



ANNUAL PROGRESS REPORT

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

2020

Reporting Period	January 2020 - December 2020
Donor	Ministry of Health, UNDP
Country	Ukraine
Project Title	Procurement Support Services to the Ministry of Health of Ukraine (phase 1 and 2)
Project ID (Atlas Award ID)	Project ID: 000090474, 00132175
UN Partnership Framework UNDP Country Planning Document	<p>UNPF/CPD Outcome: By 2022, women and men, girls and boys participate in decision-making and enjoy human rights, gender equality, effective, transparent, and non-discriminatory public services.</p> <p>CPD Output: 1.1. Regional and local authorities have scaled up knowledge and skills to engage communities in planning, coordination, delivery and monitoring of public services provision.</p> <p>SP Output: 1.2.1. Capacities at national and sub-national levels strengthened to promote inclusive local economic development and deliver basic services including HIV and related services</p> <p>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</p>
UNDP Strategic Plan	
SDGs	
Implementing Partner(s)	Ministry of Health, UNDP
Project Start Date	November 2015
Project End Date	December 2021
Annual Work Plan Budget (2020)	\$132,176,693.43
Total resources required (2020)	\$132,176,693.43
Unfunded budget (2020)	N/A
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List of acronyms

CO - Country Office

IDPs - Internally displaced persons

LTAs – Long-term agreements

CSOs/NGOs – Civil Society Organizations/ Non-Governmental Organizations

CCM – Country Coordination Mechanism

PHC – Public Health Centre of the Ministry of Health of Ukraine

EU – European Union

FTCI – Fast Track City Initiative

HIV/AIDS – Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome

LGBTI – lesbian, gay, bisexual, transgender and intersex

LMIC – Low- and middle-income countries

KSE - Kyiv School of Economics

MKH – Medical Knowledge Hub

MPU – State-owned enterprise Medical Procurement of Ukraine

MoH – Ministry of Health of Ukraine

NCD – Non-Communicable Diseases

PKU - Reagents for Mass Neonatal Screening for Phenylketonuria, Congenital Hypothyroidism, Mucoviscidosis, and Adrenogenital Syndrome

RBEC – Regional Bureau for Europe and the Commonwealth of Independent States

SGBV - Sexual and gender-based violence

IRH – UNDP Istanbul Regional Hub

VFM – Value for Money

UNDP - United Nations Development Programme

TB – tuberculosis

UN – United Nations

UNAIDS - Joint United Nations Programme on HIV/AIDS

UNICEF – United Nations Children's Fund

USD – United States Dollar

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I. Introduction

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

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

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

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

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

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

- (i) To procure medicines and medical products for the National Public Health Programmes for 2015 and ongoing years as needed,
- (ii) To strengthen the capacity of the Ministry of Health of Ukraine to ensure transparency, accountability and effectiveness of the public procurement of medicines and other medical products.

II. Background

Ukraine is a lower-middle income country with a total per capita health expenditure of \$141 USD in 2016¹. According to the latest WHO estimates, public expenditures on health in Ukraine in 2016 constituted 6.73%² of the gross domestic product, which is less than both EU and global averages.

In Ukraine, healthcare facilities are mainly government-funded: the financial resource is received from the respective budgets (of the oblast, city, region, and starting from 2016 - also from the budgets of unified territorial communities) based on the itemized budget of the facilities' expenditures.

In 2018 the Government moved away from maintaining a network of health care institutions providing services for free to strategic purchases of services.. The Government stopped allocating funds based on a cost estimate to maintain a certain health care institution, whether owned by the state or the community. Instead, health care institutions turned into autonomous business entities that receive compensation based on their performance, i.e., for medical services provided to patients.

Before 2015, the procurement of medicines and medical products was an issue for Ukraine. According to estimates by the Security Service of Ukraine, up to 40% of public funds were ineffectively managed or simply stolen³. In that context, few patients received essential medicines and necessary treatment. After the 2013–2014 Euromaidan revolution, the Ukrainian Government made a breakthrough in anti-corruption policy, legal and institutional reforms by adopting an anti-corruption strategy and legislative package aimed to bring the country into compliance with international anti-corruption standards. In line with this commitment, Ukraine initiated a long-due reform of the State healthcare procurement. Mindful of the long-lasting nature of such a reform process, and of the need to avoid further disruption in the provision of medicines to Ukrainian patients, the Parliament of Ukraine decided to temporarily transfer the procurement of the vital medical products to international organizations and modified the legislation accordingly.

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

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

² <https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=UA>

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

exclusively on the implementation of large projects financed by the Global Fund to Fight AIDS, Tuberculosis and Malaria, which have significant procurement components. Building on the work of the UNDP-Global Fund partnership, an increasing number of governments and partners are requesting UNDP to help strengthen national capacities and systems specifically in procurement and supply chain management of essential medicines and other health commodities. The Government of Ukraine has also requested the UN to provide support to ongoing reform processes and to the establishment of a transparent, accountable, cost-efficient, equitable and sustainable national health procurement and quality assurance system in the next few years.

Since 2015, public procurement of medicines and medical devices has been carried out through specialised international organisations such as UNDP, UNICEF, and Crown Agents.

III. Progress Review

The following progress has been made during January-December 2020 in line with the Project's objectives.

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

During 2020 the Project was procuring medicines and medical products as per agreements between UNDP and the MoH for the State Budgets of 2018, 2019, and 2020 years. The total amount of delivered medicines and medical products reached USD 102.2 mln.

Medical Procurement under the 2018 State Budget

During the reporting period of 2020, medicines and medical products for 17 programmes for the 2018 State Budget were delivered (Table 1). That amounts to USD 36.8 mln.

Table 1. Amounts delivered by individual programmes for the 2018 State Budget in 2020.

2018 State Budget	Delivered in 2020, USD	Total Budget, USD	% of Delivered in 2020 to Total 2018 State Budget
Adult Cancer	14,199,031.96	58,758,515.40	24%
Adult Cystic Fibrosis	256,594.65	673,229.05	38%
Adult Haemophilia	1,767,209.30	15,451,356.79	11%
Adult Hepatitis B and C	582,828.01	4,898,843.77	12%
Anti-D	258,945.32	339,098.92	76%
Arterial Hypertension	281,859.30	2,744,803.48	10%
Autism	12,336.98	405,487.62	3%
Bleeding	36,974.70	589,117.48	6%
Child Cancer	3,409,343.20	17,348,406.66	20%
Child Cystic Fibrosis	5,629.39	2,341,859.41	0.2%
Child Hepatitis	20,842.42	184,704.81	11%
Epidermolysis Bullosa	255,111.75	1,453,931.30	18%
Infertility	54,267.59	221,069.92	25%

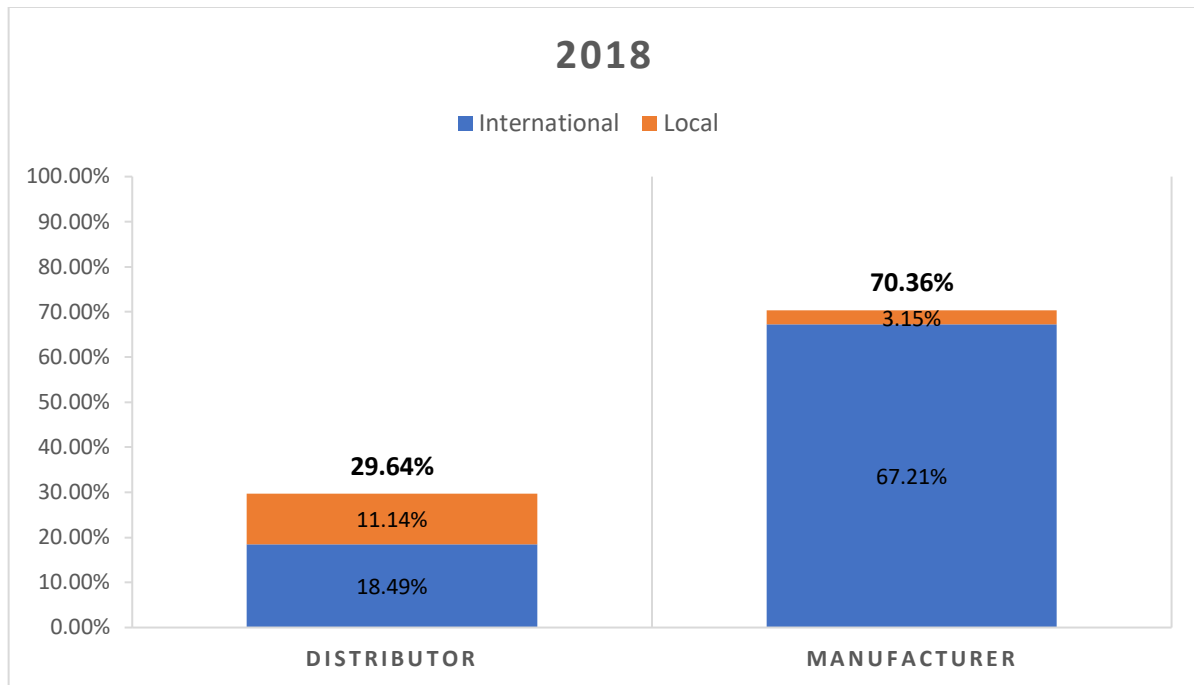
Multiple Sclerosis	370,459.29	2,976,995.82	12%
PKU	5,300	566,102.32	1%
TB medicines	14,739,249.53	16,172,081.51	91%
Transplantology	541,788.94	3,184,616.50	17%

More than 80,000 patients received access to medicines and medical products for the 2018 State budget funds (Table 2).

Table 2. Number of patients who received access to medicines under the State Budget 2018 in 2020.

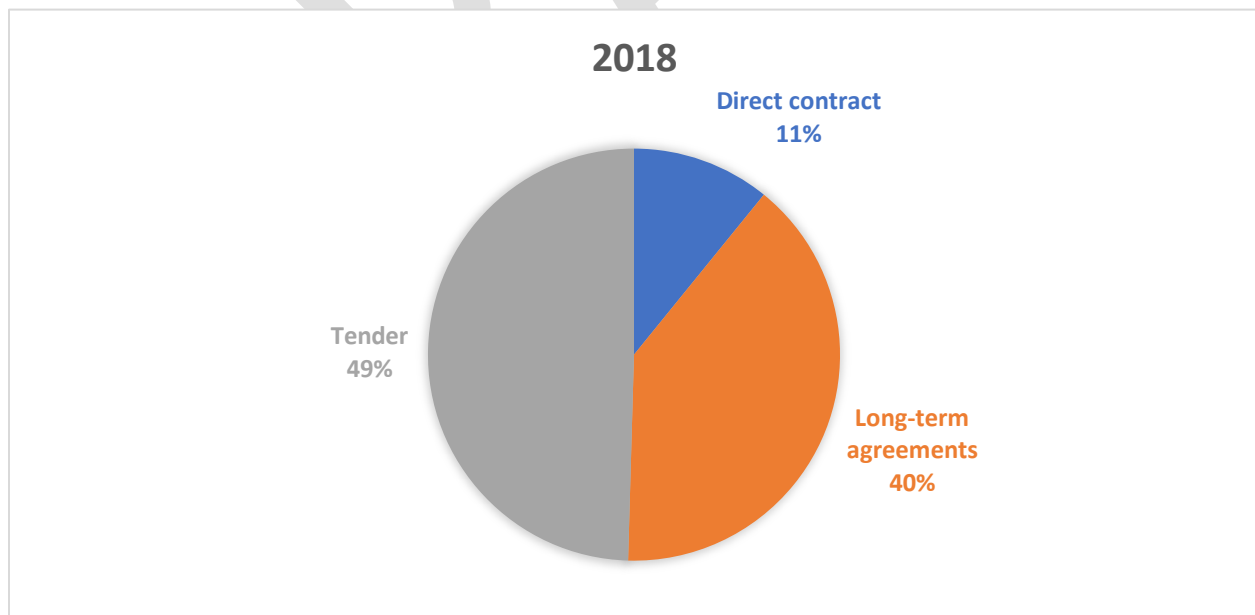
2018 State Budget	Planned total number of patients to receive treatment for 2018 State Budget	Nr. of patients receiving treatment in 2020 from 2018 budget funds
Adult Cancer	141,350	34,157
Adult Cystic Fibrosis	217	83
Adult Haemophilia	1,633	187
Adult Hepatitis B and C	16,865	2,006
Anti-D	1,580	1,207
Arterial Hypertension	418	43
Autism	3,853	117
Bleeding	243	15
Child Cancer	1,148	226
Child Cystic Fibrosis	625	2
Child Hepatitis	124	14
Epidermolysis Bullosa	89	16
Infertility	391	96
Multiple Sclerosis	4,606	573
PKU	123,134	1,153
TB medicines	44,148	40,237
Transplantation	1,750	298
Total		80,428

The procurement according to suppliers (per monetary value) was distributed as follows:



Thus, most medicines and medical products for the 2018 State Budget were purchased from manufacturers (70.4%) in the reporting period.

The distribution according to solicitation type shows that most medicines and medical devices were procured and delivered using a competitive process (49%).



The overall results of the procurement under the 2018 State Budget are presented in Table 3:

Table 3. Procurement under the 2018 State Budget

2018 State budget (as of 03/02/2021)	Total Budget	% of Contracted to Total Budget	% of Delivered to Total Budget	Total Number of items	% of Delivered Items to Total number of items
Dwarfism	518,159.06	100%	100%	2	100%
Gaucher	4,195,967.07	100%	100%	3	100%
Infertility	221,069.92	103%	103%	8	100%
Anti-D	339,098.92	100%	100%	2	100%
Mucopolisaccharidosis (MPS)	8,905,917.34	100%	100%	4	100%
Adult Haemophilia	15,451,356.79	100%	97%	20	100%
Transplantology	3,184,616.50	95%	95%	22	95%
Adult Cancer	58,758,515.40	100%	99%	106	94%
PKU	566,102.32	100%	100%	7	100%
Child Cystic Fibrosis	2,341,859.41	100%	100%	5	100%
Cerebral Palsy	190,288.78	100%	100%	2	100%
Orphans	1,075,753.59	100%	100%	6	100%
Epidermolysis Bullosa	1,453,931.30	100%	100%	14	100%
Multiple Sclerosis	2,976,995.82	100%	100%	6	100%
PID	583,665.25	97%	97%	12	75%
Child Hepatitis	184,704.81	51%	51%	9	89%
Mortality	1,445,389.07	62%	62%	6	33%
Bleeding	589,117.48	100%	100%	4	100%
Arterial Hypertension	2,744,803.48	94%	94%	9	100%
Adult Cystic Fibrosis	673,229.05	100%	100%	2	100%
TB diagnostics	13,271.00	96%	96%	2	100%
Juvenile arthritis (JRA)	4,349,030.03	100%	100%	6	100%
Children Haemophilia	9,176,125.34	100%	100%	19	100%

Adult Hepatitis B and C	4,898,843.77	99%	99%	10	100%
Child Cancer	17,348,406.66	100%	100%	326	85%
TB medicines	16,172,081.51	99%	97%	36	75%
Autism	405,487.62	55%	55%	30	60%
Total	158,763,787.29	99%	98%	679	87%

The procurement process under all programmes is finished. The delivery process is planned to be finalized by the end of June 2021.

Medical Procurement under the 2019 State Budget

During the reporting period of 2020 medicines and medical products for 27 programmes for the 2019 State Budget were delivered (Table 4). That amounts to USD 57.6 mln.

Table 4. Amounts delivered by programmes for the 2019 State Budget in 2020.

2019 State Budget	Delivered in 2020, USD	Total Budget, USD	% of Delivered in 2019 to Total 2019 State Budget
Adult Cystic Fibrosis	65,261.41	1,419,126.22	5%
Adult Haemophilia	12,695,775.09	19,819,755.26	64%
Adult Hepatitis B and C	5,567,570.63	5,648,546.94	99%
Adult Juvenile arthritis (JRA)	1,491,409.01	2,766,247.47	54%
Adult PID	1,853,246.10	1,870,596.06	99%
Anti-D	49,050.12	318,079.56	15%
Arterial Hypertension	881,765.46	3,441,444.16	26%
Autism	192,228.84	448,025.44	43%
Bleeding	488,250.95	690,102.82	71%
Cerebral Palsy	261,349.41	308,938.62	85%
Child Cystic Fibrosis	1,001,756.33	3,702,829.40	27%
Child Hepatitis	93,707.89	128,295.22	73%
Children Haemophilia	9,828,762.11	20,401,243.90	48%
Dwarfism	1,321,494.05	1,321,505.27	100%
Epidermolysis Bullosa	1,865,496.45	2,672,963.13	70%
Gaucher	1,106,487.36	4,779,691.84	23%
Infertility	94,378.04	232,896.89	41%
Juvenile arthritis (JRA)	3,863,923.59	5,645,760.69	68%
Mortality	376,048.37	1,683,337.27	22%
Mucopolisaccharidosis (MPS)	2,688,976.20	11,602,784.82	23%
Multiple Sclerosis	3,385,977.60	4,770,485.86	71%
Orphans	236,097.41	891,051.61	26%

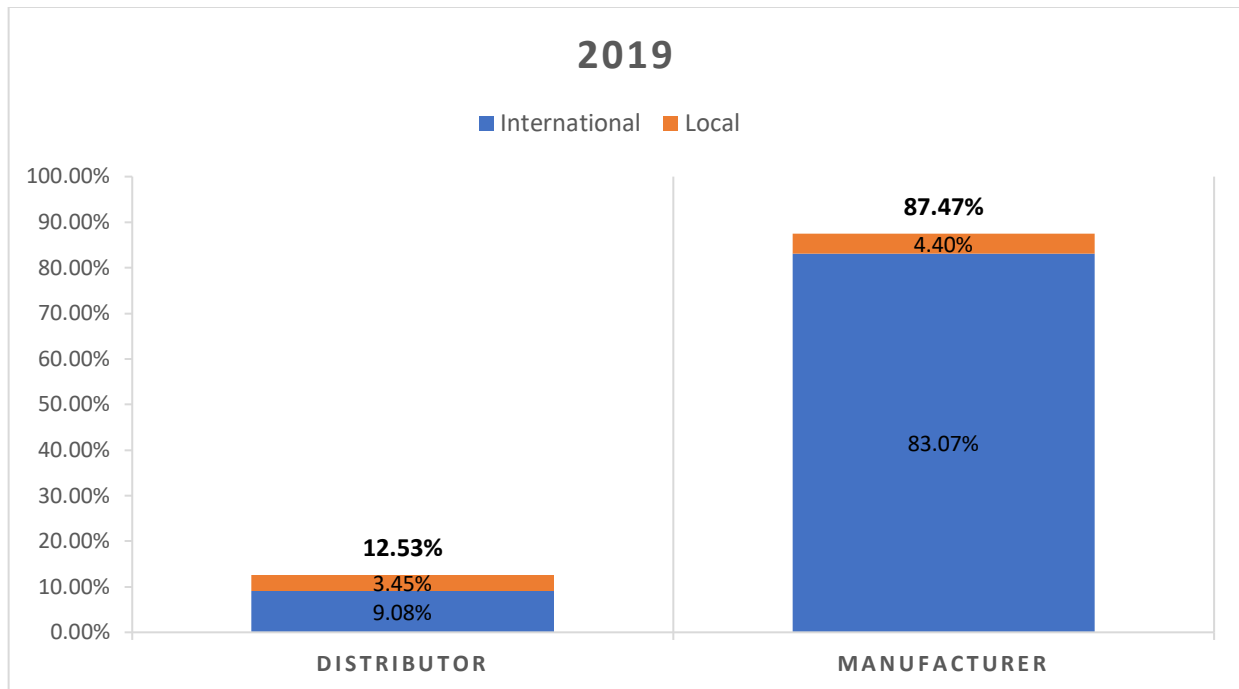
PID	612,448.96	698,527.25	88%
PKU	309,842.18	466,993.72	66%
TB diagnostics	1,128,065.84	2,119,177.40	53%
TB medicines	4,142,952.45	7,663,199.34	54%
Transplantology	2,000,178.62	4,478,824.51	45%
Grand Total	57,602,500.47	109,990,430.67	

More than 108,000 patients received access to medicines and medical products for the 2019 State budget funds (Table 5).

Table 5. Number of patients who received access to medicine under the State Budget 2019 in 2020.

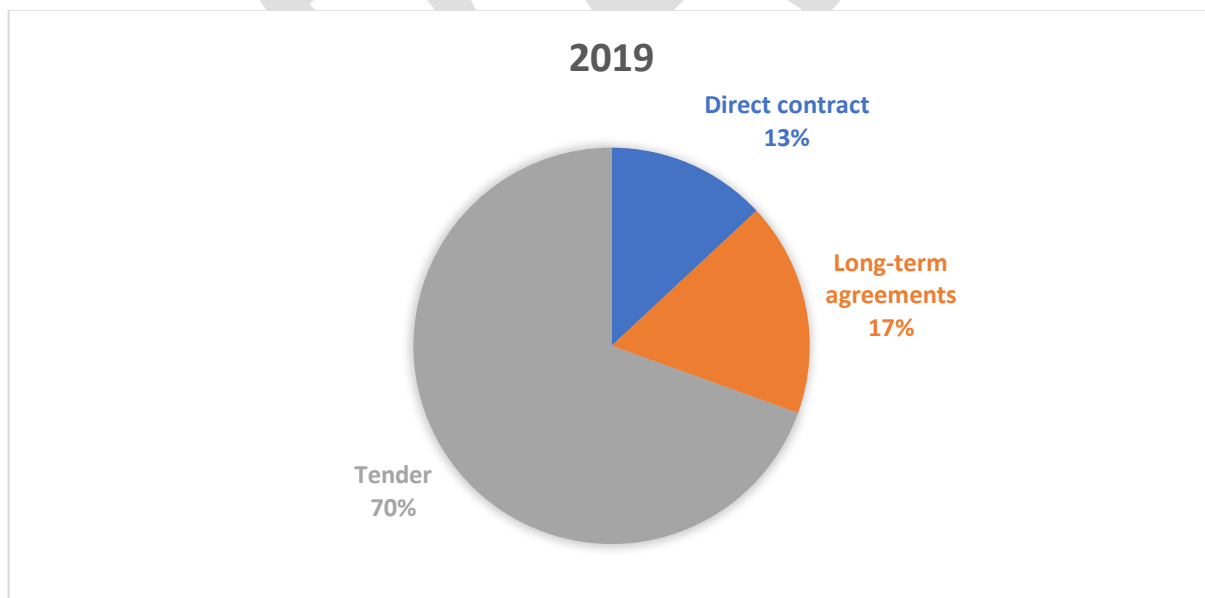
2019 State Budget	Planned total number of patients to receive treatment for 2019 State Budget	Nr. of patients receiving treatment in 2020 from 2019 budget funds
Adult Cystic Fibrosis	235	11
Adult Haemophilia	1,633	1,046
Adult Hepatitis B and C	6,000	5,914
Adult Juvenile arthritis (JRA)	311	168
Adult PID	84	83
Anti-D	6,172	952
Arterial Hypertension	418	107
Autism	4,238	1,818
Bleeding	243	172
Cerebral Palsy	1,673	1,415
Child Cystic Fibrosis	625	169
Child Hepatitis	113	83
Children Haemophilia	670	323
Dwarfism	1,613	1,613
Epidermolysis Bullosa	109	76
Gaucher	46	11
Infertility	403	163
Juvenile arthritis (JRA)	650	445
Mortality	399	89
Mucopolisaccharidosis (MPS)	44	10
Multiple Sclerosis	20,934	14,858
Orphans	28	7
PID	142	125
PKU	91,828	60,926
TB medicines	32,679	17,667
Transplantology	1,910	860
Total		109,111

The procurement according to suppliers (per monetary value) was distributed as follows:



In the reporting period, most medicines and medical products for the 2019 State Budget were purchased from manufacturers (87.4%).

The distribution according to solicitation type shows that most medicines and medical devices were procured and delivered using a competitive process (70%).



The overall results of the procurement under the 2019 State Budget are presented in Table 6.

Table 6. Procurement under the 2019 State Budget

2019 State budget (as for 03/02/2021)	Total Budget	% of Contracted to Total Budget	% of Delivered to Total Budget	Total Number of items	% of Delivered Items to Total number of items
Adult Cystic Fibrosis	1,419,126.22	94%	94%	2	100%
Adult Haemophilia	19,819,755.26	91%	64%	20	85%
Adult Hepatitis B and C	5,648,546.94	100%	99%	9	89%
Adult Juvenile arthritis (JRA)	2,766,247.47	58%	54%	5	80%
Adult PID	1,870,596.06	99%	99%	8	88%
Anti-D	318,079.56	91%	91%	2	100%
Arterial Hypertension	3,441,444.16	71%	60%	7	100%
Autism	448,025.44	56%	49%	33	61%
Bleeding	690,102.82	83%	83%	5	100%
Cerebral Palsy	308,938.62	92%	92%	2	100%
Child Cystic Fibrosis	3,702,829.40	98%	98%	5	100%
Child Hepatitis	128,295.22	73%	73%	8	100%
Children Haemophilia	20,401,243.90	100%	83%	24	92%
Dwarfism	1,321,505.27	100%	100%	2	100%
Epidermolysis Bullosa	2,672,963.13	70%	70%	14	100%
Gaucher	4,779,691.84	98%	98%	3	100%
Infertility	232,896.89	93%	93%	8	100%
Juvenile arthritis (JRA)	5,645,760.69	68%	68%	6	100%
Mortality	1,683,337.27	49%	49%	7	29%
Mucopolisaccharidosis (MPS)	11,602,784.82	97%	97%	4	100%
Multiple Sclerosis	4,770,485.86	100%	100%	7	100%
Orphans	891,051.61	100%	100%	6	100%
PID	698,527.25	90%	90%	14	79%
PKU	466,993.72	85%	85%	7	100%
TB diagnostics	2,119,177.40	95%	53%	16	94%
TB medicines	7,663,199.34	95%	56%	34	71%
Transplantation	4,478,824.51	46%	45%	21	67%
Total	109,990,430.67	90%	78%	279	83%

Medical Procurement under the 2020 State Budget

The Cost-Sharing Agreement (CSA) between the Ministry of Health of Ukraine and UNDP was signed on November 5, 2020 for the procurement of medicines and medical devices with a total value of UAH 1,9 bln that corresponds to USD 68,513,812, subject to the interbank exchange rate on the dates of exchange (Table 7 and 8).

Table 7. List of programmes assigned to UNDP under 2020 State Budget by Agreement signed date.

Programme	Agreement signed date	Amount, UAH	Amount, USD
Adult Cystic Fibrosis	20/11/20	50,811,098.18	1,808,224.13
Adult Juvenile arthritis (JRA)	20/11/20	29,984,100.07	1,067,049.82
Arterial Hypertension	20/11/20	122,368,527.07	4,354,751.85
Child Cystic Fibrosis	20/11/20	106,922,598.15	3,805,074.66
Dwarfism	05/11/20	29,106,100.00	1,035,804.27
Epidermolysis Bullosa	20/11/20	96,321,399.76	3,453,617.77
Juvenile arthritis (JRA)	20/11/20	94,180,315.66	3,351,612.65
Orphans	20/11/20	790,856,868.91	27,876,519.87
PID	20/11/20	50,877,039.74	1,810,570.80
TB medicines	05/11/20	417,466,718.57	14,872,344.80
Transplantation	20/11/20	141,632,151.11	5,078,241.34
Total budget		1,930,526,917.22	68,513,811.96
Number of programmes			11

The first payment to UNDP from the MoH was made in December 2020 with the further payments according to Table 8:

Table 8. List of programmes assigned to UNDP under 2020 State Budget by payment date.

Programme	MOH Payment date	Payment receiving date	Amount, UAH	Exchange rate	Amount, USD
Adult Cystic Fibrosis	18/12/20	22/12/20	50,811,098.05	28.1	\$1,808,224.13
Adult Juvenile arthritis (JRA)	18/12/20	22/12/20	29,984,099.94	28.1	\$1,067,049.82
Arterial Hypertension	18/12/20	22/12/20	122,368,526.99	28.1	\$4,354,751.85
Child Cystic Fibrosis	18/12/20	22/12/20	106,922,597.95	28.1	\$3,805,074.66
Dwarfism	18/12/20	22/12/20	29,106,099.99	28.1	\$1,035,804.27
Epidermolysis Bullosa	17/12/20	21/12/20	96,321,399.61	27.89	\$3,453,617.77
Juvenile arthritis (JRA)	18/12/20	22/12/20	94,180,315.47	28.1	\$3,351,612.65
Orphans	02/12/20	04/12/20	790,856,868.71	28.37	\$27,876,519.87
PID	18/12/20	22/12/20	50,877,039.48	28.1	\$1,810,570.80
TB medicines	10/12/20	14/12/20	417,466,718.54	28.07	\$14,872,344.80
Transplantology	17/12/20	21/12/20	141,632,150.97	27.89	\$5,078,241.34

More than 35,000 people will receive access to medicines and medical products for the 2020 State budget funds (Table 9).

Table 9. Number of patients who will receive access to medicine under the State Budget 2020.

2020 State Budget	Total number of patients planned to receive treatment from 2020 State Budget
Adult Cystic Fibrosis	244
Adult Juvenile arthritis (JRA)	331
Arterial Hypertension	597
Child Cystic Fibrosis	640
Dwarfism	1,613
Epidermolysis Bullosa	118
Juvenile arthritis (JRA)	846
Orphans	152
PID	184
TB medicines	30,378
Transplantology	1,592
Total	36,695

The procurement process for 9 programmes has already started). The overall results of the procurement under the 2020 State Budget are presented in Table 10.

Table 10. Procurement under the 2020 State Budget

2019 State budget (as for 03/02/2021)	Total Budget	Procurement process started (X)	% of Contracted to Total Budget	% of Delivered to Total Budget	Total Number of items	% of Delivered Items to Total number of items
Adult Cystic Fibrosis	1,808,224.13	X	0%	0%	2	0%
Adult Juvenile arthritis	1,067,049.82	X	0%	0%	6	0%
Arterial Hypertension	4,354,751.85	-	0%	0%	8	0%
Child Cystic Fibrosis	3,805,074.66	X	0%	0%	5	0%
Dwarfism	1,035,804.27	X	0%	0%	2	0%
Epidermolysis Bullosa	3,453,617.77	-	0%	0%	14	0%
Juvenile arthritis (JRA)	3,351,612.65	X	0%	0%	7	0%
Orphans	27,876,519.87	X	90%	28%	14	50%
PID	1,810,570.80	X	0%	0%	16	0%
TB medicines	14,872,344.80	X	14%	0%	38	0%
Transplantation	5,078,241.34	X	0%	0%	24	0%
Total	68,513,811.96	9	40%	11%	136	5%

Key Achievements in Medical Procurement

Using the international procurement mechanisms, UNDP managed to demonstrate significant level of efficiency in procuring medicines and medical products. Some key results are:

- The number of State Procurement Programmes in the period of 2015-2020 implemented by UNDP reached 122 with a total budget of over \$598 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).
- UNDP continued to conduct the public procurement of medicines and other medical products according to the agreement with the MoH demonstrating a high level of efficiency. For the State Budget Programme of 2018, medicines for USD 157 mln (99% of the budget amount) were contracted and for USD 156 mln (98% of budget amount) were delivered. For the State Budget Programme of 2019, medicines for USD 99 mln (90% of the budget amount) were contracted and for USD 86 mln (78% of budget amount) were delivered.
- UNDP was entrusted with procuring medicines for 11 programmes for the State Budget Programme of 2020, namely, cystic fibrosis (child and adult), primary immunodeficiency disorder (child), arterial hypertension, dwarfism, epidermolysis bullosa, juvenile rheumatoid arthritis (child and adult), rare diseases, tuberculosis and patients in the pre- and post-transplant period. The total budget for this budget cycle is USD 68 mln.
- As a part of the provision of technical assistance to the MoH of Ukraine, UNDP delivered orthopaedic rehabilitation equipment for children with central nervous system and musculoskeletal disorders to the Tulchyn Regional Orphanage.
- For the first time in Ukraine a medicine for multidrug-resistant tuberculosis treatment – bedaquiline - was procured and delivered by UNDP. It is expected that the procured quantity of bedaquiline will allow 4,645 Ukrainian patients with multidrug-resistant tuberculosis to receive vital treatment.
- 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. The medicine reduces the risk of bleeding and sustains the adherence to treatment due to comfortable subcutaneous administration, instead of the previously used infusion. Thus, the medicine is active in the body for a longer period of time, resulting in the improvement of patients' quality of life.

The most significant procurement results for the 2018 and 2019 State budgets are presented in Table 11.

Table 11. Savings by items and programmes.

Programme	INN	MoH Unit Price, USD	UNDP Unit Price, USD	Quantity	Savings	Savings by programmes
Multiple Sclerosis	Fingolimod / capsules / 0.5 mg	43.29	3.78	11564	456,893.64	1,570,459.08
	Glatiramer acetate / ampules, vials, syringes / 40 mg	39.77	21.2	38,016	705,957.12	

	Glatiramer acetate / ampules, vials, syringes / 20 mg	17.93	9.01	45,696	407,608.32	
Arterial Hypertension	Bosentan / tablets / 62.5 mg	14.63	4.72	9,464	93,788.24	1,035,132.56
	Bosentan / tablets / 125 mg	29.22	7.16	42,672	941,344.32	
Mucopolisaccharidosis (MPS)	Idursulfase / concentrate for solution for infusion, vial 3 ml in 1 vial per cardboard box / 2 mg/ml	3825.19	3071.88	2,236	1,684,401.16	1,684,401.16
Children Haemophilia	Emicizumab / vials / 30 mg, 60 mg, 105 mg	69.83	58.04	100,785	1,188,255.15	1,188,255.15
Orphan	Nitisinone / hard capsules / 5 mg	35.65	28.43	900	6,498.00	18,910.80
	Nitisinone / hard capsules / 10 mg	63.78	50.85	960	12,412.80	
Child Hepatitis	Entecavir / tablets / 1 mg	10.35	0.62	360	3,502.80	25,678.80
	Entecavir / tablets / 0,5 mg	5.17	0.37	4620	22,176.00	
TB medicines	Bedaquiline / tablets, capsules, pills / 100mg	6.12	2.4	305688	1,137,159.36	8,798,159.36
	Bedaquiline / tablets, capsules, pills / 100mg	6.12	1.62	567572	2,554,074.00	
	Bedaquiline / tablets, capsules, pills / 100mg	6.12	1.63	1137400	5,106,926.00	
Adult Juvenile arthritis (JRA)	Adalimumab / 40 ml	583.03	116.6	3962	1,847,995.66	2,087,352.75
	Tocilizumab / 80 mg/4 ml	188.68	156.5	912	29,348.16	
	Tocilizumab / 200 mg/10 ml	472.1	391.57	1756	141,410.68	
	Etanercept	257.64	202.46	568	31,342.24	
	Golimumab	1094.66	931.97	229	37,256.01	
JRA	Adalimumab / pre-filled single dose syringe / 40 ml	583.03	116.6	7716	3,598,973.88	4,428,336.95
	Adalimumab / single-use vial / 40 ml	669.66	483.58	1749	325,453.92	

	Tocilizumab / 80 mg/4 ml	188.86	156.5	6609	213,867.24	
	Tocilizumab / 200 mg/10 ml	472.1	391.57	3247	261,480.91	
	Etanercept / 50 mg / ml in pre-filled 0.5 ml syringes (25 mg)	128.82	106.85	644	14,148.68	
	Etanercept / 50 mg / ml in pre-filled 1 ml syringes (50 mg)	257.64	213.7	328	14,412.32	
Adult Haemophilia	Human blood coagulation factor VIII (plasma) / vial, ampule, syringe / 500 IU	0.22	0.1	1,946,500	233,580.00	6,447,630.00
	Human blood coagulation factor VIII (plasma) / vial, ampule, syringe / 1000 IU	0.18	0.1	12,329,000	986,320.00	
	Blood coagulation factor VIII (recombinant) / vial, ampule, syringe / 500 IU	0.25	0.14	2,315,000	254,650.00	
	Blood coagulation factor VIII (recombinant) / vial, ampule, syringe / 1000 IU	0.25	0.14	16,259,000	1,788,490.00	
	Blood coagulation factor VIII (recombinant) / vial, ampule, syringe / 1500 IU	0.24	0.15	5,025,000	452,250.00	
	Blood coagulation factor VIII (recombinant) / vial, ampule, syringe / 2000 IU	0.22	0.14	2,670,000	213,600.00	
	Blood coagulation factor VIII (recombinant) / vial, ampule, syringe / 3000 IU	0.22	0.14	1,650,000	132,000.00	
	Human blood coagulation factor IX (plasma) / vial, ampule, syringe / 500 IU and/or 600 IU	0.19	0.12	816,500	57,155.00	
	Human blood coagulation factor IX (plasma) / vial, ampule, syringe / 1000 IU and/or 1200 IU	0.19	0.12	3,020,000	211,400.00	

	Blood coagulation factor IX (recombinant) / vial, ampule, syringe / 500 IU	0.32	0.29	596,000	17,880.00	
	Human blood coagulation factor VIII and von Willebrand factor (with factor ratio 1 to 0,75 and higher) / vial, ampule, syringe / 500 IU	0.18	0.12	9,157,000	549,420.00	
	Human blood coagulation factor VIII and von Willebrand factor (with factor ratio 1 to 1 and higher) / vial, ampule, syringe / 500 IU	0.18	0.15	1,489,500	44,685.00	
	Anti-inhibitor coagulant complex / vial, ampule, syringe / 500 IU	1.58	0.9	395,000	268,600.00	
	Anti-inhibitor coagulant complex / vial, ampule, syringe / 1 000 IU	1.58	0.9	1,820,000	1,237,600.00	
Cerebral Palsy	Botulinum toxin type A / 500 units	242.9	217.3	1,169	29,926.40	33,391.64
	Botulinum toxin type A / 100 units	163.75	146.51	201	3,465.24	
Gaucher	Imiglucerase / powder for preparation of concentrate for solution for infusion / 400 U/ ml in vial	1640.03	1457.5	2908	530,797.24	530,797.24
Epidermolysis Bullosa	Dressing for open wounds, sterile Mepilex® Lite 20 x 50 cm, or equivalent	52.63	41.09	27,836	321,227.44	490,051.44
	Dressing for open wounds, sterile Mepilex® Transfer 20 x 50 cm, or equivalent	57.92	45.2	10,500	133,560.00	
	Dressing for open wounds, sterile Mepitel® 10 x 18 cm, or equivalent	8.91	7.31	22,040	35,264.00	

Medical Quality Assurance Policy Implementation

In July 2018, the UNDP Executive Group approved a new Quality Assurance Policy (QAP). On 27 March 2019, the QAP and Procedures for Health Products were added to the Procurement section of the Programme and Operations Policies and Procedures and became mandatory for all the country offices

dealing with medical procurement, including Ukraine. Due to the fact at that time the procurement cycle under Cost Sharing Agreements of 2018 and 2019 budget year were being already implemented, UNDP Ukraine, after several consultations with the Ministry of Health, obtained a waiver postponing the implementation of UNDP recently approved QAP till 31 December 2020.

The table below presents a brief comparison between the “new” and “old” quality criteria used during the health procurement processes performed by UNDP. Since April 2020 UNDP Ukraine adheres fully to the new QAP.

Health Quality Assurance Policy	
MEDICINES	
“Old” criteria <ul style="list-style-type: none"> Option 1: SRA Approved + PIC/S GMP or WHOPIR Option 2: UKR Registration + PIC/S GMP or WHOPIR Option 3: WHO PQ + PIC/S or WHOPIR Option 4: ERP + PIC/S or WHOPIR 	“New” criteria <ul style="list-style-type: none"> Option 1: SRA Approved⁴ Option 2: WHO PQ Option 3: Valid ERP approval Option 4: Stringent GMP⁵ + UNDP Assessment of product information (CTD or IAPQ) <p>For all options, product should be registered or authorized by Ukrainian Regulatory Authority (SMDC).</p>
MEDICAL PRODUCTS	
“Old” criteria: <ul style="list-style-type: none"> Option 1: GHTF or WHO quality system standards + GMP PIC/S or ISO / QS Standard; Option 2: UKR Registration + GHTF Quality Management System standards; 	“New” criteria <ul style="list-style-type: none"> GHTF or WHO quality system standards + ISO 13485: 2003 or equivalent QMS;

Moreover, in 2020 the SOPs on Technical and Quality Criteria for review and assessment of Manufacturers during bid evaluation and Market Research Strategy of health products (sources and registrations) have been reviewed to meet the requirements of the new QAP.

⁴ As per interim WHO definition of Stringent Regulatory Authority (SRA)

https://www.who.int/medicines/areas/quality_safety/quality_assurance/SRA_QAS17-728Rev1_31082017.pdf?ua=1

⁵ Stringent GMP as per UNDP Policy: WHO PQP, Inspections by European Union (EU), UK Medicines and Healthcare products Regulatory Agency (UK MHRA), US Food and Drug Administration (US FDA), Australian Therapeutic Goods Administration (TGA), Health Canada and Swiss Medic.

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. Some activities (e.g., SoE MPU capacity assessment and public monitoring of medicines availability) will be finished in 2021.

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.
- UNDP engaged a consulting company to assess the capacity of the SoE MPU in public procurement and its adherence to the principles of transparency and integrity to optimize the process of transferring public medical procurement from the international organizations. The assessment was done twice, in the beginning and at the end of 2020, so that the trends in development could be captured. Overall, the MPU demonstrated improved capacity by starting the procurement of 14 out of 38 state medicines programmes. The final report and recommendations are due in March 2021.
- The planned activity on corruption risk assessment of the SoE MPU was initiated. However at the request of its beneficiary, due to high workload related to COVID procurement and parallel on-going evaluations, was transferred to 2021.
- The H&T Programme presented the Analytical report "Low-value grants for public monitoring of the delivery and availability of medicines at local level". For three years in a row (2017-2019) UNDP provided grants to NGOs to collect data on the procurement and distribution of medicines to local hospitals in different oblasts, aiming to undertake an independent, third-party assessment, thus receiving real-life information about the availability and access to treatments that UNDP procures and to develop the capacity of Ukrainian patients organisations to conduct autonomous, impartial surveys. This round of monitoring analyzed 132 medicines and covered 11 oblasts. In 2020 UNDP launched the fourth round of monitoring aiming at collecting data on the procurement and distribution of medicines to local hospitals in 17 regions of Ukraine and the city of Kyiv. Six civil society organizations were awarded low-value grants.

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

- UNDP provided technical assistance in kind to the MoH in the shape of orthopedic rehabilitation equipment for children with central nervous system and musculoskeletal disorders in the Tulchyn Regional Orphanage (total value app. 34.000 USD).

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

- A training module on the impact of climate change on health for medical and public health specialists was developed by UNDP in collaboration with the Public Health Centre and initial training sessions to relevant stakeholders were conducted in early 2021. The developed modules will be published on the learning resource of the Public Health Center.
- UNDP published a report on impact assessment of health care waste management practices in medical establishments in Ukraine. This research project examined the gaps that exist in the national legislation and provides recommendations on how to close those gaps. UNDP aims to move forward with its support to Ukraine to transition towards a sustainable manufacture, consumption and disposal of medicines and health commodities. In line with this, a Legal environment assessment of health care waste management was initiated. It covers the aspects of management of COVID contaminated waste and generated by the upcoming COVID vaccination campaign.

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

- The MoH was provided with continuous support in developing the digital stock management platform. Co-financing from the WB-funded project has been approved by the MoH. UNDP continues to support the SoE e-Health in the update of the electronic logistic management information system ToR and development of the technical requirements of the national electronic registry of medicines and medical devices.
- Transparency and accountability of the medicines supply chain was enhanced through strengthening the technical capacity of the E-Liky online platform operating in all regions of Ukraine. Currently patients can check the availability of medicines in 1,952 health facilities. More than 625,140 people obtained up-to-date information on the availability of the state-funded medicines in local hospitals through the website. More than 2,390 people consulted the phone/online E-Liky hotline. An awareness raising campaign about the services was conducted in five regions.

Activity 2.5 Enabling environment to empower human rights of the HIV/TB vulnerable populations strengthened

- UNDP scaled up the dialogue among stakeholders working on the HIV and Law Commission recommendations implementation in Ukraine by supporting the National Judges Platform on HIV, TB and Health Rights (established by UNDP in 2018). A Compendium of law cases relevant to HIV and TB that further elucidates the crucial role of the judiciary practitioners in the response to HIV and TB in the country was prepared. The Compendium also presents a comparison between the Ukrainian legislation on HIV and human rights and that of some selected European countries in an attempt to show the differences, gaps and opportunities for harmonization and reaching advanced international standards. The document will be presented at a meeting of the National Judges Platform during the first quarter of 2021.
- UNDP established an all-party parliamentary platform on human rights and socially dangerous diseases. It is a setting where members of the Ukrainian parliament (Verkhovna Rada) can discuss HIV-, TB-, human rights- and other health-related issues, bills, and other relevant topics. In

addition, representatives of community-based organisations can reach to parliamentarians and bring to their attention problems and suggested solutions that can be further presented for discussion during the Rada sessions. The Platform was registered in the Verkhovna Rada of Ukraine after consultations with the civil society and patients organisations. A mission statement and other modus operandi documents have been already created.

- UNDP continued its project of support and technical assistance to fast-track cities. In 2020 the city of Dnipro was a subject of particular attention regarding the implementation of it previously prepared Human Right and Healthy City Action Plan. Dnipro has recently signed the Paris Declaration to end the AIDS epidemic. As a first step towards that goal, a dedicated training session was conducted resulting in improving knowledge and skills of the senior management and clinical specialists of health facilities that provide medical care to pregnant women and newborns on the issues of prevention of mother-to-child transmission.
- UNDP started the work on the National web solution for mapping of HIV/TB medical and human rights counselling services (HIV/TB DIGITAL CONNECTOR) which foresees the development of a mapping tool for HIV/TB medical and human rights counselling services, its integration to the HIV-related portal of the Public Health Centre (PHC) and its further validation and promotion among local stakeholders throughout Ukraine. A roster of services and organisations was created. The technical design of the platform is ongoing.

Visibility

In 2020, the project activities were reflected in one interview and a number of human stories, one public monitoring report, four press-releases (not including social media posts and tweets).

- In September, the leading Ukrainian information agency Interfax published an article about the new agreement with the MoH for the provision of procurement support services for the 2020 budget year with a detailed description of the programmes under which procurement of cost-efficient medicines will be carried out (<https://interfax.com.ua/news/pharmacy/690562.html>).
- On 1 December, the International AIDS Day, a human impact story highlighting the stigma and discrimination that are still faced by people living with HIV in Ukraine was published (<https://www.ua.undp.org/content/ukraine/en/home/presscenter/articles/2020/fighting-hiv-stigma-and-discrimination-in-ukraine--some-progress.html>). The story featured comments from both representatives of CSOs and the judiciary system.
- The Programme has also been sharing actively the information about delivery of high-quality medicines for Ukrainians on UNDP social media platform. In particular, a Facebook post on the delivery of life-saving medicines for patients with orphan diseases (<https://www.facebook.com/UNDPUkraine/posts/3838990792788566>) reached over 2,600 readers and got 126 engagements.
- A post on supplying orthopaedic rehabilitation equipment for children with central nervous system and musculoskeletal disorders being delivered to the Tulchyn Regional Orphanage (<https://www.facebook.com/UNDPUkraine/posts/3807258399295139>) reached around 2,000 people and got 72 engagements.

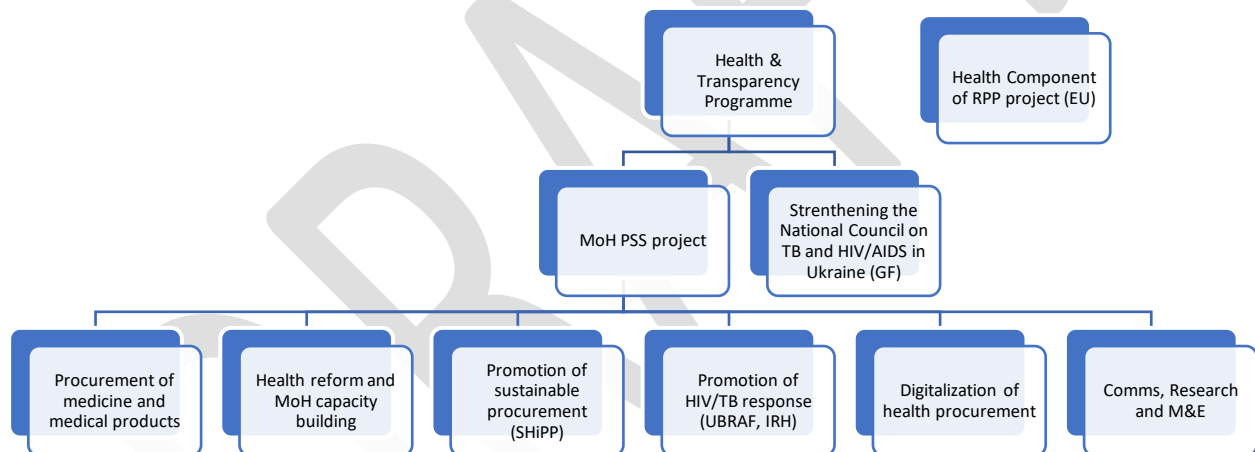
Also publications about the following topics were disseminated:

- [UNDP confirms it will deliver all medicines procured for Ukraine for the budget year 2019 in full and on time](#)

- [Zero Discrimination: Three stories of women living with HIV in Ukraine](#)
- [Wrapping up UNDP's key achievements in helping people living with haemophilia](#)
- [UNDP will procure medicines under 11 programs for the budget of 2020](#)
- [Two international organizations have been selected for public procurement in 2020](#)
- ["Broken" genes. Three stories about Ukrainians with rare diseases](#)
- [COVID-19 and tuberculosis. A clear crisis response plan is needed](#)
- [Public monitoring of the availability, accessibility and use of medicines for the treatment of cerebral palsy](#)

Project Management and Operational Arrangements

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



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

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

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

IV. Project Risks and Issues

a. Updated project risks and actions

<u>Project Risk 1: Political instability (abrupt leadership changes in the MoH with no sustainable handover of responsibilities)</u>
<p><i>Actions taken:</i></p> <ul style="list-style-type: none"> • Remained in constant contact with the focal points in the MoH and the SoE MPU. • Established regular communication platform for meeting the Deputy Minister of Health responsible for the UNDP programme activities to discuss and find solutions. • Conducted necessary consultations with the Government and the Parliament Health committee.
<u>Project Risk 2: Ability of the MoH and the State Expert Centre to ensure timely medicines registration</u>
<p><i>Actions taken:</i></p> <ul style="list-style-type: none"> • Conducted regular consultations with the MoH and the State Expert Centre. • Provided support to the MoH on registration procedures by hiring a consultant.
<u>Project Risk 3: Incorrect, outdated, not cost-efficient products, branded items might be included into the nomenclature</u>
<p><i>Actions taken:</i></p> <ul style="list-style-type: none"> • Analysed the nomenclature in advance, communicated and corrected the specifications of the products with the MoH. • Involved subject experts from world known associations to assist with finalizing specs, requirements, criteria and technical evaluations. • Proactively worked with experts recommended by CSOs.

Project Risk 4: Supply delay/failure to supply. Long delay/failure to supply may result in treatment interruptions. Complaints from patients organisations and wider community.

Actions taken:

- Ensured timely monitoring of all contractual deadlines.
- Leveraged liquidated damage/performance security tools.
- Contracted alternative suppliers in case of supply failure.
- Issued press releases with clear explanation if such delay is picked up by media.

Project Risk 4: Dissatisfaction with the outcomes of the UNDP intervention

Actions taken:

- Established regular meetings with project partners and CSOs.
- Conducted regular media monitoring (key newspapers, social networks incl. FB)
- Developed targeted communications list.
- Clearly communicated UNDP procurement procedures to all partners and stakeholders.
- Communicated that open, transparent and fair competition might result in contracting local distributors or any qualified manufacturer.

b. Project Implementation issues in 2020

Legal framework: No clarity about legislation extension, thus VAT exemption, fast-track certificates extension procedure, legal framework which regulates international organizations' procurement after 31/03/2022 are unknown.

QA Policy implementation: The new corporate Quality Assurance Policy for procurement of medicines and medical products was introduced when UNDP UA was implementing the procurement under two budget years (2018-2019) without any interim period for the completion of the obligations taken before the policy came into force. Thus, UNDP UA had to request a waiver till 31 December 2020 for introduction of the new QAP in order to complete the ongoing procurement cycles. The policy provisions are fully implemented now.

Medicines quantification: Incomplete quantification performed by the MoH where UNDP receives the amount partially at the moment of signing a CSA for the respective programme and the final quantities together with the financing are provided only at the end of the calendar year. This leads to forced procurement cycle splitting, absence of an adequate procurement planning and general inefficiency of procurement process. Sometimes, 2-3 TORs per disease programme are received from the beginning of procurement cycle which leads to an increase of UNDP's operational expenses due to the initiation of several procurement activities.

Nomenclature quality: The quality of the nomenclature and TORs provided by the MoH is still low. UNDP is ready to cooperate closely to share international best practices with the relevant expert groups.

Nomenclature revision: Reluctance of the MoH to change the TORs in terms of nomenclature. Thus, the remarks of UNDP to the Autism programme nomenclature, some dosages narrowing the market from Anti-D, TB Programmes, were ignored. Remarks to JRA were accepted partially, etc.

Logistics monopoly: The project is limited by the Ukrainian legislation in terms of cooperation with the state-owned enterprises only. That introduces disadvantages of monopoly to the procurement/logistics process. The SOEs were not GDP/GSP certified and Ukrmedpostach received a GDP only at the end of 2020. SOEs often delay the review of documents and preparing reports.

VAT exemption: There is no procedure on how to receive VAT exemption for the replacement of goods (the products with quality issues, received damaged, or expired).

Medicines registration: The procedure of medicines registration in Ukraine is complicated and long. There are no clear and open-source instructions for vendors of how to register their products quickly, what documents should be provided, what are the most common issues in the process, how long the registration procedure will take and what is the current status of registration dossier examination by SEC.

VAT certification: In accordance with the Ukrainian legislation the MoH shall issue VAT certificates within 5 working days. In fact, it takes the MoH up to 2 weeks to issue these. UNDP cannot predict, when the VAT certificates will be issued and consequently cannot schedule the exact transportation with the vendors. This delays the delivery by two to three weeks.

Late POs payment: Under POs with vendors UNDP shall make a payment for products within 30 days after the delivery date. The SOEs issue acts of acceptance with delays (mostly Ukrmedpostach, acts are issued within 1 or even 2 weeks). After that, the MoH reviews and signs the acts of acceptance within 3-4 weeks. As a result, UNDP receives the signed acts of acceptance from the MoH in 30 days or more. Thus, UNDP violates POs terms of payment date. It negatively impacts UNDP's reputation and leads to price increase at future tenders.

Unregistered medicines: The Ukrainian legislation allows the MoH to grant approval for import of unregistered medicines. In fact, this has been prosecuted by the Ukrainian national police before. This issue has not been resolved for many years. It complicates the procurement process for rare medicines and medical products. As a result, some medicines are not procured yet.

Change management: When the MoH management was changed or temporarily dismissed, new management received authorization to sign documents (VAT certificates, acts of acceptance, etc.) in several weeks only. It happened several times during the project duration. As a result, deliveries and payments were delayed for more than a month. It is critical for radiopharmaceuticals as these have a total shelf life of several weeks only.

Low-value medicines: UNDP must procure many items with total value of 50-100-200 USD. Administrative and operational costs of UNDP, SOEs and the MoH for such deliveries are times higher. Such deliveries should not be handled through international organisations, but directly by hospitals. It would save a lot of time and labour costs. As these products are supplied from wherever available, the shelf life of such products is usually less than 75%/15 months, and UNDP has to spend several weeks in order to approve the short shelf life with the MoH.

Change of specification: On occasions there is a need to deliver products that are different from the relevant Decree of the CMU. It happens due to initial misprints, changes in manufacturing specifications, availability of equivalent products only, etc. UNDP cannot supply products if they are not listed in the

Decree. It takes several months for the MoH to introduce changes to the Decree. There should be a procedure for faster changes.

Local level medicines public monitoring: The public monitoring of the delivery, availability of medicines at the local level demonstrated that the current system of medicinal public procurement reached some level of efficiency and is undertaken in transparent and accountable manner. Nevertheless, the surveyed patients and doctors raise a few critical issues: inefficiency of the planning of medicines needs and quantities, delayed distribution and delivery of medicines to the end users at the regional and local levels (after the medical products are delivered to the country), non-transparency of distribution of medicines between different health institutions, etc. UNDP will work with the MoH and other stakeholders to make sure that the findings from the assessment are discussed and analysed to make sure that the problem issues are addressed.

Low prioritization of health issues among local policy makers: There is a belief that local stakeholders cannot do anything for their communities to improve health and wellbeing as there is no enabling legislation at national level. This misconception leads to the low prioritization of health needs and passing responsibility for it to the Government.

V. Lessons Learned

General lessons learned

- Joint communication has greater impact. Recent experience of other international organizations that are also involved in medical procurement showed that joint media events/publications/interviews with the MoH high officials make greater impact.
- Invest in building capacity of your beneficiaries and stakeholders. To enhance the implementation of the health procurement reform and supply of medicines and medical devices through international organisations, systemic digitalization initiatives should be combined with the capacity strengthening actions for the Ministry of Health and the SOE Medical Procurement of Ukraine. In addition, supporting the capacity development of patients NGOs and local pharmaceutical industry is contributing to adequately shape the supply chain.
- Contribute to gender equality by procuring efficient medicines. Efficient procurement of medicines related to women's and children's health significantly contributes to promoting gender equality and women's empowerment in Ukraine.
- Invest into partnerships with patients and other CSOs. Civil society and patients organisations are key stakeholders and promoters of reform-related activities and strategic communication with decision makers. It is crucial to closely collaborate with and empower them.
- Build your positive image through systematic communication work. It is important to monitor regularly the media environment regarding the issues the project is working on in order to react to any potential misrepresentation of facts.
- National communication campaigns require significant costs. In order for communication and awareness raising companies to achieve a maximum impact, it is important to ensure highest level of collaboration between key stakeholders as well as ensure adequate (joint) funding for such activities. Big campaigns (e.g., anti-botulism campaign throughout Ukraine) require concerted efforts and budgets.

- Be realistic and honest with beneficiaries. It is important to share a realistic vision with beneficiaries in development interventions in order to agree on the achieved results. The project needs to manage pro-actively the MoH expectations as the core beneficiary through clear articulation and collected feedback.
- Regularly revise the AWP to adjust to a changing environment (both external and internal). Considering the quite unstable political situation, unclear and uncertain vision of the parliament and respective ministries, fast, but not always correct changes to the legal framework as well as upcoming election on the level of city and municipality administrations, health does not remain a priority and turns to be a subject of speculation. Besides, changes and innovations in the organizational structure and division of labour inside UNDP both on the country level as well as in the HQs bring some disturbance to the ongoing work. Given that, it is important to regularly revise AWP based on the vision and inputs from the agency's managements and national counterparts to retain high standard of work and ensure effectiveness of the project activities.

Procurement specific lessons

- Distribution of medical products to regions. Goods are delivered to Ukraine but are not distributed to regions quickly enough. Patients and media claim UNDP is not effective with its procurement process. Further joint efforts with the MoH on public information activities about delivery to Ukraine and related problems need to be done.
- Maintain the necessary temperature regime at all stages of the medicines procurement cycle. In procuring medicines, it is mandatory to follow safe handling practices, including materials, equipment and procedures, that maintain medicines and products within the necessary temperature range from the time they are manufactured to the time they are administered to patients (cold chain). In case of high value and complexity medicines like Vimizim - to include to ITB and/or PO stipulation to use well-known / reputable logistics operator for cold chain, like DHL or World Courier for delivery.
- In order to avoid disputes over terminal charges when a DAP delivery (Delivery at Place: all charges as well as delivery to the buyer facilities will be arranged by the seller) is used, the project needs to add to POs a stipulation that all terminal and other charges will be compensated by the Seller as an addition to DAP terms.
- Collaborate to sign early medicine procurement agreements. It is important to work closely with the MoH to ensure timely signing of CSAs as early as possible in the year since late signing of CSAs poses risks on the process of funds transfer. A timely decision regarding the use of savings is also important to ensure suitable delivery of medicines.
- Establish permanent focal points to ensure effective collaboration. Interruptions in communication with the MoH on procurement cost-sharing agreements implementation (e.g. significant delays in responses and approval of the procurement results) lead to severe delays in programme implementation. It is important to establish efficient two-sided cooperation by appointing permanent focal points from both sides.
- Pay special attention to procurement of non-registered medicines. It is crucial to ensure efficient contract management and timely interim follow-up when contract awards are given to suppliers with non-registered medicine to avoid the risk of late delivery or even non-delivery and to make a timely shift to an alternative supplier wherever possible.
- Create a mechanism to compensate non-acceptance of medicines. Non-acceptance of medicines due to informal reasons (e.g., non-willingness to shift to generics) despite the preliminary approval of the procurement results leads to reputation risks, financial losses and impossibility to

complete a disease programme by UNDP. It is recommended to create a special fund for such accidental expenses.

- Provide additional support while procuring diagnostic equivalents. Unwillingness of the end user to accept equivalent medical products for diagnostics (e.g., TB diagnostics). It is recommended to inform the MoH in Cost Estimates if an equivalent is proposed. If additional training or software is required in case of equivalent proposal, this should be clearly indicated in the TOR and all other relevant tender documents.
- Additional conditions to some medical devices. The MoH should indicate in the TORs any special devices to the medicines, without which the medicine cannot be used, to enable UNDP to obtain VAT exemption for them. For instance, devices for somatropin injections in Dwarfism programme, pumps in PID programme, etc.
- Mind local currency fluctuations. Financial losses happen due to UAH revaluation (appreciation of currency). For example, the funds for the Oncology programme were exchanged to USD in December 2018 (27.5+), the payments against UAH's POs made in January 2020 (23.5) caused some losses. It is not clear how UAH will fluctuate in 2021 and special steps should be undertaken.
- Create a separate budget outputs (ERP ATLAS) for each medical programme (nosology). For 2015 State Budget only 1 output for 8 programmes and administrative expenditures was created, that made it difficult to maintain financially the programmes as well as reconcile all the expenses for the final financial report. The fact was taken into account and during the next years separate outputs for each medical programme under each state budget year were created which in turn significantly simplified the maintenance and decreased the time for the final reconciliations.
- Avoid creating POs in currencies other than USD. As all financial transactions are accounted in the Atlas ERP in USD, commitments created in Atlas in any currency other than USD will be accrued as per UNORE rate at the date of the PO issuance. The change of currency rate may cause both exchange gains and losses, therefore to avoid that it is better to consider certain mechanisms to avoid if possible commitments in other currencies.
- Use integrated information systems that allow to store and track all data and transactions. For the 2015 State Medical Budget different softwares have been used (Smartsheet, Excel, Google sheets) to store the information. This made it difficult to obtain the necessary information easily and create a final report.

VI. Conclusions and Plan for 2021

In the reporting period, the project was implemented in a challenging environment. In spite of the almost permanent and complete reshuffling of the MoH leadership as well as other key health stakeholders in Ukraine, the project has been able to maintain appropriate level of cooperation with all institutions, in this respect with the MoH, SoE MPU and patients' community both at strategic and operational levels. Most of the medicines have been procured and the programme activities were implemented as planned.

For 2021 UNDP is proposing the following Annual Work Plan (Draft):

EXPECTED OUTPUTS	PLANNED ACTIVITIES					PLANNED BUDGET				
						Project ID	Funding Source	Budget Description	Amount	
	<i>Activity results and associated actions</i>	Q1	Q2	Q3	Q4					Comments/Tasks
Output 1: National healthcare procurement system strengthened and the effectiveness of diagnosis and treatment of the patients of Ukraine improved <i>Gender marker: GEN 2</i>	Activity 1.1. Procurement of medicines and medical products for the National Public Health Programmes as per the Annex 2 of the Cost-sharing agreement									
	Sub-activity 1.1. Procurement of medicines and medical products for pre- and post-transplant period (2018) Sub-activity 1.2. Procurement of chemotherapeutic agents, radiopharmaceuticals and support drugs for cancer patients (2018) Sub-activity 1.3. Procurement of medicines for people suffering from pulmonary arterial hypertension (2018) Sub-activity 1.4. Procurement of medicines for treatment of adults with hemophilia A or B or von Willebrand disease(2018) Sub-activity 1.5. Procurement of medicines and medical products for treatment of children with oncology and onomatology diseases (2018) Sub-activity 1.6. Procurement of medicines for children with primary (congenital) immunodeficiency (2018) Sub-activity 1.7. Procurement of medicines for treatment of tuberculosis (2018) Sub-activity 1.8. Medicines for patients with infectious diseases, accompanied by high levels of mortality (2018)					90474	MOH	72300 (Materials & Goods)		76,283.41 - GMS

<p>Sub-activity 1.9. Procurement of medicines for the emergency medical care in bleedings (2019)</p> <p>Sub-activity 1.10. Procurement of medicines and medical products for pre- and post-transplant period (2019)</p> <p>Sub-activity 1.11. Procurement of reagents for neonatal screening for phenylketonuria and congenital hypothyroidism (2019)</p> <p>Sub-activity 1.12. Procurement of medicines for the treatment of children with cystic fibrosis (2019)</p> <p>Sub-activity 1.13. Procurement of medicines for the treatment of adults with cystic fibrosis (2019)</p> <p>Sub-activity 1.14. Procurement of medicines for the treatment of children with cerebral palsy (2019)</p> <p>Sub-activity 1.15. Procurement of medical products for children with autistic spectrum mental and behavior disorders with schizophrenia, affective disorders, hyperkinetic disorders (2019)</p> <p>Sub-activity 1.16. Procurement of medicines for the treatment of children suffering from refractory juvenile rheumatoid arthritis (2019)</p> <p>Sub-activity 1.17. Procurement of medicines for the treatment of adults suffering from refractory juvenile rheumatoid arthritis (2019)</p> <p>Sub-activity 1.18. Procurement of medicines for citizens with Gaucher disease (2019)</p> <p>Sub-activity 1.19. Procurement of medicines for treatment of citizens with mucopolysaccharidosis (2019)</p> <p>Sub-activity 1.20. Procurement of medical products for patients suffering from epidermolysis bullosa (2019)</p> <p>Sub-activity 1.21. Procurement of medicines for people suffering from pulmonary arterial hypertension (2019)</p> <p>Sub-activity 1.22. Procurement of medicines for treatment of adults with hemophilia A or B or von Willebrand disease(2019)</p> <p>Sub-activity 1.23. Procurement of medicines for the treatment of patients suffering from rare metabolic diseases (2019)</p> <p>Sub-activity 1.24. Procurement of medicines for the treatment of children with chronic viral hepatitis (2019)</p> <p>Sub-activity 1.25. Procurement of haemophilia A or B, von Willebrand disease children (2019)</p> <p>Sub-activity 1.26. Procurement of medicines for children with primary (congenital) immunodeficiency (2019)</p> <p>Sub-activity 1.27. Procurement of medicines for adults with primary (congenital) immunodeficiency (2019)</p> <p>Sub-activity 1.28. Procurement of medicines for patients with viral hepatitis B and C (2019)</p> <p>Sub-activity 1.29. Procurement of medicines for treatment of tuberculosis (2019)</p> <p>Sub-activity 1.30. Procurement of tests, supplies for the diagnosis of tuberculosis (2019).</p> <p>Sub-activity 1.31. Medicines for patients with infectious diseases, accompanied by high levels of mortality (2019)</p> <p>Sub-activity 1.32. Procurement of medicine and small laboratory equipment for female infertility treatment by means of assisted reproductive technologies (2019)</p> <p>Sub-activity 1.33. Procurement of Anti-D immunoglobulin for prevention of hemolytic disease of the newborn (2019)</p>					90474	72300 (Materials & Goods)	10,636,045.18	
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	Sub-activity 2.1. Procurement of medicines for adult cystic fibrosis (2020) Sub-activity 2.2. Procurement of medicines and medical products for pre- and post-transplant period (2020) Sub-activity 2.3. Procurement of medicines for child cystic fibrosis (2020) Sub-activity 2.4. Procurement of medicines for adults with JRA (2020) Sub-activity 2.5. Procurement of medicines for children with JRA (2020) Sub-activity 2.6. Procurement of medicines for people suffering from pulmonary arterial hypertension (2020) Sub-activity 2.7. Procurement of medicines for the treatment of patients with dwarfism (2020) Sub-activity 2.8. Procurement of medicines for the treatment of patients suffering from orphan diseases (2020) Sub-activity 2.9. Procurement of medicines for the treatment of children with Epidermolysis bullosa (2020) Sub-activity 2.10. Procurement of medicines for children with primary (congenital) immunodeficiency (2020) Sub-activity 2.11. Procurement of medicines for treatment of tuberculosis (2020)					132175	MOH	72300 (Materials & Goods) 74700 (Transport, Shipping and handle)	58,456,961.61	
	Sub-activity 1.46. Procurement of medicines and medical products for the State Budget 2021 (TBD)					132175		72300 (Materials & Goods) 74700 (Transport, Shipping and handle)	12,000,000.00	
	1.1.2 Develop amendments to the Standard Operating Procedures for Quality Assurance					90474	Project	71200 (International Consultants)		900 USD Committed in 2020
	Subtotal								81,093,007	
	Facilities & Administration (3%)								3,205,843	
Total for Output 1									84,298,849	
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 Gender marker: GEN 2	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.									
	2.1.1. Establishment of the MoH advisory committee including capacity strenghtenning through on- the-job training and individual contracts					90474	Project	71300 (Local consultants) 75700 (Training, Workshops and Conferences)	50,000	Atamanov till July 2021 = committed in 2020 USD 5025.33. + 2 consultants have been requested by the MOH - a procurement advisor and a legal assistant.
	2.1.2. Conduct Capacity assessment of SOE MPU. (Ongoing)					90474		71300 (Local consultants) 72100 (Contractual Services Companies)	12,480	KPMG contract ongoing from 2020

2.1.3. Conduct procurement and corruption risk evaluation in public health procurement (for CPA and MoH)				90474		71300 (Local consultants) 72100 (Contractual Services Companies)	100,000	
2.1.4 Training on health procurement for CPA and/or local and regional implementers based on the procurement capacity assessments (regional and MPU) conducted in 2020 (video educational course)				90474		71300 (Local consultants) 72100 (Contractual Services Companies) 75700 (Training, Workshops and Conferences)	30,000	
2.1.5 Support to SoE eHealth on the development of the national registry on pharmaceuticals and medical devices.				90474		71600 (Travel) 75700 (Training, Workshops and Conferences)	40,000	4 lcs. Recruitment ongoing, activity initiated in 2020.
2.1.6 Conduct capacity development events on health procurement and anticorruption (workshops and public events) for MOH, SOE MPU and other stakeholders on health reform				90474		71600 (Travel) 75700 (Training, Workshops and Conferences) 71300 (Local consultants)	9,524	Resources planned for public events
2.1.7 Strengthen mechanisms for public control and monitoring of availability and accessibility of medicines for patients at local level through providing low-value grants to NGO				90474		72605 (Grants to Inst & other Benef) 75700 (Training, Workshops and Conferences) 74210 (Printing and Publications) 74220 (Translation Costs) 71300 (Local consultants)	45,500	Six low value grants for patient NGOs+ Consultant (USD 35,000) Leftovers for six low-value grants for patient NGOs in 2020 to be paid 2021(USD 10,500)
Subtotal							287,504	
<i>Facilities & Administration</i>							8,776	
Total Activity 2.1							296,280	
Activity 2.2. Contribution to support the Ministry of Health (MOH) and national stakeholders in availability of medicines and medical products.								
2.2.1 Provide technical assistance to MOH to increase availability of life saving medicines and medical products.				90474	Project	72300 (Materials & Goods) 74700 (Transport, Shipping and handle)	100,000	63559.85 transferred from 2020
2.2.2 Technical support for the National Transplant Coordination Centre				90474	Project	71300 (Local consultants) 72100 (Contractual Services Companies)	15,000	Initial generic approval received from the RR. Detailed description of the request available. Pending detailed perusal.

Subtotal								115,000	
<i>Facilities & Administration</i>								3,450	
Total Activity 2.2								118,450	
Activity 2.3. Contribution to support the innovative digital technologies in health procurement.									
2.3.1 Development and promotion of the Logistics Management Information System (eStock platform) for MoH					132175	Project	72100 (Contractual Services, Companies)	290,000	Co-financing to the WB project, resources planned to be allocated by MoH in spring 2021.
2.3.2. Support the development of the E-liky web-platform (medicine availability monitoring platform)					90474	Project	72100 (Contractual Services Companies)	19,048	app. 3000 USD final payment under the contact (not committed)
Subtotal								309,048	
<i>Facilities & Administration</i>								9,271	
Total Activity 2.3								318,319	
Activity 2.4 Civil society strengthened knowledge of public health procurement, health reform and human rights of vulnerable populations									
2.4.1 Conduct an Information event to share results of Report on Public Monitoring of Availability and Accessibility of Medicines for Patients at Local Level Among key stakeholders					90474	Project	75700 (Training, Workshops and Conferences) 74210 (Printing and Publications) 74220 (Translation Costs)		8500 USD IC Duda, Committed in 2020
2.4.2 Conduct raising awareness information campaigns regarding public health procurement, health reform and human rights of vulnerable populations					90474		74210 (Printing and Publications)	25,000	Activity ongoing since 2020
2.4.3 Support to capacity development of national patient NGOs					90474		71300 (Local consultants) 75700 (Training, Workshops and Conferences)	20,000	Requested by the MOH
2.4.4 Communication campaign on botulism							72100 (Contractual Services Companies)	15,000	Transferred from 2020. To be initiated in Spring 2021.
2.4.5 Research, support of NGOs and media campaign on barriers that people with rare diseases face when attempting to receive medical services (with a particular focus on needs of women with rare and orphan diseases)					90474		72100 (Contractual Services Companies)	20,000	

2.4.6 Media monitoring					90474		72100 (Contractual Services Companies)	5,000	700 USD for January+ February under the current contract.
Subtotal								85,000	
<i>Facilities & Administration</i>								2,805	
Total Activity 2.4								87,805	
Activity 2.5. Capacities of health and procurement stakeholders strengthened to promote sustainable health in public procurement.									
2.5.1 Technical assistance to the Public Health Centre (PHC) to develop and conduct training on climate change and health agenda for medical and public health specialists						SHIPP	71200 (International Consultants) 75700 (Training, Workshops and Conferences) 74210 (Printing and Publications) 74220 (Translation Costs)	15,000	Ongoing from 2020
2.5.2 Legal Environment Assessment (LEA) of health care waste management							72100 (Contractual Services Companies) 74210 (Printing and Publications) 74220 (Translation Costs)	25,000	Ongoing from 2020
2.5.3 Assessment of pharmaceutical residues in freshwater (Kyiv and/or Odessa)							72100 (Contractual Services Companies) 74210 (Printing and Publications) 74220 (Translation Costs)	20,000	SHIPP 2021
2.5.4 Evaluation of health impacts and social costs associated with air pollution in larger urban areas of Ukraine							71300 (Local consultants) 72100 (Contractual Services Companies)	25,000	SHIPP 2021
2.5.5 COVID19 impact assessment on the healthcare supply chain in Ukraine. Policy recommendations.							71300 (Local consultants) 72100 (Contractual Services Companies)	20,000	SHIPP 2021
2.5.6 Capacity development of the procurement officers (from the public and private sector) and/or public health specialists on sustainable procurement principles in healthcare							71300 (Local consultants) 72100 (Contractual Services Companies)	15,000	SHIPP 2021

Subtotal							120,000	
Facilities & Administration							9,600	
Total Activity 2.5							129,600	
Activity 2.6 Enabling environment to empower human rights of the HIV/TB vulnerable populations strengthened.								
2.6.1 Scaling up judicial dialogue within HIV and Law Commission recommendations implementation in Ukraine					IRH	75700 (Training, Workshops and Conferences) 74210 (Printing and Publications)	8,600	2874.36 committed in 2020
2.6.2 National web platform for mapping of HIV/TB medical and human rights counselling services (pilot for Fast Track cities in Ukraine) with specific emphasis on women related medical services						72100 (Contractual Services Companies)	23,000	IT specialist for developing mapping and updating PHC website on HIV/TB - 20K, campaign for web-site promotion - 3k, 3000 USD committed in 2020
2.6.3. Support implementation of Human Right and Healthy City Action Plan in a pilot city.						71300 (Local consultants) 75700 (Training, Workshops and Conferences)	4,000	5179.58 USD committed in 2020
2.6.4. Strengthen the judicial expertise on HIV infection and related comorbidities (develop a training module for legal experts, lawyers and judges on the roles of the law and the judiciary system in the response to HIV) (with a particular focus on gender-related comorbidities that require gender-specific clinical management in the penitentiary establishments)						71300 (Local consultants) 72100 (Contractual Services Companies) 75700 (Training, Workshops and Conferences)	23,148	UBRAF 2021
2.6.5. Support the implementation of the Fast-Track City initiative for Dnipro (development of Fast-Track city dashboard)						71300 (Local consultants) 72100 (Contractual Services Companies)	21,296	UBRAF 2021

	2.6.6. Mapping of PLHIV-friendly primary healthcare services including dental services and women specific medical service.					71300 (Local consultants)	11,481	UBRAF 2021
	Subtotal						91,525	
	Facilities & Administration						8,206	
	Total Activity 2.6						99,731	
	Project Management (maximum)						1,436,247	Max amount, min - 1,286,376.45
	Facilities & Administration						45,810	2722.38 - GMS for commitments in previous years
	Total Project Management						1,482,056	
Total for Output 2							2,532,241	
TOTAL Facilities & Administration							3,285,555	
TOTAL AWP 2021							86,831,091	
Total Project Costs for Programme Activities (without SHIPP, IRH, Estock and Project management)							506,551	

Procurement Support Services to the Ministry of Health of Ukraine (90474)

Indicators:

Annualized Indicators	Baseline	Target	Results	Target	Results	Target	Results	Target	Results	Target	Results	Target	Results	Source
	2015	2016		2017		2018		2019		2020		2021		
1. Share of agreed health product procured and delivered (Monetary value):	0	95%	97%	95%	87%	60%	60%	65%	69%	85%	88%	100%		Project SmartSheet
1.1 2015	0	n/a	n/a	n/a	n/a	100 %	99 %	n/a	n/a	n/a	n/a	n/a		
1.2 2016	0	n/a	n/a	n/a	n/a	100 %	99 %	n/a	n/a	n/a	n/a	n/a		
1.3 2017	0	n/a	n/a	n/a	n/a	75 %	76 %	100 %	98%	n/a	n/a	n/a		
1.4 2018	0	n/a	n/a	n/a	n/a	20 %	16 %	75 %	78%	100%	98%	100%		
1.5 2019	0	n/a	n/a	n/a	n/a	n/a	n/a	20 %	20%	100%	78%	100%		
2.Share of agreed total number of health products delivered.	0	95%	n/a	95%	97%	60%	64%	65%	68%	85%	85%	100%		Project SmartSheet
2.1 2015	0	n/a	n/a	n/a	n/a	100 %	100 %	n/a	n/a	n/a	n/a	n/a		
2.2 2016	0	n/a	n/a	n/a	n/a	100 %	100 %	n/a	n/a	n/a	n/a	n/a		
2.3 2017	0	n/a	n/a	n/a	n/a	75 %	75 %	100 %	88%	n/a	n/a	n/a		
2.4 2018	0	n/a	n/a	n/a	n/a	20 %	16 %	75 %	70%	100%	87%	100%		
2.5 2019	0	n/a	n/a	n/a	n/a	n/a	n/a	20 %	18%	100%	83%	100%		

3.Share of contracted health products (Monetary value)	0	n/a	n/a	n/a	n/a	70 %	74 %	80 %	78%	90%	95%	100%		Project SmartSheet
3.1 2015	0	n/a	n/a	n/a	n/a	100 %	100 %	n/a	n/a	n/a	n/a	n/a		
3.2 2016	0	n/a	n/a	n/a	n/a	100 %	100 %	n/a	n/a	n/a	n/a	n/a		
3.3 2017	0	n/a	n/a	n/a	n/a	90 %	90 %	100 %	98%	n/a	n/a	n/a		
3.4 2018	0	n/a	n/a	n/a	n/a	40 %	41 %	90 %	91%	100%	99%	100%		
3.5 2019	0	n/a	n/a	n/a	n/a	n/a	n/a	40 %	33%	100%	90%	100%		
4.Share of health products delivered within standard time guidelines ⁶	0	n/a	n/a	n/a	n/a	95%	99%	95 %	97%	95 %	n/a	95%		Project SmartSheet
5. Number of delivered health products that are not compliant with the UNDP Quality Assurance Policy	0	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0		Project SmartSheet
6. Share of health products delivered under long term agreements (Monetary value)	0	n/a	n/a	n/a	n/a	10 %	13%	15 %	44%	40%	22%	40%		Project SmartSheet
7. Share of health products procured directly from manufacturers (Monetary value)	0	n/a	n/a	n/a	n/a	60 %	64 %	65 %	84%	75%	84%	80%		Project SmartSheet
Output 2: The system of public procurement is strengthened through technical assistance and capacity development services														

⁶ Standard time -2015/2016-24 months, 2017/2018-18 months, 2019/2020-12 months

1.The extent to which public procurement legislation enables efficient health goods procurement (1-Low; 2-very partially, 3- Partially; 4- Fully)	1	2	2	3	2	3	3	4	3	4	4	TBD		Websites Rada and MOH
2. Number of Ministry of Health, SOE Medical Procurement of Ukraine employees and health managers who strengthened skills and capacities to implement public procurement in a transparent, accountable and effective manner (m/f). (Not cumulative)	0	100	150	140	145 (f.-120; m. – 25)	150	56 (f-39, m-17)	110	98 (f-63, m-35)	100	0	TBD		Project report
3.The extent to which SOE Medical Procurement of Ukraine has the capacity to procure medicines and medical products in a transparent, accountable and effective manner (scale from 0 to 4)	0	n/a	n/a	n/a	n/a	3	1	3	2	3	3	TBD		Annual review of evidence with regard to institutional capacities
4. The extent to which the digital stock management platform Estock is fully functioning (scale from 0 to 4)	0	n/a	n/a	n/a	n/a	1	1	3	1	3	1	TBD		Implementation report

5.Number of health professionals, civil servants, community leaders and CSO representatives who raised awareness and/or improved skills in HIV/TB prevention ⁷	0	n/a	n/a	n/a	n/a	100	506 (f-222; m – 284)	50	57 (f-42; m-15)	100	94 (m – 32, w – 62)	TBD		
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1. Indicator on Legislation: The extent to which the public procurement legislation enables efficient health goods procurement:

- 1 – Low - Respective legislation available
- 2 – Very Partially – Items 1-4 are in place
- 3 – Partially – Items 1-7 and 10 are in place
- 4 – Fully – Items 1-10 are in place

2. Extent to which Central Procurement Agency have capacity to procure medicines and medical products in a transparent, accountable and effective manner:

- 1 – Low - Respective legislation available;
- 2 – Very Partially – Staff trained, a few programs piloted;
- 3 – Partially – Central Procurement Agency procure up to 50% of State Budget Programmes;
- 4 – Fully – Central Procurement Agency procure up to 100% of State Budget Programmes.

3. Extend to which the digital stock management platform is fully functioning:

- 1 – Low – Terms of reference developed;
- 2 – Very Partially – Software developed;
- 3 – Partially – Software piloted, and relevant stuff trained;
- 4 – Fully – Software is fully implemented.

⁷ Excluding CCM project

Procurement Support Services to the Ministry of Health of Ukraine, Phase 2 (00132175)

Indicators:

Annualized Indicators	Baseline	Target	Results	Target	Results	Target	Results	Source
	2019	2020		2021		2022 (March)		
Output 1								
The system of public pro-curement of medicines and other medical products is strengthened to fully lead the procurement process at the national and regional level in a transparent, ac-countable, gender-sensitive and effective manner								
1.1 Number of MoH employees, relevant state enterprises and health facilities managers who strengthened skills and capacities to implement public procurement in an effective manner (m/w). (Not cumulative)	450(w-320; m-130)	n\a	n\a	TBD				Pre-post training survey results/ Training database analytics
1.2 Number of MoH employees, relevant state enterprises and national stakeholders who strengthened knowledge in anti-corruption, transparency and gender equality (m/w). (Not cumulative)	0	n\a	n\a	TBD		TBD		Pre-post training survey results/ Training database analytics
1.3 The extent to which relevant state enterprise has capacities to procure medicines and medical products in a transparent, accountable, gender responsive and effective manner (scale from 0 to 4) ⁸	2	3	3	3		4		Annual review of evidence with regard to institutional capacities; reports and administrative data

⁸ Extent to which relevant state enterprise has capacity to procure medicines and medical products in a transparent, accountable and effective manner: (1 – Low - Respective legislation available; 2 – Very Partially – Staff trained, a few programs piloted; 3 – Partially – Central Procurement Agency procure up to 50% of State Budget Pro-grammes; 4 – Fully – Central Procurement Agency procure up to 100% of State Budget Programmes.)

1.4 The extent to which the digital stock management platform is developed (E-stock) (scale from 0 to 4) ⁹	1	2	1	3		4		Development report
1.5 Number of CSO that receive low-value grants to strengthen mechanisms for civic oversight and monitoring of availability and accessibility of medicines at local level;	6	n\	n\	TBD		TBD		Results report
Output 2. Improved availability of medicines and effectiveness of diagnosis and treatment that meets the needs of women and men from different groups, especially the most vulnerable								
2.1 Share of agreed health products procured and delivered (Monetary value):	20%	20%	11%	80%		TBD		Project SmartSheet
2.1.1 2020	20%	20%	11%	100%		TBD		
2.1.1 2021	20%	n\	n\	20%		TBD		
2.2 Share of agreed total number of health products delivered.	20%	20%	5%	80%		TBD		Project SmartSheet
2.2.1 2020	20%	20%	5%	100%		TBD		
2.2.2 2021	20%	n\	n\	20%		TBD		
2.3 Share of contracted health products (Monetary value):	40%	40%	40%	85%		TBD		Project SmartSheet
2.3.1 2020	40%	40%	40%	100%		TBD		
2.3.1 2021	40%	n\	n\	40%		TBD		
2.4 Share of health products delivered within standard time guidelines ¹⁰	95%	n\	n\	95%		TBD		Project SmartSheet
2.5 Number of delivered health products, that are not complied with the UNDP Quality Assurance Policy	0	0	0	0		TBD		Project SmartSheet
2.6 Share of health products delivered under long term agreements (Monetary value)	44%	50%	100%	50%		TBD		Project SmartSheet
2.7 Share of health products procured from manufacturers (Monetary value)	84%	70%	100%	80%		TBD		Project SmartSheet

⁹ The extend to which the digital stock management platform is fully functioning: (1 – Low – Terms of reference developed; 2 – Very Partially – Software developed; 3 – Partially – Software piloted, and relevant stuff trained; 4 – Fully – Software is fully developed).

¹⁰ Standard time - 12 months

VII. Financial Status

Donor	Funds received in 2020 + balance 01.01.2020, USD	Utilization in 2020, USD	Balance remained on 01.01.2021, USD*	Delivery (%%)
MoH (procurement support) sum of outputs	167,890,464.48	94,617,534.03	73,272,930.45	56.36
MOH (DPC + programme implementation)	4,998,171.51	1,660,847.19	3,337,324.32	33.23
TOTAL	172,888,635.99	96,278,381.22	76,610,254.77	55.68