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# Evaluation of Procurement Support Services to the Ministry of Health of Ukraine, Phase II

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Final Evaluation Report



APRIL 2023

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## Abbreviations

CO	Country Office
CB	Capacity Building
CCM	Country Coordination Mechanism
CIPS	Chartered Institute of Procurement & Supply
CMM	Crimean Field Monitoring Mission
CO	Country Office
CPAP	Country Programme Action Plan
CPD	Country Programme Document
CPGs	Clinical Practice Guidelines
CSAs	Cost-Sharing Agreements
CSO	Civil Society Organisation
NGOs	Non-Governmental Organizations
EU	European Union
GFATM (GF)	Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund)
GIZ	German Federal Enterprise for International Cooperation
GoU	Government of Ukraine
H&T Programme	Health & Transparency Programme
HCWH	Health Care Without Harm
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
HQ	Headquarters
IDPs	Internally Displaced Persons
INN	International Non-proprietary Name
LTAs	Long-term agreements
MoH	Ministry of Health of Ukraine
MPs	Members of Parliament
MPU	State-owned enterprise Medical Procurement of Ukraine
NAPC	National Agency for the Prevention of Corruption
NCD	Non-Communicable Diseases
SIDA	Swedish International Development Cooperation Agency
TB	Tuberculosis
TORs	Terms of Reference
UN	United Nations

UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDAF	UN Development Assistance Framework
UNDP	United Nations Development Programme
USD	United States Dollar

## Executive Summary

The medical procurement system in Ukraine is a mix of centralized and decentralized approaches. The Ministry of Health (MoH) is directly responsible for management of the national disease programmes. All of the national programmes depend on the Parliament voting to fund them and the subsequent availability of funds. Publicly owned facilities deliver the majority of health services and procure the medicines and medical products not supplied within the national programmes. Following the 2014 Revolution of Dignity, the Government of Ukraine embarked on a national reform programme to reduce widespread corruption. In the health sector, several complementary reforms were initiated that aimed to improve the health outcomes of citizens but designed in such a way that they would also reduce corruption. The issue of public procurement of medicines also received special attention. Consequently, the Ministry of Health outsourced the procurement of medicines to three international organizations including UNDP, as an interim measure until 2022, based on national legislations. UNDP's support was channeled through a project entitled Procurement Support Services to the Ministry of Health of Ukraine (Short name PSSMoH). The Project has evolved through two phases, with changes in the nature and significance of its main pillars (1) Support strategy implementing processes, (2) Capacity building, (3) Introduction, development, and promotion of the E-Stock, (4) Procurement and logistic services. The Project pursued the following key results:

1. The capacity of national stakeholders involved in the medical procurement and supply chain process is developed to fully lead that process at the national and regional level in a transparent, accountable, gender responsive, and effective manner.
2. The system of public medical procurement is strengthened through providing technical assistance and capacity development services to MoH and other national stakeholders.
3. Improved availability of medicines and effectiveness of diagnosis and treatment through a stronger national medical procurement system that responds to the needs of women and men from diverse groups, especially the most vulnerable.

The evaluation of the Project's Phase I completed in 2020 offered excellent insights into the accomplishments made by UNDP and its implementation partners between 2015 and 2020. UNDP commissioned an evaluation of Phase II of the project between 2020 and 2023. The main objectives of the evaluation were to assess the extent to which the Project's objectives were achieved; summarize the key results, lessons learned, and best practices; analyze the Project's relevance, effectiveness, efficiency, sustainability, and coherence.

### **Project Relevance:**

The Project responded to the demand of the Ukrainian society for quality, accessible, and affordable health services and was well aligned with the ongoing health reform in Ukraine. It was able to adjust to the challenges caused by Covid-19 pandemic and aggression of the Russian Federation. All Project's activities were conducted in close coordination with national stakeholders including MoH and MPU. While implementing the Project, UNDP has applied a human-rights based approach and ensured gender mainstreaming by working with women's and patients' organizations. UNDP built the capacity of local authorities in Dnipro and Kryvyi Rih to protect the rights of people living with HIV and TB and enhance their social integration. The Project has consistently worked with MoH and other national stakeholders to ensure that women and men, especially the most vulnerable, including the elderly, children, people with disabilities, GBV survivors, people living with HIV, and victims of war have equal access to medicines and healthcare services.

### **Project Coherence:**

PSSMoH Project is a core part of UNDP's Health and Transparency Programme that has contributed to the accomplishment of SDG 3 as defined by the Government of Ukraine. The Project was well aligned with the national policies and strategies, UN 2030 Agenda for Sustainable Development, as well as UNDP Country Programme. Together with other international organizations, UNDP participated in the elaboration of Ukraine's Recovery Plan and will align its future interventions in the healthcare area according to the priorities set by that plan. Representatives of various stakeholders, including MoH, MPU, and patients' CSOs, appreciated UNDP's partnership strategy and expressed the hope to continue cooperation in the future.

### **Project Effectiveness:**

The Project has achieved most of its stated objectives and helped MoH and MPU to build a transparent and effective system of medical procurement in line with the best international standards. It was also successful in building the capacity of national CSOs to monitor the availability of medicines in the hospitals and to advocate for the rights of patients. The only issues mentioned by stakeholders were related to the delays in supplies, which may have been caused by various factors (complexity of MoH and UNDP procedures, Covid-19, and full-scale war). To maintain the Project's achievements in the future, it would be important to continue the methodological support of MoH, as well as to further build the advocacy capacity of patients' CSOs that play the watchdog function in the process of medical procurement.

**Project Efficiency:**

The Project was cost-effective, including the changes in price, quantity, and delivery time for the procured medicines and medical products. In the absence of the quantitative data on the timeliness of supplies, the evaluators had to rely on stakeholders' feedback regarding some issues with delays and to assume that those delays were caused by the complexity of MoH and UNDP procedures, Covid-19 pandemic, and full-scale war. UNDP has applied various instruments to enhance the overall efficiency of the Project's management and coordination. However, there was found a potential for improvement of the Project's monitoring system to better inform the programmatic decisions. In comparison to the significant budget proportion allocated to medicines procurement activities, Phase II of the project has a relatively small and limited budget allocated to programmatic activities (including capacity building).

**Project Sustainability:**

The evaluation assessed to what extent the Project's achievements are likely to continue after the Project ends, whether the national stakeholders demonstrate ownership of the key results and commit to further develop them in the future, and what are the main political and economic risks to the Project's sustainability. The Government of Ukraine has enough capacity and resources to continue the medical procurement under the national programs 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.

Key lessons learned and emerged recommendations from the project and the evaluation include:

1. Invest in building capacity of your beneficiaries and stakeholders.
2. Capitalize on UNDP's expertise.
3. Early preparations are key for successful transition and sustainability.
4. Invest into the capacity of patients' CSOs.
5. Build positive image through systemic communication work.
6. Use integrated information systems that allow to store and track all data and transactions.
7. Contribute to gender equality and social inclusion through further support of the healthcare reform.

# 1. INTRODUCTION

## 1.1. CONTEXT BEFORE THE PROJECT

The medical procurement system in Ukraine is a mix of centralized and decentralized approaches. The Ministry of Health is directly responsible for management of the so-called “national programmes”: oncological diseases, cardiovascular diseases, cerebrovascular diseases, viral hepatitis, hemophilia, TB, HIV/AIDS, and other diseases that are considered to have a major social impact. All of the national programmes depend on the Parliament voting to fund them and the subsequent availability of funds. Publicly owned facilities (managed by local authorities) deliver the majority of health services and procure the medicines and medical products not supplied within the national programmes.<sup>1</sup>

In 2012, expenditure for medicines accounted for 33.6% of the total health expenditure (WHO, 2015; State Statistics Service of Ukraine, 2014). In 2015, medicines and other medical products constituted 17.9% of government-consolidated current health spending.<sup>2</sup> Particularly, 8.6% percent of health expenditures in the consolidated budget used for medical products was spent through centralized procurement. Additionally, 8.4% of consolidated current health care spending was on medical products used in hospitals and 0.8% in polyclinics. Assuming that a significant part of Ukraine’s reported government expenditures on medical goods was spent on medicines, the overall share of the budget spent on financing medicines in Ukraine seems broadly comparable to that of its European neighbors and other OECD countries.

In contrast, it was noted that the poor availability and affordability of medicines constituted the most significant barriers to treatment access for patients in both in- and out-patient facilities.<sup>3</sup> Multiple reports have shown high prices of medicines in Ukraine, including those procured with public funds. Also, WHO survey (2012) on access to essential outpatient medicines concluded that prices in public pharmacies were higher for both originator brands and generics than in private pharmacies.<sup>4</sup> Poor availability and affordability to medicines was mainly due to three co-existing factors – mismanagement of public funds, underperforming operations (with constant delays in procuring medicines) and high levels of corruption.<sup>5,6</sup> Corruption in the procurement process has led to overpayments for pharmaceuticals. Medicine prices were affected with some regions paying 3 times the amount other regions were charged for the same medicine. Also, the Security Service of Ukraine estimated that up to 40% of public funds on medical procurement were lost as “black cash”.

This undermined the credibility of governmental institutions, caused shortages in medicines and other medical products, and raised costs that citizens had to pay for healthcare to levels beyond the means of the average person.<sup>7</sup> This ultimately took a high toll on human lives. 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 24.5% of all households (WB, 2022; \*State Statistics Service of Ukraine, 2009-2018). 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.

Following the 2014 Revolution of Dignity, the Government of Ukraine embarked on a national reform programme to reduce widespread corruption. In the health sector, several complementary reforms were initiated that aimed to improve the health outcomes of citizens but designed in such a way that they would also reduce corruption. 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

<sup>1</sup> World Health Organization. Regional Office for Europe, European Observatory on Health Systems and Policies, Lekhan, Valery, Rudi, Volodymyr, Shevchenko, Maryna. et al. (2015). Ukraine: health system review. World Health Organization. Regional Office for Europe. <https://apps.who.int/iris/handle/10665/176099>

<sup>2</sup> Bredenkamp, Caryn, Elina Dale, Olena Doroshenko, Yuriy Dzhygyr, Jarno Habicht, Loraine Hawkins, Alexandr Katsaga, Kateryna Maynzyuk, Khrystyna Pak, and Olga Zues. 2022. Health Financing Reform in Ukraine: Progress and Future Directions. International Development in Focus. Washington, DC: World Bank. doi:10.1596/978-1-4648-1840-0

<sup>3</sup> SIAPS Ukraine. 2016. Ukraine National Supply Chain Assessment Results. Submitted to the US Agency for International Development by the Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program. Arlington, VA: Management Sciences for Health.

<sup>4</sup> Assessment of access to essential outpatient medicines in Ukraine. Copenhagen: WHO Regional Office for Europe; 2021.

<sup>5</sup> Transparency International: Civic Monitoring of Public Procurement in Ukraine <https://healthworks.ti-health.org/projects/civic-monitoring-of-public-procurement-in-ukraine/>

<sup>6</sup> Colborne M. Tackling Pharma corruption in Ukraine. CMAJ. Aug 2017; 189(34):E1101-E1102. doi: 10.1503/cmaj.1095454.

<sup>7</sup> Dafina Gercheva, UNDP Resident Representative to Ukraine. Building a more effective, efficient and equitable healthcare system in Ukraine, Aug 2021 <https://www.undp.org/ukraine/blog/building-more-effective-efficient-and-equitable-healthcare-system-ukraine>



a transparent, merit-based, process for medical university admissions; and initiating development of an eHealth digital records system.<sup>8</sup>

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 evaluation of the Project's Phase I completed in 2020 offered excellent insights into the accomplishments made by UNDP and its implementation partners between 2015 and 2020. According to the findings, regional procurement through ProZorro and procurement managed by UNDP were more cost-efficient in the budget years 2015-2018 than those managed by MoH in 2014. The UNDP's well-established procurement process, which is governed by comprehensive and understandable procurement policies and procedures in accordance with the UN and international procurement standards, was recognized as one of its major strengths. The Project was found to be very relevant to the country's context and effective in many ways, having met the goals outlined in the project documentation, cost-sharing agreements, strategies, objectives, and indicators. This has also helped to increase the Project's efficiency, with positive outcomes as shown by the procurement efficiency assessment. The review uncovered some issues that could put at risk or reduce the sustainability of the Project's achievements. The most significant of them was a lack of national ownership and a partial "loss of institutional memory" due to the frequent changes of leadership of MoH.

## 1.2. BASIC DESCRIPTION OF THE PROJECT

The United Nations has extensive global expertise assisting governments with large-scale acquisitions. Therefore, the Ministry of Health contacted several United Nations agencies to explore the prospect of their providing procurement support services to the Ministry. UNDP is one of the main UN system purchasers. In addition to the capacity of country offices to conduct both international and national procurement, the organization has a specialized procurement support office. Building on the work of the UNDP's similar partnerships, the Government of Ukraine agreed to enter a partnership with UNDP to address some of the gaps in the procurement system. In particular, to benefit from UNDP's expertise in bolstering national capacities and processes, particularly in the procurement and supply chain management of important pharmaceuticals and other health commodities. In addition, the Ukrainian government has asked the United Nations to help ongoing reform efforts and the construction of a transparent, responsible, cost-effective, equitable, and sustainable national health procurement and quality assurance system within the next few years<sup>9</sup>.

Project Key Information <sup>10</sup>		
<b>Project title:</b>	Procurement Support Services to the Ministry of Health of Ukraine, Phase II (Short name PSSMoH)	
<b>Corporate outcome and output</b>	<b>Outcome:</b> Quality, accessibility, and affordability of health services in Ukraine improved. <b>Output:</b> Capacities at national and sub-national levels strengthen to promote inclusive local economic development and deliver basic services including HIV and related services.	
<b>Country</b>	Ukraine	
<b>Date project document signed</b>	November 2020	
<b>Project dates</b>	<b>Start</b>	<b>Planned end<sup>11</sup></b>
	November 2020	March 2023
<b>Project budget at time of start</b>	US\$ 68,482,686	
<b>Funding source</b>	Government of Ukraine	

<sup>8</sup> Enhancing Government Effectiveness and Transparency: The Fight Against Corruption. Case Study 14: Reforms in the Health Sector in Ukraine <https://thedocs.worldbank.org/en/doc/796791611679539176-0090022021/original/ReformsintheHealthSectorinUkraine.pdf>

<sup>9</sup> Project Annual Report 2019

<sup>10</sup> Project Document 2019.

<sup>11</sup> The project was later extended until 30 September 2023 to allow for successful deliveries of all procured medicines, reporting and closure

### A. Project's pillars:

The Project has evolved through two phases, with changes in the nature and significance of the following pillars that composed the Project's scope (as intended at the initial phase)<sup>12</sup>:

1. **Support strategy implementing processes:** assistance to MoH, relevant state enterprises and other stakeholders (increased job expertise, CIPS procurement certification, workshops, sustainable criteria, gender equality etc.).
2. **Capacity building:** for MoH and other relevant stakeholders on anti-corruption and transparency; for local pharmaceutical companies on quality assurance; for patients' organizations on civic monitoring and advocacy.
3. **Introduction, development, and promotion of the E-Stock:** Introduction, development, and promotion of e-solutions in healthcare sector" as in addition to the E-stock the project as technical assistance to MoH ,
4. **Procurement and logistic services:** procurement of medicines and medical products for the annual public health programmes.

### B. Project's objectives and outcomes:

UNDP aimed to develop the capacity of MoH sectors and departments responsible for medical procurement, as well as to enhance the efficiency, effectiveness, transparency, and accountability of the national healthcare procurement system. The Project under evaluation was built based on the collaboration of various projects and initiatives under the umbrella of the Health and Transparency Programme implemented by UNDP in close partnership with the Government of Ukraine.

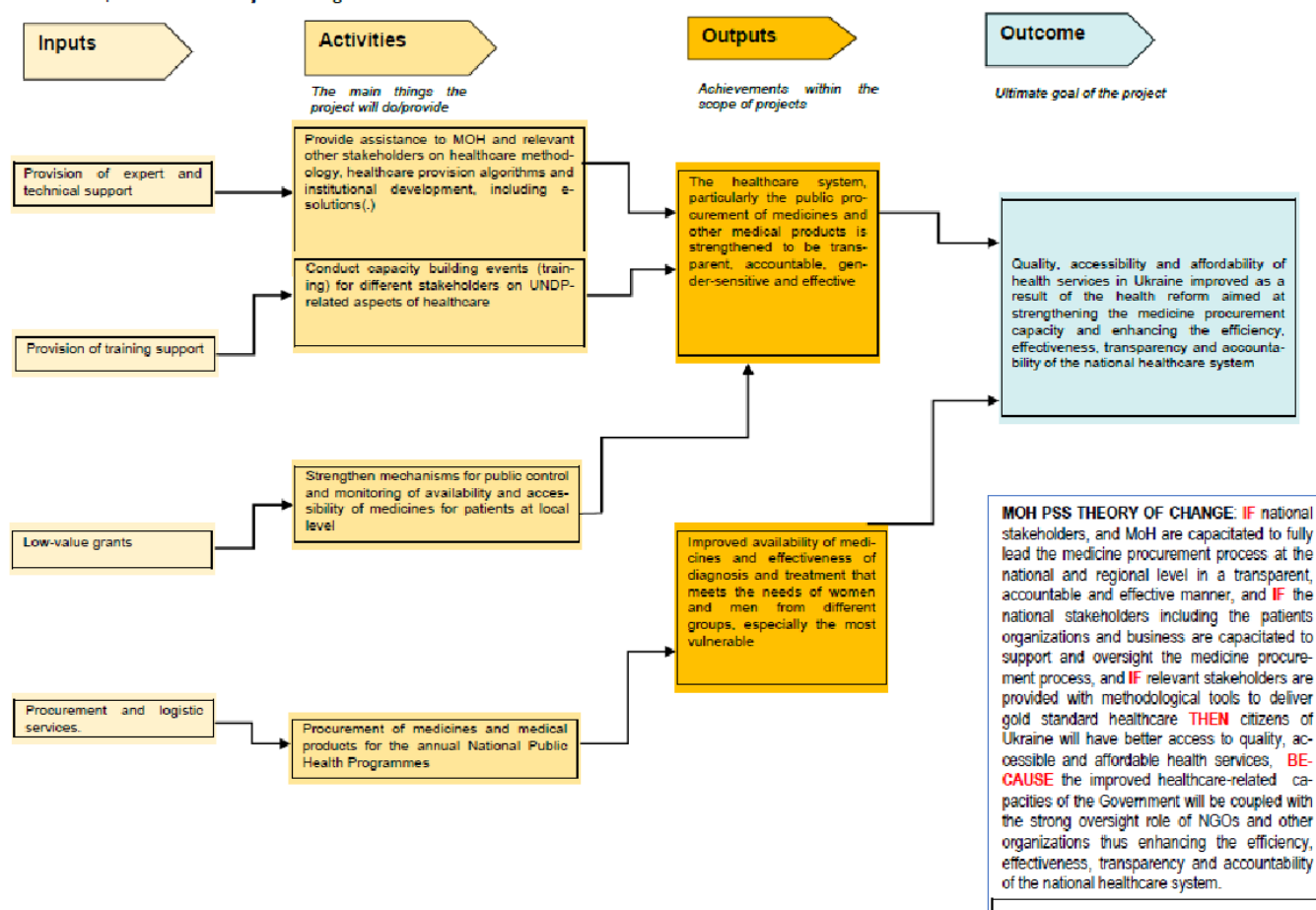
The Project pursued the following key results:

4. The capacity of national stakeholders involved in the medical procurement and supply chain process is developed to fully lead that process at the national and regional level in a transparent, accountable, gender responsive, and effective manner.
5. The system of public medical procurement is strengthened through providing technical assistance and capacity development services to MoH and other national stakeholders.
6. Improved availability of medicines and effectiveness of diagnosis and treatment through a stronger national medical procurement system that responds to the needs of women and men from diverse groups, especially the most vulnerable.

### C. Logical model/ Theory of change (ToC)

<sup>12</sup> Note: These are the initial set of activities; however, some of the activities below have been changed during the project implementation.

## MOH PSS, Phase II: Theory of Change



### D. Project's beneficiaries:

The Project served the following target groups: (i) policymakers and experts in different functional sectors of MoH; (ii) pharmaceutical companies; (iii) patients; (iv) non-governmental organizations including patients' organizations; (v) general society in Ukraine. The evaluators looked into how the Project reached those target groups, responded to their needs, and engaged them to commit and participate in the Project's activities.

### E. Geographic coverage of the Project:

While the Project was implemented in direct cooperation with MoH, its direct and indirect effects cover the entire Ukraine.

### F. Key partners:

- **Implementing organization:** UNDP had a key role in managing the allocated resources, coordinating the activities, as well as recruiting, training, and supervising the implementers and other partners.
- **Project partners:** The Project mainly worked with and through MoH, but also cooperated with other national stakeholders, including pharmaceutical companies and patients' organizations.

## 2. EVALUATION SCOPE AND METHODOLOGY

### 2.1. EVALUATION COMMISSIONER AND EVALUATION TEAM

The Commissioner of the Evaluation was the UNDP Country Office (UNDP CO) in Ukraine. The UNDP CO defined a Terms of Reference (**Annex A**) and commissioned a team of consultants to evaluate Phase II of PSSMoH Project.

**The Evaluation Team included:**

- **Amjad Idries:** Evaluation team leader, expert in programme evaluations and global health.
- **Andrei Mecineanu:** Medical doctor, expert in public health systems.
- **Hanna Lukinova:** Local evaluator, expert in decentralization and health care reform in Ukraine.

### 2.2. PURPOSE OF EVALUATION AND INTENDED USE

The main objective of the evaluation was to assess the extent to which the Project's objectives were achieved; summarize the key results, lessons learned, and best practices; analyze the Project's relevance, effectiveness, efficiency, sustainability, and coherence, with a view to contribute to future adaptation, programming, policymaking and overall organizational learning by outlining recommendations relevant for a possible next phase of UNDP Health and Transparency Programme for Ukraine and other projects of the Democratic Governance Portfolio.

#### Evaluation aims & objectives

- Assess the relevance, coherence, effectiveness, efficiency, and sustainability of the Project's interventions.
- Assess the implementation of the Project and its alignment with funded activity agreement obligations, and the level of achievement of both expected and unexpected results, by examining the results chain, processes, contextual factors, and causality.
- Assess the procurement performance (efficiency) of medicines and medical products for the national public health programmes.
- Assess the effectiveness of the action taken in strengthening the capacity of MoH to ensure transparency, accountability, and effectiveness of the national medical procurement.
- Document the main lessons learned, best practices and propose recommendations on the exit strategy and future activities for the Health and Transparency Program.

### 2.3. EVALUATION FRAMEWORK

**The evaluation focused on answering the following evaluation questions:**

1. How does the Project relate to the main objectives of UNDP and development priorities at the local, regional, national, and international levels?
2. How well do the Project's design and strategy relate to and align with the context?
3. To what extent have the expected outcomes and objectives of the Project been achieved?
4. Was the Project implemented efficiently, in line with international and national norms and standards?
5. To what extent are there financial, institutional, socio-political, and/or environmental risks to sustaining the long-term Project's results?

Each of these overarching questions has a number of micro-questions (refer to Annex A for more details). The evaluation also aimed to address the cross-cutting issues including human rights, gender equality, social inclusion, environmental protection and climate change.

### 2.4. METHODOLOGICAL APPROACHES TO ANSWERING QUESTIONS

Refer to Annex B for further details on the evaluation scope and methodological approach.

Evaluation Questions	Evaluation Approach
1. How does the Project relate to the main objectives of UNDP and development priorities at the local, regional, national, and international levels?	The evaluation pursued evidence that the Project was relevant to the governments' priorities and policies in Ukraine (at the time when the Project was launched and at the time of evaluation, with evidence indicating its relevance and fit-for-purpose in the future).

<b>2. How well do the Project's design and strategy relate to and align with the context?</b>	The evaluation included an assessment of internal coherence of the Project focusing on interconnections, complementarity, and coherence of how the Project was designed and implemented. In addition, the evaluation looked into the external coherence of the Project focusing on alignment with external policy commitments and relevant workstreams in MoH implemented by other actors.
<b>3. To what extent have the expected outcomes and objectives of the Project been achieved?</b>	The evaluation assessed the Project's outputs – qualitative and quantitative – indicating favourable outcomes and progress. The efficiency analysis focused on the medical procurement component of the Project (its largest pillar).
<b>4. Was the Project implemented efficiently, in line with international and national norms and standards?</b>	The evaluation assessed the evidence indicating that the Project achieved its objectives. Effectiveness was used as an aggregate measure of (or judgement about) the merit or worth of the Project, i.e. the extent to which the Project has attained its major objectives efficiently and in a sustainable manner.
<b>5. To what extent are there financial, institutional, socio-political, and/or environmental risks to sustaining the long-term Project's results?</b>	The evaluation assessed the extent to which the Project's benefits are likely to continue after its end and be maintained in accordance with relevant guidelines (demonstrated in leadership, financial, and policy commitments).

## 2.5. EVALUATION CRITERIA

The Project's achievements were evaluated using the following criteria. The criteria definitions originate from the Project's guiding ideas and the values it aimed to produce.

Criteria	Definition
<b>Relevance</b>	Relevance is the extent to which the Project's objectives were consistent with beneficiaries' requirements, country's needs, global priorities, and partners' and donors' policies.
<b>Coherence</b>	Coherence refers to the compatibility of the Project with other interventions in the Ukrainian health care sector and MoH strategic directions.
<b>Effectiveness</b>	Effectiveness is the extent to which the Project's objectives were achieved or not achieved.
<b>Efficiency</b>	Efficiency is a measure of how efficiently the resources and inputs (funds, expertise, time, etc.) were converted to results. It is mostly applied to the input- output link in the causal chain of the Project.
<b>Sustainability</b>	Sustainability is the likely continuation of positive effects from the Project after its end, and its potential for scale-up and/or replication. UNDP-supported projects are intended to be environmentally as well as institutionally, financially, politically, culturally, and socially sustainable.

## 2.6 DATA SOURCES AND ANALYSIS

The evaluation team used a combination of quantitative and qualitative methods to collect and analyze data. The following sources were used in the course of evaluation:

- **Literature review:** UNDP strategic and programme documents, Project's documentation, cost-share agreements, description of other donors' interventions, Ukrainian legislation and recent research in the healthcare area (**Annex C**);
- **Stakeholder interviews:** key informant interviews and focus group discussions with representatives of the Project's team and UNDP Country Office, as well as national stakeholders including MoH, MPU, and patients' organizations (**Annex D**).

## 2.7 LIMITATIONS

**Lack of some quantitative data.** The Project provided multiple sources of information to the evaluation team, however some data related to the timelines of supplies were missing. During the interviews, the stakeholders mentioned that sometimes there were delays in supplies but didn't provide many details. The evaluators had to

generalize this feedback and to assume that the delays were caused by several factors, including the complexity of MoH and UNDP procedures, Covid-19 pandemic, and full-scale war.

**Limited ability of MoH to participate in the interviews.** The evaluation team approached the Ministry of Health with a formal request to organize a meeting with representatives of various departments engaged in the Project (including financial department, audit department, medical services department and other), but the answer was that because of the wartime and big workload the Ministry could delegate only two representatives to participate in the evaluation. However, the feedback provided by those employees during the interview and follow-up consultations with them helped to gather enough evidence to inform the evaluation.



## 3. FINDINGS

### 3.1. Relevance

Overarching question: **How does the Project relate to the main objectives of UNDP and development priorities at the local, regional, national, and international levels?**

The evaluation team looked at the relevance of the Project within the context of UNDP's health interventions in Ukraine and the Government's needs and priorities. In addition, the evaluation assessed how the Project addressed the needs of vulnerable groups and gender issues and what was the role of CSOs in the Project's implementation.

#### Summary of findings:

The Project responded to the demand of the Ukrainian society for quality, accessible, and affordable health services and was well aligned with the ongoing health reform in Ukraine.

All of the Project's activities were designed to equally address the needs of women and men, girls and boys from various groups, especially the most vulnerable (through the support of respective national programmes and Fast-Track City Initiative).

The Project was able to adjust to the challenges caused by Covid-19 pandemic and aggression of the Russian Federation. All Project's activities were conducted in close coordination with national stakeholders including MoH and MPU.

The Project developed the capacity of national CSOs to monitor the availability of medicines in the hospitals and to advocate with the regional healthcare facilities to protect the rights of patients.

### NEEDS IDENTIFIED, SELECTED, AND ADDRESSED

Ukraine has encountered a variety of difficulties over the past ten years, including political instability as well as economic and social difficulties. Government performance metrics reveal that it delivers inadequate public services and undertakes delayed institutional reform. In terms of perceptions of corruption and the rule of law, Ukraine is rated poorly. Before initiating Phase I of the PSSMoH Project, the situation on governance functions across the public sector was very challenging. Ukraine's Government acknowledges the importance of new approaches to sustainable and equitable development. The President has stated that everyone should use the Sustainable Development Goals as a starting point for the reforms. The anti-corruption reform, as well as the reforms of justice, healthcare, and environmental protection are prioritized in Ukraine's 2020 Plan for Sustainable Development.

The National Strategy for Reforming the Healthcare System for the Period 2015-2020 (the Strategy) was a component of the National Reform Action Plan of Sustainable Development Strategy, Ukraine – 2020 and a CoM Activity Programme, both of which were approved by the Ukrainian Parliament in 2014. Those documents highlighted the need to overcome corruption in public procurement and suggested outsourcing the procurement of medicines to international organizations. A fundamental health reform had been launched in Ukraine by the time when Phase I of the Project started. The main goal of the reform was to move from centralised financing of healthcare institutions to a more decentralized approach for the provision and management of health services. A key part of the country's health reform is making sure that medicines are bought in a fair and efficient way. To improve the way the health procurement reform is put into place, systemic digitalization initiatives by international organizations that provide medicines and medical devices should be combined with actions to strengthen the Ministry of Health and other relevant stakeholders who are involved in the national health procurement process. Along with the ongoing health reform, a state enterprise "Medical Procurement of Ukraine" (SE "MPU") was set up to ensure centralized procurement of quality medicines and medical devices for the state funds.

Since 2014, the Ukraine's Government has had to deal with a fraudulent public procurement system for medicines and medical products. The Ukrainian Security Service has estimated that up to 40% of public monies were either improperly managed or outright stolen<sup>13</sup>. Additionally, Ukrainian civil groups, particularly those founded by patients (and their parents), expressed dissatisfaction with the accessibility and calibre of the

<sup>13</sup> PSS-MOH Project Evaluation, 2020.

services their beneficiaries were receiving. This was brought on by ongoing stock-outs and frequent thefts of life-saving medications, especially for people with chronic illnesses.

In accordance with the law, the Ministry of Health (MoH) has selected three foreign organizations as service-providers to carry out medical procurement throughout the years 2015-2018: the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), and Crown Agents. By adopting Law #114 "On Amending the Law of Ukraine on Public Procurement and Some Other Legislative Acts of Ukraine Regarding the Improvement of Public Procurement" on September 19, 2019, the Verkhovna Rada of Ukraine authorized the MoH to outsource medical procurement to international organizations until the end of March 2022 and then again until March 20, 2023.

## UNDP RESPONSE TO THE NEEDS

The option proposed by Ukraine (to address some of the issues outlined in previous section) was to transfer all medical procurement to reputable, experienced foreign organizations, taking use of a wider range of resources and skills while avoiding corruption. The Ukrainian Ministry of Health initiated the Procurement Support Services to the Ministry of Health of Ukraine project (MoH PSS project) in November 2015 as an urgent response to a request from the Government of Ukraine to help increase citizens' access to lifesaving pharmaceuticals and medical equipment and advance the country's health reform agenda. Between 2015 and 2023, UNDP supplied life-saving medicines and medical products to vulnerable people based on cost-sharing agreements with the Ministry of Health. The evaluators found that the UNDP's health interventions are in line with the requirements and goals of the government as well as Ukrainian society at large.

The PSSMoH project's Phase I development and Phase II introduction coincided with the creation of the new UNDP Country Programme Document (CPD) for 2018–22.<sup>14</sup> Also, in 2022 UNDP approved the new Strategic Plan till 2025 as a crucial guide for how UNDP may improve and customize its assistance to the Government. The relevant SDGs were incorporated, and the objectives and KPIs of the CPD and Strategic Plan were revised to account for the revisions.

### **The following goals have been added to the strategic frame of the PSSMoH Project:**

**CPD/UNDAF Outcome 1:** 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.

**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 service provision.

**SP Output: 1.2.1.** Capacities at national and sub-national levels are strengthened to promote inclusive local economic development and deliver basic services including HIV and related services.

**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.

The Phase II of the Project 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.

With the establishment of the state-owned enterprise Medical Procurement of Ukraine (SoE MPU) at the end of 2018, UNDP offered capacity building activities and technical assistance to the Ukrainian Ministry of Health as part of the Project. Alterations happened in 2020 when a new law was passed giving SoE MPU the authority to carry out national procurement as a national procurement organization. UNDP helped by, among other things, advising the Ministry of Health on how to draft laws governing the SoE MPU, drafting internal procedures and other documentation for the SoE MPU (such as an anti-corruption policy), and teaching employability skills (CIPS procurement certification, workshops, sustainable criteria, etc.).

In addition to programmatic and procurement support, UNDP provided low-value grants to 6 CSOs to conduct public monitoring of the delivery, availability, and use of medicines at the local level. The monitoring was

<sup>14</sup>CPD was then extended till the end of 2023



conducted for four years in a row (2017-2020) and covered 17 regions of Ukraine and the city of Kyiv. In 2021, the final results were presented highlighting certain issues with quantification, delayed distribution, and non-transparent use of medicines in the hospitals. UNDP followed-up with MoH and other stakeholders to make sure that the problem issues are addressed. A special attention was paid to building the capacity of Ukrainian patients' organisations to conduct independent assessments and to advocate with the health care institutions at different levels.

The main target group of the Project were patients in Ukraine who receive free medicines through the national healthcare system. Free medicinal provision covers only certain disease areas, which either have a social impact or their treatment is considered beyond the financial reach of citizens. UNDP cooperated with MoH, health care facilities, and patients' organizations to address the needs of women and men, girls and boys from diverse groups, especially the most vulnerable. It also engaged with the Parliament to further promote the rights of people living with HIV and TB and supported local authorities in Dnipro and Kryvyi Rih under the Fast-Track City Initiative.

## APPROPRIATENESS OF PROJECT OBJECTIVES

In the period from 2015 to 2023, UNDP health interventions offered under the MoHPSS Project and other projects have focused on responding to the various issues listed above in order to support the national priorities for the healthcare reform. Those interventions contributed to the accomplishment of the Sustainable Development Goals (SDGs), that have been defined at the national level, specifically, Goal 3 (Healthy lives and well-being), Goal 10 (Reduce Inequality), and Goal 16 (Peace, Justice and Strong Institutions).

The outcomes and SDG Targets developed by UNDP are completely in line with the Partnership Framework's

Ukraine's SDG Goal 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, quality immunization, and reducing of smoking and reforming the health care financing.

definition of Outcome 3 of Pillar 3: Democratic government, rule of law, and civic involvement. The following national policies and strategies serve as the foundation for the alignment with the national agenda: Strategy 2020, Anti-Corruption Strategy, National Human Rights Strategy (2015–2020) and National Action Plan, State Programme on Fighting Human Trafficking 2020), National Health Reform Strategy for Ukraine for 2015–2020, and Strategy Programme on Equal Rights and Opportunities for Women and Men (2017-2021).

The Project and associated health interventions were in line with the Government's anti-corruption strategy and legal and institutional reforms introduced between 2015 and 2018, in particular, with the Law on Public Procurement of Ukraine and other legislative acts, as amended in 2015, to provide a legal framework for a temporary public procurement procedure for medicines and other medical products by specialized organizations. The extension of UNDP services at least until 2023 provided an opportunity to ensure a smooth transition and serve as a safety net.

Chapter 22 of the EU-Ukraine FTA 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/AIDS, TB) 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 addition), health information and knowledge, including as regards the 'health in all policies' approach.

## STAKEHOLDERS FEEDBACK ON APPROPRIATENESS

The evaluators met with representatives of MoH, MPU, and patients' CSOs who provided their feedback regarding the Project's design and implementation. They confirmed that the Project responded to the demand of the Ukrainian society for quality, accessible, and affordable health services and was well aligned with the ongoing health reform in Ukraine.

A representative of MoH said:

*"It was a smart solution to delegate medical procurement to an international organization with expertise in this area. It helped to ensure that citizens of Ukraine get the necessary medicines*

*during the transition period, while the Ministry and MPU were building their capacity to fully take over these tasks.”*

The Project was able to adjust to the challenges caused by Covid-19 pandemic and aggression of the Russian Federation. All Project's activities were conducted in close cooperation with national stakeholders including MoH and MPU. Local and international consultants were provided to strengthen the capacity of MPU in the field of procurement, supply chain management, legal issues, communication, and IT. In 2020, the Project contracted KPMG to conduct institutional capacity assessment of MPU. In the same year, MPU started procurement under 14 out of 39 budget programmes and gradually took over all of the programmes by 2023.

A representative of MPU appreciated the support offered by the Project to his institution since it was established in 2018:

*“We were a young organization and it would have been very difficult for us to immediately carry out all the medical procurement. We had a chance to grow and to build up our team in partnership with UNDP. Recently we took over all of the budget programmes though we still need some methodological support from the outside.”*

To align its activities with the Government's needs and priorities, UNDP conducted regular Project Board meetings with participation of MoH, MPU, and CSOs' representatives, where the progress reports and work plans for the next period were approved.

Patients' CSO engaged in civic monitoring of the delivery, availability, and use of medicines confirmed that they were able to develop their institutional capacity while implementing the grants and now feel much more comfortable while advocating with local health authorities. At the same time they stated the need to continue such monitoring in the future and to also monitor the medicines procurement (at the level of MPU) and supply (at the level of “Ukrmedpostach” and “Ukrvaksina”).

A representative of a patients' CSO shared some of their findings:

*“Though the corruption in health care facilities has been decreasing over years, still there are cases when citizens have to pay for what was already purchased for them by the state. We use various channels to inform people of their rights and existent services so that they know what they are entitled to.”*

In his turn, a representative of MPU confirmed that civic monitoring is an important instrument for citizens to stay informed about the current proceedings and that they are always ready to provide all the necessary information:

*“We continuously receive requests from CSOs as to the nomenclature and quantity of medicines. We always try to explain why this or that decision was made, as well as to clarify any issues related to supplies and distribution. This is our work and citizens have the right to know how the budget money are spent.”*

To adjust to the fast-changing environment and to better respond to the needs of various groups, the Project maintained regular communication with patients' organizations from different regions of Ukraine through the Community Advisory Board and individual consultations.

Overall, the stakeholders appreciated the various support offered by the Project. The only issues that they experienced were related to the complexity of UNDP procurement procedures and timing of supplies. The table below compares stakeholders' feedback across the 2020 and 2023 evaluations.

**Table 1: Comparison of stakeholders' feedback across 2020 and 2023 evaluations**

2020 Evaluation	2023 Evaluation
No corruption in public health procurement following the transfer of programmes from the MoH to UNDP, UNICEF and Crown Agents in 2015	None of the interviewees pointed to the corruption in MoH or MPU. However, representatives of both CSOs confirmed that there's still petty corruption in the hospitals, resulting in a situation when patients have to pay informally for what was already purchased for them by the state
UNDP is guided by best EU and global practice in health procurement	Representatives of MoH and MPU said it was a smart solution to delegate medical procurement to an international organization with expertise in this area
Good quality of medicines procured; all medicines certified	There were no complaints about the quality of medicines procured
Additional quantities of medicines procured, due to cost savings	Wasn't mentioned during the interviews
Prices decreased due to direct contracts with manufacturers and LTAs	Wasn't mentioned during the interviews
The list of medicines (government procurement nomenclatures) was expanded	Stakeholders' representatives appreciated UNDP's methodological support on expanding the nomenclature

UNDP engaged consultants and international experts, approached EU patient associations & consortia to address issues and concerns of patient CSOs	Patients' CSOs appreciated the institutional capacity building offered to them by the Project
Adequate response to patient CSOs concerns regarding quality, including requests for international independent laboratories to undertake quality checks	Wasn't mentioned during the interviews
Delayed supply of medicines (no visible improvement in delivery timings from year-to- year) leading to interrupted treatment	MoH, MPU, and CSOs representatives mentioned issues with timing, but didn't provide the details. Overall, timing could have been affected by several factors: <ul style="list-style-type: none"> <li>• Covid-19 pandemic</li> <li>• full scale war</li> <li>• complexity of MoH and UNDP procedures</li> </ul> In some cases, MoH could have requested to postpone certain procurement/ delivery, so that the medicines don't expire, but other partners may not know that there was such a reason
Overlapping of deliveries for several budget year(s) resulting in disrupted planning of supplies	Wasn't mentioned during the interviews
Despite lower prices and use of savings, 100% of patients' needs were not covered throughout the entire period of the Project	Wasn't mentioned during the interviews

## CROSS-CUTTING ISSUES

### a. Human rights, gender equality, and social inclusion

The Project has contributed to UNDAF Outcome 3 (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).

The right to health is a fundamental human right set forth in Article 25 of the Universal Declaration of Human Rights and other international documents, as well as in the Constitution of Ukraine. Equal access to quality healthcare is an essential factor of gender equality and social inclusion. The Project has consistently worked with MoH and other national stakeholders to ensure that women and men, especially the most vulnerable, including the elderly, children, people with disabilities, GBV survivors, people living with HIV, and victims of war have equal access to medicines and healthcare services.

Efficient medical procurement has the following impacts on gender equality:

- ❖ **Direct impact:** When women have access to quality diagnosis and treatment (including the necessary medicines), they can keep a better level of health and participate more actively in the labour market as well as engage in various social and political activities.
- ❖ **Indirect impact:** Women are the primary caregivers in Ukraine and when any of the family members has certain problems with health this usually creates an extra burden on women. Quality healthcare services for children and elderly mean that women have more time and space for work and other self-realization. This is especially important in the current situation of war in Ukraine, when many men are in the Army and women have even more obligations than usual.

For women taking care of children or other family members with certain diseases or disabilities, the functional healthcare system is crucial, as often such women are single and have little opportunity to work (meaning that they have very limited resources). A representative of a CSO working with children with hemophilia shared her insight into the lives of such families:

*“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.”*

Apart from protecting motherhood and childhood, UNDP has also worked to improve well-being and enhance social integration of people living with HIV and TB. Across the years of Project's implementation, it supported the respective national programmes, as well as engaged with the Parliament and local authorities to further promote the rights of people living with such diseases:

- In 2020, UNDP established an all-party parliamentary platform on human rights and socially dangerous diseases. It also supported the National Judges Platform on HIV, TB and Health Rights and prepared a compendium of law cases relevant to HIV and TB. Since 2021, UNDP together with other development partners supported the MoH in elaboration of the National Health Care Development Strategy till 2030.

The draft strategy was presented in 2022, and though it hasn't been officially adopted, its key points became part of the Ukraine's Recovery Plan.

- In 2020-2022, the Project provided technical assistance to Dnipro city authorities to implement the Human Rights and Healthy City Action Plan (elaborated after the city signed the Paris Declaration to end the AIDS epidemic). In 2022, the Project continued supporting Dnipro under the Fast-Track City Initiative and extended similar support to Kryvyi Rih. It also supported monitoring of access to HIV/TB related services during the wartime and developed a national web platform for mapping such services, with a specific focus on women's services.

Throughout the Project's implementation, UNDP has applied a human-rights based approach and ensured gender mainstreaming by working with women's and patients' organizations, preparing gender-related analytical products, ensuring equal involvement of men and women both in expert work and training events, and promoting gender equality as part of the communication activities.

#### **b. Environmental protection and climate change**

The Project has continuously contributed to environmental protection through promoting sustainable health care services, including:

- a) supporting Ukraine's transition towards sustainable manufacture, consumption, and disposal of medicines and other medical products (through assessment of the current practices and elaboration of respective recommendations)
- b) raising awareness of the medical and public health specialists of the impact of climate change on health (through training modules)
- ) gradual reduction of use of paper by the beneficiary institutions by supporting the digitalization of health services.

## CONCLUSION

The Project responded to the demand of the Ukrainian society for quality, accessible, and affordable health services and was well aligned with the ongoing health reform in Ukraine. It was able to adjust to the challenges caused by Covid-19 pandemic and aggression of the Russian Federation. All Project's activities were conducted in close coordination with national stakeholders including MoH and MPU. While implementing the Project, UNDP has applied a human-rights based approach and ensured gender mainstreaming by working with women's and patients' organizations. Also, UNDP built the capacity of local authorities in Dnipro and Kryvyi Rih to protect the rights of people living with HIV and TB and enhance their social integration (under the Fast-Track City Initiative).

## 3.2. Coherence

Overarching question: **How well do the Project's design and strategy relate to and align with the context?**

The evaluation team assessed alignment of the Project with the national policies and strategies, UN 2030 Agenda for Sustainable Development, as well as UNDP Country Programme. In addition, the evaluation looked into how the Project coordinated with other projects of international technical assistance (including those supported by the European Union, USAID, and World Bank).

#### **Summary of findings:**

PSSMoH Project is a core part of UNDP's Health and Transparency Program that has contributed to accomplishment of SDG 3 as defined by the Ukrainian Government.

The Project was well aligned with the ongoing health reform in Ukraine and Ukraine's Recovery Plan.

While implementing the Project, UNDP sought synergies with other donors' projects in the area of healthcare (including through the three-tier coordination system established by the Cabinet of Ministers).

## UNDP PARTNERSHIP STRATEGY

Due to the exceptional changes in the circumstances, the development of the new UN Cooperation Framework has been postponed, and instead, the UN has formulated an 18-month Transitional Framework for 2022-2023. This document provides strategic guidance for cooperation and serve as a bridge between the previous UN-Ukraine Partnership Framework (2018-2022) and the forthcoming UN Sustainable Development Cooperation

Framework (UNSDCF). In order to provide support for the SDG areas that aligned with national development priorities, the United Nations Development Assistance Framework (UNDAF) 2018-2022 established the following four pillars:

- Sustainable economic growth, environment and employment;
- Equitable access to quality and inclusive services and social protection;
- Democratic governance, rule of law and civic participation;
- Human security, social cohesion and recovery with a particular focus on eastern Ukraine.

The Ministry of Health addressed several UN organizations to inquire about procurement support services. UNDP is a major UN buyer. The organization has a procurement support office, an office dedicated to implementing large Global Fund to Fight AIDS, Tuberculosis projects, and country offices that can do international and national procurement. Based on the UNDP-Global Fund cooperation, more governments and partners are asking UNDP to boost national procurement and supply chain management of important medicines and other health commodities. The Ukrainian Government has also requested UN assistance in reforming and establishing a transparent, responsible, cost-efficient, equitable, and sustainable national health procurement and quality assurance system. Prior to 2015, the acquisition of medicines and medical products was a problem in Ukraine, with the Security Service of Ukraine reporting that up to 40% of the procurement budget was misspent. Following the Euromaidan revolution of 2013–2014, the Government of Ukraine made a significant step forward in anti-corruption policy, legal reforms, and institutional reforms when it adopted an anti-corruption strategy and legislative package with the goal of bringing the country into conformity with international anti-corruption standards.

The healthcare facilities in Ukraine used to be government-funded, as they got funds from the state budget based on their cost estimates. As part of the healthcare reform, the Government switched from maintaining a network of hospitals that offered their services for free to making selective acquisitions from this network in 2018. The Government stopped giving funds to operate a particular healthcare facility, whether it was owned by the state or by the local community, based on a cost estimate. Instead, healthcare facilities became independent businesses that are paid based on the volume of services they provide to patients. In line with this reform, the Government launched an overhaul of public medical procurement. Recognizing the long-term nature of such a reform process, as well as the need to avoid further disruptions in provision of medicines to Ukrainian patients, the Ukrainian Parliament decided to temporarily transfer procurement of vital medicines to international organizations and amended the legislation accordingly. Since 2015, international organizations such as UNDP, UNICEF, and the Crown Agents have procured the medicines and medical products on behalf of the Government.

Since Phase I of the Project, UNDP partnership strategy focused on building institutional capacities in areas relevant to the scope of the Project. For instance:

- UNDP supported access to CIPS procurement certification for many employees of MPU, as well as training events on medicines' market research;
- UNDP engaged different consulting companies to assess the capacity of MPU in public procurement and to provide recommendations regarding its transparency and integrity;
- UNDP conducted an assessment of medical procurement in different regions of Ukraine, which provided an overview of the respective institutional structure and decision making processes, and identified the most efficient ways to interact with regional authorities;
- UNDP supported the patent reform and integrating TRIPS flexibilities in the legal framework of Ukraine;
- UNDP provided low-value grants to patients' CSOs working in different regions of Ukraine to conduct civic monitoring of the delivery, availability and use of medicines at the local level.

By increasing the effectiveness, efficiency, transparency, and accountability of the national healthcare system and enabling it to achieve a gold standard of governance, UNDP has shown its commitment to supporting the implementation of health reform and continuing to augment the expertise and capacities of the country's health institutions. A crucial part in the health reform is the consistent supply of medicines and medical products that respond to the needs of patients from diverse groups, especially the most vulnerable. To ensure a smooth transition of international PSM processes and to avoid delivery failure, UNDP intended in the period of 2020-2022 to:

1. Provide medical procurement and complete supply chain management following all regulatory requirements in Ukraine, rigid quality control and quality assurance, enhance the treatment coverage by using efficiently the available financial resources;
2. Advance the development of relevant national stakeholders and support the implementation of transparent, efficient, gender responsive and corruption-free health procurement practices;
3. Develop further the digitalisation of the medical supply-chain management;



4. Provide training courses on medical procurement and supply chain management, including gender responsive procurement, with tutored hands-on experience and web-based elements and certification of participants aimed at future national-based procurers.

Furthermore, UNDP's partnerships regarding this Project extended to:

1. The MoH of Ukraine as a main partner in the medical procurement processes;
2. Ukrainian and international pharmaceutical manufacturers: both as goods providers, but also as a subject of training on pharmacovigilance, quality assurance and raising the standards of production of local producers to meet the requirements of international markets;
3. The State Expert Centre: in their role of a regulator that provides marketing approval for medicines that UNDP procures and that have not been registered in Ukraine previously;
4. Ukrainian Public Health Centre: as the institution that provides methodological support for disease prevalence and incidence calculation and quantification of medicines and medical products to be procured for the according diseases and conditions;
5. Patients and civil society organisations (including business associations and women's organizations) working in healthcare, anti-corruption and transparency with their remit to independently monitor the availability of medicines and their appropriate distribution and use.

The close relationship established between the UNDP and the CSOs while implementing the Project (especially during Phase II) has allowed to build the institutional capacity of partner organizations and to improve their advocacy potential. Representatives of CSOs confirmed that they would like to continue civic monitoring of the medicines' availability supported across different years of the Project and to extend it to also monitor the procurement (at the level of MPU) and supplies (at the level of "Ukrmedpostach" and "Ukrvatsina").

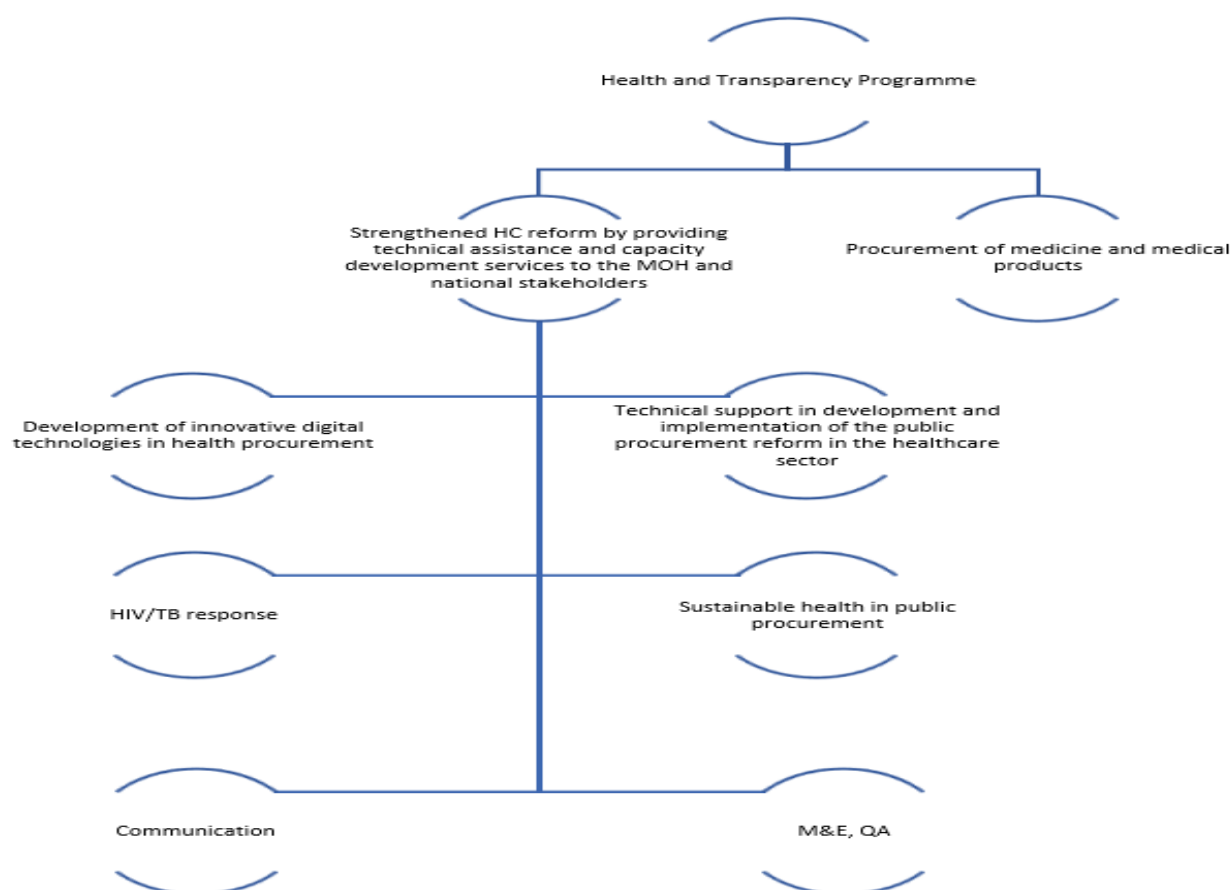
While cooperating with local manufacturers, UNDP focused on enhancing the quality standards and regulatory measures. There was clear recognition that development of the pharmaceutical sector depends on local actors' engagement with international partners, who would bring technology and innovation, as well as ensure access to the international markets.

## COHERENCE WITH OTHER UNDP PROJECTS AND INTERVENTIONS

The Health and Transparency Programme (of which the PSSMoH Project is a key component) is led by UNDP in collaboration with the Ukrainian Government, CSOs, and other international and national partners, and is based on the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). The UNDP's work is guided by the idea that health is both a driver and a result of development, and that activities in a variety of sectors have a substantial impact on health outcomes. UNDP focuses on tackling the social, economic, and environmental determinants of health, which are primarily responsible for health inequities, in order to enhance sustainable human development activities. According to UNDP, health-related work necessitates a holistic and integrated strategy as well as strong intersectoral coordinated effort, particularly in the area of good health and wellbeing (SDG3). UNDP is a preferred partner of the Ukrainian government, EU institutions, and other development actors. UNDP will continue to make concentrated efforts to accelerate the accomplishment of the SDGs in Ukraine, especially those relating to health, because it recognizes that the resources that all stakeholders are allocating to this nation's health now are an investment in its socioeconomic progress and future.

Within UNDP Programme, the project was closely coordinated with the anti-corruption specialists from the perspective of strengthening the transparency and accountability in the healthcare sector, with the Human Rights for Ukraine project to ensure protection of rights of the vulnerable groups, and with the Inclusive Development, Recovery and Peacebuilding portfolio for ensuring synergies between the activities at national and subnational levels.

The chart below demonstrates the general logic of UNDP's Health and Transparency Programme, including the PSSMoH Project.



## COHERENCE WITH INTERVENTIONS OF OTHER PARTNERS

UNDP's international partners in the PSSMoH Project, and wider programme, included the European Union, USAID, and World Bank, all of whom have interests in supporting different initiatives on anti-corruption and health. The collective work of this group of partners is assumed to have led to the harmonisation and better coordination of donors' support to the Government partners and synergies of efforts. While none of these partners has a similar project (i.e. focusing on support to medical procurement), it is important to acknowledge that the UNDP efforts in this area complement other important interventions supported by other partners to advance the overall healthcare reform (including the public procurement of medicines). UNDP's Health and Transparency Programme works in close cooperation with WHO at the country and regional level. UNICEF is a strategic partner for UNDP in medical procurement and other health interventions. Globally, UNDP participates in the Secretariat for the UN Informal Interagency Task Team on Sustainable Procurement in the Health Sector (SPHS).

UNDP's and other partners' interventions in the healthcare area were coordinated through the Directorate for Coordination of International Technical Assistance under the Cabinet of Ministers of Ukraine. Since 2020, the respective coordination structure has included three interrelated tiers<sup>15</sup>:

- **Development Partnership Forum** designed for high level policy dialogue on strategic issues of the national reforms progress;
- **Strategic Platform** serving for strategic alignment of international technical assistance with the national reform priorities taking into account the Sustainable Development Goals and the EU-Ukraine Association Agreement;
- **Sectoral Working Groups** established for regular dialogue and coordination between central executive bodies and development partners in relevant areas of public policy and sectoral reforms.

## CONCLUSION

PSSMoH Project is a core part of UNDP's Health and Transparency Programme that has contributed to the accomplishment of SDG 3 as defined by the Government of Ukraine. The Project was well aligned with the national policies and strategies, UN 2030 Agenda for Sustainable Development, as well as UNDP Country

<sup>15</sup> Cabinet of Ministers of Ukraine: Coordination of international technical assistance <https://www.kmu.gov.ua/en/yevropejska-integraciya/coordination>

Programme. Together with other international organizations, UNDP participated in the elaboration of Ukraine's Recovery Plan and will align its future interventions in the healthcare area according to the priorities set by that plan. Representatives of various stakeholders, including MoH, MPU, and patients' CSOs, appreciated UNDP's partnership strategy and expressed the hope to continue cooperation in the future.

### 3.3. Effectiveness

Overarching question: **To what extent have the expected outcomes and objectives of the Project been achieved?**

The evaluation assessed to what extent the PSSMoH Project has achieved its objectives as set forth in the project documentation, what factors contributed to effectiveness or ineffectiveness, and what are the major accomplishments that could be built on in the future.

#### **Summary of findings:**

The Project has achieved most of its stated objectives and helped MoH and MPU to build a transparent and effective system of medical procurement in line with the best international standards.

The Project was also successful in building the capacity of national CSOs to monitor the availability of medicines in the hospitals and to advocate for the rights of patients.

The only issues mentioned by stakeholders were related to the delays in supplies, which may have been caused by various factors (complexity of UNDP procedures, Covid-19, and full-scale war).

## PROJECT ACHIEVEMENTS

Within the timeframe of Phase II of the Project the following key results were expected to be achieved:

1. The capacity of national stakeholders involved in the medical procurement and supply chain process is developed to fully lead that process at the national and regional level in a transparent, accountable, gender responsive and effective manner.
2. The system of public medical procurement is strengthened through providing technical assistance and capacity development services to the Ministry of Health and national stakeholders.
3. Improved availability of medicines and effectiveness of diagnosis and treatment through a stronger national health care procurement system that responds to the needs of women and men from diverse groups, especially the most vulnerable.

The UNDP's performance on ensuring improved availability of medicines and increased effectiveness of diagnosis and treatment through a stronger national health care procurement system is measured based on several output indicators that are defined in the effective Project Document. Each indicator has predetermined target values that are assigned to each of the budget years, as well as a particular timeframe in which these values are expected to be accomplished. After that, an evaluation of whether or not the target values of the output indicators were met is performed, and the results of that evaluation are presented in annual progress reports. Even though there was a discrepancy between the planned values and the actual values, UNDP was able to meet the agreed-upon share of the total number of medicines and medical products that were procured and delivered.

The Project has successfully supported the Ministry of Health in procurement for the relevant national programmes in a manner that was both transparent and cost-efficient. By adhering to the principles of fairness, integrity, and transparency in public procurement and being led by the UN and international procurement standards, UNDP brought about a substantial transformation. This resulted in the elimination of the need for distributor margins and allowed for the direct involvement of foreign producers in the tendering process. To build the institutional capacity of MoH and MPU, UNDP provided consultants in the areas of public procurement reform, anti-corruption, monitoring, legal support, and IT. The section below provides a summary of the main achievements according to the Project's outputs.

#### **Output 1: National health care procurement system strengthened and the effectiveness of diagnosis and treatment of the patients of Ukraine improved**

During 2022 the Project was procuring medicines and medical products as per agreements between UNDP and MoH for the State Budgets of 2020 and 2021 years. The total amount of delivered medicines and medical products reached USD 23.1 million, the total amount contracted – 26.1 million.

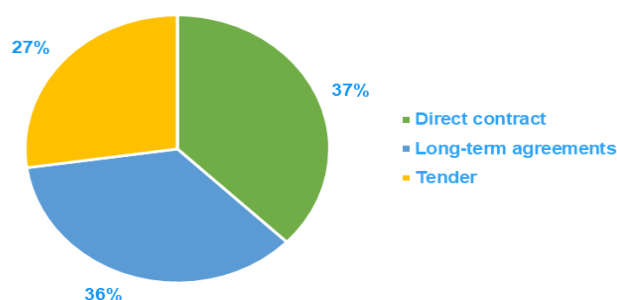
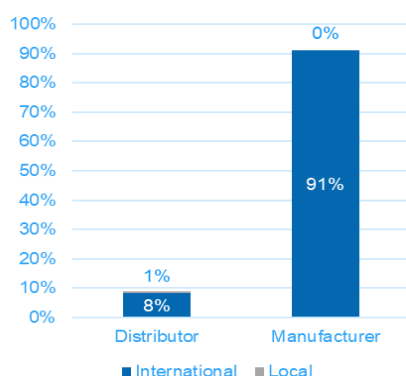


Table 2: Comparison of Contracted versus Delivered Budgets

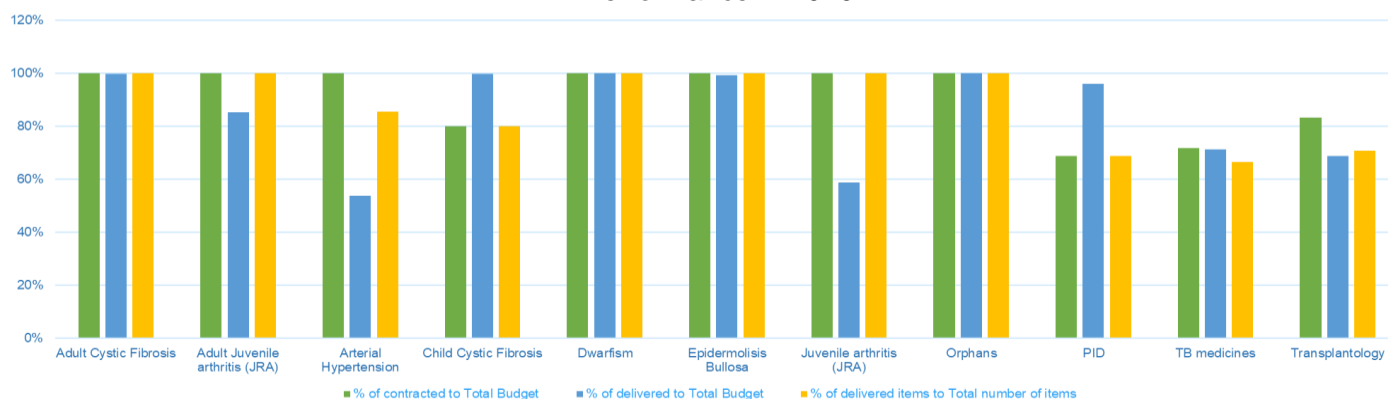
Year	Contracted, USD	Delivered, USD
2020 State Budget Year	8,787,971.79	12,569,236.05
2021 State Budget Year	14,283,982.27	13,546,401.03
<b>Total</b>	<b>23,071,954.06</b>	<b>26,115,637.08</b>

The Phase II was characterized by high budget execution rates among most programme-specific budget. Figure below analyse the 2020 budget as an example.

Figure 1: Medical Procurement under the 2020 State Budget



Performance in 2020



### The key achievements in medical procurement in Phase II of the Project include:

- The number of State Procurement Programmes in the period of 2015-2022 implemented by UNDP reached 125 with a total budget of over \$635 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).
- 2020 State Budget year: procurement process covered 11 programmes. Total amount of medicines delivered is 67 million USD. 99% of the budget amount is contracted and 98% is delivered. The procurement process and delivery process under the 2020 State Budget are finalized.
- 2021 State Budget year: procurement process covered 3 programmes. The total amount of delivered health products is 15.5 million USD. 92% of the budget amount is contracted and 70% is delivered. The procurement process and delivery process under the 2021 State Budget are to be finalized till the end of March 2023.
- For the first time in Ukraine a medicine for multidrug-resistant tuberculosis treatment – bedaquiline - was procured and delivered by UNDP.
- At the beginning of February 2020, for the first time, UNDP Ukraine supplied emicizumab - an innovative medicine for children with haemophilia. The procurement price of emicizumab in Ukraine is up to 53% lower than in certain European countries.

One of the findings from evaluation of the Project's Phase I was the significant supply delays under cost-sharing agreements (resulting from the complexity of MoH and UNDP procedures). The evaluation team requested data from UNDP regarding the contracted date of delivery and registered date of delivery for procured items for health programmes BY2020 & BY2021. However, those data were not provided. Therefore, it was impossible to

evaluate the Project's effectiveness as regards timing of supplies. During the interviews, representatives of MoH and MPU mentioned certain issues with delays, but didn't provide many details.

## **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**

The implementation of the activities under the Output 2 has been mostly accomplished. In 2021, there were some changes in the scope of work based on request from the MoH (related to Covid-19). UNDP communicated regularly with MoH to ensure that all activities are in line with the current needs and priorities of the Ministry as well as the overall health reform.

During the interview, a representative of MoH appreciated the technical assistance received from UNDP:

*"The Project helped to build an effective system of medical procurement and to ensure that Ukrainian citizens get quality diagnostics and treatment. We are grateful for all the methodological support as to the nomenclature and quantification of medicines. The only issues that we experienced were related to the timing of supplies."*

Over the years, the Project helped to build the capacity of MPU - state enterprise dealing with all medical procurement at the central level. As MPU was created in 2018, its capacity to procure medicines for public health programmes expanded over time. Its first round of medical procurement started with 14 programmes in 2020; 19 programmes in 2021; and reached 28 programmes in 2022.

### **Activity 2.1. Capacities of the Ministry of Health (MoH), SoE "Medical Procurement of Ukraine" (SOE MPU) and national stakeholders strengthened to develop and implement the public procurement reform in the healthcare sector**

- UNDP assisted the MoH with the capacity strengthening of the SoE MPU, providing 10 consultants in the field of procurement, supply chain management, communication, and IT. In addition, UNDP hired a consultancy firm to analyze the SoE MPU's public procurement capacity and adherence to transparency and integrity to maximize the transfer of public medical procurement from international organizations. To capture development trends, the assessment was done twice in 2020, at the start and end. The MPU procured 14 of 38 state medicines programmes, showing enhanced capacity. March 2023 brings the final report and recommendations.
- Stakeholders received a fast SOE MPU capacity evaluation. At the start of 2020, UNDP conducted a procurement capacity review of SOE MPU, which identified organizational capacity improvements. The SoE MPU enhanced its organizational capabilities after reassessment, but more work is needed.
- The Health and Transparency Programme released the analytical study "Low-value grants for public monitoring of local pharmaceutical supply and availability". UNDP continued to grant NGOs to collect data on the procurement and distribution of medicines to local hospitals in different oblasts, aiming to conduct an independent, third-party assessment to obtain real-time information about UNDP-procured treatments' availability and access and to build Ukrainian patients organizations' capacity to conduct impartial surveys. Monitoring encompassed 11 oblasts and 132 medications. UNDP's fourth round of monitoring collected data on local hospitals' pharmaceutical purchase and distribution in 17 Ukrainian districts and Kyiv in 2020. Six non-profits received small funding.
- Together with MoH and SoE "eHealth", UNDP developed a digital solution for newborns' screening, allowing for patients' registration and electronic medical cards.

### **Activity 2.2. Contribution made to support the Ministry of Health (MoH) and national stakeholders in availability of medicines and medical products**

- UNDP gave the MoH orthopaedic rehabilitation equipment for Tulchyn Regional Orphanage for children with central nervous system and musculoskeletal diseases.
- UNDP strengthened the capacity of the National Transplant Coordination Center by conducting an analysis of European biobanking and clinical research infrastructure and making recommendations on how the Center could implement the respective practices in its work as well as to participate in the related networks and initiatives throughout Europe. There was also procured a transportation vehicle for the medical team and explants.

### **Activity 2.3. Capacities of health and procurement stakeholders strengthened to promote sustainable health in public procurement**

- UNDP and the Public Health Centre established a medical and public health professional climate change training module in early 2021.
- UNDP produced an impact assessment of waste management practices in Ukrainian healthcare facilities. This study identified national legislation gaps and offered solutions. UNDP is committed to further support

Ukraine's transition towards sustainable manufacture, consumption, and disposal of medicines and other medical products.

#### **Activity 2.4. Contribution made to support the innovative digital technologies in health procurement made**

- MoH developed the digital stock management platform with ongoing assistance.
- During Phase II of the Project, UNDP continued its support and contribution to the digitalization of health procurement by contributing to the creation of state-wide platforms known as e-Liky and e-Stock. These solutions are designed to increase the transparency of the delivery of medicines, protect the rights of patients, and make it possible to estimate future requirements using data that is collected in real time.
- Further development of the e-Liky online platform in all regions of Ukraine increased the transparency and accountability of the medicines' supply. Currently, around 2,000 hospitals are connected to the platform and provide information about the medicines' availability. In 2022, the website was visited by over 625,000 people.

Regarding the outcome of the Project, the evaluators believe that focusing strategically on the integration of anti-corruption measures and strengthening the medical procurement in public sector management may result in improving accountability in a country where corruption was prevalent. Combined with building the capacity of local CSOs to monitor the availability of medicines' and to advocate for patients' rights, this has contributed to improving the access of Ukrainian citizens to quality, accessible and affordable health services. To maintain these achievements in the future, it would be important to continue the methodological support of MoH in implementation of the healthcare reform, as well as to further build the advocacy capacity of patients' CSOs that play the watchdog function in the process of medical procurement.

### **PROJECT CATALYTIC EFFECTS**

The accomplishments of the UNDP go beyond the logical frameworks, and they include such things as a contribution to new legislation on public procurement, a reduction in delivery time and costs, and an improvement in the quality of medications, vaccines, and medical items that were purchased. The evaluation team considered this aspect of the Project as an important catalytic effect that contributed to the ability of the project to contribute to a wider change in the context.

Achievements beyond the logical frameworks, including contribution to new legislation on public procurement and expected improvements in terms of delivery time and cost reduction, as well as quality improvement of procured medicines, vaccines, and medical products. The Ministry asked UNDP for assistance in determining the top initiatives in this area that could be carried out with project support. The priorities of the project's second phase include supporting the Ministry in advancing the health governance reform, increasing transparency and integrity of internal management mechanisms, and strengthening the public's trust in the Ministry and healthcare generally. In addition, according to the comments of relevant stakeholders E-stock is a very important initiative and anti-corruption tool, but it has not yet been fully implemented because the first round of the tender process was halted due to limited funding and high value bids from tender participants. This is one of the reasons why the full implementation of E-stock has not yet taken place. Throughout Phase II, UNDP funding went toward spreading awareness of, and best practices for, Sustainable Health Procurement in an effort to lessen the toll on people and the planet that medical product production, use, and disposal, as well as the delivery of health care, take. Furthermore, The Ministry launched E-Stock in early 2023; suggested to update the formulation.

### **PERFORMANCE INFLUENCING FACTORS**

Several factors combined to influence the level and speed of progress towards the stated outcomes. These factors ranged from the positives to the negatives. On the positive side, robust legal and institutional framework at the national level, testifying to the presence of some amount of political will, donor pressure and support for public accountability, the commitment of officials working in MPU and a growing awareness among the general public of the need for accountability and transparency in the management of public procurement and resources have helped move the projects towards the intended outcome. These factors need to be sustained throughout the period of the project. Some other factors include:

1. Changes in senior management at the MoH and other staff turnover resulted in the suspension of the procurement cycle at the MoH and clearly demonstrated the lack of institutional capacity at the MoH and a lack of national ownership.
2. Because of political instability and frequent changes in the senior management of the MoH, some of the benefits of UNDP's interventions were not fully and effectively used by the beneficiaries or have been diminished due to staff turnover at the MoH leading to a partial loss of institutional memory.

3. The total duration of the procurement process has gone beyond the timelines that were established in the cost-sharing agreements. The public, the stakeholders, and the auditing agencies have expressed ongoing worry and criticism regarding the delays in procurement in comparison to the initial timings specified in the cost-sharing agreements.
4. One of the issues that emerged through the evaluation of Phase I of the project was the increased expectation from stakeholders that UNDP take a more proactive approach in the creation/development of a communication platform with the involvement of the MoH and all stakeholders for the efficient resolution of public procurement issues. Despite its importance, there was no strong evidence of progress in this area. Some stakeholders, including the UNDP team, consider it a missing opportunity to advance the transparency agenda.
5. Other factors that reduced the impact of the outputs included the fact that the planning process of the UNDP and the subsequent procedures for the release of funds were seen as rigid and time-consuming by the project implementers.

## CONCLUSION

The Project has achieved most of its stated objectives and helped MoH and MPU to build a transparent and effective system of medical procurement in line with the best international standards. It was also successful in building the capacity of national CSOs to monitor the availability of medicines in the hospitals and to advocate for the rights of patients. The only issues mentioned by stakeholders were related to the delays in supplies, which may have been caused by various factors (complexity of MoH and UNDP procedures, Covid-19, and full-scale war). To maintain the Project's achievements in the future, it would be important to continue the methodological support of MoH, as well as to further build the advocacy capacity of patients' CSOs that play the watchdog function in the process of medical procurement.

### 3.4. Efficiency

Overarching question: **Was the project implemented efficiently, in line with international and national norms and standards?**

#### ***Summary of findings:***

The Project was cost-effective, including the changes in price, quantity, and delivery time for the procured medicines and medical products.

In the absence of the quantitative data on the timeliness of supplies, the evaluators had to rely on stakeholders' feedback regarding some issues with delays and to assume that those delays were caused by the complexity of MoH and UNDP procedures, Covid-19 pandemic, and full-scale war.

UNDP has applied various instruments to enhance the overall efficiency of the Project's management and coordination. There was found a potential for improvement of the Project's monitoring system to better inform the programmatic decisions.

## PROCUREMENT EFFICIENCY

In comparison to the significant budget proportion allocated to medicines procurement activities, Phase II of the project has a relatively small and limited budget allocated to programmatic activities (including capacity building).

### **1. Price related procurement efficiency**

Medicines Year-on-Year unit price changes (BY 2020):

Overall, the median price change for all programmes was 0%. For half of medicines, where prices were available for both years, price changes were within a range of -10% to 0%. Analysis of the programmes revealed that the median prices were reduced in 4 (four) programmes, with the greatest decrease in the Child Juvenile Arthritis programme (median price change -17.6%). The median price change was 0% in 2 (two) programmes – Transplantology and Child Cystic Fibrosis (Table 3).

Table 3. UNDP Year-on-Year relative price change by health programme, BY 2020

	Price difference observations (n)	Median RPC (%)	Mean RPC (%)	Min RPC (%)	Max RPC (%)
Adult Cystic Fibrosis	2	-0.3	-0.3	-0.5	0
Adult Juvenile Arthritis	5	-3.3	-13.3	-31.9	-2.7
Arterial Hypertension	7	6.4	43.3	-29.5	140.8
Child Cystic Fibrosis	5	0.0	-0.7	-27.7	12.4
Dwarfism	2	0.8	0.8	-18.4	20
Child Juvenile Arthritis	5	-17.6	-16.4	-35.5	-3.3
Orphans	12	-0.8	-3.8	-18.3	0.0
Primary Immunodeficiency	10	15.4	46.9	-26.9	206.9
Tuberculosis	26	0.7	116.8	-97.3	1737.7
Transplantology	18	0.0	12.3	-63.4	190.5

The analysis of unit price changes dispersion across programmes showed that the greatest range of price changes was observed in TB, Transplantology, PID and AH programmes. At the same time, a subsample of medicines was subject to a disproportionate price increase (over 100%), warranting specific attention to the causes of this, namely – Isoniazid, Moxifloxacin, Linezolid, Sodium aminosalicylate, Rifampicin<sup>16</sup> (TB programme), Mycophenolate mofetil<sup>17</sup> (Transplantology programme), Human normal immunoglobulin for intravenous administration<sup>18</sup> (PID programme) and Sildenafil, Bosentan<sup>19</sup> (AH programme). In contrast, particularly large price reduction was achieved for – Levofloxacin, Rifampicin/Isoniazid<sup>20</sup> (TB programme), and Valganciclovir<sup>21</sup> (Transplantology programme).

Notwithstanding that the identification and interpretation of the causes that determined price increase was beyond the scope set by the Terms of Reference, the Report found it necessary to highlight the explanation of the Project Team, namely – in some cases, the price increase was caused by the introduction of the new Quality Assurance Policy (QAP) from the BY 2020 for all procurements under MoH PSS Phase II. Subsequently, some of the national manufacturers of medicines and medical devices haven't met QAP requirements, which prevented UNDP from procuring from them and forced it to turn to other companies thus leading to price increase. However, a recent research on medicines procurement in Ukraine concluded that a potential contribution of quality to price fluctuations is not considered likely, as there was no statistically significant difference in the price change distribution among highest quality categories products and the observed trend was in the opposite direction (i.e. if procurement price reductions are to be attributable to decreased product quality, one would expect a trend towards lower prices in lower quality categories).<sup>22</sup>

#### Medicines Year-on-Year unit price changes (BY 2021)

In summary, the majority (83%) of medicines unit prices have decreased from BY 2019 (i.e. first previous procurement cycle with available data) and BY 2021, and overall median price change for all sub-programmes was -13.9% (Table 4). In the majority of cases, prices were reduced in the range -10 to 0%, with a small number of products increasing in price (median RPC + 5.8%), notably adult HVB and child HVB sub-programmes.

Table 4. UNDP Year-on-Year relative price change by health sub-programme, BY 2021

Health sub-programme	Price difference observations (n)	Median RPC (%)	Mean RPC (%)	Min RPC (%)	Max RPC (%)
Adult HVB	3	-6.2	-3.3	-9.5	5.8
Child HVB	3	-6.2	-3.3	-9.5	5.8
Adult HVC	4	-21.6	-24.7	-46.5	-9.1
Child HVC	2	-30.0	-30.0	-34.6	-25.4

An important issue should be highlighted regarding the items with no price available in the previous procurement cycle, from the perspective that prices of medicines for viral hepatitis are known to vary substantially across

<sup>16</sup> Isoniazid 100 mg/ml (ampules, vials, syringes), Moxifloxacin 400mg (ampules, vials, syringes), Linezolid 2 mg/ml (ampules, vials, syringes), Sodium aminosalicylate 1 g (powder, enteric granules), Rifampicin 150 mg (tablets, capsules, pills)

<sup>17</sup> Mycophenolate mofetil 250 mg (tablets, capsules)

<sup>18</sup> Human normal immunoglobulin for intravenous administration 50 ml, 5% (vials), Human normal immunoglobulin for intravenous administration 100 ml, 5% (vials)

<sup>19</sup> Sildenafil 20 mg (film-coated tablets, children younger than 18 years), Bosentan 125 mg (tablets)

<sup>20</sup> Levofloxacin 100 mg (dispersible tablets), Rifampicin/Isoniazid 75 mg/50 mg (dispersible tablets)

<sup>21</sup> Valganciclovir 450 mg (tablets, capsules)

<sup>22</sup> Evaluation of procurement prices in Ukraine across 12 programmes 2015-2016 <https://www.crownagents.com/wp-content/uploads/2018/07/Evaluation-of-procurement-prices-in-Ukraine-2015-2016.pdf>



countries due to the commercial licensing and tiered pricing strategies of manufactures (e.g. Gilead Sciences – lyengar, 2016). For high-value products such as Sofosbuvir there is an incentive for manufacturers to hold lit prices high for external reference pricing purposes, while giving discounts to different countries according to ability to pay. In the BY 2021 procurement cycle, Sofosbuvir/Velpatasvir 200/50mg, paediatric formulations that do not have generic versions and could be only supplied by Gilead Sciences, with the market value of about USD 680 per tablet was procured through HIST LTAs at a price of USD 10 per tablet. A similar price was also obtained for Sofosbuvir/Ledipasvir 200/45mg (paediatric formulations that do not have generic versions).

#### Other Medical Products Year-on-Year unit price changes

Prices of other medical products, for both procurement current year and procurement reference year, were available only for Epidermolysis Bullosa programme; for BY 2021 programmes – Blood Donation and HIV diagnostics – were not registered prices from previous procurement cycle for the purchased items.

Across the whole sample of 14 procurement items, the median price change from BY 2019 to BY 2020 was - 4.6%. Prices of nearly two-third of products procured in BY 2020 were lower than the preceding year, with price reduction mostly in the range of -10% - 0% and -41% - 50%. For all items with higher median price in BY 2020, the increase was less than 20%.

#### Local competitive market price comparison

The analysis of UNDP registered prices against the contract recorded prices for medicines by Medical Procurement Ukraine (MPU) and other public institutions concluded that the UNDP prices were higher than MPU prices and lower than prices registered in ProZorro system.

Overall, the medicines procured by UNDP in the BY 2020 and BY 2021 were subject to a median unit price increase of 3.6 in comparison with similar INNs procured by MPU (Table 5), with the greatest median increase of 57.4 % in AH programme and of 43.1% in Hepatitis programme. Median prices were increased in all programmes with INNs observations except Orphans and Child Juvenile Arthritis programmes, where the median change was -0.8% and -2.9%, respectively. More than three-quarters of price changes were within a range of -30% to +30%. A number of outliers (11%) with high price increases (i.e. over 100%) were observed in TB programme (4 medicines, RPC from 155.3% to 1,783.1%), PID programme (4 medicines, RPC +119.0%), and AH programme (1 medicine, RPC +151.1%).

Table 5. UNDP prices against national comparators (MPU and ProZorro), BY 2020 and BY 2021

Health Programme	MPU Procurement		ProZorro Procurement	
	Price difference observations (n)	Median RPC (%)	Price difference observations (n)	Median RPC (%)
Adult Cystic Fibrosis	2	18.3	2	-18.1
Adult Juvenile Arthritis	6	1.2	6	-10.9
Arterial Hypertension	5	57.4	7	70.5
Child Cystic Fibrosis	4	18.3	5	-22.1
Dwarfism	N/A	N/A	2	-79.6
Child Juvenile Arthritis	5	-2.9	5	-19.2
Orphans	13	-0.8	N/A	N/A
Primary Immunodeficiency	10	3.2	1	-99.7
Tuberculosis	24	3.6	10	-46.6
Transplantology	N/A	N/A	18	-20.0
Hepatitis	11	43.1	10	-42.2

Particularly for the TB programme, prices obtained by UNDP compared favourably with GDF reference prices for majority items, the median price change was 0%. Additionally, UNDP paid a lower price compared with the APH price list (median RPC -23.7%).

In summary, prices obtained by UNDP compared favourably with prices recorded in ProZorro system for most medicines, the median price change was -21.1%. Price for certain medicines (8%) in AH programme (Bosentan 62.5 mg, Bosentan 125 mg, Ambrisentan 10 mg) and Hepatitis programme (Sofosbuvir/Ledipasvir 400 mg/ 90 mg) was substantially higher (i.e. over 100%), where UNDP paid a high price. For most other medicines (86%), the majority of comparator prices were lower than the price in ProZorro system, with price reduction mostly in the range of -20% - 0% and -50% - 100%.

Similarly, for medical devices, UNDP prices again were lower in comparison to the prices in ProZorro system (Table 6). Median price change for medical devices procured in the framework of 3 (three) health programmes was -6.5%. When considering each comparator separately, UNDP prices were lower in the majority of cases – 148 out of 222 products which could be compared (66.7%). Price changes for medical devices were in the range of -30% to 0% for the majority of products (56%).

Table 6. UNDP prices versus ProZorro comparators for medical devices, BY 2020 and BY 2021

Health Programme	ProZorro Procurement				
	Price difference observations (n)	Median RPC (%)	Mean RPC (%)	Min RPC (%)	Max RPC (%)
Epidermolysis Bullosa	11	-60.0	-62.9	-88.8	-33.9
HIV diagnostics	115	-6.5	16.6	-54.5	996.8
Blood Donation	96	0.0	-4.5	-36.0	116.0

At the same time, there were items where prices obtained by UNDP were higher than those recorded in the ProZorro system. Analysis of the comparators list concluded that more than one-third of items, cumulatively for all three programmes, were procured at a higher price per item than in ProZorro, majority of them falling within the range 0% - 20%. A few items (3%), mainly from HIV diagnostics programme, were subject to a significantly high price increase – RPC from 108.0% to 996.8%.

#### Price differences and savings as per allocated budget

In summary, the prices obtained by UNDP were lower than MoH reference prices for the majority (60%) of medicines procured in BY 2020 and BY 2021 and overall median price change for programmes was -9.5% (Table 7). Median prices were decreased in all programmes except Tuberculosis and Primary Immunodeficiency programmes, where the median change was 6.5% and 9.3%, respectively. The price changes presented a wide distribution – for half of medicines price changes were within a range of -20% to +20%; while a quarter within a range of > -2000% to -20% and of 20% to > 2000% respectively, requiring a specific attention and additional analysis.

Table 7. UNDP prices versus MoH estimated prices for medicines, BY 2020 and BY 2021

Health Programme	Items with lower UNDP price (nl)	Median RPC (%)	Mean RPC (%)	Min RPC (%)	Max RPC (%)
Adult Cystic Fibrosis	2	-10.4	-10.4	-14.5	-6.4
Adult Juvenile Arthritis	6	-14.9	-19	-39.4	-7.7
Arterial Hypertension	6	-28	-21.7	-44.5	6.5
Child Cystic Fibrosis	3	-6.4	-8.3	-31.9	5.6
Dwarfism	1	-3.8	-3.8	-22.1	14.5
Child Juvenile Arthritis	7	-22.5	-28.5	-81.2	-7.7
Orphans	12	-9.5	-1.6	-50.3	92.8
Primary Immunodeficiency	2	9.3	51.4	-41.4	277.4
Tuberculosis	12	6.5	114.0	-86.4	2136.9
Transplantology	11	-3.3	3.9	-67.2	171.8
Hepatitis	15	-16.9	998.8	-98.5	12765.8

A methodology on MoH estimated prices calculation was not in place neither in BY 2020 nor in BY 2021; however, UNDP procurement related documentation referred to historical prices/spending to be used by MoH for forming TR's estimated prices. It impacted both MoH budgetary planning and UNDP procurement, a situation reflected in the range of procured quantities and of savings (both negative and positive).

Particularly, the overall median price decrease was not consistent with savings against the allocated budget, suggesting that MoH estimated prices could be both under- and overstated. For example, in the framework of the TB programme the median UNDP price was higher by 6.5% and more than 63% of procured items generated negative savings; however, after the main procurement, the percentage savings were 22.8% (or approx. USD

3.36 million). The estimated price for Bedaquiline was higher by 69.7% than the tender price, driving positive savings for the whole programme. In summary, 8 (eight) programmes registered positive savings after the main procurement (Table 8).

Table 8. Medicines' procurement programmes with positive savings, BY 2020 and BY 2021

Health Programme	Savings (USD)	Percentage Savings (%)
Adult Cystic Fibrosis	138,598.87	7.7
Adult Juvenile Arthritis	123,123.40	11.6
Arterial Hypertension	1,760,825.42	31.3
Child Cystic Fibrosis	249,802.44	6.6
Child Juvenile Arthritis	1,272,323.27	38.2
Orphans	2,372,896.84	8.5
Tuberculosis	3,358,093.56	22.8
Hepatitis	1,675,360.65	38.8

Increased procured quantities from savings after the main procurement varied from 8.1% to 196.8% ensuring full coverage of needs for certain medicines, as estimated by MoH (Table 9). More details on relative quantity change by health programmes are presented in the Annex G.

Table 9. Increased procured quantities of medicines per programme, BY 2020 and BY 2021

Health Programme	Items procured	Items with increased quantities	RQC, % (Min – Max)
Adult Cystic Fibrosis	2	1	10.8
Adult Juvenile Arthritis	6	3	20.9 – 52.5
Arterial Hypertension	8	6	14.1 – 118.5
Child Cystic Fibrosis	5	1	9.4
Child Juvenile Arthritis	7	5	9.1 – 177.2
Orphans	14	14	8.1 – 9.5
Hepatitis	21	3	84.8 – 196.8

Negative savings, after main procurement, were recorded in Dwarfism and Primary Immunodeficiency programmes, the overall percentage savings for the programme was -14.4% and -60.4%, respectively. For the latter programme, the procured quantities were decreased in median by 38.5%, except Canakinumab 150 mg where the quantity change was +6.7%. Additionally, negative quantity change was registered for Ethionamide 125 mg (RQC – 37.9%) and Pyrazinamide 150 mg (RQC – 10.7%) in TB programme, as well as for Pancreatine microgranules 10000 U (RQC – 4.4%) in Child Cystic Fibrosis programme.

Examination of medical devices procurement programmes reveals overall lower UNDP prices in comparison with MoH estimated prices for all three programmes (Table 10). Similarly, to medicines procurement, a methodology on estimated price calculation was not in place, suggesting that MoH estimated prices could be both under- and overstated. Despite the fact that the majority of items the price changes were within a range of -30% to +30% (ex. 96% in Blood Donation programme), a group of items presented a more consistent decrease or increase in price – 43% of devices in Epidermolysis Bullosa programme were in the range of -100% to -41%; while in HIV diagnostics more than 10% of items were in the range of 50% to > 2000%.

Table 10. UNDP prices versus MoH estimated prices for medical devices, BY 2020 and BY 2021

Health Programme	Price difference observations (n)	Median RPC (%)	Mean RPC (%)	Min RPC (%)	Max RPC (%)
Epidermolysis Bullosa	14	-15.3	-28.4	-81.6	4.2
HIV diagnostics	140	-15.5	2768.3	-49.7	181966.7
Blood Donation	146	-4.2	1.4	-91.4	744.0

In the Epidermolysis Bullosa programme, after the main procurement, the percentage savings were 17.2% (or approx. USD 0.59 million). Additionally, positive quantity change was registered for 3 out of 14 devices (RQC from 13.1% to 20.9%).



## 2. Other parameters of procurement efficiency

The non-price procurement efficiency indicators – Rate of efficiency of trades and Rate of delayed deliveries – assessing the post-selection and/or post-award phase of the procurement cycle, could not be calculated due to provision of an incomplete set of data by the Project Team. However, aspects related to non-price procurement efficiency are addressed in the Report based on the qualitative analysis.

### PROJECT IMPLEMENTATION EFFICIENCY AND AGILE MANAGEMENT

The PSSMoH Project was implemented on a daily basis by UNDP Ukraine with assistance from UNDP HQ and regional bureaux. The UNDP Country Office in Kyiv's institutional framework, including its financial, operational, and procurement procedures, was advantageous to the Project (Country Office Support Services). The POPPs, SOPs, and quality assurance policies of the UNDP serve as the governing documents for the Project's activities (the new UNDP Quality Assurance Policy and Guidance for UNDP Country Offices on Health Products and Quality Assurance in the Supply Chain). The UNDP's quality assurance system requires all members of the project staff who are responsible for activities related to the procurement and supply of health products to abide by its requirements. This is done to ensure that all health products procured and supplied by UNDP Ukraine are of an appropriate quality and do not put patients at risk that could have been avoided. The new corporate Quality Assurance Policy (QAP) for the Procurement of Medicines and Medical Products policy was implemented when UNDP was implementing the procurement over two budget years (2018-2019) with no interim period to complete the obligations taken prior to the policy's implementation. In order to complete the ongoing procurement cycles, UNDP had to request a waiver for the implementation of the new QAP.

The project received overall guidance and strategic direction from the Project Board. At UNDP level, the project was implemented under the UNDP Democratic Governance Portfolio as part of the Health & Transparency Programme with overall supervision of DG Portfolio Team Leader (Programme Specialist). Quality assurance of the project was provided by DG Programme Analyst.

The activities originally planned in the 2022 Annual Work Plan, such as training on health procurement for SoE MPU staff and support for the development of the national registry of pharmaceuticals, have been adjusted or cancelled to better reflect the needs of the MoH and other key institutions involved in the health reform in Ukraine and to ensure the relevance of UNDP interventions to the local situation. Many of these activities are still included in the 2022 AWP, but in a different form to avoid duplication of the work of other partners that provide technical support and to better align with the government's plans for healthcare system development.

One of the evaluation's findings was that supply delivery delays occurred throughout the Project's duration (including Phase I and Phase II). Each year, procurement for several budget years overlapped. The UNDP's reliance on the MoH to begin its tender process each year in order to approve the technical specifications of medicines and devices and transfer funds has contributed to delays. Furthermore, UNDP is required to seek approvals and/or advice from the MoH on issues such as cost estimates, (re)allocation of savings, and shelf-life or cold chain violations on delivered medicines, among others, while waiting for feedback from the MoH, which is frequently delayed. As mentioned before, the evaluation team requested data on contracted date of delivery and registered date of delivery for procured items for budget programmes, however those data were not shared and it was not possible to compare the respective findings of the evaluation of Phase I and Phase II.

From its inception in 2015 until 2022, the Project is subject to regular risk assessments in accordance with UNDP procedures. The risk registers included detailed descriptions of risks, causes, impacts, risk validity start and end dates, risk owners, mitigation activities and time plans, and the expected effect of mitigation actions. The evaluators concluded that the risk analysis is very robust and appropriate for the project context. The risk mitigation actions were reviewed on an annual basis, with relevant controls/mitigation strategies and appropriate actions to improve implementation efficiency. According to an examination of the annual progress reports for 2020, 2021, and 2022, appropriate actions were taken to address major project risks and issues.

The project results framework relating to the medical procurement component to measure progress on certain parameters of the procurement programmes. However, the scope of these parameters/ indicators was highly focused on programmatic aspects of the project (at the process or activity level), and no indicator has focused on the outputs level, especially for the medical procurement components. For instance, there were no indicators measuring the execution of the procurement budget, quantities procured against needs, or dates of deliveries. While the information on these areas is normally produced in the annual project reports, the evaluation team could not verify how monitoring of these indicators was taking place at operational levels and how this has contributed to enhancing the efficiency of the project and its implementation. In addition, the project reporting did not cover aspects related to gender equality and human rights.

There were several factors that affected the efficiency of the project implementation. These included:

- **Effect of the war:** The conflict disrupted transportation and supply chains, making it difficult to get necessary medical supplies to those in need. UNDP managed massive logistics interruptions during the war, but more robust contingency preparations are needed.
- **Covid-19 pandemic:** Covid-19 affected national and international supply systems even while war took priority. Medicines and medical gadgets were delayed. COVID-19 forced project stakeholders to move online, delaying decision-making and event planning.
- **Political instability:** while there were frequent changes in MoH leadership, the project has been able to maintain appropriate level cooperation with MoH, MPU and stakeholders from the patient's community both at strategic and operational level.

In addition, the incomplete disease programme quantification performed by MoH was one of the recurring challenges faced by UNDP. UNDP has frequently received only a portion of the required medicines by the time of the CSAs for the respective program, with the final quantities and financing being provided at the end of the calendar year. This resulted in forced procurement cycle splitting, a lack of adequate procurement planning, and general procurement process inefficiency. Occasionally, 2-3 ToRs are received from the beginning of the procurement cycle, resulting in an increase in UNDP's operational expenses due to the initiation of several procurement activities.

## CONCLUSION

The Project was cost-effective, including the changes in price, quantity, and delivery time for the procured medicines and medical products. In the absence of the quantitative data on the timeliness of supplies, the evaluators had to rely on stakeholders' feedback regarding some issues with delays and to assume that those delays were caused by the complexity of MoH and UNDP procedures, Covid-19 pandemic, and full-scale war. UNDP has applied various instruments to enhance the overall efficiency of the Project's management and coordination. However, there was found a potential for improvement of the Project's monitoring system to better inform the programmatic decisions.

### 3.5. Sustainability

Overarching question: **To what extent are there financial, institutional, socio-political, and/or environmental risks to sustaining the long-term project results?**

The evaluation assessed to what extent the Project's achievements are likely to continue after the Project ends, whether the national stakeholders demonstrate ownership of the key results and commit to further develop them in the future, and what are the main political and economic risks to the Project's sustainability.

#### **Summary of findings:**

The Government has enough capacity and resources to continue the medical procurement under the national programmes in a transparent and efficient way.

UNDP has implemented a successful exit strategy to ensure smooth transition of the operations to the national stakeholders (including capacity building).

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 monitored the availability of medicines at the local level with support of the Project confirm their readiness to continue similar monitoring in the future and to extend it to the level of centralized procurement and supply.

Corruption that is still existent at different levels of public management remains the major risk for the Project's sustainability.

## RISKS TO SUSTAINABILITY AND EXIT STRATEGY

The PSSMoH Project was expected to transform gradually and focus largely on development activities. These include promoting the human rights agenda and involving patients and other key populations in the public procurement process at all stages. However, there was not enough emphasis on this area, and more could have been done before the closure of the project. As clarified by the UNDP CO team in their regular annual reports:

- ✓ Given the planned shifting of part of the procurement portfolio to SoE MPU and transfer of the entire procurement portfolio to the SoE MPU by mid-2023, UNDP should discuss with the MoH how timing issues can be improved following the handover.

- ✓ To address the challenges, risks, and uncertainties of the situation in Ukraine and the MoH in general, as well as public procurement in particular, UNDP has developed a sustainability strategy that includes several alternative scenarios for UNDP CO's role in health procurement, depending on whether the SoE MPU can begin procurement of medicines in 2020. The approach is susceptible to change in response to any changes in the situation.

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 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 Project Team was aware that the Exit Strategy had limitations because it was based solely on existing and proven by official documents information (at the time of strategy development), which leaves a lot of uncertainty about what changes may occur by the project's completion. It is also subject to caveats that may have an impact on its implementation. The most significant 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

## GOVERNMENT OWNERSHIP

The ultimate goal of the UNDP Exit Strategy was to ensure full state ownership of all UNDP medical procurement activities while maintaining the organization's best practices and quality assurance from 2015–2019. The MoH and related state enterprises administered by the MoH expect and plan for the strategy stated. Looking at the historical progression of the approach towards the reform of public procurement (including medical procurement) and how the government's response has evolved, these all indicate a high potential for strong and sustainable government ownership of the project operations following the Project closure in March 2023.

In 2015, the National Reform Council, a national policy dialogue platform and informal decision-making institution, established a wide spectrum of reforms. The Council defined 18 main reform priorities and complemented by 62 targets envisaged by the government's Strategy for Sustainable Development of Ukraine until 2020. Among the key governance reform priorities are anti-corruption, judicial reform, decentralization, public administration, law enforcement, public procurement, constitutional reform, and electoral reform. State procurement reform aims to standardize public procurement and reduce corruption by enhancing openness. Parliament amended public procurement laws to meet worldwide norms in mid-2015. In the same year, a law was passed requiring all state procurement to be done using an open-source online system called "ProZorro" that encourages fair competition among government suppliers. A pilot study of the online procurement system, involving practically all ministries and agencies and over 300 enterprises, yielded favorable results earlier this year. By August 2016, all state purchasers must use the online system. The new public procurement process is the most innovative in Europe and has received international praise. Without a sector-wide plan to dissuade corruption, corrupt networks may discover methods to avoid the system and retain control. State procurement reform aims to standardize public procurement and reduce corruption by enhancing openness. Parliament amended public procurement laws to meet worldwide norms in mid-2015. In the same year, a law was passed requiring all state procurement to be done using an open-source online system called "ProZorro" that encourages fair competition among government suppliers. A pilot study of the online procurement system, involving practically all ministries and agencies and over 300 enterprises, yielded favorable results earlier this year. By August 2016, all state purchasers must use the online system. The new public procurement process is the most innovative in Europe and has received international praise. Unless a sector-wide plan to dissuade corruption is established, unscrupulous networks may discover methods to avoid the system and maintain influence. MPU has adopted anti-corruption policies and related documentation that comply with national anti-corruption laws and address critical concerns. The senior management of MPU pays close attention to the procurement staff's commitment to MPU's values and is cognizant of the dangers that may arise during the initial phases of medical procurement.

On the other hand, changes in the MoH's leadership resulted in the departure of some procurement professionals who have required knowledge and skills. Stakeholders are currently concerned about the institutional processes at the MoH and if they are completely capable of ensuring the long-term advantages of UNDP's technical support and capacity building for the MoH and SoE MPU. These 2023 evaluation conclusions match similar concerns expressed by stakeholders during the 2020 evaluation.

## TECHNICAL SUSTAINABILITY

As one of the international partners supporting the development of the SoE MPU and with a strong procurement and supply chain management history in health and non-health related projects and programmes around the world, UNDP helped to increase MPU's sustainability by:

1. Assisting in the establishment of SOPs for areas not covered by appropriate operating procedures.
2. At various phases of the procurement cycle, sharing hands-on knowledge and offering necessary training on quality assurance and control.
3. Sharing knowledge and designating professionals to MPU working groups building category management strategies.

During the project implementation MoH initiated the extension of the relevant legislation for an additional year of cooperation with international organizations in terms of procurement. Although, 2022 was dedicated towards the full transition of procurements to the SOE MPU; there are some positions in nomenclature of medicines can be challenging for procurement for the MPU, thus the MoH might express interest to continue to engage UNDP in procurement of these particular nomenclatures. UNDP's strategic interventions to strengthen national stakeholders' capacity were developed using many scientifically established organizational development models. In addition, UNDP procurement-linked staff were reduced progressively to match the speed at which relevant state enterprise that is administered by the MoH expands their procurement coverage and based on which UNDP programmes they take first and how many workers they need to implement them. To fulfill UNDP contractual obligations, key procurement implementation cycle positions will be retained until project completion. Reporting positions will be prioritized since project closure will depend on them. If the possibility arises, UNDP



workers will be accommodated to shift to a relevant state enterprise belonging to the MoH, other UNDP projects or other agencies .

The SoE Medical Procurement of Ukraine was progressively becoming ready to take over the procurement activities that were previously being handled by international organizations. Since it was first established, MPU has conducted market research, developed drafts of tender documentation and contracts, established an organizational structure, documented operational procedures, and developed drafts of operational procedures. Additionally, MPU has systematically built up its capacity. The team at the MPU is adequately knowledgeable of the laws governing public procurement, possesses an in-depth comprehension of the ProZorro procurement process, and is familiar with the fundamental quality requirements in the medical procurement industry.

UNDP conducted a survey among Ukrainian medicine manufacturers in order to assess the long-term viability of medical procurement. The purpose of the survey was to determine the degree to which sustainable practices are incorporated into the manufacturing and distribution processes. According to the results of the survey, the level of awareness regarding sustainable production and distribution among the regional manufacturers and providers of healthcare commodities is extremely low. Building the capabilities of enterprises operating in the most in-demand fields was the primary emphasis of the UNDP's response to the issue (energy efficiency, greenhouse gas emissions, environmental sustainability policies).

## FINANCIAL SUSTAINABILITY

Policy and regulatory frameworks are in place, enabling the SoE MPU to function as a national procurement agency in 2020. Adoption of two main laws 531-IX and №532-IX by parliament on March 17, 2020 which took effect from March 18, 2020 and April 1, 2020 respectively provided the legal basis for the SoE MPU to serve as a national central procurement organisation and use the key special legal and tax benefits that have been available to UNDP and other specialised procurement organisations under the laws and regulations enacted in 2015 and subsequent years. However, the ongoing full-scale war since 2022 undermines stability and economic recovery, and emergency and early recovery needs continue to exist in various parts of Ukraine affected by the ongoing military hostilities. The conflict resulted in wide-spread of economic hardship as well as challenges facing many vulnerable members of the communities. It is not clear how this challenging context is going to affect the ability of the government to devote financial resources to continue the provision of support needed to procure all of the medications.

## LIKELIHOOD OF IMPACT

The Project has high likelihood of creating impact in medium and long terms (inside and outside 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.).

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.

## CONCLUSION

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.

## 4. Conclusions, Lessons Learned and Recommendations

### Conclusions:

1. The project was tailored to the country's needs. The project's sustainable development and medical procurement capacity assistance were relevant to Ukraine's context. The project fits the institutional priorities for UNDP. Public procurement in Ukraine requires substantive changes to bring the country's institutional and legislative norms in line with international standards. The Project was able to identify and address the needed change in a context where state institutions face many internal challenges, including a lack of financial resources, difficulties in retaining qualified staff, a lack of expertise, and frequent reorganization.
2. The initiative showed how strong internal and external partnerships work. UNDP continued to assist the MoH with capacity development, supply chain process work, and structural development to completely lead the medical procurement process at the national and regional level in a transparent, accountable, gender responsive, and effective manner. UNDP plans to enhance the Health and Transparency portfolio by integrating healthcare, environment, human rights, anti-corruption, and transparency. This was done to promote Ukrainian health reforms based on UN principles such as human rights, leaving no one behind, gender equality, women's empowerment, sustainability and resilience, and accountability.
3. The evaluators considered the project context (internally and externally), relevance and coherence when assessing the UNDP's outcomes (as outlined in previous sections). The evaluation team believes UNDP has greatly contributed to outputs achieving planned outcomes. This conclusion is based on project document data and stakeholder interviews. Completed project goals are good evidence of achievements. While the project achieved most of its outputs, its flexibility and ability to work closely with stakeholders in partnership, its relationships with stakeholders, civil society, private sector, and academia, and its ability to measure results occasionally through reporting, monitoring, and instrument evaluation contributed to its success. Project reporting identified risks and offered viable solutions. "Flexibility" facilitated development despite project concerns. In conclusion, the Project has been successful, especially in improving public procurement and the health sector.
4. Despite the challenges caused by Covid-19 and full-scale war, most of the Project's activities were accomplished. UNDP supported the Government of Ukraine to get the critical medicines promptly and affordably from its global network of merchants and partners. This helped to address the pandemic, as well as to cover the war-related shortages.
5. Over the years of Project's implementation, UNDP was able to build the institutional capacity of MPU - a state enterprise responsible for all medical procurement at the central level. Since MPU was created in 2018, the Project provided technical expertise and training to its staff. In 2020, MPU successfully passed the assessment by KPMG and started medical procurement under 14 out of 28 budget programmes. By 2022, UNDP ensured a smooth transition of all programmes to MPU. Both MoH and MPU representatives demonstrate ownership of the Project's achievements and commitment to develop them in the future.

### Lessons learned and recommendations:

The Project's team has documented the key lessons learned which could be adapted to projects with similar approach where UNDP is providing procurement support and services (in Ukraine or in other countries). The evaluation team studied those lessons, and, together with inputs from various stakeholders, used them as basis for recommendations for future programming.

1. **Invest in building capacity of your beneficiaries and stakeholders.** To improve health procurement reform implementation, international organizations should supply medicines and medical devices through systemic digitalization initiatives and strengthen Ministry of Health's Procurement capacity. Supporting patient NGOs and the local pharmaceutical industry also helps shape the supply chain and gives Ukrainian patients transparent access to high-quality health products.
2. **Capitalize on UNDP's expertise.** Given UNDP expertise of the real market prices of medicines and medical products, UNDP can help the MoH to improve the process of quantification and budgeting of procurement programmes by providing estimated market prices based on the current dynamics of international pharmaceutical markets. However, the required legislation needs to be in place in order for Ukraine to benefit from such support.
3. **Early preparations are key for successful transition and sustainability.** Support the transition process of procurement of medicines and medical products from the international organizations by

engaging a consolidated development support to all branches of the Government in the area of sustainable procurement, anti-corruption and transparency, and human rights. Political dialogue at the highest levels of the UNDP and the political leadership is crucial for overcoming obstacles to the implementation of projects and the passage of important legislation related to anti-corruption. In addition, it is important to pay attention to and collaborate closely with MoH to guarantee prompt signature of CSAs as early as feasible in the year because late signing of CSAs introduces hazards to the transfer of funds procedure. Making financial decisions on time is essential to guaranteeing that medicines are delivered on time.

4. **Invest into the capacity of patients' CSOs.** Civil society and patients' groups advocate for the health reform and protect the rights of patients especially the most vulnerable - such as people living with HIV and TB. It's important to further empower these groups to conduct civic monitoring of medicines' availability in the hospitals and to extend such monitoring to the level of centralized procurement and supply. Building the capacities of civil society organisations is a long-term endeavor which yields the expected results after many years of implementation of programmes.
5. **Build positive image through systemic communication work.** To respond to information attacks, the project must monitor the media environment on its challenges. Understanding opinion formation and routes is crucial. The project hired an outside business to monitor press daily and monthly after many information attacks. Anti-fake interventions are necessary, but building a positive image of the institution through consistent collaboration with the government and patient organizations is more crucial. In addition, it is important to share realistic vision with beneficiaries in development interventions to agree on the achieved results. The project needs to manage proactively expectations of MoH as the core beneficiary through clear articulation and collected feedback. Communication and awareness raising activities must target the key stakeholders to maximize their influence.
6. **Use integrated information systems that allow to store and track all data and transactions.** Many programmes employ different budgeting systems, making it hard to obtain the data and compile a report. Smartsheet was enhanced to store full delivery cycle information for the periods considered (procurement, logistics and finance).
7. **Contribute to gender equality and social inclusion through further support of the healthcare reform.** Provide further technical assistance to the MoH and other national stakeholders to develop a functional healthcare system with a particular focus on addressing the diverse needs of women, men, girls, and boys, especially the most vulnerable. This may include: a) involving the women's and patients' organizations to designing the further programme interventions; b) including gender indicators at the outputs and outcomes levels; c) raising gender awareness of the national stakeholders (e.g. gender responsive budgeting); d) introducing specific measures to support women taking care of children or other family members with special conditions, diseases or disabilities (such as providing daily care and other services that may ease the life of such families); e) equally involving women and men into the expert work and capacity building activities; f) supporting the research demonstrating how the improved healthcare services result in the empowerment of women and better social inclusion.

## List of Annexes

Annex A: Evaluation Terms of Reference  
Annex B: Elaboration on the evaluation approach and design  
Annex C: List of documents reviewed  
Annex D: List of people Interviewed  
Annex E: Interview questions  
Annex F: Evaluation Matrix  
Annex G: Procurement efficiency results per health programmes





## ETHICAL GUIDELINES FOR EVALUATION

## PLEDGE OF ETHICAL CONDUCT IN EVALUATION

By signing this pledge, I hereby commit to discussing and applying the UNEG Ethical Guidelines for Evaluation and to adopting the associated ethical behaviours.

**INTEGRITY**

I will actively adhere to the moral values and professional standards of evaluation practice as outlined in the UNEG Ethical Guidelines for Evaluation and following the values of the United Nations. Specifically, I will be:

- **Honest and truthful** in my communication and actions.
- **Professional**, engaging in credible and trustworthy behaviour, alongside competence, commitment and ongoing reflective practice.
- **Independent, impartial and incorruptible**.

**ACCOUNTABILITY**

I will be answerable for all decisions made and actions taken and responsible for honouring commitments, without qualification or exception; I will report potential or actual harms observed. Specifically, I will be:

- **Transparent regarding evaluation** purpose and actions taken, establishing trust and increasing accountability for performance to the public, particularly those populations affected by the evaluation.
- **Responsive** as questions or events arise, adapting plans as required and referring to appropriate channels where corruption, fraud, sexual exploitation or abuse or other misconduct or waste of resources is identified.
- **Responsible** for meeting the evaluation purpose and for actions taken and for ensuring redress and recognition as needed.

**RESPECT**

I will engage with all stakeholders of an evaluation in a way that honours their dignity, well-being, personal agency and characteristics. Specifically, I will ensure:

- **Access to** the evaluation process and products by all relevant stakeholders – whether powerless or powerful – with due attention to factors that could impede access such as sex, gender, race, language, country of origin, LGBTQ status, age, background, religion, ethnicity and ability.
- **Meaningful participation and equitable treatment** of all relevant stakeholders in the evaluation processes, from design to dissemination. This includes engaging various stakeholders, particularly affected people, so they can actively inform the evaluation approach and products rather than being solely a subject of data collection.
- **Fair representation** of different voices and perspectives in evaluation products (reports, webinars, etc.).

**BENEFICENCE**

I will strive to do good for people and planet while minimizing harm arising from evaluation as an intervention. Specifically, I will ensure:

- **Explicit and ongoing consideration of risks and benefits** from evaluation processes.
- **Maximum benefits** at systemic (including environmental), organizational and programmatic levels.
- **No harm**. I will not proceed where harm cannot be mitigated.
- **Evaluation makes an overall positive contribution** to human and natural systems and the mission of the United Nations.

I commit to playing my part in ensuring that evaluations are conducted according to the Charter of the United Nations and the ethical requirements laid down above and contained within the UNEG Ethical Guidelines for Evaluation. When this is not possible, I will report the situation to my supervisor, designated focal points or channels and will actively seek an appropriate response.

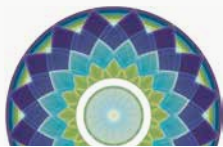
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Andrei Mecineanu

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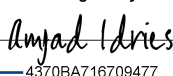
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- **No harm**. I will not proceed where harm cannot be mitigated.
- **Evaluation makes an overall positive contribution** to human and natural systems and the mission of the United Nations.

I commit to playing my part in ensuring that evaluations are conducted according to the Charter of the United Nations and the ethical requirements laid down above and contained within the UNEG Ethical Guidelines for Evaluation. When this is not possible, I will report the situation to my supervisor, designated focal points or channels and will actively seek an appropriate response.

DocuSigned by:



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12-Jan-2023

(Signature and Date)



## ETHICAL GUIDELINES FOR EVALUATION

## PLEDGE OF ETHICAL CONDUCT IN EVALUATION

By signing this pledge, I hereby commit to discussing and applying the UNEG Ethical Guidelines for Evaluation and to adopting the associated ethical behaviours.

**INTEGRITY**

I will actively adhere to the moral values and professional standards of evaluation practice as outlined in the UNEG Ethical Guidelines for Evaluation and following the values of the United Nations. Specifically, I will be:

- **Honest and truthful** in my communication and actions.
- **Professional**, engaging in credible and trustworthy behaviour, alongside competence, commitment and ongoing reflective practice.
- **Independent, impartial and incorruptible**.

**ACCOUNTABILITY**

I will be answerable for all decisions made and actions taken and responsible for honouring commitments, without qualification or exception; I will report potential or actual harms observed. Specifically, I will be:

- **Transparent regarding evaluation** purpose and actions taken, establishing trust and increasing accountability for performance to the public, particularly those populations affected by the evaluation.
- **Responsive** as questions or events arise, adapting plans as required and referring to appropriate channels where corruption, fraud, sexual exploitation or abuse or other misconduct or waste of resources is identified.
- **Responsible** for meeting the evaluation purpose and for actions taken and for ensuring redress and recognition as needed.

**RESPECT**

I will engage with all stakeholders of an evaluation in a way that honours their dignity, well-being, personal agency and characteristics. Specifically, I will ensure:

- **Access to** the evaluation process and products by all relevant stakeholders – whether powerless or powerful – with due attention to factors that could impede access such as sex, gender, race, language, country of origin, LGBTQ status, age, background, religion, ethnicity and ability.
- **Meaningful participation and equitable treatment** of all relevant stakeholders in the evaluation processes, from design to dissemination. This includes engaging various stakeholders, particularly affected people, so they can actively inform the evaluation approach and products rather than being solely a subject of data collection.
- **Fair representation** of different voices and perspectives in evaluation products (reports, webinars, etc.).

**BENEFICENCE**

I will strive to do good for people and planet while minimizing harm arising from evaluation as an intervention. Specifically, I will ensure:

- **Explicit and ongoing consideration of risks and benefits** from evaluation processes.
- **Maximum benefits** at systemic (including environmental), organizational and programmatic levels.
- **No harm**. I will not proceed where harm cannot be mitigated.
- **Evaluation makes an overall positive contribution** to human and natural systems and the mission of the United Nations.

I commit to playing my part in ensuring that evaluations are conducted according to the Charter of the United Nations and the ethical requirements laid down above and contained within the UNEG Ethical Guidelines for Evaluation. When this is not possible, I will report the situation to my supervisor, designated focal points or channels and will actively seek an appropriate response.

DocuSigned by:

Hanna Lukinova

04-Jan-2023

(Signature and Date)

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