



UNITED NATIONS DEVELOPMENT PROGRAMME
PROCUREMENT SUPPORT SERVICES TO THE
MINISTRY OF HEALTH OF UKRAINE PROJECT

FINAL PROGRESS REPORT

2023

Reporting Period	November 2015 - September 2023
Donor	Ministry of Health, UNDP
Country	Ukraine
Project Title	Procurement Support Services to the Ministry of Health of Ukraine (Phase 1 and 2)
Project ID (Atlas Award ID)	Project ID: 000090474, 00132175
UN Partnership Framework UNDP Country Programme Document	UNPF/CPD Outcome: By 2022, women and men, girls and boys participate in decision-making and enjoy human rights, gender equality, effective, transparent, and non-discriminatory public services.
UNDP Strategic Plan	CPD Output: 1.1. Regional and local authorities have scaled up knowledge and skills to engage communities in planning, coordination, delivery and monitoring of public services provision.
SDGs	SP 2018-2021 Output: 1.2.1. Capacities at national and sub-national levels strengthened to promote inclusive local economic development and deliver basic services including HIV and related services SP 2022-2025 Output 1.4. Equitable, resilient and sustainable systems for health and pandemic preparedness strengthened to address communicable and non-communicable diseases, including COVID-19, HIV, tuberculosis, malaria and mental health SDG: 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status; 3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all; 16.5. Substantially reduce corruption and bribery in all their forms
Implementing Partner(s)	Ministry of Health, UNDP
Project Start Date	November 2015
Project End Date	September 2023
Annual Work Plan Budget (2015 2023) Procurement Support Services to the Ministry of Health of Ukraine (Phase 1 and 2)	\$ 620,526,494.09
Total resources required (2015 - 2023) Procurement Support Services to the Ministry of Health of Ukraine (Phase 1 and 2)	\$ 610,025,610.84

Unfunded budget (2023)	N/A
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List of acronyms

- CO - Country Office
- LTAs – Long-term agreements
- CSOs/NGOs – Civil Society Organizations/Non-Governmental Organizations
- CCM – Country Coordination Mechanism
- PHC – Public Health Centre of the Ministry of Health of Ukraine
- EU – European Union
- HIV/AIDS – Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
- LGBTI – lesbian, gay, bisexual, transgender and intersex
- LMIC – Low- and middle-income countries
- MPU – State-owned enterprise Medical Procurement of Ukraine
- MoH – Ministry of Health of Ukraine
- NCD – Non-Communicable Diseases
- PKU - Reagents for Mass Neonatal Screening for Phenylketonuria, Congenital Hypothyroidism, Mucoviscidosis, and Adrenogenital Syndrome
- IRH – UNDP Istanbul Regional Hub
- UNDP - United Nations Development Programme
- TB – tuberculosis
- UN – United Nations
- UNAIDS - Joint United Nations Programme on HIV/AIDS
- UNICEF – United Nations Children's Fund
- USD – United States Dollar

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I. Introduction

Good health is essential to sustainable development and the 2030 Agenda reflects the complexity and interconnectedness of the two. Good health is affected by widening economic and social inequalities, rapid urbanization, threats to the climate and the environment, the continuing burden of HIV and other infectious diseases, and emerging challenges such as noncommunicable diseases. The SDG 3: Healthy Lives and Well-Being provides a solid base for the work in the health area related to reducing maternal mortality, ending the epidemics of HIV/AIDS and TB, reducing premature mortality from non-communicable diseases, ensuring universal immunization, and reducing of smoking and reforming the health care financing.

Chapter 22 of the EU-Ukraine Free Trade Agreement specifically calls for raising the level of public health safety and protection of human health as a precondition for sustainable development and economic growth. The agreement aims to contribute to strengthening of the public health system and its capacity in Ukraine (health reform, particularly of the primary health care and training of staff); provision of an adequate response to communicable diseases (HIV-infection and tuberculosis) as well as prevention and control of non-communicable diseases (promoting healthy lifestyles, contributing to mother and child health, treatment of mental health, alcohol, drugs and tobacco addiction), health information and knowledge, including the 'health in all policies' approach.

Accessibility and quality of medical assistance are the key indicators which demonstrate the effectiveness of public health system of any country. Medicines play a major role in protecting, maintaining and restoring people's health. Access to essential medicines is closely correlated with other indicators of health system performance, such as disability-adjusted life expectancy. Availability of accessible medicines and medical products for all citizens, regardless of their financial standing and place of residence, is the foundation of healthcare. The provision of appropriate medicines of assured quality, in adequate quantities and at reasonable prices is therefore a matter of concern for both global and national policy makers and agencies implementing health-related activities and programmes.

Access to essential medicines as part of the right to the highest attainable standard of health ("the right to health") is well-founded in international law. The right to health first emerged as a social right in the World Health Organization (WHO) Constitution (1946) and in the Universal Declaration of Human Rights (1948). Access to essential medicines has also become one of the five UN indicators to measure progress in the realization of the right to health.

In 2015, UNDP was one of the three international agencies that started procuring medicines and medicinal products on behalf of the Ministry of Health of Ukraine, as an emergency response and following a request of the Ukrainian government. Specifically, in November 2015, UNDP and the Ministry of Health of Ukraine launched the Procurement Support Services to Ministry of Health Project to facilitate and improve access to medicines and medical devices as well as contribute to health reform agenda in Ukraine.

The overall objective of the Project is to strengthen the national health care procurement system and thereby improve the effectiveness of diagnosis and treatment of the patients of Ukraine.

The specific objectives of the Phase 1 and 2 of the Project are:

- (i) To procure medicines and medical products for the National Public Health Programmes for 2015 and ongoing years as needed,

(ii) To strengthen the capacity of the Ministry of Health of Ukraine to ensure transparency, accountability, and effectiveness of the public procurement of medicines and other medical products.

II. Background

Ukraine is a lower-middle income country with a health expenditure of 9.24% (269.73 USD per capita) of the gross domestic product in 2020¹, which is less than both EU and global averages. The lack of affordability of medicines and tests explains the growing level of self-reported, unmet health care needs, especially for the poor. Unmet needs for medical services in Ukraine are reported by around 24% of all households, as of April 2023². (This percentage of unmet health needs has grown by 1.4 times since 2009 and is most critical in medicines (82% of all households with self-reported, unmet health care needs have forgone buying medicines) and diagnostic tests (54% of all households with self-reported, unmet needs have forgone diagnostic tests). The key reason for forgoing medical services is cost, especially among rural residents.

In Ukraine, healthcare institutions primarily rely on government funding, sourced from various budgets (such as those of regions, cities, and starting from 2016, unified territorial communities). This funding is allocated based on the specific budget details of each facility. However, in 2018, the government shifted its approach, moving away from directly maintaining a network of healthcare establishments that offered free services. Instead, they began strategically purchasing services and ceased providing funds based on estimated costs. As a result, healthcare facilities transformed into independent business entities. They now receive compensation based on their performance and the medical services they deliver to patients.

Prior to 2015, Ukraine encountered difficulties in procuring medications and medical supplies, which posed significant challenges for the healthcare system. The Security Service of Ukraine estimated that as much as 40% of public funds were either misused or embezzled³. This situation led to an insufficient number of patients receiving essential medications and the necessary treatment. Following the 2013-2014 Euromaidan revolution, the Ukrainian Government took significant steps towards anti-corruption measures, implementing legal and institutional reforms. This involved adopting an anti-corruption strategy and a set of laws designed to align the country with international anti-corruption standards. The reforms included reconfiguring primary care financing and essential medicines reimbursement under the newly formed National Health Service of Ukraine; raising the remuneration of health professionals; introducing a transparent, merit-based, process for medical university admissions; and initiating development of an eHealth digital records system⁴.

As part of this commitment, Ukraine initiated a much-needed reform of its state healthcare procurement system. Recognizing the complexity and time required for such a reform process, and understanding the importance of ensuring a continuous supply of medicines to Ukrainian patients, the Ukrainian Parliament made the decision to temporarily delegate the procurement of crucial medical products to international organizations. To accommodate this change, relevant legislation was adjusted accordingly.

The United Nations has significant global experience in supporting governments with large-scale procurement, including in the times of emergency. That is why the Ministry of Health approached various UN agencies to explore the possibility to provide procurement support services to the Ministry. UNDP is one of the largest procurers in the UN system. Apart from capacities on country office level to undertake both international and national procurement, the organisation also has a specialised procurement

¹ <https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=UA>

² <https://reliefweb.int/report/ukraine/multisectoral-needs-assessment-msna-2022-health-and-nutrition-findings-march-2023>

³ <https://www.kmu.gov.ua/news/vidpovidi-na-poshireni-pitannya-pro-mizhnarodni-zakupivli>

⁴ <https://thedocs.worldbank.org/en/doc/796791611679539176-0090022021/original/ReformsintheHealthSectorinUkraine.pdf>

support office and an office working exclusively on the implementation of large projects financed by the Global Fund to Fight AIDS, Tuberculosis and Malaria, which have significant procurement components. Building on the work of the UNDP-Global Fund partnership, an increasing number of governments and partners are requesting UNDP to help strengthen national capacities and systems specifically in procurement and supply chain management of essential medicines and other health commodities.

Since 2015, public procurement of medicines and medical devices in Ukraine has been carried out through specialized international organizations, namely UNDP, UNICEF, and Crown Agents. The issue of public procurement of medicines also received special attention – a group of civil society activists with the support of patients, anti-corruption NGOs, lawyers, economists, MPs and government agency representatives developed a strategy and a legislative package to temporarily transfer the procurement of vital medical products to international organizations. Consequently, the Ministry of Health outsourced the procurement of medicines to three international organizations – UNDP, UNICEF and Crown Agents, as an interim measure until 2020, based on appropriate amendments to national legislation in March 2015. However, this legislation was later extended until 31 March 2023, which allowed UNDP to continue working through the 2nd Phase of the Project. The Project was able to adjust its activities to respond to the urgent needs of the Government of Ukraine in relation to COVID-19 pandemic response.

In February 2022, the Russian Federation invaded Ukraine, which exacerbated the human suffering and caused severe economic and social consequences. The escalation of war in Ukraine has caused civilian casualties and destruction of civilian infrastructure, forcing people to flee their homes seeking safety, protection and assistance. By August 2023, more than 5.8 million refugees from Ukraine received protection in Europe, while around 367,000 people fled to other countries⁵. Moreover, some 5.1 million are displaced⁶ internally within Ukraine and approximately 17.6 million people are estimated to be stranded in affected areas or unable to leave due to heightened security risks, destruction of bridges and roads, as well as lack of resources or information on where to find safety and accommodation⁷. Since the initial weeks of the Russian full-scale invasion, health care facilities in Ukraine were under constant attack. In the first 2 weeks of the invasion, 4 to 5 health care facilities were attacked daily⁸. WHO recorded more than 1000 attacks on healthcare in Ukraine between February 2022 – June 2023⁹ - the highest number WHO has ever recorded in any humanitarian emergency. The 1004 WHO-verified attacks have claimed at least 101 lives, including of health workers, patients, and injured many more. They have impacted health providers, supplies, facilities and transport, including ambulances.

The government and local authorities are doing their best to ensure that women, men, girls and boys, especially the most vulnerable, including the elderly, people with disabilities, pregnant women, GBV survivors, PLHIV, survivors of mines/explosive remnants of war (ERW), IDPs and refugees, have equal access to medicine and health care services, leaving no one behind.

Within the scope of the Project's Phase 1, UNDP had supported the operational performance of the Ministry of Health of Ukraine by providing cost-effective and timely medical procurement services. In the long term, UNDP had aimed to help the Ministry of Health grow the professional capacity and procurement expertise of the assigned state-owned agency and gradually hand over its functions to it (SoE MPU, officially established in October 2018) as soon as it reached the required capacity level to manage a fully functioning national procurement system. Such a system was expected to include effective

⁵ <https://data.unhcr.org/en/situations/ukraine>

⁶ <https://www.unrefugees.org/emergencies/ukraine/>

⁷ Ibid.

⁸ <https://jamanetwork.com/journals/jama/article-abstract/2801937>

⁹ <https://www.who.int/europe/news/item/30-05-2023-who-records-1-000th-attack-on-health-care-in-ukraine-over-the-past-15-months-of-full-scale-war>

supply chain management, with properly trained personnel and efficient management processes conforming to international standards, alongside the principles of integrity, transparency, and accountability, to enable it to meet the healthcare needs of all Ukrainians.

The Phase II of the Project (2020-2023) built on the extended legal framework enabling international organizations to carry out health product procurement on behalf of MoH by aligning with the provisions of the revised edition of the Law on Public Procurement. The statute had gone into effect on April 19, 2020, extending the legality of this instrument's terms until March 31, 2022, and then again until March 20, 2023. Following decrees expedited medical product registration, loosened importation regulations and VAT exemption, lowered language requirements for package inserts, exempted reference pricing and National Bank of Ukraine currency control, included civil society in decision-making, and facilitated negotiation with prepayment procedures.

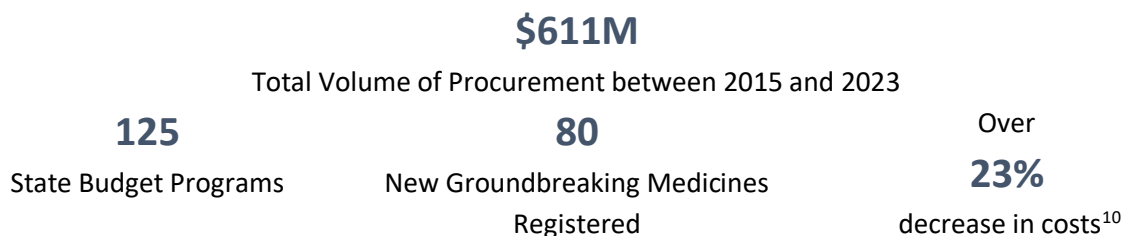
III. Project's Impact and Outcomes

The external evaluation of the Project (two rounds) confirmed that there is a high likelihood the Project's activities created a medium and long-term impact inside and outside of Ukraine. The Project has produced many results which have had significant impact and laid the foundations for a smooth and gradual transition of the medicine procurement function from UNDP to SoE MPU. UNDP leadership is firmly committed to assisting with the development of international expertise at the Ministry of Health and other healthcare environments. UNDP's sustainability strategy, including capacity development of key national stakeholders, has been developed or implemented, and includes a mitigation strategy for possible risks that may jeopardise sustainability of the results. On the medium and long term, UNDP's knowledge and experience, could be used to strengthen the relevant stakeholders (MoH, Ukrainian and international pharmaceutical companies with presence in Ukraine, the State Expert Centre, Ukrainian Public Health Centre, patients and civil society organizations, local municipalities, hospital district management, hospital managers, etc.).

In addition, the Project either exclusive or jointly contributed to creation of 5 digital health solutions that are being used nationally by MoH, hospitals, patients, and caregivers.

Beyond the country context, the procurement of medications through UNDP in Ukraine became an example of a successful national and worldwide method. Following the introduction of procurement in Ukraine, five nations in the RBEC region, including Moldova, Turkmenistan, Uzbekistan, Kazakhstan, and Bosnia and Herzegovina, began to apply such interim measures. Among these countries, Ukraine has executed a joint procurement with Kazakhstan as well as capacity building assistance to Kazakhstan and Moldova. UNDP should strive to continue sharing its knowledge and lessons learnt on a global and regional scale.

Below are some of the key quantitative highlights of the Project's impact:



¹⁰ During 2015-2018 Project's Implementation

5	1	\$44.8M
Countries Replicated UNDP Ukraine's Experience	Full-Operational Medical Procurement Unit	(more than 20%)
		in savings by Medical Procurement Unit

600,000	2,000	5
Annual E-Liky Users	Hospitals Connected to E-Liky	National Digital Solutions Launched

The Project has also directly contributed to gender equality and social inclusion, by empowering women to have appropriate medical treatment, be better diagnosed, and have quality healthcare for children and elderly, alleviating the burden of care:

“When you are a mother of a child with cancer or hemophilia, your entire life turns around this. If you can rely on the doctors and know that your child is getting all the necessary treatment, you have a little bit of time to breathe and think about yourself. If not, it turns into a nightmare when all your life energy goes into searching for medicines and fighting for services to be provided.”

IV. Progress Review

The following progress has been made during the Projects duration of November 2015 - March 2023 in line with the Projects' objectives.

Phase 1 - Output 1: National health care procurement system strengthened and the effectiveness of diagnosis and treatment of the patients of Ukraine improved/Phase 2 – Output 2: Improved availability of medicines and effectiveness of diagnosis and treatment that meets the needs of women and men from different groups, especially the most vulnerable

During the reporting period of 2015-2023, the Project was procuring medicines and medical products as per agreements between UNDP and the MoH for the State Budgets of 2015, 2016, 2017, 2018, and 2019 as a part of Phase 1 of the Project (Output 1), and for the State Budgets of 2020 and 2021 as part of Phase 2 of the Project (Output 2). The total amount of delivered medicines and medical products reached USD 610 million for 125 State Procurement Programmes (antiviral, cardiovascular, immunology, mental health,

metabolic and hormone, motor neuron, oncology, orphan disease, palliative care, reproductive, respiratory and TB medicines, blood products and others).

Table 1. Overview of 2015-2021 State Budget Programmes covered by the Project (as of September 30, 2023, Phase 1 and 2): Budgeted Vs Contracted

State Budget Year	Number of Programs	Budgeted, USD	Contracted, USD	% Contracted
2015	8	39,243,030.51	39,118,818.07	99.68
2016	23	78,164,943.57	77,616,206.47	99.30
2017	26	143,742,305.94	140,554,577.22	97.78
2018	27	158,763,787.29	156,504,797.07	98.58
2019	27	109,990,430.67	107,477,103.40	97.71
2020	11	68,513,811.96	67,659,534.65	98.75
2021	3	22,108,184.15	21,978,504.48	99.41
Total	125	620,526,494.09	610,909,541.36	98.45

Figure 1. Year-to-Year Delivery Volume for 2015-2021 State Budget Programmes (as of September 30, 2023, Phase 1 and 2)

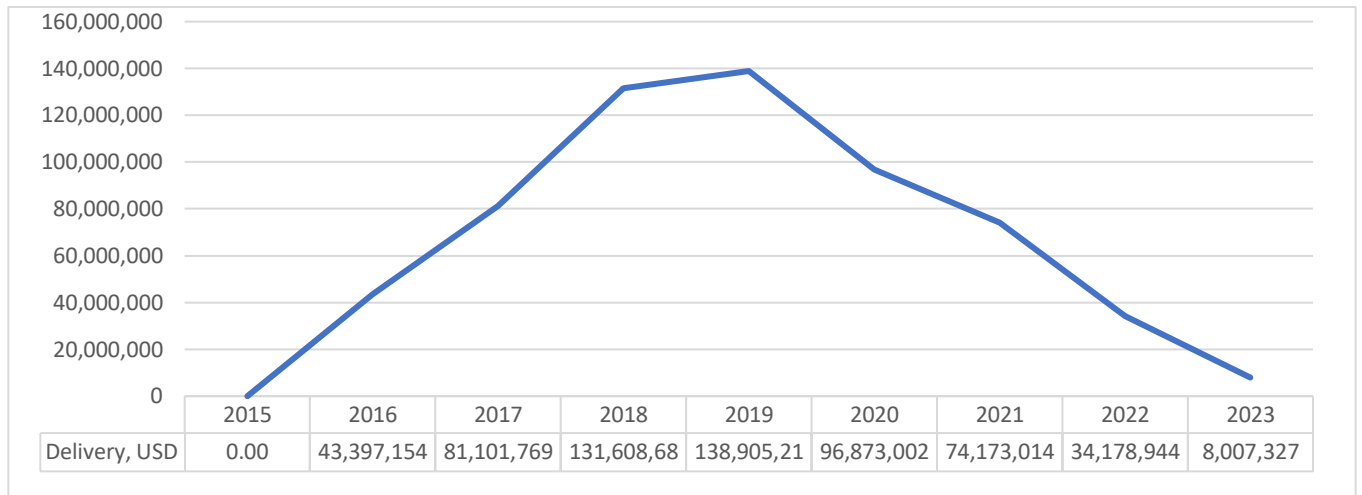


Table 2: Overview of 2015-2021 State Budget Programmes (as of September 30, 2023, Phase 1 and 2): Delivery over Project's Timeframe

State Budget Year	Delivered, USD								% Delivered
	2016	2017	2018	2019	2020	2021	2022	2023	
2015	36,541,867	1,345,418	37,879						96.95
2016	6,855,287	61,868,461	8,592,830						99.61
2017		17,887,890	96,488,571	26,094,176					99.94
2018			26,489,406	91,869,402	36,797,772	1,296,191			99.97
2019				20,941,632	57,603,488	22,436,012	5,681,562		99.24
2020					2,471,742	50,440,811	13,248,010	1,278,195	99.67
2021							15,249,372	6,729,132	100.00
Total	43,397,154	81,101,769	131,608,687	138,905,210	96,873,002	74,173,014	34,178,944	8,007,327	

The Project was able to increase cost efficiency by consistently procuring predominantly from manufacturers, avoiding the “middle-man” mark-up associated with procurement from distributors, as seen on Figure 2. Among the distributors, however, majority were local, which also decreased the costs on shipment and logistics, and sped-up the delivery, as seen on Figure 3.

Figure 2. Share of Distributors and Manufacturers in 2015-2021 State Budget Programmes

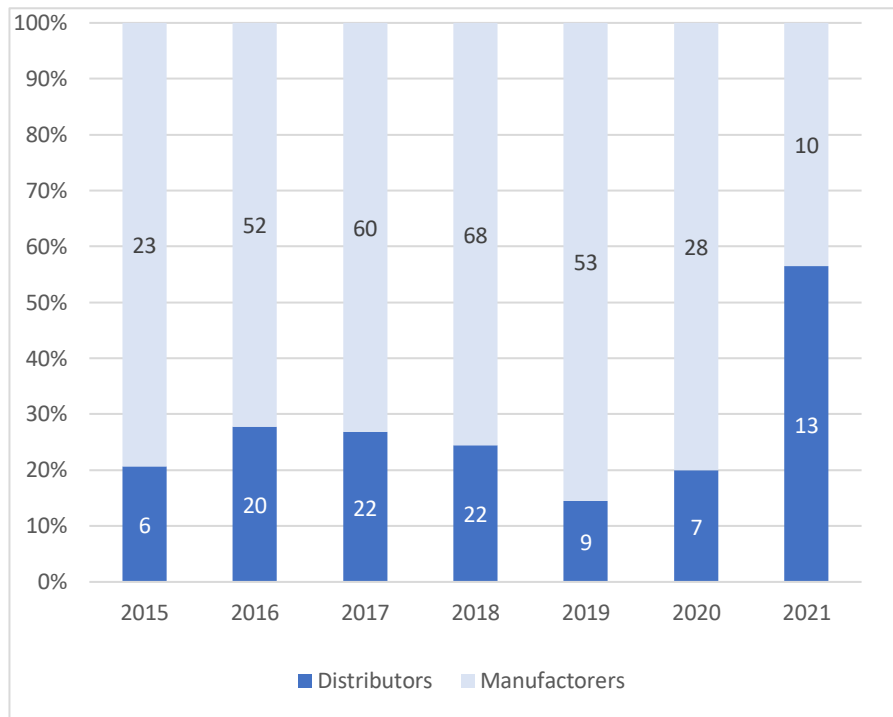
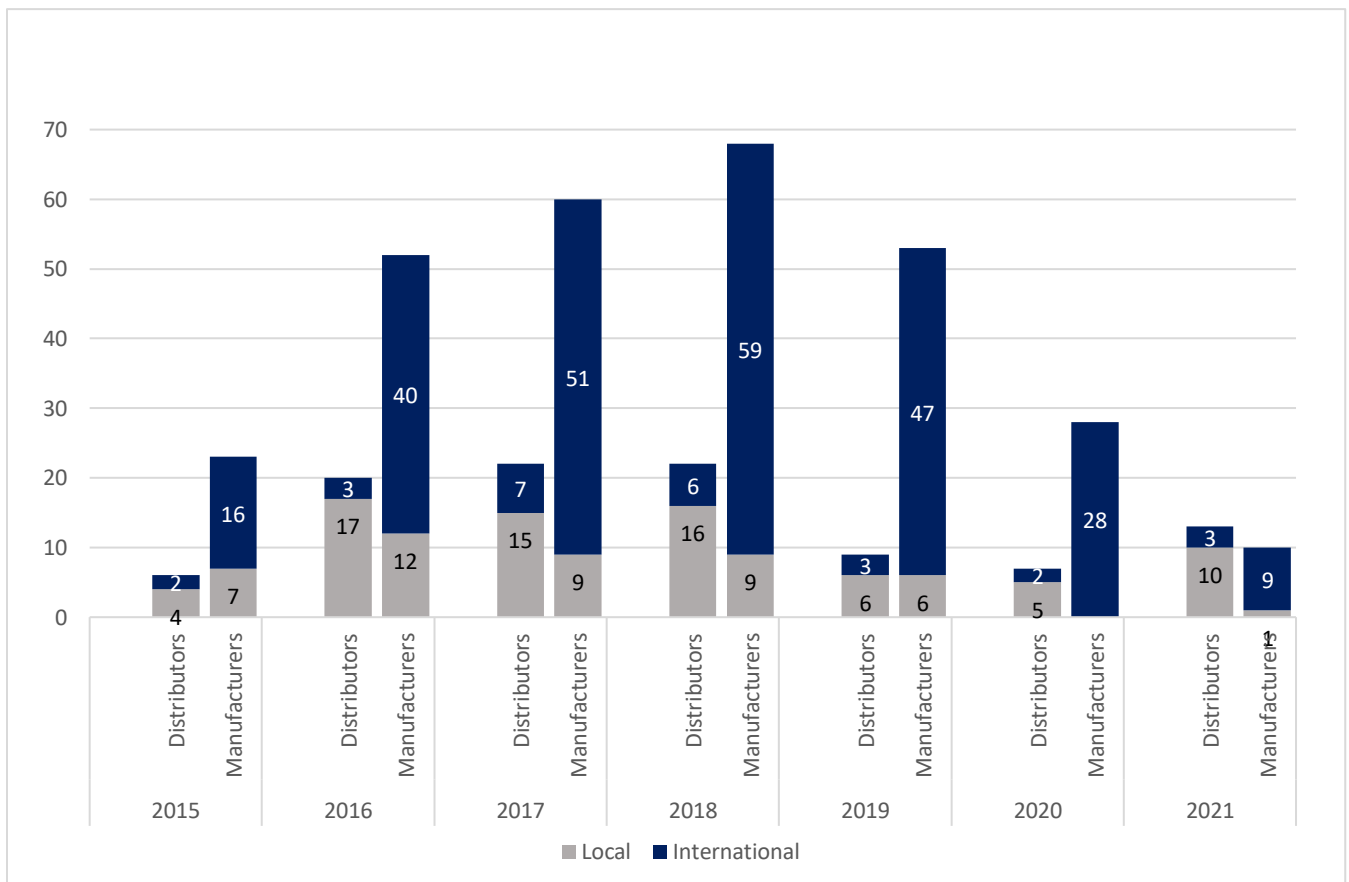


Figure 3. Share of Local and International Vendors Among Distributors and Manufacturers



Medical Procurement Activities in 2023

Medical Procurement under the 2021 State Budget

In the final year of the Project (2023), medicines and medical products worth USD 7,362,877.10* were delivered for 3 programmes under the 2021 State Budget, as presented in Table 2.

Table 3. Procurement under 2021 State Budget in 2023

2021 State Budget	Total Budget, USD	% of Contracted to Total Budget	% of Delivered to Total Budget	Total Number of items	% of Delivered Items to Total number of items
Hepatitis B and C	4,165,764.63	96%	97%	21	100%
HIV diagnostics	7,342,715.42	97%	99%	168	83%
Blood Donation	10,599,704.10	89%	98%	147	95%
Total	22,108,184,15	93%	98%	336	89%

Key Achievements in Medical Procurement

Using the international procurement mechanisms, UNDP managed to demonstrate significant level of efficiency in procuring medicines and medical products. Despite COVID-19 pandemic and full-scale war, UNDP was able to timely and efficiently deliver requested medicine and medical products. Some key results are highlighted below:

- **Successfully fulfilled all State Procurement Programmes:** the number of State Procurement Programmes in the period of 2015-2023 implemented by UNDP reached 125 with a total budget of over \$608 million (antiviral, cardiovascular, immunology, mental health, metabolic and hormone, motor neuron, oncology, orphan disease, palliative care, reproductive, respiratory and TB medicines, blood products and others):
 - 2015 State Budget year: procurement process covered 8 programmes. Total amount of medicines budgeted is 39,243,030.51 USD. 99.68% of the budget amount is contracted and 96.95% is delivered. The procurement process and delivery process under the 2015 State Budget Finalized in 2018.
 - 2016 State Budget year: procurement process covered 23 programmes. Total amount of medicines budgeted is 78,164,943.57 USD. 99.3% of the budget amount is contracted and 99.61% is delivered. The procurement process and delivery process under the 2016 State Budget Finalized in 2018.
 - 2017 State Budget year: procurement process covered 26 programmes. Total amount of medicines budgeted is 143,742,305.94 USD. 97.78% of the budget amount is contracted and 99.94% is delivered. The procurement process and delivery process under the 2017 State Budget Finalized in 2019.
 - 2018 State Budget year: procurement process covered 27 programmes. Total amount of medicines budgeted is 158,763,787.29 USD. 98.58% of the budget amount is contracted

and 99.97% is delivered. The procurement process and delivery process under the 2018 State Budget Finalized in 2021.

- 2019 State Budget year: procurement process covered 27 programmes. Total amount of medicines budgeted is 109,990,430.67 USD. 97.71% of the budget amount is contracted and 99.24% is delivered. The procurement process and delivery process under the 2019 State Budget Finalized in 2022.
 - 2020 State Budget year: procurement process covered 11 programmes. Total amount of medicines budgeted is 68,513,811.96 USD. 98.75% of the budget amount is contracted and 99.24% is delivered. The procurement process and delivery process under the 2020 State Budget Finalized in 2023.c
 - 2021 State Budget year: procurement process covered 3 programmes. Total amount of medicines budgeted is 22,108,184.15 USD. 99.41% of the budget amount is contracted and 100% is delivered. The procurement process and delivery process under the 2021 State Budget Finalized in 2023.
- **Delivered necessary equipment to vulnerable children.** As a part of the provision of technical assistance to the MoH of Ukraine, UNDP delivered orthopaedic rehabilitation equipment for children with central nervous system and musculoskeletal disorders to the Tulchyn Regional Orphanage.
 - **Pioneered the way for ground-breaking life-saving medications,** introducing them to Ukraine for the first time. Since 2015, over 80 new medicines were registered in Ukraine. Some examples include:
 - Multidrug-resistant tuberculosis treatment – **bedaquiline**. It is expected that the procured quantity of bedaquiline allowed 4,645 Ukrainian patients with multidrug-resistant tuberculosis to receive vital treatment.
 - An innovative medicine for children with haemophilia – **emicizumab**. The procurement price of emicizumab in Ukraine is up to 53% lower than in certain European countries. The medicine reduces the risk of bleeding and sustains the adherence to treatment due to comfortable subcutaneous administration, instead of the previously used infusion. Thus, the medicine is active in the body for a longer period of time, resulting in the improvement of patients' quality of life.
 - **Set an example for other countries.** The successful experience of UNDP Ukraine in the field of procurement was replicated in five other countries (Bosnia and Herzegovina, Kazakhstan, Moldova, Turkmenistan, and Uzbekistan).
 - **Achieved significant savings for some critical medicines,** like **biosimilars**, authorized by the European Medicines Agency (namely Rituximab, Trastuzumab) for the price that is few times cheaper, that allows to cover even more patients. Some of the medicines were procured at prices up to 90% lower than previously - for example **capecitabine** or lenalidomide used in Adult Oncology, **sofosbuvir** used in Adult Hepatitis B and C or **entecavir** used in Child Hepatitis.
 - **Pioneered cost-savings methods and approaches.** UNDP piloted and scaled up cost-savings approaches, such as long-term agreements with manufacturers, signing direct contracts with big manufacturers, diversifying countries of manufacturing, and procuring generics.
 - The share of long-term and direct contracts had been particularly high (over60%) in State Budget years 2017 and 2018, when the volume of procurement was the highest, achieving significant savings.

Figure 4. Share of Vendor Engagement Modality for 2015-2021 State Budget Years

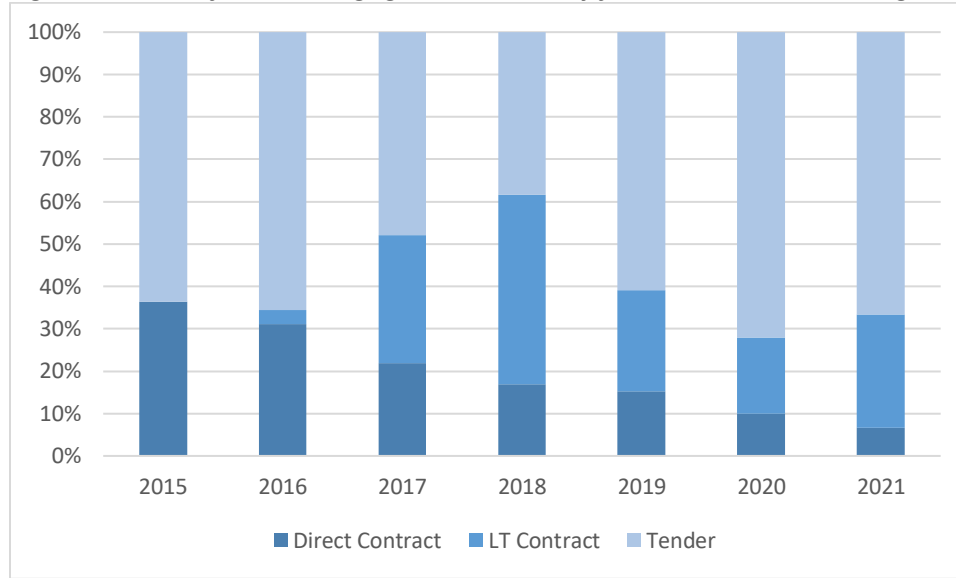
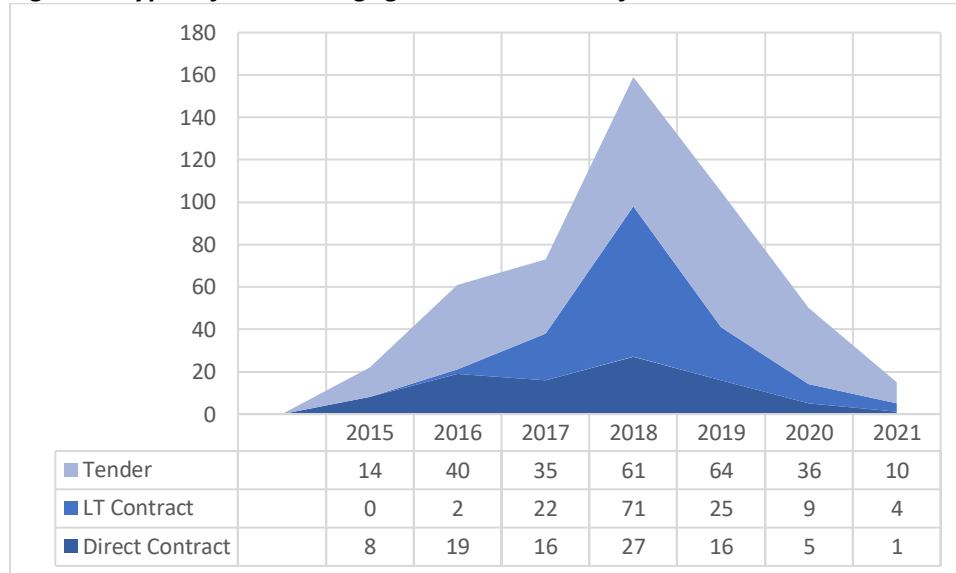


Figure 5. Types of Vendor Engagement Modalities for 2015-2021



- Increased access to medicines was provided by increasing the share of generics (in certain cases leading to a 70% price decrease for a generic when compared to the branded original).
- UNDP procured more efficiently than the MoH in years prior to the Project’s launch, and more efficiently when compared to regional procurement in ProZorro. Savings were delivered both in average price per item and in value for most of the disease programmes assessed. The average price decrease per item purchased against ProZorro was around 23% over the 2016-2018.
- In addition to savings against last purchasing price and similar regional procurement, UNDP delivered savings against allocated programme budgets year-on-year. Since the beginning of the Project UNDP has reported approximately USD 66 million savings against

allocated budgets. The savings were used to procure additional quantities of medicines and medical devices.

- The most significant procurement results are presented in the Table 3 for 2018 and 2019 State Budgets below.

Table 4. Savings by items and programmes.

Programme	INN	MoH Unit Price., USD	UNDP Unit Price, USD	Quantity	Savings	Savings by progames
Multiple Sclerosis	Fingolimod / capsules / 0.5 mg	43.29	3.78	11564	456,893.64	1,570,459.08
	Glatiramer acetate / ampules, vials, syringes / 40 mg	39.77	21.2	38,016	705,957.12	
	Glatiramer acetate / ampules, vials, syringes / 20 mg	17.93	9.01	45,696	407,608.32	
Arterial Hypertension	Bosentan / tablets / 62.5 mg	14.63	4.72	9,464	93,788.24	1,035,132.56
	Bosentan / tablets / 125 mg	29.22	7.16	42,672	941,344.32	
Mucopolisaccharidosis (MPS)	Idursulfase / concentrate for solution for infusion, vial 3 ml in 1 vial per cardboard box / 2 mg/ml	3825.19	3071.88	2,236	1,684,401.16	1,684,401.16
Children Haemophilia	Emicizumab / vials / 30 mg, 60 mg, 105 mg	69.83	58.04	100,785	1,188,255.15	1,188,255.15
Orphan	Nitisinone / hard capsules / 5 mg	35.65	28.43	900	6,498.00	18,910.80
	Nitisinone / hard capsules / 10 mg	63.78	50.85	960	12,412.80	
Child Hepatitis	Entecavir / tablets / 1 mg	10.35	0.62	360	3,502.80	25,678.80
	Entecavir / tablets / 0,5 mg	5.17	0.37	4620	22,176.00	
TB medicines	Bedaquiline / tablets, capsules, pills / 100mg	6.12	2.4	305688	1,137,159.36	8,798,159.36
	Bedaquiline / tablets, capsules, pills / 100mg	6.12	1.62	567572	2,554,074.00	
	Bedaquiline / tablets, capsules, pills / 100mg	6.12	1.63	1137400	5,106,926.00	

Adult Juvenile arthritis (JRA)	Adalimumab / 40 ml	583.03	116.6	3962	1,847,995.66	2,087,352.75
	Tocilizumab / 80 mg/4 ml	188.68	156.5	912	29,348.16	
	Tocilizumab / 200 mg/10 ml	472.1	391.57	1756	141,410.68	
	Etanercept	257.64	202.46	568	31,342.24	
	Golimumab	1094.66	931.97	229	37,256.01	
JRA	Adalimumab / pre-filled single dose syringe / 40 ml	583.03	116.6	7716	3,598,973.88	4,428,336.95
	Adalimumab / single-use vial / 40 ml	669.66	483.58	1749	325,453.92	
	Tocilizumab / 80 mg/4 ml	188.86	156.5	6609	213,867.24	
	Tocilizumab / 200 mg/10 ml	472.1	391.57	3247	261,480.91	
	Etanercept / 50 mg / ml in pre-filled 0.5 ml syringes (25 mg)	128.82	106.85	644	14,148.68	
	Etanercept / 50 mg / ml in pre-filled 1 ml syringes (50 mg)	257.64	213.7	328	14,412.32	
Adult Haemophilia	Human blood coagulation factor VIII (plasma) / vial, ampule, syringe / 500 IU	0.22	0.1	1,946,500	233,580.00	6,447,630.00
	Human blood coagulation factor VIII (plasma) / vial, ampule, syringe / 1000 IU	0.18	0.1	12,329,000	986,320.00	
	Blood coagulation factor VIII (recombinant) / vial, ampule, syringe / 500 IU	0.25	0.14	2,315,000	254,650.00	
	Blood coagulation factor VIII (recombinant) / vial, ampule, syringe / 1000 IU	0.25	0.14	16,259,000	1,788,490.00	
	Blood coagulation factor VIII (recombinant) / vial, ampule, syringe / 1500 IU	0.24	0.15	5,025,000	452,250.00	
	Blood coagulation factor VIII (recombinant) / vial,	0.22	0.14	2,670,000	213,600.00	

	ampule, syringe / 2000 IU					
	Blood coagulation factor VIII (recombinant) / vial, ampule, syringe / 3000 IU	0.22	0.14	1,650,000	132,000.00	
	Human blood coagulation factor IX (plasma) / vial, ampule, syringe / 500 IU and/or 600 IU	0.19	0.12	816,500	57,155.00	
	Human blood coagulation factor IX (plasma) / vial, ampule, syringe / 1000 IU and/or 1200 IU	0.19	0.12	3,020,000	211,400.00	
	Blood coagulation factor IX (recombinant) / vial, ampule, syringe / 500 IU	0.32	0.29	596,000	17,880.00	
	Human blood coagulation factor VIII and von Willebrand factor (with factor ratio 1 to 0,75 and higher) / vial, ampule, syringe / 500 IU	0.18	0.12	9,157,000	549,420.00	
	Human blood coagulation factor VIII and von Willebrand factor (with factor ratio 1 to 1 and higher) / vial, ampule, syringe / 500 IU	0.18	0.15	1,489,500	44,685.00	
	Anti-inhibitor coagulant complex / vial, ampule, syringe / 500 IU	1.58	0.9	395,000	268,600.00	
	Anti-inhibitor coagulant complex / vial, ampule, syringe / 1 000 IU	1.58	0.9	1,820,000	1,237,600.00	
Cerebral Palsy	Botulinum toxin type A / 500 units	242.9	217.3	1,169	29,926.40	33,391.64
	Botulinum toxin type A / 100 units	163.75	146.51	201	3,465.24	
Gaucher	Imiglucerase / powder for preparation of concentrate for solution for infusion / 400 U/ ml in vial	1640.03	1457.5	2908	530,797.24	530,797.24
Epidermolysis Bullosa	Dressing for open wounds, sterile	52.63	41.09	27,836	321,227.44	490,051.44

Mepilex® Lite 20 x 50 cm, or equivalent				
Dressing for open wounds, sterile Mepilex® Transfer 20 x 50 cm, or equivalent	57.92	45.2	10,500	133,560.00
Dressing for open wounds, sterile Mepitel® 10 x 18 cm, or equivalent	8.91	7.31	22,040	35,264.00

Phase 1 - Output 2: The system of public procurement is strengthened through providing technical assistance and capacity development services to the Ministry of Health of Ukraine and national stakeholders/Phase 2 – Output 1: The system of public procurement of medicines and other medical products is strengthened to fully lead the procurement process at the national and regional level in a transparent, accountable, gender-sensitive and effective manner.

During the implementation of the Project's Phases 1 and 2, UNDP has significantly strengthened capacities of the Ministry of Health and national stakeholders to develop and implement the health reform in the healthcare sector. Special focus was given to the launch, institutional development, and transfer of knowledge and procurement practices over to the State-owned Enterprise "Medical Procurement of Ukraine" (MPU).

- **Developed institutional capacities of MPU.** Throughout the Project's implementation, UNDP systematically bolstered the institutional prowess of MPU, a state enterprise entrusted with overseeing medical procurement at the central level. From the time of MPU's establishment in 2018, the Project had been equipping the entity with technical expertise and comprehensive training for its workforce. The external evaluation underscores that both MoH and MPU representatives not only took ownership of the Project's accomplishments but also expressed their dedication to continue them in the future. This progress emerged from a versatile blend of initiatives, all aimed at fortifying technical competencies, refining skill sets, streamlining operational workflows, and establishing strict safeguards to curtail corruption risks. Some of these included:
 - Attainment of Chartered Institute of Procurement and Supply Chain (CIPS) procurement certification by MPU's staff.
 - Provision of specialized consultants in procurement, supply chain management, communication, IT, and monitoring, strategically addressing gaps in human resources.
 - Commissioning of a consulting firm by UNDP to assess MPU's capacity in public procurement and its commitment to upholding transparency and integrity. This evaluation occurred twice, initially and subsequently in 2020, capturing the trajectory of progress. KPMG conducted the assessment, with MPU emerging successfully and commencing medical procurement for 14 out of 28 budget programmes.
 - By 2022, UNDP effectively facilitated the seamless transfer of all programmes to MPU.
- **Strengthened capacities of the Ministry of Health.** During the establishment of MPU and after its launch, UNDP continued working closely with the Ministry of Health beyond medical procurement to ensure sustainability of the Project, and to respond to the evolving needs of the Ministry, by providing dedicated expert and advisory support:
 - UNDP supported the Ministry of Health's legal and intellectual property understanding through training sessions for Ukrainian officials. These sessions covered data exclusivity rules, ways to handle patent-related issues, and the importance of countering negative impacts of certain patent sanctions.
 - A report on how Europe organizes research infrastructure in biobanking and clinical research was prepared for the National Transplant Coordination Center, offering recommendations for Ukraine's potential involvement in European projects.

- Additionally, the National Transplant Coordination Center received a minivan to facilitate rapid organ transportation, along with the informative report.
- **Improved local monitoring.** UNDP was able to obtain data on the timing and volume of the supply of medicines and medical products, purchased by UNDP for the MoH, to Healthcare Facilities (HCFs) in selected oblasts; collected information on the actual situation regarding the supply of medicines to patients; and assessed the overall satisfaction of both patients and physicians with the volumes and timing of medicines delivery in the existing supply chain. In particular, UNDP:
 - Conducted four rounds of public monitoring, carried out by independent local NGOs, focused on the delivery, availability, and unregulated payments for medicines to patients at the community level across eight regions of Ukraine.
 - Allocated grants to NGOs to amass data concerning medicine procurement and distribution to local hospitals in different regions. This initiative aimed to establish an impartial, third-party assessment that delivers practical insights into the availability and accessibility of treatments procured by UNDP. Moreover, the initiative aimed to strengthen the self-sufficiency of Ukrainian patient organizations in conducting unbiased surveys. Participating NGOs reported an increase in their advocacy influence within health departments, healthcare facilities, and patient communities.
- **Launched innovative digital technologies:** UNDP has successfully launched a suite of cutting-edge digital tools that helped to propel health care reform and significantly improved accessibility of medicines and healthcare services across the country:
 - Developed the e-Stock platform in partnership with the World Bank, a critical tool allowing for real-time tracking of medicine distribution and availability at the regional level. This platform ensures the seamless and transparent supply of medicines, contributing to timely access where it's most needed.
 - Supported the E-Liky project (<http://eliky.in.ua>) of the NGO Patients of Ukraine. The Project allowed the patients around the country to access information about the availability of medicines in 2000 hospitals. In 2022, the website was visited by over 625,000 patients. Over 10,000 people annually consult the phone/online E-Liky hotline.
 - Co-developed digital solutions for [neonatal screening](#), patients online registration, electronic medical records, and consent procedures. UNDP also provided developer services to optimize CI/CD approaches, improved system monitoring and alerting, and ensured the quality of the system for stable, reliable access to services.
 - Contributed to the implementation and enhancement of the [ESickLeave system](#), including coordination of business analysis, development of technical requirements, and analysis of functional requirements, development of business process model and notation diagrams, and error handling logic.
 - Contributed to development of the National Blood IT system through conducting stakeholder interviews, reviewing legislation, analyzing business processes, compiling requirements, and supporting software development based on conducted business analysis.
- **Responded to HIV/TB epidemic.** UNDP heightened awareness and enhanced proficiency in areas pertaining to HIV/AIDS, TB, and human rights among a diverse audience of healthcare professionals, government officials, community leaders, justice representatives, and NGOs. Additionally, tailored localized strategies were offered to tackle the HIV/AIDS epidemic and

address human rights violations associated with it. The following initiatives were carried out by UNDP throughout the Project's duration:

- Directed an all-encompassing human rights-centered Fast-Track City Initiative (FTCI) in response to the persistent HIV and TB epidemics across three cities – Kyiv, Odessa, and Dnipro. As part of this initiative, UNDP formulated case studies highlighting effective HIV responses, composed Human Rights and Healthy City Action Plans, and conducted training sessions for senior management and clinical specialists within healthcare institutions. These training sessions aimed to equip them with the skills necessary to deliver optimal medical care to pregnant women and newborns, thereby preventing mother-to-child transmission.
 - Supported events for HIV/AIDS-positive individuals and groups at risks, by partnering with national and local NGOs and community movements, like supporting “Positive Women Forum”, “National LGBTI Conference”, and others.
 - Focused on building capacities of individuals that work with HIV/AIDS positive women and men in different life events. For example, UNDP offered a training for judges on legal provisions and overcoming stigmatisation in assessing cases for HIV/AIDS positive women and men.
 - Launched the National Judges Platform on HIV, TB and Health Rights and scaled up the dialogue of the stakeholders working on the HIV and Law Commission recommendations in Ukraine.
 - Worked on the National web solution for mapping of HIV/TB medical and human rights counselling services (HIV/TB DIGITAL CONNECTOR) which foresees the development of a mapping tool for HIV/TB medical and human rights counselling services, its integration to the HIV-related portal of the Public Health Center (PHC) and its further validation and promotion among local stakeholders throughout Ukraine.
- **Advanced Ukraine's transition towards sustainable healthcare.** UNDP focused on providing knowledge materials and practical cases to make pharmaceutical and medical products manufacturing, consumption, and disposal of medicines and health commodities more environmentally friendly. The following analytical products were prepared:
 - The situational assessment of the health waste management practices of 8 hospitals in 6 regions of Ukrainian was completed and the report for national stakeholders was prepared.
 - SHiPP Report “Environmental Questionnaire (survey) for UNDP Suppliers and Manufacturers of Healthcare Products: The Case of Ukraine” was prepared to contribute to the development of a Sustainability Procurement Index of Health.
 - Two case studies on best practices for national manufacturing suppliers to promote the adoption of sustainable practices in Ukraine were prepared in addition to the Lifetime Cycle Assessments.
 - A training module on impact of climate change on health for medical and public health specialists was developed. Initial training workshops for the Public Health Centre and other relevant stakeholders were conducted in early 2021. The developed modules were published on the e-learning module of the Public Health Center.
 - A report on impact assessment of health care waste management practices in medical establishments in Ukraine was published. This research project examined the gaps that exist in the national legislation and provides recommendations on how to close those gaps. UNDP aims to move forward with its support to Ukraine to transition towards a

sustainable manufacture, consumption and disposal of medicines and health commodities.

- A legal environment assessment of healthcare waste management was completed. It covered the aspects of management of COVID contaminated waste and generated by the COVID vaccination campaign.
- An evaluation of health impacts and social costs associated with air pollution in larger urban areas of Ukraine was carried out and the results presented to the stakeholders.

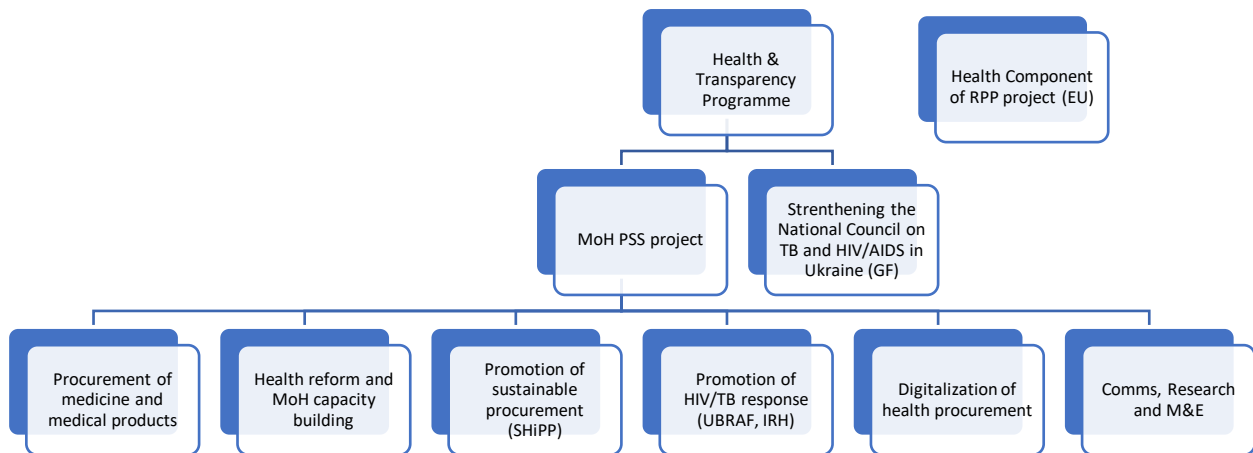
IV. Visibility

Throughout the Project's duration, media and press visibility of the activities and important milestones remained high. Below are some highlights from public and social media:

- The video [UNDP: Breakthrough in Health Procurement](#) (UA/EN) gained 28 thousand of reviews and 56 thousand reach of people through UNDP Ukraine Twitter and Facebook accounts. In the same time, the story [Medicines that save, people who inspire](#) (EN) gained 5,5 thousand reach of people through UNDP Ukraine Facebook page.
- The video on [Marta's story dedicated to World Cerebral Palsy Day](#) (UA) gained 7 thousand of reviews and 21 thousand reach of people through UNDP Ukraine Facebook page.
- Ukrainska Pravda.Life published [the article regarding monitoring and availability](#) (UA) of medicines, gained 4, 667 thousand reviews.
- The Programme has also been actively sharing the information about delivery of high-quality medicines for Ukrainians on UNDP social media platform. In particular, Facebook post on the [delivery of life-saving medicines for patients with orphan diseases](#) reached over 2600 readers and got 126 engagements.

V. Project Management

The Project was a key component of UNDP's Health&Transparency Programme which was funded by MoH, own UNDP resources, UBRAF funding, as well as from other sources. Other key H&T Programme's activities include the Strengthening of the National Council on TB&HIV/AIDS in Ukraine Project funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria.



UNDP Ukraine was responsible for the PSS MOH Project daily implementation with support from HQ and regional bureaux (HHD/GF HIST team) and BMS (procurement team). The Project also benefited from the institutional structure of the UNDP Country Office in Kyiv, including its financial, operations, and procurement systems (Country Office Support Services). The work of the Project was regulated by UNDP's POPP, SOP and quality assurance policies (the new UNDP Quality Assurance Policy and Guidance for UNDP Country Offices on Health Products and Quality Assurance in the Supply Chain). All Project staff responsible for the activities related to procurement and supply of health product were bound by the UNDP's quality assurance system to ensure that all health products procured and supplied by UNDP Ukraine were of appropriate quality and did not expose patients to any risks.

The Project team was specifically built to ensure efficient delivery of two key MoH PSS components: medicine procurement and programme activities. The Project Team Leader's prime responsibility was to ensure that the Project produces the results specified in the Project document, to the required standards of quality and within the specified constraints of time and cost.

UNDP Ukraine also contributed to the Project covering travel expenses to workshops, covering office rent, utilities and maintenance, provision of necessary office equipment, and covering office communication costs.

VI. Key challenges

The Russian invasion of Ukraine in 2022 had a significant impact on the country's healthcare system, including delays in the delivery of essential health products. The conflict disrupted transportation and supply chains, making it difficult to get necessary medical supplies to those in need. Additionally, the instability and violence in affected areas made it challenging for healthcare workers to provide adequate care to patients.

Despite all the challenges, UNDP has been providing assistance in sourcing essential medicines and medical supplies to help address the shortage caused by the conflict. The organization has been leveraging its global network of suppliers and partnerships to secure necessary medical products at competitive prices, and has been working with local authorities to ensure the prompt and efficient delivery of these supplies. The efforts of UNDP have been critical in improving access to essential medicines for the people of Ukraine, especially in areas affected by the conflict.

Throughout its duration, the Project encountered a myriad of challenges stemming from ambiguous regulations, cumbersome bureaucratic procedures within the MoH and SOEs, and the absence of robust planning mechanisms at the local level, among other issues. A substantial portion of these challenges led to delivery delays and exerted a notable impact on UNDP's procurement expenses. While certain hurdles could be mitigated through enhanced coordination and improved communication, a significant portion of these obstacles persisted, consistently impeding the overall progress of the Project.

Regulatory Complexities:

- The Project grappled with the intricacies of regulations, notably the ambiguity surrounding the extension of fast-track certificates procedure and the legal framework governing procurement by international organizations.

Communication and Partnership Hurdles:

- The Project encountered delays stemming from shifts in management authorization during MoH transitions, which occurred twice during the Project's timeline. This led to month-long setbacks in deliveries and payments, significantly affecting time-sensitive items like radiopharmaceuticals.
- Periodic turnovers in the Government of Ukraine and UNDP Central Office hindered effective communication between UNDP and MoH, curtailing external outreach and the Project's visibility. To remedy this, UNDP intensified inter-team communication and executed collaborative events (e.g., press conferences, field visits) after new leadership assumed their roles.

Nomenclature and Procurement Process:

- The quality of the nomenclature and TORs provided by MOH were mostly low. UNDP cooperated closely with local patients' groups to share international best practices.
- MoH demonstrated reluctance to revise certain terms in the nomenclature, impacting procurement.

- Disruptions in procurement cycles occurred due to incomplete disease program quantifications by MoH. Initial delivery specifications per disease program triggered duplicate procurement cycles, escalating operational expenses.
- UNDP experienced challenges procuring products that differentiated from those listed in the relevant Decree of Cabinet of Ministers. Such differences were due to initial errors, changes in manufacturing specifications, or availability of only equivalent products. UNDP had to work for multiple months at a time to introduce changes to the Decree.

Logistics and Operational Challenges:

- The new corporate Quality Assurance Policy for procurement of medicines and medical products policy was introduced when UNDP Ukraine was implementing the procurement under two budget years (2018-2019) without any interim period for the completion of the obligations taken before the policy came into the force. Thus, UNDP had to request a waiver till 31 March 2020 for introduction of the new QAP in order to complete the ongoing procurement cycles.
- The Project was limited by the Ukrainian legislation in selecting logistics partners to state-owned enterprises. These partners were not GDP/GSP certified and demonstrated no operational improvements, delaying revisions and reports preparations.
- Unwarranted returns by MoH of legitimately procured products in 2019, such as oncodiagnostic reagents, imposed financial burden on UNDP.
- Procuring low-value items (ranging from 50 to 200 USD) incurred substantial losses for UNDP, attributable to administrative and operational expenses by UNDP, SOEs, and MoH for processing such orders. To enhance efficiency and prolong the shelf-life of these items, a suggested approach involves direct handling by hospitals.
- Aligned with UNDP's internal procurement protocols, vendor payments needed to be finalized within 30 days of the delivery date. However, the sequence of steps involving SEOs issuing acts of acceptance and subsequent MoH review and signing of these acts extended to 5-6 weeks. This timeline led to a breach of agreed payment terms, presenting reputation-related complexities for UNDP and influenced pricing in subsequent tender cycles.

Medicines Registration and Certification:

- UNDP experienced legal conflicts surrounding the import of unregistered medicines, when Ukrainian legislations allowed MoH to grant approvals for import of unregistered medicines, however, in reality such imports would be persecuted by the Ukrainian police. This issue has been unresolved for many years and certain products remained non-procured.
- Lack of clear open-source instructions for vendors on quick product registration challenged vendor relations and affected supplier diversity.

VAT Exemption and Payment Delays:

- UNDP experienced uncertainty surrounding the VAT exemption procedure, valid until December 31, 2023. In addition to it, absence of established process for VAT exemption in cases of product replacement due to damages or quality issues, affected procurement costs.
- Delays in issuing VAT certificates by MoH, impacted transportation arrangements and led to delivery delays.

Low Capacities at the Local Level:

- Feedback from patients and doctors underscored inefficiencies in medicine planning, delayed regional and local distribution, and opaque medicine allocation between health institutions. UNDP collaborated with MoH to address these concerns.
- Health capacity assessment of 5 regions in Ukraine identified issues preventing efficient work of medical procurement procedures, like lack of training opportunities on procurement, lack of awareness on conflict of interest and reporting mechanisms, etc.
- The Project experienced delays at the municipal level in endorsing Human Rights and City Action plans due to additional requests for precise funding calculations and proper justification.
- UNDP encountered low or limited awareness of international progress in HIV/AIDS and health issues at the local level, as well as lack of ownership for the health reform.

Russian Invasion Impact:

- Disruptions in transportation and supply chains due to the invasion significantly impeded healthcare supplies and services, rendering timely delivery impossible or substantially delayed.

VII. Lessons Learnt

The Project team has been documenting lessons learnt every year since the Project's inception. These lessons could be adopted by a similar medical procurement project in another context or taken into consideration when developing other intervention in Ukraine related to health and human rights.

1. Enhance Stakeholder Capacity:

- Building the capacity of beneficiaries and stakeholders was crucial for successful health procurement reform. Systemic digitalization initiatives were implemented to strengthen the Ministry of Health's procurement capabilities, streamlining the process. Support for patient NGOs and the local pharmaceutical industry aided in shaping the supply chain, ensuring transparent access to quality health products for Ukrainian patients.

2. Leverage UNDP Expertise:

- UNDP's expertise in real market prices of medicines and medical products aided the Ministry of Health (MoH) in refining quantification and procurement program budgeting. However, the requisite legislation needed to be in place to fully benefit from this support.

3. Prepare Early for Transition and Sustainability:

- Successful transition and sustainability demanded early preparations. Consolidated development support engaged various government branches in sustainable procurement, anti-corruption, transparency, and human rights efforts. High-level political dialogue was pivotal for Project implementation and relevant legislation passage. Timely signing of Contribution Agreements (CSAs) with the MoH was essential to avoid hazards in fund transfer procedures and ensure on-time medicine delivery.
- Active engagement of the Ministry of Health (MoH) in planning, monitoring, and evaluating results and resources proved to enhance Project efficiency and promote sustainability. MoH's involvement ensured national ownership and the lasting impact of UNDP's health interventions.

4. Empower Patients' CSOs:

- Strengthening civil society organizations and patient groups empowered them to advocate for healthcare reform and safeguard patient rights. Their involvement in monitoring medicines' availability, from hospitals to centralized procurement and supply, was essential. Building their capacities yielded desired results over the long term.

5. Establish Positive Image through Communication:

- Systematic communication work was essential to counter information attacks. Media challenges were monitored, opinion formation understood, and collaboration with the government and patient organizations built a positive institution image. Clear articulation, feedback collection, and proactive management of MoH's expectations were essential for effective communication.

- Shifting UNDP's perception from a procurement agency to a dynamic development partner required strategic communication efforts. A strong communication strategy was essential to convey UNDP's multifaceted role in the health sector and beyond.

6. Use Integrated Information Systems:

- Integrated information systems that stored and tracked data and transactions streamlined reporting. Systems like Smartsheet stored comprehensive delivery cycle data for efficient management.
- Challenges in evaluating various health interventions stemmed from the absence of a comprehensive tracking system that could monitor inputs, such as personnel, resources, and funds. Integration of these interventions within the Health & Transparency Programme was necessary to accurately evaluate their effectiveness.

7. Promote Gender Equality and Social Inclusion:

- Technical assistance further developed Ukraine's healthcare system with a focus on gender and social inclusion. This entailed involving women's and patients' organizations in program design, integrating gender indicators, raising gender awareness, and supporting caregivers. Equally engaging women and men in expert work and capacity-building activities was vital.

VIII. Evaluations Findings

The Project was a subject to two external decentralized evaluations – 2020 (Final Forward-Looking Evaluation of Phase 1) and in 2022 (Final Evaluation of Phase 2).

The two rounds of assessment of the development/programme component against OECD - Development Assistance Committee (DAC) review criteria concluded the following:

- **Relevance** – The evaluation findings indicate that UNDP's Health and Transparency Programme's health interventions, encompassing support to various initiatives like the CCM and RPP, have consistently aligned with national and local policies, addressing the needs of the Ukrainian society, government, and vulnerable groups such as those affected by HIV, TB, and orphan diseases. These interventions have maintained relevance over their implementation period, adapting to changing circumstances by employing suitable risk assessments and mitigation strategies. The PSSMoH Project, a pivotal component of UNDP's Health and Transparency Program, has played a significant role in advancing the achievement of SDG 3 as outlined by the Ukrainian Government. The Project seamlessly aligned with ongoing health reforms in Ukraine and the nation's Recovery Plan. UNDP actively pursued collaboration with other donor projects in the healthcare domain, facilitated by a well-structured three-tier coordination system established by the Cabinet of Ministers.

- **Effectiveness** – The Project demonstrated cost-effectiveness through careful management of changes in price, quantity, and delivery times for procured medicines and medical products. While quantitative data on supply timeliness was lacking, stakeholder feedback suggested delays, possibly due to MoH and UNDP procedures, the Covid-19 pandemic, and wartime conditions. UNDP employed various measures to enhance Project management and coordination efficiency, although room for improvement existed in the monitoring system to inform programmatic decisions more effectively. In numerous aspects, the Project successfully achieved its stipulated objectives as per project documents, cost-sharing agreements, strategies, and indicators. UNDP's medicine procurement positively impacted Ukrainian patients' lives, likely contributing to curbing corrupt practices in healthcare procurement. However, significant delays by the MoH in commencing annual procurement cycles resulted in UNDP's tender process and supply delays, which subsequently affected the feedback on overall Project performance.

- **Efficiency** – whilst there were some issues with individual initiatives, the majority of outputs were efficiently managed with regard to cost and timelines.

- **Sustainability** – The Government of Ukraine has enough capacity and resources to continue the medical procurement under the national programmes in a transparent, effective, and efficient way. UNDP has implemented a successful exit strategy to ensure smooth transition of the operations to MPU - a state enterprise responsible for centralized medical procurement. Representatives of MoH and MPU demonstrate full ownership of the Project's achievements and commit to further develop them in the future. Yet, they express a hope for continued methodological support on the part of UNDP. Patients' CSOs that received grants to monitor the availability of medicines in the hospitals confirm their readiness to continue similar monitoring in the future and to extend it to the level of MPU. Corruption that is still existent at different levels of public management remains the major risk for the Project's sustainability.

- **Impact** – Stakeholders widely acknowledged UNDP's impactful role in combating corruption within health procurement, resulting in transparency improvements confirmed by positive patient feedback. The Project holds potential for lasting impact within and beyond Ukraine in the medium to long terms. Significant results were achieved, paving the transition of medicine procurement from UNDP to the State-Owned Enterprise Medicine Procurement Unit (MPU). UNDP's commitment to fostering expertise within healthcare was evident, supported by a sustainability strategy involving stakeholder capacity-building and risk mitigation. UNDP's extensive knowledge could strengthen stakeholders, including the MoH, pharmaceutical companies, State Expert Centre, patients, civil society, and local municipalities over time. Beyond Ukraine, UNDP's procurement model became a national and global example, adopted by five RBEC countries. Sharing knowledge through procurement and capacity-building initiatives is vital for sustained progress and learning.

I. Financial Status

Procurement Support Services to the Ministry of Health of Ukraine (phase 1)

Donor	Resources available in 2023, USD	Utilization in 2023, USD	Balance remained on 01.10.2023, USD	Delivery (vs budget) (%)
MoH (procurement support) sum of outputs	2,674,234.47	591,521.78	2,082,712.69	22%
MOH (DPC + programme implementation)	207,552.67	178,465.10	29,087.57	86%
TOTAL	2,881,787.14	768,986.88	2,111,800.26	27%

Procurement Support Services to the Ministry of Health of Ukraine (phase 2)

Donor	Resources available in 2023, USD	Utilization in 2023, USD	Balance remained on 01.10.2023, USD	Delivery (%)
MoH (procurement support) sum of outputs	13,350,208.55	12,295,857.77	1,054,350.78	92%
MOH (DPC + programme implementation)	219,666.52	136,513.15	83,153.37	62%
TOTAL	13,569,875.07	12,432,370.92	1,137,504.15	92%

Annex I. Risk log

Project Title: Procurement Support Services to the Ministry of Health of Ukraine, Phase II	Award ID: 00132175	Date: 30 September 2023
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#	Primary & Secondary Category	Event (Description of the risk)	Causes	Impacts	Risk valid from Risk valid to	Risk Owner	Activities for treatment (countermeasures) and time plan	Effects from treatment	Status and Comments
1	Primary: Political Secondary: Political will	UNDP is unable to procure medicines timely	Political incentives to delay or deny tender's results	MoH might delay or refuse to acknowledge the tender's results I = 2 L = 2	When tender results are published	Programme Manager (Health),	<ul style="list-style-type: none"> • CSA specified max timeline for acknowledgement of the tender results (5 days), further silent agreement will be in power • Requested solid justification for silence/delay, in consideration that the tender results reporting template did not contain sensitive information allowing for MoH to reject the tender results 	<ul style="list-style-type: none"> • Prevented some delays/silence from MoH from inhibiting timely implementation 	remained the same
2	Primary: Strategic Secondary: Roles and responsibility:	Fraud in distribution of delivered medicines	Lack of control from MoH and regional hospitals on distribution of delivered medicines	Appearance of medications on the black market, reputational damage I = 2	Full year (or whatever intervals of time medication is delivered)	Programme Manager (Health), Senior Procurement specialist, Logistic Specialists,	<ul style="list-style-type: none"> • Monitored using third party CSOs • Introduced digital stock management software 	<ul style="list-style-type: none"> • Was able to Identify if fraud was occurring at the local level, where/how/by whom • Prevented the possibility of fraud using 	remained the same

	ilities among partners			L = 2		M&E specialist		technology to track medical stocks	
3	Primary: Regulatory Secondary: Changes in the regulatory framework within the country of operations	Sabotage of UNDP's operations	Corruption, disincentives to establishing a transparent procurement process	MoH or government institutions can block or delay adoption of legislation and/or normative acts I = 3 L = 4	Full year	Programme Manager (Health)	<ul style="list-style-type: none"> • Advocated and promoted need for this project to stakeholders & other UN Agencies • Informed Health and Anti-Corruption Committees of Verkhovna Rada about UNDP's progress/challenges 	<ul style="list-style-type: none"> • Prevented the possibility of delay or blocking through involvement with MoH WG • Was in a better position to foresee the possibility of any regulatory delay/block • Ensured the Health and Anti-Corruption Committees are on board with UNDP's role 	remained the same
4	Primary: Regulatory	Local distributors are underrepresented in tenders	Legislation outlines that the VAT exemption is currently not applicable for	Local distributors do not have access to VAT exemption and are at a disadvantage	Full year	Programme Manager (Health), Senior Procurement specialist,	<ul style="list-style-type: none"> • Proactively worked with MoH, MFO, MoE propose legal support to amend the existing local legislation for harmonisation, and a non-discriminatory environment. • If issue remains unsolved, clearly mention this 	<ul style="list-style-type: none"> • Elimination of unfair tax-exemptions • If not, ensure VAT amount is added so that UNDP can assess tenders accurately 	remained the same

	Secondary: Changes in the regulatory framework within the country of operation		local distributors	I = 2 L = 4		Finance Specialist	condition (VAT in the price) in future tenders		
5	Primary: Financial Secondary: Fluctuation in market, currency	Currency Devaluation	Challenging relations with the IMF, investor/public panic / increased military expenditures resulting into the lack of budgeting for the social needs	Project's cost impacted by foreign exchange rate fluctuation and devaluation I = 3 L = 3	Full year	Programme Manager (Health), Finance Specialist	<ul style="list-style-type: none"> Collaborated closely with OFRM Treasury Department, Cabinet of Ministers 	<ul style="list-style-type: none"> Was able to somewhat reduce the risk of UAH devaluation 	remained the same
6	Primary: Operational	Supply delay / failure to supply	Suppliers intentionally or unintentionally delay or fail to supply drugs	Treatment interruptions and complaints from patients' organisations	Full year, particularly after contractual deadlines	Programme Manager (Health), Senior	<ul style="list-style-type: none"> Where possible ensured timely monitoring of all contractual deadlines 	<ul style="list-style-type: none"> Mitigated interruptions to treatment with alternative suppliers and 	remained the same

	Secondary: Flexibility and opportunity management		including but not limited to the issues related to the ongoing conflict	and wider community. I = 4 L = 2	with suppliers	Procurement specialist, Logistic Specialists	<ul style="list-style-type: none"> • Leveraged liquidated damage/performance security tools • Contracted alternative suppliers in case of failure • Issued press release with clear explanation if such delay is criticised by media; regularly published infographics with progress on delivery on UNDP and MoH communication channels 	monitoring of deadlines • Mitigated reputational harm through proactive infographics and press release if criticised by media	
7	Primary: Operational Secondary: Reporting and communication	Severe medical adverse reactions	Procurement of low-quality drugs or improper storage/delivery practices	Possibility of severe/fatal adverse reactions to medicines or components; wide media attention from the start I = 3 L = 1	Full year	Programme Manager (Health), Senior Procurement specialist, Logistic Specialists	<ul style="list-style-type: none"> • Ensured full compliance with the UNDP POPP • Ensured procurement of medicines from manufacturers with a state-of-the-art pharmacovigilance system • Encouraged and stimulate a continuous improvement of the national pharmacovigilance system of Ukraine • Highlighted to the MOH the importance of GDP and GSP certifications of both SOEs “Ukrmedpostach” and “Ukrvaktsyna” 	<ul style="list-style-type: none"> • All prevention measures taken to prevent severe adverse reactions • Mitigated any further harm with immediate crisis response plan and media briefings 	remained the same
8	Primary: Operational	Nomenclature related risks	Incorrect, outdated, cost-inefficient products, branded single source items	Low participation in announced tenders and high value bids,	During formulation of tender, before tenders are announced	Programme Manager (Health), Senior Procurement specialist	<ul style="list-style-type: none"> • Analysed the nomenclature, communicated, and corrected the specifications of the products with the MoH. 	<ul style="list-style-type: none"> • Prevented nomenclature-related risks • Only included items that can realistically be sourced and that 	remained the same

	Secondary: Flexibility and opportunity management		included into nomenclature	limitation of competition I = 2 L = 3			<ul style="list-style-type: none"> Involved subject experts from GF/HIST to assist with finalizing specs, requirements, criteria and technical evaluations. Proactively worked with experts recommended by CSOs. 	meet international standards	
9	Primary: Operational Secondary: Partnership	No qualified bids received	Low interest for small volumes/ complexity or due to unclear technical specifications or requirements	No bids or qualified bids received I = 2 L = 1	After tender specifications and requirements announced, before results are published	Programme Manager (Health), Senior Procurement specialist	<ul style="list-style-type: none"> Pre-analysed nomenclature for the probability of such cases, ensure tender eligibility requirements do not overly restrict participation; contact producers and local distributors proactively in such cases Conducted thorough market research to check the dynamics of the market Used direct contracting modality, if no bids are received competitively after due diligence 	<ul style="list-style-type: none"> Proactive searched for specific cases, amendment of specifications and requirements to meet supply Reduced the possibility of not meeting demand by reaching out directly to companies if need be 	remained the same
10	Primary: Organisational Secondary:	Ability to ensure medicines' registration	Capacity of MoH and State Expert Center of MoH to ensure timely registration of medicines and	Delays in registering medicines and other medical products I = 4	The period when medicine registration occurs	Programme Manager (Health), Senior Procurement specialist	<ul style="list-style-type: none"> Conducted regular consultations with MoH and State Expert Centre. Monitored registration process from awarding of contract Used the fast-track procedure if/when possible, when the applicant's product meets 	<ul style="list-style-type: none"> Ongoing monitoring of medicines' registration starting early in the process Reduced the need of waiting until after supply date to 	remained the same

	Governance		other medical products	L = 3			all necessary legally required conditions • Set deadline to complete registration prior to supply date	have medicines registered • Contingency plan to minimise further delay if medicines still are not registered	
11	Primary: Organisational Secondary: Human Resources	Increased workload and/or turnover	Rapid increase of PIU's workload	Negative influence on quality and speed of work I = 3 L = 4	Full year	Programme Manager (Health)	<ul style="list-style-type: none"> Recruited new staff members, invited staff members from other companies with proven expertise for detail assignment and look for support from the GF HIST should a need be. Utilized the expertise available in different UNDP Units (e.g. GF HIST, ACP/RACP, PSU and other relevant) Invited staff members from other companies with proven expertise for detail assignment and look for support from the GF HIST should a need be Initiated efficiency assessment and facilitate faster DIM audit of the project 	<ul style="list-style-type: none"> Ensured adequate staffing levels to meet workload quality and speed New project organigram Mitigated any further implementation delays, ensure project is completed by those with proven expertise 	remained the same
12	Primary: Organisational	Lack of in-house capacity to efficiently	Inadequate internal	Implementation de-lays or failure in se-lection of the right	Full year	Programme Manager (Health), Senior	<ul style="list-style-type: none"> Utilized the expertise available in different UNDP Units (e.g. GF HIST, 	<ul style="list-style-type: none"> Reduced the risks of any further implementation 	remained

	Secondary: Knowledge management	implement tenders	capacity, lack of training	products or suppliers. Non-compliance with internal procedures I = 3 L = 2		Procurement specialist	ACP/RACP, PSU and other relevant) • Invited staff members from other companies with proven expertise for detail assignment and look for support from the GF HIST should a need be • Initiated efficiency assessment and facilitate faster DIM audit of the project	delays, ensuring the Project is completed by those with proven expertise	the same
13	Primary: Other Secondary: Other	Intellectual property rights infringement	Procurement procedure selects highest value for price, may result in partnerships with suppliers that provide patent infringing generics	Accused of infringing IP rights of the Patent holder. Reputational damage of UNDP with pharma industry at local and corporate levels I = 5 L = 3	Full year	Programme Manager (Health), Senior Procurement specialist	• Analysed and discussed IP-related issues with HQ (e.g. LSO, ACP, GF HIST, BPPS) and pursue corporate decision. Max 3 days turnaround should be expected. • Applied available SOPs and algorithms to handle IP aspects of health products. Professional legal opinion may be sourced from local and international sources (legal companies, patent institutes). • Signed LTA with Patent institute under the Academy of sciences if needed	Timely response drawing on professional legal expertise to mitigate reputational damage When LTA was signed, it prevented future damages and resolution.	remained the same
14	Primary: Other	Possible collusion of bidders	Collusion of bidders demanding high prices, undermining	High product prices, lack of competitive process	Prior to tender results being published	Programme Manager (Health), Procurement specialists	• Conducted thorough background check of the companies (e.g. D&B/you control and similar verifications).	• Knowledge of whether companies bidding have negative reputations	remained the same

	Secondary: Other		procurement process					<ul style="list-style-type: none"> • Approached HQ colleagues with information on evidence/signs of collusion for further guidance 	<ul style="list-style-type: none"> • Plan from HQ on how to address collusion 	
COVID 19 / War in Ukraine										
15	Primary: Operational Secondary: Other	Unexpected interruptions/significant delays in Project activities	Introduction of anti-COVID-19 measures in Ukraine and other countries, e.g. quarantine, closures of medicines producing plants, lock down, etc. Restrictions imposed by the war	Inability of the Project staff to implement the planned activities, both procurement of medicines and programmatic work. Medicines and medical devices delivered with severe delays or failure to deliver	Continuous , probably until the end of the project	Programme Manager (Health)	<ul style="list-style-type: none"> • The Project looked for solutions to reprioritise the activities in consultation with the Project stakeholders. • Wherever possible the format of the events was revised. Distant and online events were preferred. • Continuous communication with the MoH was sustained, so that any possible treatment interruption for patients could be predicted and if possible, prevented • Ensured timely monitoring of all contractual deadlines • Contracted alternative medicinal suppliers in case of failure • Larger amounts of medicines were ordered for post-COVID-19 demand increase and constant 	<ul style="list-style-type: none"> • The Project activities were re-planned and undertaken in a new format. • Continuous communication with the medicinal manufacturers and the MoH maintained • Avoided interruptions to treatment by using alternative suppliers and monitoring of deadlines • Mitigated reputational harm by producing infographics and press releases if 	remained the same	

							<p>contact with the producers was maintained</p> <ul style="list-style-type: none"> • Issued press releases with clear explanation if such delays were criticised by media; regularly published infographics with progress on delivery on UNDP and MoH communication channels • Should the situation aggravate, the funds will be returned to UNDP HQ, the project implementation will be suspended 	criticised in media	
16	<p>Primary: Operational</p> <p>Secondary: Other</p>	Increase in price of medicinal products and logistical costs	Most of API producers located in China and India affected by the lockdown and production shutdowns. Number of international flights as well as other means of transportation are reduced due to ongoing war in Ukraine.	<p>The budget of certain programmes reduced as a result of the new pricing and logistics costs, creating budget deficiency, leading to reduced medicines coverage and treatment interruptions</p> <p>I = 4 L = 3</p>	Continuous, probably until the end of the project	<p>Programme Manager (Health), Senior Procurement specialist, Logistic Specialists</p>	<ul style="list-style-type: none"> • Contracted alternative suppliers in case of price increase • Where the price increase was justified, the Project found alternative resources to cover it, communicating to MoH regarding price increase and possible impact on the quantities of medicines to be procured for the budget allocated • Optimized the logistical chain in order to avoid any logistical price increase 	<ul style="list-style-type: none"> • Minimized to the extent possible the interruptions in treatment by using alternative suppliers and monitoring of the price increase • Reduced logistic costs heightened by optimizing the logistical chain, consolidated the deliveries with partners wherever possible 	remained the same

17	<p>Primary: Security</p> <p>Secondary: Other</p>	Risks to health and well-being of the Project staff	<p>Non-compliance by Project staff with prevention measures, as well as lack of PPE for COVID-19 prevention</p> <p>Ongoing war restricted mobility of UNDP personnel resulted into additional risks to life during their movement.</p>	<p>The project activities are significantly delayed (both procurement and programmatic) due to staff absence as a result of infection with COVID-19 and ongoing war.</p> <p>Significant financial and reputation losses to UNDP</p> <p>I = 4 L = 3</p>	Continuous , probably until the end of the project	Programme Manager (Health)	<ul style="list-style-type: none"> • Regularly raised awareness of the Project staff about the need to take strict prevention measures as well as request professional assistance in case of any symptoms of the disease. • Provided PPE to staff and their families. • Ensured necessary conditions for telecommuting. The critical staff to follow the social distancing rules while in the office. 	<ul style="list-style-type: none"> • The Project staff was fully aware of the disease and undertook necessary prevention measures. • The Project staff and members of their households maintained good health. 	Subdued in 2022
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Annex II. UNDP MEDICAL PROCUREMENT EXIT STRATEGY

The overall objective of the Procurement Support Services to the Ministry of Health of Ukraine, Phase II (the Project) is to support the implementation of health reform through strengthening medicine procurement capacity and enhancing the efficiency, effectiveness, transparency and accountability of national healthcare procurement system, which ultimately will improve the quality, accessibility and affordability of health services. The specific objectives of the Project are:

- I. To strengthen the capacity of the Ministry of Health of Ukraine to ensure transparency, accountability and effectiveness of the public procurement of medicines and other medical products.
- II. To procure medicines and medical products for the national public health programme
- III. To support the capacity building of the Ministry of Health in implementation the health reform.

Since 2015, when the Project started, until now, UNDP has made a significant progress towards achieving these objectives. Numerous impactful results have been produced and the groundwork for a smooth and gradual transition of the medicine procurement function from UNDP to relevant state enterprise that is managed by the Ministry of Health of Ukraine has been laid down. UNDP's value proposition is national capacity development and retention. Also, UNDP is firmly committed to facilitate the augmentation of the internal expertise of the Ministry of Health of Ukraine (MoH) and other healthcare establishments.

The final goal is all UNDP medical procurement activities to reach a full state-ownership while the best practices and quality assurance developed by the organisation during the procurement cycles of 2015-2021 are in place. This is aligned with the expectations and plans of the MoH and relevant state enterprise that is managed by the MoH.

In March 2015 the Ukrainian parliament adopted the law which introduced public procurement of medicines and medical devices through specialised organisations. The decrees that followed set a framework that included fast-track registration of medical products, eased importation rules and VAT exemption, lowered language requirements for the package inserts, gave an exemption from reference pricing, and from currency control by the National Bank of Ukraine, inclusion of civil society representatives in the decision-making, prepayment procedures to ease the negotiation process, etc. Up till now numerous impactful results have been produced. In parallel to the ongoing health reform, the creation of a modern and efficient procurement organization aimed at ensuring the supply of medicines and medical products to the Ukrainian patients was initiated. As consequence the State-owned Enterprise "Medical Procurement of Ukraine" was established and is now providing centralized procurement of medicines and medical devices from state budget funds ensuring transparency and effectiveness of the process. Also, in November 2020 the Cabinet of Ministers of Ukraine signed the Resolution No.1405-p from 11.11.2020 "On defining the state-owned enterprise "Medical procurement of Ukraine" as a centralized purchasing organization"¹¹. The law expires on 31 March 2023 with all procurement of medicines to be performed by the specialized state enterprise.

The second half of 2019 and early 2020 have brought new challenges and vulnerabilities to health procurement reform as a whole, and more importantly, seriously affected the work of UNDP in medical procurement and the capacity development of the SoE MPU. The war, political instability and frequent changes in leadership at the MoH, high staff turnover, and the COVID-19 crisis, have all led to delays in effective communication between the MoH and UNDP. That has significantly impacted on UNDP's workplan, and the timeframes adopted for implementation of the activities.

A three-phased practical action plan has been developed in order to ease the transition period until the state institutions reach a full ownership of the medical procurement process, to close the Project in a timely manner, to manage fiduciary risk, to meet the expectations of the Ministry of Health, to avoid costly

¹¹ <https://www.kmu.gov.ua/npas/pro-viznachennya-derzhavnogo-pidpriyemstva-medichni-zakupivli-ukrayini-centralizovanoyu-zakupivelnoyu-organizacijeyu-1405111120>

extensions, and to enable the timely transfer of assets for the sustainability of results. Additionally, this plan has been developed in order to ensure that the results will be sustainable.

The transition plan took different goals into consideration:

- Smooth transition period.
- Ability to close the project in a timely manner.
- Manage fiduciary risk, meet the expectations of the MoH.
- Avoid costly extensions and enable timely transfer of assets for the sustainability of results.

Phase I (immediate actions within the period of December 2020-February 2021):

- Provide hands-on work experience with UNDP specialists on exceptionally difficult programmes.
- Structural and HR reforms to make the UNDP procurement team "fit for purpose" during transition.
- Improving communication with institutions and being able to explain UNDP procurement.
- Continuous engagement and coordination meetings.
- Create a Community Advisory Board (CAB) framework where CBOs meet regularly with UNDP to discuss their concerns and find solutions.

Phase II (short- and mid-term by the end of 2021):

- Enhance efficiency of UNDP support and staffing.
- Develop and implement a separate programmatic component with a hands-on module for expertise transfer to the personnel of relevant state enterprises.
- Work closely with relevant technical partners.
- Stimulate the improvement of Ukraine's national pharmacovigilance system.
- Assess local institutions' capacity and develop a model to improve their capabilities.
- Complete UNDP E-Stocks deliverables.
- Maintain advanced communication with key people at the MoH and relevant stakeholders.
- Inform the Health and Anticorruption committees of the Verkhovna Rada about UNDP's progress and challenges.
- Re-evaluate and adjust the exit strategy as needed.

Phase III (finalisation of the project):

- The UNDP-Ukrainian MoH contract governs the finalisation strategy.
- The MoH/Cabinet of Ministers or UNDP CO top management should order it to end.
- Ensure that the Project Board decisions and POPP always prevail to maintain strong Project governance.
- The joint finalisation group to supervise all operations to ensure a seamless contract completion or transition to MoH-managed state enterprise.

The most significant limitations to this strategy are:

1. Political instability with senior officials of the government and MoH.
2. The new UNDP QA policy is affecting the implementation of medical procurement in Ukraine adversely and reducing the chances of the organisation to finalise the project at the planned time but bringing it to a premature closure.
3. Legislative initiatives that can impede the implementation of the planned activities.
4. Supply delay/failure to supply or supply of poor-quality products