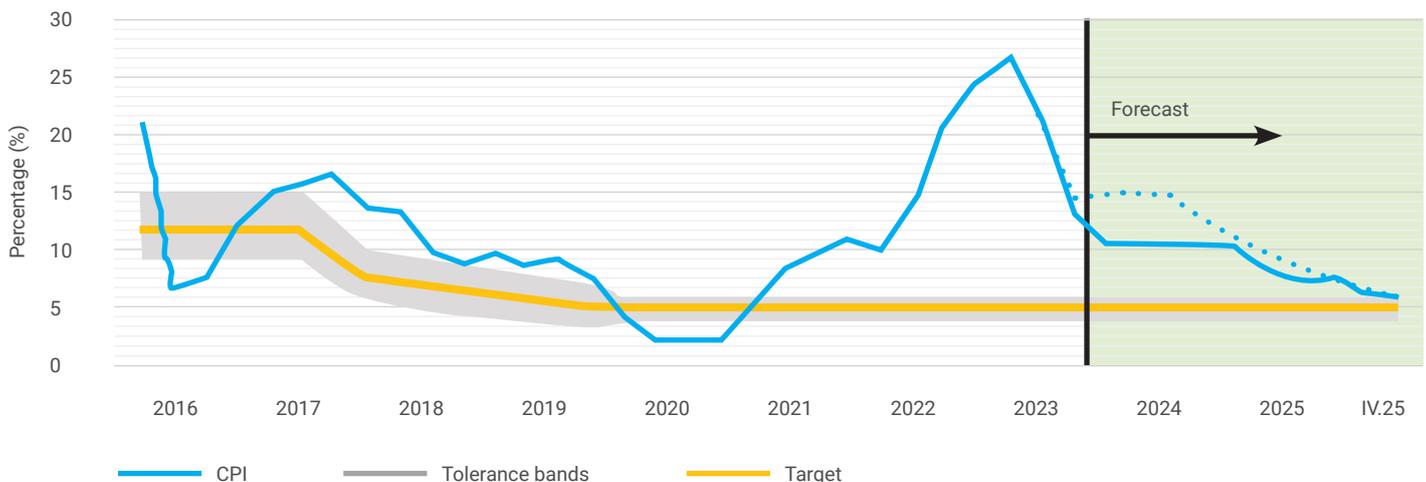
## 8.4. Annex IV: Macro-fiscal context

As a result of the ongoing war, the current macroeconomic environment in Ukraine is characterised by negative economic growth, rising poverty levels, and destruction of physical capital. This environment presents enormous development challenges. The country experienced positive economic growth between 2016 and 2019 before contracting in 2020 by 3.8% due to the COVID-19 pandemic.<sup>161</sup> This contraction was exacerbated by the war that escalated in 2022, causing real GDP growth to shrink by 30.3%, double the contraction the country experienced in 2009 following the global financial crisis.<sup>162</sup> This contraction has had far reaching implications on socioeconomic outcomes in the country. The unemployment rate has risen to 24%, its highest level in over two decades.<sup>163</sup> Further, over 7.1 million Ukrainians have been pushed into poverty as of 2022, marking a distressing 15-year regression in the country's poverty reduction targets.<sup>163</sup> The following subsections offer a further overview of the Ukrainian economy.

### 8.4.1. The real sector

Inflationary pressures have persisted, stayed consistently above targets, and risen dramatically especially since 2021, peaking at 26.6% in the fourth quarter of 2022.<sup>165</sup> There has, however, been a gradual easing of inflation driven largely by the saturation of the food and fuel markets and a decrease in global energy prices. This decline in inflation is predicted to continue and to reach a target of 6% by the fourth quarter of 2025.<sup>166</sup> Furthermore, the latest report on economic activity suggests that business expectations have declined due to several challenges, including security risks, damaged production facilities, logistical challenges for exporters, increasing fuel prices, and a significant lack of skilled staff. The business activity expectations index decreased from 50.1 in September to 49.6 in October of 2023.<sup>167</sup> Overall, businesses expect slower price growth and therefore, have no major hiring plans with even the possibility that businesses will cut down hiring across sectors.

**Figure 23.** Consumer price index (% , year-on-year).



<sup>161</sup> IMF (2023), Ukraine at a glance: Country Data for Ukraine. <https://www.imf.org/en/Countries/UKR>

<sup>162</sup> Ibid.

<sup>163</sup> Ibid.

<sup>164</sup> World Bank (2023), World Bank Group Support to Ukraine. <https://thedocs.worldbank.org/en/doc/1cbfe97313f071d12a1a073cf94992d8-0080012023/original/World-Bank-Group-Support-to-Ukraine.pdf>

<sup>165</sup> National Bank of Ukraine (2023), Inflation Report. <https://bank.gov.ua/en/news/all/inflyatsiyniy-zvit-lipen-2023-roku>

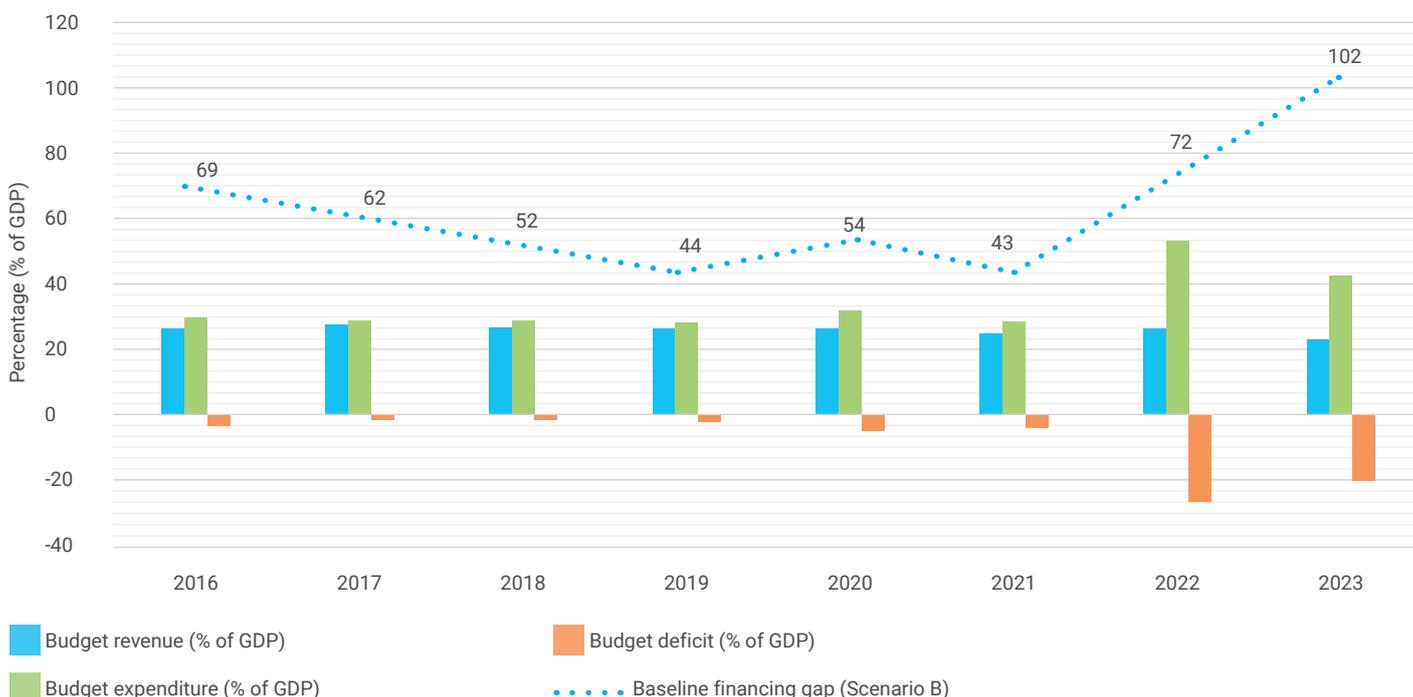
<sup>166</sup> Ibid.

<sup>167</sup> National Bank of Ukraine (2023), Business Activity Expectations Index -October. [https://bank.gov.ua/admin\\_uploads/article/Business\\_survey\\_m\\_2023\\_10\\_eng.pdf?v=4](https://bank.gov.ua/admin_uploads/article/Business_survey_m_2023_10_eng.pdf?v=4)

## 8.4.2. The fiscal sector

Between 2016 and 2022, the national budget displayed an annual growth trend, peaking in 2022 with an 81.5% nominal increase in expenditures largely driven by defence and security needs. Despite this, 2023 projections indicate a nominal decline of 4.6%, but adjustments are anticipated due to enhanced international assistance. The GDP ratio of national budget expenditures rose to 52.1% in 2022, from 27.3% in 2021, but was slated to decrease to 41.1% in 2023, subject to revisions. Defence and security allocations dominated the budget in 2022 at 59%, up from 20% in 2021. Tax receipts plummeted from 58% in 2021 to 31% in 2022, with 2023 projections at 38%. Conversely, reliance on foreign borrowings and international grant aid surged, accounting collectively for 35% of 2022 revenues. These changes arose due to the war’s impact on businesses and were further influenced by tax incentives and support programs. The influx of international aid became a lifeline, with significant contributions from global partners. As a result, Ukraine’s public debt swelled, reaching about 72% of GDP in 2022 and was projected to reach 102% by the end of 2023.

Figure 24. Trends in some key fiscal indicators in Ukraine



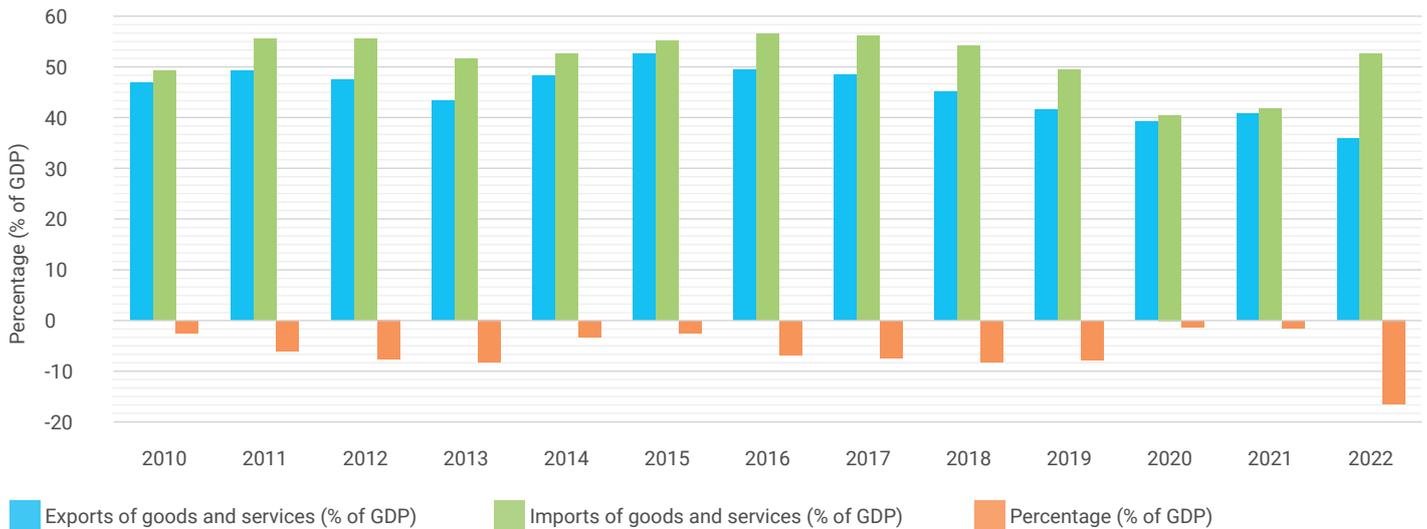
## 8.4.3. The external sector

From 2010 - 2022, Ukraine has consistently registered a trade deficit. This deficit, however, increased markedly from -1% in 2021 to -17% in 2022,<sup>168</sup> largely due to supply-chain breakdowns caused by the war, limiting exportation of key products, such as grain. As of August 2023, the growth of the goods trade deficit slowed due to increased supplies from the new harvest, despite the halt of “grain corridor” operations. Internationally, whilst aid from the EU decreased, Ukraine’s reserves remained above USD 40 billion, with future grants expected to sustain this level.<sup>169</sup>

<sup>168</sup> World Development Indicators (n.d.), World Bank Data on Ukraine for Exports and Imports (% of GDP). <https://databank.worldbank.org/source/world-development-indicators#advancedDownloadOptions>

<sup>169</sup> National Bank of Ukraine (2023), Monthly Macroeconomic and Monetary Review - October. [https://bank.gov.ua/admin\\_uploads/article/MMR\\_2023-10\\_en.pdf?v=4](https://bank.gov.ua/admin_uploads/article/MMR_2023-10_en.pdf?v=4)

**Figure 25. Ukraine’s exports and imports, as a share of GDP between 2010 - 2022**



### 8.4.4. The monetary sector

The Ukrainian financial sector has displayed resilience amidst wartime adversities. The economy was poised for moderate growth in 2024, with the IMF promising significant aid of USD 115 billion over the next four years.<sup>170</sup> The National Bank of Ukraine had accumulated its highest international reserves in over a decade. The corporate loan portfolio was experiencing a contraction, but there’s optimism for a 10% growth in the UAH loan portfolio in 2024.<sup>171</sup> Banks realised profits in 2022 and saw an increase in 2023, with capital adequacy now at double the minimum requirement. Additionally, banks have recognized losses on nearly 15% of their pre-war portfolios, with estimates suggesting this could approach 20% due to the war.<sup>172</sup>

<sup>170</sup> National Bank of Ukraine (2023), Financial Stability Report. [https://bank.gov.ua/admin\\_uploads/article/FSR\\_2023-H1\\_eng.pdf?v=4](https://bank.gov.ua/admin_uploads/article/FSR_2023-H1_eng.pdf?v=4)

<sup>171</sup> Ibid.

<sup>172</sup> Ibid.

## 8.5 Annex V: Sensitivity analysis

Table 26. Sensitivity analysis lower bound (-10%)

Programme	Category	Scenario	2024	2025	2026	2027	2028	2029	2030	Total
Career Hub Pro Freelance	Monetary benefits	Scenario A	0	0	0	0	0	0	0	0
Career Hub Pro Freelance	Costs	Scenario A	0	0	0	0	0	0	0	0
Career Hub Pro Freelance	BCR	Scenario A	-	-	-	-	-	-	-	-
Career Hub Pro Freelance	COI	Scenario A	0	0	0	0	0	0	0	0
Career Hub Pro Freelance	Monetary benefits	Scenario B	0	0	0	37,598,281	75,455,387	113,413,414	151,325,339	377,792,421
Career Hub Pro Freelance	Costs	Scenario B	0	0	0	24,458,505	49,346,839	73,096,855	96,113,615	243,015,813
Career Hub Pro Freelance	BCR	Scenario B	-	-	-	1.38	1.38	1.40	1.42	1.40
Career Hub Pro Freelance	COI	Scenario B	0	0	0	13,139,776	26,108,547	40,316,560	55,211,725	134,776,608
CMHT	Monetary benefits	Scenario A	160,174,547	342,728,141	536,559,854	724,626,447	731,129,041	737,535,786	747,257,340	3,980,011,156
CMHT	Costs	Scenario A	61,327,290	123,173,628	181,678,200	233,371,636	223,936,161	211,594,106	204,693,638	1,239,774,659
CMHT	BCR	Scenario A	2.35	2.50	2.66	2.79	2.94	3.14	3.29	2.89
CMHT	COI	Scenario A	98,847,257	219,554,513	354,881,654	491,254,811	507,192,880	525,941,680	542,563,702	2,740,236,497
CMHT	Monetary benefits	Scenario B	160,174,547	342,728,141	536,559,854	724,626,447	731,129,041	737,535,786	747,257,340	3,980,011,156
CMHT	Costs	Scenario B	61,327,290	123,173,628	181,678,200	233,371,636	223,936,161	211,594,106	204,693,638	1,239,774,659
CMHT	BCR	Scenario B	2.35	2.50	2.66	2.79	2.94	3.14	3.29	2.89
CMHT	COI	Scenario B	98,847,257	219,554,513	354,881,654	491,254,811	507,192,880	525,941,680	542,563,702	2,740,236,497
Erasmus	Monetary benefits	Scenario A	0	0	0	0	0	0	0	0
Erasmus	Costs	Scenario A	0	0	0	0	0	0	0	0
Erasmus	BCR	Scenario A	-	-	-	-	-	-	-	-
Erasmus	COI	Scenario A	0	0	0	0	0	0	0	0
Erasmus	Monetary benefits	Scenario B	0	0	0	327,828,466	692,123,217	1,073,376,776	1,468,213,712	3,561,542,170
Erasmus	Costs	Scenario B	0	0	0	131,897,764	289,885,813	448,119,972	607,457,933	1,477,361,481
Erasmus	BCR	Scenario B	-	-	-	2.24	2.15	2.16	2.18	2.17
Erasmus	COI	Scenario B	0	0	0	195,930,702	402,237,404	625,256,804	860,755,779	2,084,180,689

Programme	Category	Scenario	2024	2025	2026	2027	2028	2029	2030	Total
National Volunteering Platform	Monetary benefits	Scenario A	1,600,996,478	3,426,191,053	5,336,065,217	7,164,498,328	7,189,158,352	7,203,788,739	7,208,907,649	39,129,605,816
National Volunteering Platform	Costs	Scenario A	324,910,772	733,565,293	1,168,697,472	1,593,285,435	1,607,285,505	1,587,234,595	1,565,267,632	8,580,246,705
National Volunteering Platform	BCR	Scenario A	4.43	4.20	4.11	4.05	4.03	4.08	4.14	4.10
National Volunteering Platform	COI	Scenario A	1,276,085,706	2,692,625,759	4,167,367,745	5,571,212,893	5,581,872,847	5,616,554,144	5,643,640,017	30,549,359,111
National Volunteering Platform	Monetary benefits	Scenario B	1,600,996,478	3,426,191,053	5,336,065,217	7,164,498,328	7,189,158,352	7,203,788,739	7,208,907,649	39,129,605,816
National Volunteering Platform	Costs	Scenario B	324,910,772	733,565,293	1,168,697,472	1,593,285,435	1,607,285,505	1,587,234,595	1,565,267,632	8,580,246,705
National Volunteering Platform	BCR	Scenario B	4.43	4.20	4.11	4.05	4.03	4.08	4.14	4.10
National Volunteering Platform	COI	Scenario B	1,276,085,706	2,692,625,759	4,167,367,745	5,571,212,893	5,581,872,847	5,616,554,144	5,643,640,017	30,549,359,111
National Youth Council	Costs	Scenario A	0	0	0	0	0	0	0	0
National Youth Council	Costs	Scenario B	0	0	0	21,896,731	46,277,028	69,833,069	93,416,715	231,423,543
Profosvita	Monetary benefits	Scenario A	63,061,003	135,350,239	210,880,295	280,910,841	275,481,968	266,570,621	254,654,561	1,486,909,529
Profosvita	Costs	Scenario A	15,427,851	34,934,702	55,678,534	75,309,041	74,247,011	70,804,890	66,656,333	393,058,362
Profosvita	BCR	Scenario A	3.68	3.49	3.41	3.36	3.34	3.39	3.44	3.40
Profosvita	COI	Scenario A	47,633,153	100,415,537	155,201,761	205,601,800	201,234,957	195,765,731	187,998,228	1,093,851,167
Profosvita	Monetary benefits	Scenario B	63,061,003	135,350,239	210,880,295	280,910,841	275,481,968	266,570,621	254,654,561	1,486,909,529
Profosvita	Costs	Scenario B	15,427,851	34,934,702	55,678,534	75,309,041	74,247,011	70,804,890	66,656,333	393,058,362
Profosvita	BCR	Scenario B	3.68	3.49	3.41	3.36	3.34	3.39	3.44	3.40
Profosvita	COI	Scenario B	47,633,153	100,415,537	155,201,761	205,601,800	201,234,957	195,765,731	187,998,228	1,093,851,167
Salary matching	Costs	Scenario A	228,688,362	564,561,631	973,814,552	1,413,748,600	1,492,378,379	1,542,966,391	1,582,904,854	7,799,062,769
Salary matching	BCR	Scenario A	1.28	1.27	1.31	1.34	1.39	1.44	1.45	1.38
Salary matching	COI	Scenario A	97,288,953	229,872,726	441,479,023	687,931,146	809,186,246	927,581,401	961,142,719	4,154,482,214
Salary matching	Monetary benefits	Scenario A	325,977,316	794,434,357	1,415,293,575	2,101,679,745	2,301,564,625	2,470,547,792	2,544,047,573	11,953,544,984
Salary matching	Monetary benefits	Scenario B	325,977,316	794,434,357	1,415,293,575	2,101,679,745	2,301,564,625	2,470,547,792	2,544,047,573	11,953,544,984
Salary matching	Costs	Scenario B	228,688,362	564,561,631	973,814,552	1,413,748,600	1,492,378,379	1,542,966,391	1,582,904,854	7,799,062,769
Salary matching	BCR	Scenario B	1.28	1.27	1.31	1.34	1.39	1.44	1.45	1.38
Salary matching	COI	Scenario B	97,288,953	229,872,726	441,479,023	687,931,146	809,186,246	927,581,401	961,142,719	4,154,482,214
Startup grant	Costs	Scenario A	47,624,129	117,336,292	202,262,069	293,541,694	309,867,877	320,371,648	328,664,214	1,619,667,922
Startup grant	BCR	Scenario A	1.38	1.37	1.36	1.36	1.36	1.36	1.36	1.36

Programme	Category	Scenario	2024	2025	2026	2027	2028	2029	2030	Total
Startup grant	COI	Scenario A	25,655,572	61,252,552	104,477,348	150,827,190	159,215,887	164,612,920	168,873,795	834,915,264
Startup grant	Monetary benefits	Scenario A	73,279,701	178,588,843	306,739,416	444,368,884	469,083,764	484,984,568	497,538,009	2,454,583,186
Startup grant	Monetary benefits	Scenario B	73,279,701	178,588,843	306,739,416	444,368,884	469,083,764	484,984,568	497,538,009	2,454,583,186
Startup grant	Costs	Scenario B	47,624,129	117,336,292	202,262,069	293,541,694	309,867,877	320,371,648	328,664,214	1,619,667,922
Startup grant	BCR	Scenario B	1.38	1.37	1.36	1.36	1.36	1.36	1.36	1.36
Startup grant	COI	Scenario B	25,655,572	61,252,552	104,477,348	150,827,190	159,215,887	164,612,920	168,873,795	834,915,264
Teenergizer	Costs	Scenario A	0	0	0	0	0	0	0	0
Teenergizer	BCR	Scenario A	-	-	-	-	-	-	-	-
Teenergizer	COI	Scenario A	0	0	0	0	0	0	0	0
Teenergizer	Monetary benefits	Scenario A	0	0	0	0	0	0	0	0
Teenergizer	Monetary benefits	Scenario B	0	0	0	880,254,809	1,812,899,177	2,786,753,401	3,789,162,494	9,269,069,882
Teenergizer	Costs	Scenario B	0	0	0	189,269,114	383,419,332	558,160,618	728,589,780	1,859,438,845
Teenergizer	BCR	Scenario B	-	-	-	4.19	4.26	4.49	4.68	4.49
Teenergizer	COI	Scenario B	0	0	0	690,985,695	1,429,479,845	2,228,592,783	3,060,572,714	7,409,631,037
UPSHIFT	Monetary benefits	Scenario A	71,970,119	175,566,083	295,694,199	420,733,237	436,867,442	438,250,583	433,781,127	2,272,862,789
UPSHIFT	Costs	Scenario A	58,979,110	137,302,268	219,320,398	297,600,944	294,375,855	286,498,599	275,113,826	1,569,191,000
UPSHIFT	BCR	Scenario A	1.10	1.15	1.21	1.27	1.34	1.38	1.42	1.30
UPSHIFT	COI	Scenario A	12,991,009	38,263,815	76,373,801	123,132,292	142,491,587	151,751,984	158,667,301	703,671,789
UPSHIFT	Monetary benefits	Scenario B	71,970,119	175,566,083	295,694,199	420,733,237	436,867,442	438,250,583	433,781,127	2,272,862,789
UPSHIFT	Costs	Scenario B	58,979,110	137,302,268	219,320,398	297,600,944	294,375,855	286,498,599	275,113,826	1,569,191,000
UPSHIFT	BCR	Scenario B	1.10	1.15	1.21	1.27	1.34	1.38	1.42	1.30
UPSHIFT	COI	Scenario B	12,991,009	38,263,815	76,373,801	123,132,292	142,491,587	151,751,984	158,667,301	703,671,789
Youth Centre Career Counselling	Monetary benefits	Scenario A	283,102,674	605,850,083	943,571,303	1,266,891,379	1,271,251,987	1,273,839,064	1,274,744,236	6,919,250,727
Youth Centre Career Counselling	Costs	Scenario A	206,408,046	430,477,458	640,353,362	823,822,171	787,735,573	740,865,296	709,331,932	4,338,993,837
Youth Centre Career Counselling	BCR	Scenario A	1.23	1.27	1.33	1.38	1.45	1.55	1.62	1.44
Youth Centre Career Counselling	COI	Scenario A	76,694,628	175,372,625	303,217,941	443,069,208	483,516,414	532,973,769	565,412,305	2,580,256,890
Youth Centre Career Counselling	Monetary benefits	Scenario B	283,102,674	605,850,083	943,571,303	1,266,891,379	1,271,251,987	1,273,839,064	1,274,744,236	6,919,250,727
Youth Centre Career Counselling	Costs	Scenario B	206,408,046	430,477,458	640,353,362	823,822,171	787,735,573	740,865,296	709,331,932	4,338,993,837

Programme	Category	Scenario	2024	2025	2026	2027	2028	2029	2030	Total
Youth Centre Career Counselling	BCR	Scenario B	1.23	1.27	1.33	1.38	1.45	1.55	1.62	1.44
Youth Centre Career Counselling	COI	Scenario B	76,694,628	175,372,625	303,217,941	443,069,208	483,516,414	532,973,769	565,412,305	2,580,256,890
Youth Centre Psychosocial Support	Monetary benefits	Scenario A	787,224,524	1,686,144,895	2,630,937,712	3,537,831,193	3,557,032,106	3,571,546,464	3,581,400,390	19,352,117,285
Youth Centre Psychosocial Support	Costs	Scenario A	533,240,314	1,065,415,960	1,562,977,414	1,997,007,813	1,909,531,147	1,795,914,017	1,719,474,736	10,583,561,401
Youth Centre Psychosocial Support	BCR	Scenario A	1.33	1.42	1.51	1.59	1.68	1.79	1.87	1.65
Youth Centre Psychosocial Support	COI	Scenario A	253,984,210	620,728,935	1,067,960,299	1,540,823,381	1,647,500,959	1,775,632,447	1,861,925,654	8,768,555,885
Youth Centre Psychosocial Support	Monetary benefits	Scenario B	787,224,524	1,686,144,895	2,630,937,712	3,537,831,193	3,557,032,106	3,571,546,464	3,581,400,390	19,352,117,285
Youth Centre Psychosocial Support	Costs	Scenario B	533,240,314	1,065,415,960	1,562,977,414	1,997,007,813	1,909,531,147	1,795,914,017	1,719,474,736	10,583,561,401
Youth Centre Psychosocial Support	BCR	Scenario B	1.33	1.42	1.51	1.59	1.68	1.79	1.87	1.65
Youth Centre Psychosocial Support	COI	Scenario B	253,984,210	620,728,935	1,067,960,299	1,540,823,381	1,647,500,959	1,775,632,447	1,861,925,654	8,768,555,885
Total package	Monetary benefits	Scenario A	3,365,786,361	7,344,853,694	11,675,741,572	15,941,540,055	16,231,569,286	16,447,063,618	16,542,330,886	87,548,885,472
Total package	Costs	Scenario A	1,476,605,873	3,206,767,232	5,004,782,001	6,727,687,333	6,699,357,508	6,556,249,542	6,452,107,166	36,123,556,655
Total package	BCR	Scenario A	2.05	2.06	2.10	2.13	2.18	2.26	2.31	2.18
Total package	COI	Scenario A	1,889,180,488	4,138,086,462	6,670,959,571	9,213,852,722	9,532,211,778	9,890,814,077	10,090,223,720	51,425,328,817
Total package	Monetary benefits	Scenario B	3,365,786,361	7,344,853,694	11,675,741,572	17,187,221,611	18,812,047,066	20,420,607,209	21,951,032,431	100,757,289,945
Total package	Costs	Scenario B	1,476,605,873	3,206,767,232	5,004,782,001	7,095,209,447	7,468,286,520	7,705,460,056	7,977,685,208	39,934,796,337
Total package	BCR	Scenario B	2.05	2.06	2.10	2.18	2.27	2.39	2.48	2.27
Total package	COI	Scenario B	1,889,180,488	4,138,086,462	6,670,959,571	10,092,012,165	11,343,760,546	12,715,147,154	13,973,347,223	60,822,493,608

**Table 27. Sensitivity analysis upper bound (+10%)**

Programme	Category	Scenario	2024	2025	2026	2027	2028	2029	2030	Total
Career Hub Pro Freelance	Monetary benefits	Scenario A	0	0	0	0	0	0	0	0
Career Hub Pro Freelance	Costs	Scenario A	0	0	0	0	0	0	0	0
Career Hub Pro Freelance	BCR	Scenario A	-	-	-	-	-	-	-	-
Career Hub Pro Freelance	COI	Scenario A	0	0	0	0	0	0	0	0
Career Hub Pro Freelance	Monetary benefits	Scenario B	0	0	0	45,953,454	92,223,250	138,616,395	184,953,192	461,746,292
Career Hub Pro Freelance	Costs	Scenario B	0	0	0	29,893,728	60,312,803	89,340,600	117,472,196	297,019,327
Career Hub Pro Freelance	BCR	Scenario B	-	-	-	1.69	1.68	1.71	1.73	1.71
Career Hub Pro Freelance	COI	Scenario B	0	0	0	16,059,727	31,910,447	49,275,795	67,480,997	164,726,965
CMHT	Monetary benefits	Scenario A	195,768,890	418,889,950	655,795,377	885,654,547	893,602,161	901,432,628	913,314,526	4,864,458,080
CMHT	Costs	Scenario A	74,955,576	150,545,545	222,051,133	285,232,000	273,699,753	258,615,019	250,181,113	1,515,280,139
CMHT	BCR	Scenario A	2.87	3.06	3.25	3.42	3.59	3.83	4.02	3.53
CMHT	COI	Scenario A	120,813,314	268,344,405	433,744,244	600,422,547	619,902,408	642,817,609	663,133,413	3,349,177,941
CMHT	Monetary benefits	Scenario B	195,768,890	418,889,950	655,795,377	885,654,547	893,602,161	901,432,628	913,314,526	4,864,458,080
CMHT	Costs	Scenario B	74,955,576	150,545,545	222,051,133	285,232,000	273,699,753	258,615,019	250,181,113	1,515,280,139
CMHT	BCR	Scenario B	2.87	3.06	3.25	3.42	3.59	3.83	4.02	3.53
CMHT	COI	Scenario B	120,813,314	268,344,405	433,744,244	600,422,547	619,902,408	642,817,609	663,133,413	3,349,177,941
Erasmus	Monetary benefits	Scenario A	0	0	0	0	0	0	0	0
Erasmus	Costs	Scenario A	0	0	0	0	0	0	0	0
Erasmus	BCR	Scenario A	-	-	-	-	-	-	-	-
Erasmus	COI	Scenario A	0	0	0	0	0	0	0	0
Erasmus	Monetary benefits	Scenario B	0	0	0	400,679,236	845,928,376	1,311,904,948	1,794,483,425	4,352,995,985
Erasmus	Costs	Scenario B	0	0	0	161,208,378	354,304,882	547,702,188	742,448,584	1,805,664,032
Erasmus	BCR	Scenario B	-	-	-	2.73	2.63	2.63	2.66	2.65
Erasmus	COI	Scenario B	0	0	0	239,470,858	491,623,494	764,202,760	1,052,034,841	2,547,331,953
National Volunteering Platform	Monetary benefits	Scenario A	1,956,773,473	4,187,566,842	6,521,857,488	8,756,609,067	8,786,749,097	8,804,630,681	8,810,887,127	47,825,073,775

Programme	Category	Scenario	2024	2025	2026	2027	2028	2029	2030	Total
National Volunteering Platform	Costs	Scenario A	397,113,165	896,579,803	1,428,408,022	1,947,348,864	1,964,460,062	1,939,953,394	1,913,104,884	10,486,968,194
National Volunteering Platform	BCR	Scenario A	5.42	5.14	5.02	4.95	4.92	4.99	5.07	5.02
National Volunteering Platform	COI	Scenario A	1,559,660,307	3,290,987,039	5,093,449,466	6,809,260,203	6,822,289,035	6,864,677,287	6,897,782,243	37,338,105,580
National Volunteering Platform	Monetary benefits	Scenario B	1,956,773,473	4,187,566,842	6,521,857,488	8,756,609,067	8,786,749,097	8,804,630,681	8,810,887,127	47,825,073,775
National Volunteering Platform	Costs	Scenario B	397,113,165	896,579,803	1,428,408,022	1,947,348,864	1,964,460,062	1,939,953,394	1,913,104,884	10,486,968,194
National Volunteering Platform	BCR	Scenario B	5.42	5.14	5.02	4.95	4.92	4.99	5.07	5.02
National Volunteering Platform	COI	Scenario B	1,559,660,307	3,290,987,039	5,093,449,466	6,809,260,203	6,822,289,035	6,864,677,287	6,897,782,243	37,338,105,580
National Youth Council	Costs	Scenario A	0	0	0	0	0	0	0	0
National Youth Council	Costs	Scenario B	0	0	0	26,762,671	56,560,812	85,351,529	114,175,985	282,850,997
Profosvita	Monetary benefits	Scenario A	77,074,560	165,428,070	257,742,583	343,335,473	336,700,183	325,808,536	311,244,464	1,817,333,869
Profosvita	Costs	Scenario A	18,856,262	42,697,969	68,051,542	92,044,384	90,746,346	86,539,310	81,468,852	480,404,665
Profosvita	BCR	Scenario A	4.50	4.26	4.17	4.10	4.08	4.14	4.20	4.16
Profosvita	COI	Scenario A	58,218,298	122,730,101	189,691,041	251,291,089	245,953,837	239,269,226	229,775,612	1,336,929,204
Profosvita	Monetary benefits	Scenario B	77,074,560	165,428,070	257,742,583	343,335,473	336,700,183	325,808,536	311,244,464	1,817,333,869
Profosvita	Costs	Scenario B	18,856,262	42,697,969	68,051,542	92,044,384	90,746,346	86,539,310	81,468,852	480,404,665
Profosvita	BCR	Scenario B	4.50	4.26	4.17	4.10	4.08	4.14	4.20	4.16
Profosvita	COI	Scenario B	58,218,298	122,730,101	189,691,041	251,291,089	245,953,837	239,269,226	229,775,612	1,336,929,204
Salary matching	Costs	Scenario A	279,507,999	690,019,772	1,190,217,786	1,727,914,955	1,824,018,019	1,885,847,811	1,934,661,488	9,532,187,829
Salary matching	BCR	Scenario A	1.57	1.55	1.60	1.64	1.70	1.76	1.77	1.69
Salary matching	COI	Scenario A	118,908,721	280,955,554	539,585,473	840,804,734	989,005,412	1,133,710,602	1,174,729,990	5,077,700,484
Salary matching	Monetary benefits	Scenario A	398,416,719	970,975,325	1,729,803,258	2,568,719,689	2,813,023,431	3,019,558,413	3,109,391,478	14,609,888,314
Salary matching	Monetary benefits	Scenario B	398,416,719	970,975,325	1,729,803,258	2,568,719,689	2,813,023,431	3,019,558,413	3,109,391,478	14,609,888,314
Salary matching	Costs	Scenario B	279,507,999	690,019,772	1,190,217,786	1,727,914,955	1,824,018,019	1,885,847,811	1,934,661,488	9,532,187,829
Salary matching	BCR	Scenario B	1.57	1.55	1.60	1.64	1.70	1.76	1.77	1.69
Salary matching	COI	Scenario B	118,908,721	280,955,554	539,585,473	840,804,734	989,005,412	1,133,710,602	1,174,729,990	5,077,700,484
Startup grant	Costs	Scenario A	58,207,269	143,411,023	247,209,195	358,773,182	378,727,405	391,565,347	401,700,706	1,979,594,127
Startup grant	BCR	Scenario A	1.69	1.67	1.67	1.67	1.67	1.67	1.67	1.67
Startup grant	COI	Scenario A	31,356,810	74,864,230	127,694,536	184,344,344	194,597,196	201,193,569	206,401,305	1,020,451,989

Programme	Category	Scenario	2024	2025	2026	2027	2028	2029	2030	Total
Startup grant	Monetary benefits	Scenario A	89,564,078	218,275,253	374,903,731	543,117,525	573,324,601	592,758,916	608,102,011	3,000,046,117
Startup grant	Monetary benefits	Scenario B	89,564,078	218,275,253	374,903,731	543,117,525	573,324,601	592,758,916	608,102,011	3,000,046,117
Startup grant	Costs	Scenario B	58,207,269	143,411,023	247,209,195	358,773,182	378,727,405	391,565,347	401,700,706	1,979,594,127
Startup grant	BCR	Scenario B	1.69	1.67	1.67	1.67	1.67	1.67	1.67	1.67
Startup grant	COI	Scenario B	31,356,810	74,864,230	127,694,536	184,344,344	194,597,196	201,193,569	206,401,305	1,020,451,989
Teenergizer	Costs	Scenario A	0	0	0	0	0	0	0	0
Teenergizer	BCR	Scenario A	-	-	-	-	-	-	-	-
Teenergizer	COI	Scenario A	0	0	0	0	0	0	0	0
Teenergizer	Monetary benefits	Scenario A	0	0	0	0	0	0	0	0
Teenergizer	Monetary benefits	Scenario B	0	0	0	1,075,866,989	2,215,765,661	3,406,031,935	4,631,198,604	11,328,863,189
Teenergizer	Costs	Scenario B	0	0	0	231,328,918	468,623,628	682,196,311	890,498,620	2,272,647,477
Teenergizer	BCR	Scenario B	-	-	-	5.12	5.20	5.49	5.72	5.48
Teenergizer	COI	Scenario B	0	0	0	844,538,072	1,747,142,033	2,723,835,624	3,740,699,984	9,056,215,712
UPSHIFT	Monetary benefits	Scenario A	87,963,478	214,580,768	361,404,021	514,229,512	533,949,096	535,639,602	530,176,933	2,777,943,409
UPSHIFT	Costs	Scenario A	72,085,579	167,813,883	268,058,264	363,734,487	359,792,712	350,164,954	336,250,232	1,917,900,111
UPSHIFT	BCR	Scenario A	1.34	1.41	1.48	1.56	1.63	1.68	1.73	1.59
UPSHIFT	COI	Scenario A	15,877,900	46,766,885	93,345,756	150,495,024	174,156,384	185,474,647	193,926,701	860,043,298
UPSHIFT	Monetary benefits	Scenario B	87,963,478	214,580,768	361,404,021	514,229,512	533,949,096	535,639,602	530,176,933	2,777,943,409
UPSHIFT	Costs	Scenario B	72,085,579	167,813,883	268,058,264	363,734,487	359,792,712	350,164,954	336,250,232	1,917,900,111
UPSHIFT	BCR	Scenario B	1.34	1.41	1.48	1.56	1.63	1.68	1.73	1.59
UPSHIFT	COI	Scenario B	15,877,900	46,766,885	93,345,756	150,495,024	174,156,384	185,474,647	193,926,701	860,043,298
Youth Centre Career Counselling	Monetary benefits	Scenario A	346,014,379	740,483,435	1,153,253,814	1,548,422,796	1,553,752,429	1,556,914,412	1,558,020,733	8,456,861,999
Youth Centre Career Counselling	Costs	Scenario A	252,276,500	526,139,116	782,654,109	1,006,893,764	962,787,923	905,502,028	866,961,250	5,303,214,690
Youth Centre Career Counselling	BCR	Scenario A	1.51	1.55	1.62	1.69	1.78	1.89	1.98	1.75
Youth Centre Career Counselling	COI	Scenario A	93,737,879	214,344,319	370,599,705	541,529,032	590,964,506	651,412,384	691,059,484	3,153,647,310
Youth Centre Career Counselling	Monetary benefits	Scenario B	346,014,379	740,483,435	1,153,253,814	1,548,422,796	1,553,752,429	1,556,914,412	1,558,020,733	8,456,861,999
Youth Centre Career Counselling	Costs	Scenario B	252,276,500	526,139,116	782,654,109	1,006,893,764	962,787,923	905,502,028	866,961,250	5,303,214,690
Youth Centre Career Counselling	BCR	Scenario B	1.51	1.55	1.62	1.69	1.78	1.89	1.98	1.75

Programme	Category	Scenario	2024	2025	2026	2027	2028	2029	2030	Total
Youth Centre Career Counselling	COI	Scenario B	93,737,879	214,344,319	370,599,705	541,529,032	590,964,506	651,412,384	691,059,484	3,153,647,310
Youth Centre Psychosocial Support	Monetary benefits	Scenario A	346,014,379	740,483,435	1,153,253,814	1,548,422,796	1,553,752,429	1,556,914,412	1,558,020,733	8,456,861,999
Youth Centre Psychosocial Support	Costs	Scenario A	651,738,162	1,302,175,062	1,910,305,728	2,440,787,327	2,333,871,401	2,195,006,021	2,101,580,233	12,935,463,934
Youth Centre Psychosocial Support	BCR	Scenario A	1.62	1.74	1.85	1.95	2.05	2.19	2.29	2.01
Youth Centre Psychosocial Support	COI	Scenario A	310,425,146	758,668,698	1,305,284,810	1,883,228,576	2,013,612,283	2,170,217,436	2,275,686,910	10,717,123,859
Youth Centre Psychosocial Support	Monetary benefits	Scenario B	962,163,308	2,060,843,760	3,215,590,537	4,324,015,903	4,347,483,685	4,365,223,457	4,377,267,144	23,652,587,793
Youth Centre Psychosocial Support	Costs	Scenario B	651,738,162	1,302,175,062	1,910,305,728	2,440,787,327	2,333,871,401	2,195,006,021	2,101,580,233	12,935,463,934
Youth Centre Psychosocial Support	BCR	Scenario B	1.62	1.74	1.85	1.95	2.05	2.19	2.29	2.01
Youth Centre Psychosocial Support	COI	Scenario B	310,425,146	758,668,698	1,305,284,810	1,883,228,576	2,013,612,283	2,170,217,436	2,275,686,910	10,717,123,859
Total package	Monetary benefits	Scenario A	4,113,738,886	8,977,043,403	14,270,350,810	19,484,104,512	19,838,584,683	20,101,966,645	20,218,404,416	107,004,193,355
Total package	Costs	Scenario A	1,804,740,512	3,919,382,173	6,116,955,779	8,222,728,963	8,188,103,621	8,013,193,884	7,885,908,758	44,151,013,690
Total package	BCR	Scenario A	2.51	2.52	2.57	2.61	2.67	2.76	2.82	2.67
Total package	COI	Scenario A	2,308,998,374	5,057,661,231	8,153,395,031	11,261,375,549	11,650,481,062	12,088,772,760	12,332,495,658	62,853,179,665
Total package	Monetary benefits	Scenario B	4,113,738,886	8,977,043,403	14,270,350,810	21,006,604,191	22,992,501,970	24,958,519,923	26,829,039,638	123,147,798,822
Total package	Costs	Scenario B	1,804,740,512	3,919,382,173	6,116,955,779	8,671,922,657	9,127,905,747	9,417,784,513	9,750,504,144	48,809,195,523
Total package	BCR	Scenario B	2.51	2.52	2.57	2.66	2.77	2.92	3.03	2.78
Total package	COI	Scenario B	2,308,998,374	5,057,661,231	8,153,395,031	12,334,681,534	13,864,596,223	15,540,735,410	17,078,535,495	74,338,603,298