

A. COVER PAGE

1. Fund Name Joint SDG Fund

2. MPTFO Project Reference Number FC1 2020 UKR

3. Joint programme title

Promoting strategic planning and financing for sustainable development on national and regional level in Ukraine.

4. Short title

Promoting SDG financing in Ukraine

5. Country and region

Ukraine, Europe and Central Asia

6. Resident Coordinator/Humanitarian Coordinator

Osnat Lubrani, osnat.lubrani@one.un.org

7. UN Joint programme focal point

Aliaksei Vavokhin, UN/RCO, aliaksei.vavokhin@un.org
Andreas Sandberg, UNDP, andreas.sandberg@undp.org

8. Government Joint Programme focal point

Anatolii Kutsevol, Advisor to the Vice Prime Minister of Ukraine, anatolii.kutsevol@undp.org

9. Short description

The Joint Programme outlines an integrated response to the need of the Ukrainian government to optimize resource allocation towards national development ambitions and their alignment with the SDGs agenda. The activities will result in better ways of managing existing – and potential – finance flows for strategic change to enhance alignment of available resources to long-term development priorities. Drivers of change revolve around identification of gender sensitive funding needs and gaps, as well as sustained political engagement and institutional capacity to bridge inefficiencies, financing solutions/mechanisms and systemic shortcomings in budget, planning, and strategy processes. Promoting and supporting establishment of Integrated National Financing Frameworks (INFF) is a central ambition. Mobilization of development financing INFFs will add value to various government reform efforts, notably health and decentralization, to make them more people-centric and inclusive, leaving no one behind.

Tools such as Development Finance Assessment (DFA) and Budgeting for SDGs will generate clarity on the evolution and allocation of development funding for development at both the national and local level. Strengthening of cross-sectoral collaboration will generate opportunities of the private and public sectors to work together in leveraging new and innovative financing solutions towards realization of the SDGs. Moreover, the focus on public strategic planning capacity, domestic resource mobilization and PPPs will contribute directly to development of accountable and effective governance structures. Consequently, the Joint Programme will improve the linkages between public policy execution and ongoing decentralisation reforms. In addition, it will provide a model that can be replicated and integrated more broadly across development areas. The incentive for this will be demonstrated by innovative tools and approaches but also the interest in aligning new solutions to Ukraine's development potential. The political and institutional will to harmonize

public budget and planning processes with the SDGs agenda will be sustained with this support.

10. Keywords: SDG, Integrated National Financing Frameworks, healthcare planning, budgeting.

11. Overview of budget

| | |
|------------------------------------|----------------|
| Joint SDG Fund contribution | USD 999 701.00 |
| Co-funding | - |
| TOTAL | USD 999 701.00 |
| | |

12. Timeframe:

| Start date | End date | Duration (in months) |
|---------------|--------------|----------------------|
| 1 August 2020 | 31 July 2022 | 24 |

13. Gender Marker:

Score calculated as average of Gender Marker indicators: 1

14. Participating UN Organizations (PUNO) and Partners:

14.1 PUNO

- Convening agency: UNDP
- Other PUNOs: UNICEF, WHO, UNECE

14.2 Partners

National authorities

| | |
|--|--|
| Local Government Units | NB. Oblasts will be identified during inception phase of implementation. |
| Ministry of Communities and Territories Development | +380 44 278-82-90 minregion@minregion.gov.ua https://www.minregion.gov.ua/about/contact/ |
| Ministry for Development of Economy, Trade and Agriculture | +380 (044) 200-47-53 meconomy@me.gov.ua https://www.me.gov.ua/ |
| Ministry of Finance | +38 (044) 277-56-27 infomf@minfin.gov.ua https://mof.gov.ua/ |
| Ministry of Health | +380 (44) 253-61-94 moz@moz.gov.ua https://en.moz.gov.ua/ |
| National Health Service | +380 (44) 044 426 67 77 info@nszu.gov.ua https://nszu.gov.ua/en |

| | |
|---|--|
| Office of Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine | +380 44 256-62-40 vpm.eu.nato@kmu.gov.ua |
| Secretariat of the Cabinet of Ministers of Ukraine | +380 (44) 256-63-33 https://www.kmu.gov.ua/en/sekretariat-kabinetu-ministriv-ukrayini |
| State Statistics Service of Ukraine | +380 (44) 287-24-33 office@ukrstat.gov.ua http://www.ukrstat.gov.ua/ |

Critical non-governmental partners

| | |
|---|---|
| Delegation of the European Union to Ukraine | +380 (44) 390 8010 delegation-ukraine@eeas.europa.eu https://eeas.europa.eu/delegations/ukraine/ |
| EBRD | +380 (44) 354 40 84 kiev@ebrd.com https://www.ebrd.com/corporate-information/contacts/ukraine.html |
| IMF | +380 (44) 391-7107 RR-UKR@imf.org https://www.imf.org/en/Countries/ResRep/UKR |
| <i>World Bank</i> | +380 (44) 490-6671 ukraine@worldbank.org https://www.worldbank.org/en/country/ukraine |

SIGNATURE PAGE

| | |
|--|---|
| <p>Resident Coordinator UN System Resident Coordinator, Humanitarian Coordinator in Ukraine Osnat Lubrani 30-Mar-2020 [Redacted] <i>Date and Signature</i></p> | <p>National Coordinating Authority</p> <p>Cabinet of Ministers of Ukraine</p> <p>[Redacted]</p> <p>Olena Stefanishyna, Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine 15/06/2020</p> |
| <p>Participating UN Organization (lead/convening) United Nations Development Programme (UNDP) Dafina Gercheva, UNDP Resident Representative to Ukraine Date 30-Mar-2020 <i>Signature and seal</i> [Redacted]</p> | |
| <p>Participating UN Organization World Health Organization (WHO) Dr. Hans Kluge, Regional Director, WHO Regional Office for Europe Date 27/03/2020 <i>Signature and seal</i> [Redacted]</p> | |
| <p>Participating UN Organization United Nations Children's Fund (UNICEF) Lotta Sylwander, UNICEF Representative in Ukraine Date 30/03/2020 <i>Signature and seal</i> [Redacted]</p> | |
| <p>Participating UN Organization United Nations Economic Commission for Europe (UNECE) Tony Bonnici, Economic Affairs Officer Date 26/03/2020 <i>Signature and seal</i> [Redacted]</p> | |



B. STRATEGIC FRAMEWORK

1. Call for Concept Notes: SDG Financing (2/2019) – Component 1

2. Programme Outcome [pre-selected]

- Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

3. UNDAF Outcomes and Outputs

3.1 Outcomes

- OUTCOME 1.1. By 2022, all women and men, especially young people, equally benefit from an enabling environment that includes labour market, access to decent jobs and economic opportunities
- OUTCOME 2. By 2022, women and men, girls and boys, equitably benefit from integrated social protection, universal health services and quality education

3.2 Outputs

- N/A

4. SDG Targets directly addressed by the Joint Programme

3.1 List of goals and targets

The Joint Program addresses SDGs 1 (No poverty), 3 (Good health and well-being), 5 (Gender equality), 16 (Peace, justice, and strong Institutions), 17 (Partnerships for the goals).

Specifically, it addresses the following the following SDGs targets:

- 1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions
- 1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions
- 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
- 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels
- 16.6. Develop effective, accountable and transparent institutions at all levels
- 17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection
- 17.3 Mobilize additional financial resources for developing countries from multiple sources
- 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

3.2 Expected SDG impact

The Joint Programme aims at reinforcing Ukraine's SDGs financing architecture at national and regional level. In this regard, positive outcomes are envisaged across the SDGs agenda but by virtue of increased financial flows impact is ultimately expected towards Ukraine's economic development and reduction of poverty and inequality. Nevertheless, the programme employs multiple tools and methodologies that seek to inform strategic- and budgetary processes, driven by the rationale that increased efficiency and operational capacity of public institutions will lead to increased resource allocations towards development priorities across the social, economic and environmental domains. Health-related SDGs targets and indicators figure extensively in this respect and universal health coverage is an impact-theme that imbues the Joint Programme. Moreover, the focus on governance institutions, strengthening of domestic resource mobilization and PPPs will contribute directly to development of accountable and effective governance structures at national and sub-national level in Ukraine.

5. Relevant objective(s) from the national SDG framework¹

- 1.2. Increase the coverage of poor people with targeted social assistance programmes
- 3.9. Reform health care financing
- 5.6 Expand economic opportunities for women
- 10.3. Ensure access to social services
- 16.6. Increase the efficiency of government bodies and local self-government
- 17.1 Mobilize additional financial resources by promoting foreign and domestic investment

6. Brief overview of the Theory of Change of the Joint programme

The Theory of Change that informs the Joint Programme focuses on the needs of the Government of Ukraine to build consensus around financial flows and reforms linked to financing of the SDGs. Strengthening of institutional and legal frameworks for results-oriented and gender-responsive strategic planning, alongside mapping and review of development finance flows, compound key elements of engagement, which jointly will reinforce development the SDGs financing architecture and national and regional level. The Government of Ukraine will attain reinforced capacity to align financial resources with the SDGs agenda and related national development strategies/targets equally benefitting women and men, girls and boys. Regional and local authorities will be capable to set up improved gender-responsive mechanisms for public investments in achieving health-related SDGs at the sub-national level, and significantly improve the quality of health care services and their affordability for women and men, girls and boys from different groups, especially to poor and conflict-affected populations, including and specifically in the context of recent developments on COVID-19. The necessary conditions for unlocking the potential of cross-sectoral collaboration and mobilizing of new financing mechanism based on the principles of gender equality and human rights will be in place, resulting in boosted private financing for achievement of the SDGs.

¹ Sustainable Development Goals: Ukraine. 2017 National Baseline Report.

7. Trans-boundary and/or regional issues

The conflict in Eastern Ukraine is classified as protracted with the possibility of escalation. In the conflict-affected areas, significant investments in the social infrastructure, including healthcare, are required to ensure delivery of basic services to the population. At the same time, the volatile situation in the region, as well as the rapidly emerging negative economic trends triggered by the COVID-19 crisis across the country, have direct impact on Ukraine's macro-economic stability and resilience of its public finance system. The the pressure on public finance, including both state and local budgets, will increase. In this context, the already limited resources for available for sustainable development will be even more dependant on solid financing architecture.

C. JOINT PROGRAMME DESCRIPTION

1. Baseline and Situation Analysis

1.1 Problem statement

Following adoption of the UN resolution on Agenda 2030, the Ukrainian government has taken laudable steps to implement the SDGs. An inclusive process to adapt the SDGs to the Ukrainian context was launched, which led to the establishment of a national strategic framework for Ukraine and a national baseline which was published in 2017, including intermediate and 2030 national targets. This advancement reflects national ownership and institutional capacities to foster SDGs progress. In 2020 Ukraine will prepare its first Voluntary National Review. Moreover, following encouraging shifts in the political and parliamentary landscape, a recent series of decrees and legislative measures articulate determination of the present government to integrate the SDGs in all areas of national policy with a focus on equally benefiting women and men, girls and boys from different groups, leaving no one behind (alongside commitments enshrined in the EU Association Agreement).

However, threats to stability and progress are sometimes overshadowed by conflict and fragility in the occupied territories of Ukraine. Lately, the rapid surge of COVID-19 has presented the Ukrainian government with severe challenges and socioeconomic strain. The impact on SDGs 1, 2, 3, 4, 5, 8 and 10 is especially significant in Ukraine, which is already affected by six years of conflict, slow economic growth, widespread poverty and poor health outcomes. The pandemic also brought to light the weaknesses in current financing mechanisms for SDGs.

Nevertheless, political commitments to on the 2030 Agenda need to translate into more systemic strategic planning and public policy implementation processes (that take into account and respond to the different needs of women and men). The development of a Government Action Plan 2020-2024 and its adoption by the parliament was a big step forward. However, there is evidence of weak linkages between the action plan, its delivery, and the ambition of existing government processes towards the achievement of SDGs. A longer-term development vision has not yet been formulated and, at the same time, there is an overwhelming number of strategies and programmes within the ministries which are not systematically aligned or support common goals, including those focusing on improving the situation of women and men in society. Sector strategies are formulated without specific links to SDGs. Moreover, there is a gap in institutional capacity – in operational spheres of government – to incorporate the SDGs in strategic planning and budgetary processes (at national and sub-national level).

At national level, budget planning is vested in the Ministry of Finance, whereas strategic planning is the responsibility of the Ministry of Economy. Effective coordination between the domains of budgeting and planning is undermined by the absence of a robust institutional system that mainstreams the SDGs through all sectors. This is further complicated by an ongoing decentralization reform which changes the public policy landscape dramatically by bringing more resources to the local level through the process of fiscal decentralization.

The reform enters its most critical phase in 2020 aiming to improve the public administration system of regional development and change the opaque mechanisms of financial support to regional development. Clearly defined public policy outcomes that responds to needs of women and men from different groups is needed throughout Ukraine. The new State Strategy for Regional Development until 2027 is being finalized under the leadership of the Ministry for Development of Communities and Territories of Ukraine, which also issues the

recommendations on strategic planning for the regions and communities. However, the Strategy is not harmonized with the SDGs. All regions of Ukraine, in their turn, have started work on their own development strategies for the 2021-2027 planning period, which is led by the respective Oblast State Administrations and eventually will be approved by the Oblast Councils in each region.

According to the President's decree 722/2019 "On Ukraine's Sustainable Development Goals" all strategic documents should be aligned with SDGs. Therefore, at strategy level they should be fully integrated, which opens a real opportunity for the respective channelling of financial resources both from state and local budgets. The Oblast State Administrations play an important role in implementation of the sectoral reforms, providing leadership and coordinating the processes, and their buy-in is a critical entry point for strengthening strategic planning and financing for SDGs at sub-national level.

The Ministry of Finance has operationalized basic elements of results-based budgeting system in the country. However, limited influence over national strategic planning processes and the budget decision-making and budget accountability frameworks remain. More specifically, the current programme-based budgeting system faces the challenges of a mismatch between the national policy and strategic programmes versus the budget programmes structure. Another significant challenge in the current system is the lack of alignment between the hierarchy of key performance indicators used in the budget programme passports versus the SDGs and other national key priorities. The Budget Declaration is an effective platform of communicating government's key priorities and policy targets to the Legislature. At the same time, the Medium-Term Expenditure Framework, while present, is not functioning effectively to support SDG aligned performance measures needed for the Legislature's ability to effectively exercise its budget oversight function.

Forthcoming, local governments will have increasing responsibilities to raise their own resources and determine their own spending priorities. The health sector is one area where disruptions are being experienced with health financing reforms. While the government introduced some degree of central pooling of resources under a single purchaser uniform benefit package for Ukrainians, local governments remain responsible for on average 30% of health spending. There remain pronounced differences in per capita health expenditure reflecting choices made by regional authorities in terms of prioritization of health. Therefore, significant needs to harmonise regional governments support to health priorities, and health-related expenditures to reflect progress on SDGs is needed. Particularly linked to poverty reduction, NCDs, clean water and sanitation, education and now with the outbreak of a global pandemic COVID-19 pandemic, how national versus regional functions shift over time will be reflected in budgeting processes as well as broader engagement with development partners. Thus, making COVID-19 responses more relevant in the context of health sector reform in Ukraine. Mainstreaming COVID-19 into activities of this Joint Programme will require some flexibility as the situation evolves.

Speeding up reform processes in vital areas as health care, social care, decentralization contributed to the increasing gaps in equal access to essential health care services and leave behind a part of population. In eastern Ukraine, for instance, protection and access to health care services are of particular concern because 30% of those affected are older people (60+ years old), and 60% are women and children. Persons with disabilities and gender-based violence (GBV) survivors are also particularly affected by a lack of access to health services. According to National Healthcare Service there are around 8 million people (around one fifth of the total population) who did not sign declaration with family doctors, especially concentrated among the most disadvantaged population. Effective financial and

administrative mechanisms, which will be able to regulate vertical (central-regional-local level within one area) and horizontal (inter-sectorial) flows in the context of de-concentration, are practically oriented on improvement of service delivery and increasing primary health care coverage is needed. SDGs provide the required framework for the above but 'translation' of healthcare strategies into action and national/subnational financing architectures for those are yet to be developed.

Current weaknesses in financing mechanisms have become evident where increasing private sector delivery in specific sectors is occurring. Although PPPs are used in various forms in Ukraine and a new "Law of Ukraine on Public-Private Partnerships" was adopted in 2016 and a new "Law of Ukraine on Concessions" was adopted in 2019, a clear legal framework is not yet in place. In this regard, the UNECE has developed guidelines, tools and standards which can be used to offer guidance to public officials from the Ministry of Economy and local authorities in Ukraine on best practice in relation to the development and implementation of People-first PPP² programmes that respond to the needs of women and men, girls and boys, leaving no one behind. There is significant demand and need to improve the application of PPPs to support the efforts of decentralization and better service delivery.

Importantly, there is increasing government recognition of the need for more integrated approaches to SDGs financing. Mobilization of development financing in Ukraine through promotion of Integrated National Financing Frameworks will add value to various reform efforts to make them more people-centric and inclusive, leaving no one behind. Tools such as Development Finance Assessment is particularly relevant, i.e. to generate clarity on the evolution of the flows of financing for development at both the national and local level the allocation and contribution to national priorities. Strengthening of cross-sectoral collaboration is likewise conducive to the vested opportunities of the private and public sectors to work together in leveraging new and innovative financing solutions towards realization of the SDGs.

1.2 SDGs and targets

The joint programme aims to make impact on the following SDGs and targets³ (* indicates reference to global target):

- 1.a* Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions
- 1.b* Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions
- 1.2. Increase the coverage of poor people with targeted social assistance programmes
- 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
- 5.6 Expand economic opportunities for women
- 10.3. Ensure access to social services
- 16.6. Increase the efficiency of government bodies and local self-government
- 17.1 Mobilize additional financial resources by promoting foreign and domestic investment

² UNECE Guiding Principles on People-first PPPs

http://www.unece.org/fileadmin/DAM/ceci/ppp/Standards/ECE_CECI_2019_05-en.pdf

³ Sustainable Development Goals: Ukraine. 2017 National Baseline Report.

Table: SDG indicators⁴, data sources and most recent available data

| SDG No | Indicator No | Indicator description | Source of data | Baseline (year) |
|-------------------------|--------------|--|--|--|
| 1 | 1.a.1* | Proportion of domestically generated resources allocated by the government directly to poverty reduction programmes | | Baseline will be additionally provided |
| | 1.a.2* | Proportion of total government spending on essential services (education, health and social protection) (percent of GDP) | IMF Government Finance Statistics, Expenditure by Function of Government | 25.8 (2018) |
| | 1.a.3* | Sum of total grants and non-debt-creating inflows directly allocated to poverty reduction programmes as a proportion of GDP | | Baseline will be additionally provided |
| | 1.2.1 | Share of the poor population covered by state social support in the total number of poor people, % | IDSS NAS, SSSU | 70.9 (2018) |
| 3 | 3.8.1* | Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population) (Index 1 – 100) | WHO Global Health Observatory | 63 (2015) |
| 5 | 5.6.1 | Ratio of average wages for men and women, % | SSSU | 21 (Q1 2020) |
| | 5.6.3 | Employment rate of women aged 25–44 with children aged 3–5, % | SSSU | 59 (2015) |
| 10 | 10.3.1 | Share of rural households who suffered from deprivation due to lack of access to ambulance services in the settlement, % | SSSU | 38.2 (2017) |
| | 10.3.2 | Share of rural households who suffered from deprivation due to the lack of a medical facility near their home, % | SSSU | 27.8 (2017) |
| 16 | 16.7.1 | Ukraine's ranking in the Global Competitiveness Report by sub-index 'Institutions (government and public institutions)' | MEDTA | 110 (2018) |
| 17 | 17.1.1 | Ratio of private remittances from abroad to GDP, % | NBU | 8.3 (2018) |
| | 17.1.2 | Net foreign direct investment (according to the balance of payments), USD billions | NBU | 2,360 (2018) |
| (*Global SDG indicator) | | | | |

⁴ Ibid.

1.3 Stakeholder mapping and target groups

Primary stakeholders

| Stakeholder | Area of responsibility |
|-------------------------------------|--|
| Cabinet of Ministers | Responsible for the Government Action Plan and overseeing its implementation within the Ministries. They have direct oversight for EU integration process and alignment of Ukraine's public policy to the Association Agreement. Through the Vice Prime Minister's Office the Cabinet of Ministers also carries responsibility for overall progress on national SDGs and ensuring the sustainable development of the territory of Ukraine |
| Vice Prime Minister's Office | The VPM has the responsibility for overall coordination of the inter-ministerial working group on SDGs at the Minister level with relevant line ministries. As the Minister for EU integration, aligning the SDGs with Ukraine's Association Agreement is a key requirement for this office. Alignment of financing and budgeting to achieve these ends remains a strategic emphasis for the VPM. |
| Ministry of Finance | Responsible for overall macro-fiscal policies, provides sector budget ceilings, reviews and approves initial budgets prepared by line ministries, makes decisions on budget reallocations and sequestration during budget execution. |
| Ministry of Economy | Has an overall responsibility for implementation of the uniform government policy of national and regional economic and social development and cooperation with the European Union. It also coordinates planning action with the Ministry of Finance and particularly the strategic planning and budget execution units. The Ministry of Economy also has the role of technical support for SDG progress and the working groups in the Government. It has been the principle lead entity for preparation of the VNR. |
| Ministry of Health | Responsible for developing Government policies and regulations on health, including for the ongoing health system reforms. Prepares and submits overall health sector budget. Provides oversight for the purchasing agency. |
| National Health Service | Central executive body responsible for purchasing of health services under the Programme of Medical Guarantees (PMG). Specifically, it is responsible for negotiation with and contracting public and private providers as well as ensuring fulfilment of these contracts by providers through continuous monitoring. NHSU also prepares the draft PMG budget which is then submitted to MOH for further review and submission to the Ministry of Finance as part of the overall health budget. |
| Local government units | Decide on spending priorities at local level. Owners of public facilities; while the PMG is financed from central budget, LGUs are responsible for utility costs and maintenance of facilities. Have a right to provide services beyond the PMG. The core public health services are within the responsibility of the central government, which is in line with general international recommendations. However, local governments can also have their own local public health programmes. |
| State Statistics Service of Ukraine | SSSU produces is Ukraine's government institution responsible for production and dissemination of statistics. Principal source of data on progress monitoring and follow up on SDGs implementation in Ukraine. Key actor in Ukraine's 2020 VNR submission. |

2. Programme Strategy

2.1. Overall strategy

The Joint Programme outlines an integrated response to the complex challenges facing the Ukrainian government and the need to address optimizing resource allocation towards national development priorities and their alignment with the SDGs agenda. Reflecting Ukraine's status as a middle-income country, the role of ODA is marginal by comparison to other potential sources of financing (and public financial flows in particular). In response, the Joint Programme seeks to implement better ways of managing existing – and potential – finance flows for strategic change to enhance alignment of available resources to long-term development priorities. Drivers of change revolve around identification of funding needs and gaps, but more importantly around sustained political engagement to bridge inefficiencies and systemic shortcomings in budget, planning, and strategy processes. The project will support the development of a model INFF looking at breadth across the annual budget calendar but focusing in depth on the health sector, undertaking activities under each of the four pillars of the INFF framework (outlined more in detail in the theory of change section).

The UN system in Ukraine operates from a beneficial position to develop approaches that seek to transform these governance arrangements and establish conducive financing modalities to accelerate SDGs progress – especially towards health-related goals and targets of the 2030 Agenda. The Joint Programme will draw on extensive partnerships with key IFIs and multilateral partners with presence in Ukraine, including World Bank, IMF, EBRD, among others, and whose aggregated engagement with ministries and national authorities – on fiscal and public revenue policy, public financing, economic reform, and state budget matters – is featuring important interfaces and areas of cooperation related to development of INFFs. The EU Delegation is an additional stakeholder of importance, notably through its comprehensive initiative *Public Finance Management Support Programme for Ukraine* (EU4PFM) and which have clear links to the Joint Programme (in terms of strengthening budget- and financial governance processes). Budget tagging has been identified as one area of synergy between these programmes – UNDP will offer support on developing SDGs tagging system which is to become part of the integrated financial management information system of the Ministry of Finance. More in general, the Joint Programme's activities that serve to advance INFF development draw on constructive dialogue between UNDP and the EU delegation around possible areas of joint engagement; in the unfolding context of COVID-19, the discussion is for instance inclining in directions of how INFFs can support Ukraine in mobilizing response- and recovery measures towards the pandemic.

Nevertheless, the Joint Programme rests on well-established partnerships between public stakeholders and the participating UN agencies. Its comprehensive set of review- and capacity strengthening activities feed into public domains that are characterized by a high degree of ownership and susceptibility towards external cooperation and support. Whereas government endorsement of the Joint Programme is secured at the highest political level, stakeholder consultations have constituted an integral part of the programme design phase, i.e. to identify appropriate areas of engagement and reassure preparedness of key ministries and public entities to sustain lead role(s) during its implementation.

The model INFF will focus on the national and sub-national reform and decentralisation processes in selected regions (Oblasts). The participating UN agencies are committed to seek synergies between their contributions and support to the Ukrainian government and key stakeholders, which is also reflected in the framing of activities (around common SDGs targets). Accordingly, the proposed activities draw on requests and needs that are articulated

by high-level incumbents (at national- and sub-national level), reflecting institutional assurance that human resources will be mobilized and have mandate to internalize the participating UN agencies' joint offer. Moreover, establishment of the INFF multi-sectoral working group will (in addition to the programme's Steering Committee) be a mechanism of particular relevance to ascertain sustained institutional capacity to capitalize on the results of the Joint Programme beyond the implementation period.

This inclusive approach will be similarly reflecting in the engagement on sub-national level. Yet, it is not possible to develop fully the approach across 26 Oblasts within the scope of this programme, why the UN agencies – during a brief inception phase of the Joint programme, not extending beyond Q1 – will coordinate internally (and with key public stakeholders) on the selection of regions and aim to concentrate the work to two oblasts. In this way, the Oblast administrations will receive synchronized and optimized support, which in turn will be beneficial to both regional government's lead during implementation and forthcoming scaling of results. At this stage, there is a pronounced intention to jointly focus on at least one conflict affected territory in eastern Ukraine. Other criteria that will inform the selection include political commitment at oblasts levels; strategic importance from one side and vulnerability from another side; as well as different geographic coverage and level of development. Impact of COVID-19 will likely also be an important parameter in this regard.

With an emphasis on the health sector, the Joint Programme provides an opportunity to build on existing political buy-in and progressive reforms. Notably, the Ministry of Health will prepare in 2020 development of investment cases to attract private sector funds in the health sector. The potential of using private sector for developing integrated patient-centred primary health care services and getting medicines to remote rural areas is not fully exploited, although there have been positive experiences supported by the European Bank for Reconstruction and Development (EBRD) on which this Joint Programme will build. There is a need to strengthen governance behaviours to assure the private and public sectors work together, including through People-first PPPs to leverage public and private financing in order to advance the SDGs in health based on principles of gender equality and women's empowerment. The focus on the SDGs listed above will provide a model that could be replicated in time.

The outline of the Joint Programme brings together the collective knowledge, experience and the comparative advantages of three resident UN agencies (UNDP, UNICEF, WHO) in Ukraine. In addition, UNECE as non-resident will provide support on financing mechanisms to promote private sector engagement.

The focus of these agencies will be as follows:

- UNDP – will provide overall technical guidance and support to developing the (gender responsive) INFF and subsequent tools to build capacities around administrative, budgetary and strategic planning processes. Capacity building is a key element and will target public entities at national and sub-national level. This includes deployment of DFA (at national and regional level in two oblasts), budgeting for SDGs, RIA+⁵ to assess finance flows and potentially budget tagging and performance measures in MTEFs.
- WHO – will support the review of health sector strategies and programmes, mapping these to the state and regional budgets, and coordinating inter-sectoral cooperation on health-related SDGs. It will also support and deliver capacity building to the Ministry of Health in developing performance measures as part of the MTEF process.

⁵ RIA+ is a tool that identifies and tracks the financing flows between SDGs in policies and the ministries, local administrations.

- UNICEF – will provide technical guidance and support regional- and local health authorities in two regions (oblasts) to pilot Universal-Progressive Patronage Home Visiting Model⁶ (of service delivery for mother and childcare) through optimization of the existing primary healthcare financing system. The application of this model will be supplemented by PETS/QSDS to generate strategic advice through the SDG-lens of budgetary priorities and allocations to primary health care at sub-national level.
- UNECE – will provide support on review of the national PPP legal and regulatory framework and capacity building targeting public stakeholders and officials on PPP project identification, preparation and initial appraisal (at national level), in line with the UNECE People-first approach to PPPs for the SDGs.

Through all of these activities, the agencies will combine to review innovative (gender-responsive) financing potential in relevant areas of engagement. For UNDP this will be a focus on addressing socioeconomic consequences linked to COVID-19, as well as exploring new policy directions in the “Green deal”⁷ (in line with Ukraine’s EU Association Agreement); for WHO it will seek new solutions for health sector related costs; and for UNICEF to pilot a cost-effective financing model of mother and child health care at sub-national level (to be scaled and disseminated at regional level nationwide). This may also include multisectoral support (technical assistance, analysis, capacity building) related to Ukraine’s COVID-19 response and its financing needs, with possible emphasis on private sector engagement and innovative financing solutions.

With emphasis on achieving sustainable outcomes and impact, the participating UN agencies share a mutual commitment to utilize the joint programme as a platform for capacity building and promotion of tools and solutions that stimulate government stakeholders to assume a high degree of ownership already at initial stages of implementation. Investing in human *and* institutional resources is considered an enabler towards such delivery and does invariably comprise an integral facet of all the outputs and activities. Whereas improving the SDGs planning and financing architecture will concentrate on optimizing operational/strategic functions and mechanisms, the extension of this engagement is nonetheless pursued by explicit intentions to devise best-practices and (analytical) models that may be disseminated and employed on wider scale within Ukraine’s public governance structures. Notably, the activities that will be implemented on regional level and in tandem with Oblast administrations – and especially those of UNDP and WHO – constitute pilot exercises and are, as such, part and parcel of forward-looking aspirations to replicate the novel modalities and lessons learned across all of Ukraine’s Oblasts. The present decentralization- and health sector reforms offer both vital context(s) and coordinates to this aspiration, i.e. the changes that are underway at regional level in key domains of strategic planning and financing will enable the UN agencies to align input with explicit political ambition and momentum.

Whereas the Joint Programme draws on the strengths and technical expertise of the individual agencies, and envisage impact across the 2030 agenda, the activities are framed to address SDGs 1, 3, 5, 16, and 17 in particular. Implementation of the Joint Programme will in this regard benefit from – and align with – Ukraine’s existing advancements on nationalization of the SDGs framework, which entails a comprehensive set of adapted targets and indicators, including intermediate and 2030 national targets. This Joint Programme will also showcase to

⁶ Background note on methodological recommendations to Universal-Progressive Model, https://www.unicef.org/kazakhstan/sites/unicef.org.kazakhstan/files/2018-11/%D0%BC%D0%B5%D1%82%D0%BE%D0%B4%D0%B8%D1%87%D0%BA%D0%B0%20%D0%BD%D0%B0%20%D0%B0%D0%BD%D0%B3%D0%BB_FINAL_0.pdf

⁷ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

the government counterparts a model for various organization joining their efforts and specific toolkit towards the common set of SDGs targets and working in orchestrated manner.

The overall approach – towards supporting establishment of INFFs – is fundamentally informed by the DFA- and budget tagging exercises, which will generate critical baseline in support of further strategic and budgetary mobilization towards all these goals. More specifically, and with direct reference to Ukraine’s national SDGs framework, the outputs that the UN agencies will pursue at national and regional level have been outlined (i.e. harmonized) to have a significant overlap and mutually reinforcing contribution in particular to the following nationalized targets:

- 1.2. Increase the coverage of poor people with targeted social assistance programmes
- 3.9. Reform health care financing
- 5.6 Expand economic opportunities for women
- 10.3. Ensure access to social services
- 16.6. Increase the efficiency of government bodies and local self-government
- 17.1 Mobilize additional financial resources by promoting foreign and domestic investment

Practically, these comprehensive results ambitions exemplify the comparative advantage of the UN system’s role as SDGs accelerator in Ukraine and, as such, they constitute vital corollary extensions of the existing United National Partnership Framework (UNPF) 2018-2020 with the Ukrainian government. In short, the strategic direction and vision of the UNPF is aligned with national development priorities and rests on four pillars:

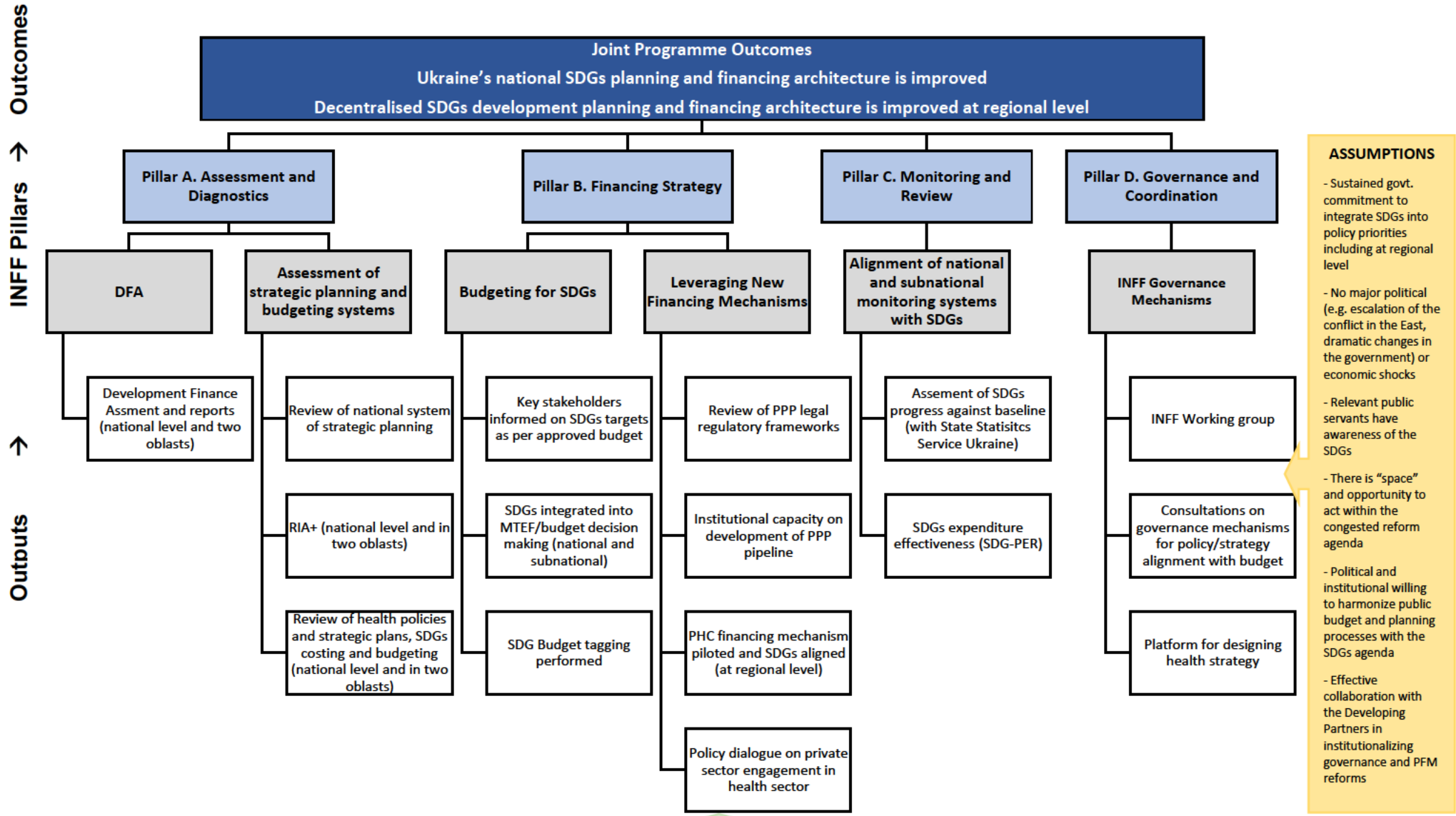
1. Sustainable economic growth, environment and employment;
2. Equitable access to quality and inclusive services and social protection;
3. Democratic governance, rule of law and civic participation;
4. Human security, social cohesion and recovery with a particular focus on Eastern Ukraine.

Acceleration and sustained progress in these areas, in line with the 2030 Agenda, is contingent on effective mobilization and distribution of development financing. In this regard, the Joint Programme – through the focus on national *and* sub-national level – reinvigorates a dynamic facet of existing UN initiatives and partnerships with the Ukrainian government that serve to stimulate inclusive sustainable development and strengthen the accountability towards right holders, leaving no one behind. Among related key initiatives, the Joint Programme links with UNDP’s Recovery and Peace Building Programme (which has a strong emphasis on economic growth and support to sub-national public institutions) and will especially draw on the agency’s Oblast SDGs Portfolio and nationwide network of regional SDGs coordinators as well as well-established relations with Oblast administrations (around decentralization and public capacity building on the SDGs, including support to strategic planning and monitoring). Likewise, the involvement of WHO and UNICEF rests on long-running engagement with public and private stakeholders on health system financing/performance and initiatives on social protection and primary healthcare (and whose technical importance is set to increase considerably given the rapid emergence of COVID-19 in Ukraine).

Consequently, the Joint Programme will improve the linkages between public policy execution and ongoing decentralisation reforms. In addition, it will provide a model that can be replicated and integrated more broadly across development areas. The political and institutional will to harmonize public budget and planning processes with the SDGs agenda will be sustained with this support. Specific changes to the decentralised delivery of health services and dedicated funding model for improved services in this sector will be provided, thus contributing to the stated reforms instituted by the Government of Ukraine.

2.2 Theory of Change

OPERATIONALIZATION OF THE INFF IN UKRAINE



The theory of change envisages catalytic change in multiple areas of engagement, elaborated below (and in line with the structure of the INFF framework). Practically, the Theory of Change focuses on strengthening administrative and institutional operations for strategic planning and budgeting, alongside mapping and assessment of development finance flows, and leveraging of new financing modalities, at national and regional level to better respond to the needs of the Ukrainian society. Implementation of the 2030 Agenda and SDGs integration into government planning and budgeting processes is fundamentally dependant on institutional and legal frameworks for national strategic planning. In this regard, multiple activities will optimize the alignment between public financing and national development priorities, whilst incorporating SDGs linkages.

Assessment and Diagnostics

Development Finance Assessment (light version) will offer an overview in terms of spending and allocation patterns. Data on finance flows supporting detail to macro-economic forecasts are integral for understanding the array of financing available for development purposes. The DFA will focus on a) sectoral priorities for ODA and loans from IFIs in Ukraine, b) financing flows being directed to policy areas linked to SDGs and relevant line ministries, c) categories and amounts of FDI. The emphasis will be on understanding the key linkages between stated policy objectives established by the Cabinet of Ministers and extent implemented in different the budget units in line ministries. The DFA approach will be extended to 2 regions (Oblasts) and finance generated and expenditure at the regional level will also need to be assessed. That is, qualitative assessments of how central revenue collection impacts on the ability for regional administrations to deliver on local services and ensuring their accessibility for different groups. This discussion is at the core of current fiscal decentralisation reforms.

This component will also apply a rapid integration (budget plus) assessment (RIA+). Each of the SDGs have been nationalised and integrated into the work of line ministries. An assessment of the alignment of SDGs to national policy documents was undertaken in 2017 and the Ministry of Economy is embarking on a revision. The RIA+ will add the analysis, of budget flows linked to policies, assessed by contribution to SDG targets. This provides a clear picture of public expenditures. The analysis will also be extended to two regions and the apportionment of expenditures to regional development plans; UNDP has supported integration of SDGs at the sub-national level so there is already a baseline of analysis of SDGs at the sub-national level. This assessment of financing flows and identification of funding gaps will enable Ukrainian government stakeholders – at regional level and national level – to optimize resource allocation in ways that increase alignment of development finance resources (public and private) in support of sustainable development.

Governance and Coordination

With focus on strategic planning and budgeting in the health sector, the Joint Programme will ensure national health strategy reflects relevant SDGs, and promote the adaptation of multi-sectoral approaches, requiring cooperation of different line ministries and levels of government, to ensure equitable and inclusive access to health services. Previous assessments will link this to budgetary processes and available financing. Capacity building is a key ingredient. The Joint Programme is timed well with the plans of the Government of Ukraine to develop the National Health Strategy 2030. WHO together with other UN partners and IFIs will develop a platform for designing a (gender-responsive) health strategy with participation of finance, education and social policy ministries and local government authorities.

Through a focus on the health sector and administrative approaches to strategic policy, the Ministry of Economy has requested the Joint Programme to help break the siloes between

government entities on better implementation and effective development planning outcomes. While they recognise that strategic planning reforms are needed, they also recognise a lot can be done in the existing frameworks and therefore accentuating the possibility to bring together development planning and development financing. This is a key need expressed during a scoping mission led by UNDP in February 2020. It has also led to greater understanding of the entry points in the annual budget calendar.

Budgeting for SDGs is an important component of an operational INFF, especially in a country such as Ukraine with estimated high role of public finance in overall SDG financing. Budgeting for SDGs in Ukraine will specifically address three pillars of an effective SDG-aligned budgeting – i) informing key stakeholders on SDG targets as per budget approved (so-called SDG-informed budgeting); ii) using SDGs in strategic budget allocative function during budget decision-making; and iii) increase expenditure effectiveness from SDG perspective.

In order to achieve these outcomes, the Joint Programme envisages deploying the following outputs that have also been presented at the consultative workshop and a meeting (including with Ministry of Finance representatives):

- a. Enhance the coverage of the Budget Declaration so it is more aligned with the national priorities, including on SDGs, with SDG5 as cross-cutting.
- b. Support in integration of SDG lens into the Medium-Term Expenditure Framework.
- c. Design and use a national policy aligned budget tagging system to track budget allocations and actual expenditures by national policies and targets (SDG budget tagging for SDGs and SDG indicators).
- d. Piloting policy-budget bridging at the level of specific budget processes such as the budget formulation via integration of national policy targets and SDGs in budget templates. A distinct activity in this regard will be a follow-up technical cooperation on integrating SDG requirement in the budget circular of the Ministry of Finance.
- e. Public Expenditure and Institutional Review for selected SDG priority sectors (health) to identify bottlenecks in financing and effective delivery of SDGs.

Financing Strategy

Once again with a focus on the health sector, with a new policy in place to 2030 and integrated with SDGs and identification of key stakeholders, the emphasis will be to establish benchmarks for financing towards integrating national, regional, and private financing to achieve relevant policy outcomes. This will entail focus on the application of PPPs to achieve better health outcomes at the local level. Through the engagement of UNECE to provide support for legislative and capacity needs, the task will be to chart new directions in the health sector to strengthen its response to women's and men's needs and existing gender inequalities. It will provide a model of engagement for sector reforms and improving the linkages between policy and financing in the face of decentralisation reforms.

Mobilization of new and innovative (gender-responsive) financing mechanisms is an area of engagement that will serve to support the government in creating an environment that promotes inclusive and sustainable contributions to development from private and public actors, including through People-first PPPs. In particular, an improved PPP legal and regulatory framework will be achieved through a review of the existing PPP legislation (PPP and concession) and its alignment with the SDGs and the People-first outcomes and through engagement with the Ministry of Economy on development guidelines and template documents and support on their operational incorporation and application. Additionally, project-oriented capacity-building with a cross sectoral focus will increase institutional capacity of the ministry (as well as Ministry of Health and Ministry of Finance) to identify and prepare People-first PPP projects in line with the SDGs. UNECE will also seek to introduce the

People-first Project Impact Assessment Tool⁸ that is being developed to evaluate and score projects against the People-first principles and their alignment with the SDGs. This will allow the government to refine the benchmarks of the Tool, which include indicators on gender equality and women's empowerment, with an outlook enable replication and make it available to other countries (including from the European Union).

The financing component of the INFF will not only look at PPPs but will also provide advice on alternative, sub-sectoral or innovative financing opportunities. Based on the evidence on performance gathered through the introduction of the Universal Progressive Home Visiting Model, UNICEF will link this output with appropriate budgetary sources at national, sub-national and service level as well as household surveys. This body of data will enable UNICEF to perform cost effectiveness reviews – PETS in the area of primary health as well as QSDS in the regions where the model of home visiting is applied (and will thus compliment the related assessments that WHO will conduct on national level). This approach will in turn inform formulation of strategic recommendations to sub-national (health) authorities and to the Ministry of Health and Ministry of Economy on alignment of primary healthcare spending with health-related SDGs.

Moreover, the details the assessment and diagnostics of the Joint Programme will support a baseline of financing for support upcoming policy reform issues. Most specific is the desire to develop a 'new green deal' in Ukraine to follow the lead from the European Union. The Vice Prime Minister's Office has expressed desire to help support these efforts and the studies herein will shape future financing strategies for this policy (in drafting process).

Monitoring and Review

The Joint Programme provides a model implementation approach for the integration of SDGs into government planning and budgeting processes. Stakeholders recognize this is fundamentally dependant on Institutional and legal frameworks for national strategic planning. In this regard multiple activities will enable ministries and key government stakeholders to jointly optimize the alignment between public financing and national development priorities, whilst incorporating SDGs linkages taking into consideration gender equality concerns (i.e. targets and indicators) into these processes.

The State Statistics Service of Ukraine has developed an SDG baseline for Ukraine which was published in 2017. The Joint Programme will support a review of the baselines for health-related SDG targets with more recent data disaggregated by sex, age, where possible. It will also provide a forward-looking assessment on the potential to meet targets based on the new policy and its financing strategy. This will require some assessment of the current financing committed to health-related SDGs and the needs to meet the objectives of the new health policy.

Assumptions:

- The Government of Ukraine sustain strong commitment to integrate SDGs into policy priorities including at regional level, particularly following the local elections planned for 2020.
- No major political (e.g. escalation of the conflict in the East, dramatic changes in the government) or economic shocks.

⁸ UNECE People-first Project Impact Assessment Tool, <https://wiki.unece.org/display/pppp/Impact+Assessment+Tool>

- Relevant public servants have awareness of the SDGs.
- There is “space” and opportunity to act within the congested reform agenda and the Cabinet will give sufficient attention to the topic.
- Political and institutional will to harmonize public budget and planning processes with the SDGs agenda taking into account gender equality considerations
- Effective collaboration with the Developing Partners in institutionalizing governance and PFM reforms

2.3 Expected results by outcome and outputs

The Joint Programme builds on two outcomes, which individually frame engagement and outputs at the national level and respectively at regional level in selected Oblasts (as described more in detail in section 2.1). Results will be mutually reinforcing and inform the overarching aspiration to reinforce Ukraine’s SDGs financing architecture through comprehensive approaches to establish INFFs.

Outcome 1: Ukraine’s national SDGs planning and financing architecture is improved

This outcome will be principally driven by the development of a model INFF and with specific reference for health sector reform. However, it will strategically be able to follow-up in other sectors once completed. It will consist of the following outputs:

Outputs

Output 1.1. **Development Finance Assessment informs formulation of public SDGs financing priorities** consists of the following activities and sub-outputs:

- Establishment of an INFF multi-sectoral working group (under the leadership of the Vice Prime Minister) will provide the political support as well as technical leadership for conducting and then considering the results of the national Development Finance Assessment. The working group will consist of the representatives of the Ministry of Finance, Ministry of Economy, Office of the President of Ukraine, and the Cabinet of Ministers. Representatives and gender focal points from the key development partners, such as EU, World Bank, etc will be also invited. (UNDP)
- National Development Finance Assessment (light) will identify the current status and prospects of the financing flows opportunities and suggest a roadmap of key financing solutions to be taken forward. The landscape of public and private finance will be mapped as comprehensively as possible to identify priorities for (i) enhancing alignment with the SDGs; (ii) redirecting financing; (iii) identifying potential savings. For this, terms of reference⁹ for the assessment will be developed, agreed with the Ministry of Finance and Ministry of Economy and a group of national consultants will be contracted that will be technically supported by UNDP Regional Hub. (UNDP)
- Facilitate public discussion and presentation of the results of the Assessment and jointly define and agree on recommendations and follow-up actions. These discussions will be led by the Vice Prime Minister and will engage both governmental and no-governmental stakeholders, such as private sector, IFIs, etc. For this activity a series of round tables will be arranged. (UNDP)

⁹ The terms of reference will also be circulated in a wider circle of stakeholders (including to the World Bank) to invite feedback and ensure alignment with existing/planned initiatives within the donor community.

Output 1.2. **Improved institutional engagement and administration of SDGs aligned strategic planning systems** consists of the following sub-outputs and activities:

- A comprehensive assessment of the alignment of the national strategic planning policies and cascading effect from the Government Action Plan through to its influence on sectoral policies and defined link to expenditure patterns by budget units in line ministries. This will be conducted through the application of a RIA+ to track the financing flows to Ministries and subsequently the SDGs for which they have been given responsibility. The RIA+ assessment will provide an overall picture of the priorities at the national level and highlighting key gaps in SDG coverage. This assessment will also form a baseline to promote budgeting for SDGs tool (below) (UNDP).
- An independent review of the national system of strategic planning of Ukraine will review roles and responsibilities of respective government institutions to identify where bottlenecks exist within the existing architecture of the strategic planning processes; the assessment will result in specific recommendations on improvements. The assessment will be arranged under the auspices of the Cabinet of Ministers. (UNDP)
- Facilitation of consultations to review the recommendations on the national system of strategic planning (among the Cabinet of Ministers, Office of the President of Ukraine, Ministry of Economy, Ministry of Finance and the Parliament of Ukraine). The ultimate objective of this activity will be improving governance mechanisms that align policies and strategies with the annual budgets. (UNDP)
- Assessment of SDG baselines in conjunction with the State Statistics Committee will be conducted. Combined with the assessment of financing flows it will look at the commitment to SDGs, where the biggest gaps exist and provide an overall assessment of the likelihood of intermediate targets being met and where significant gaps exist (UNDP). This is not a costing exercise but a qualitative assessment of the strengths and weakness of current financing flows.

Output 1.3. **Strategic planning and budgeting in the health sector is improved** consists of the following sub-outputs and activities (all WHO):

- Analysis of budgeting processes, financing mechanisms, and changes in spending priorities for health-related SDGs and developing recommendations to improve country's ability to respond to epidemic without undermining essential health services
- Developing costed strategy for health SDGs linked with budget formulation process: WHO will support the Ministry of Health in developing coherent costed strategy for health SDGs and bridging health policies with the budget process. This will include support to reviewing existing policies and strategic plans for the health sector, including costing where available, align these with the SDGs and linking with budgeting processes. The activities will also support strengthening of capacity of the strategic planning and finance units of the Ministry of Health to effectively streamline plans and policies in the budget proposals to be submitted to the finance ministry.

Output 1.4 **Budgeting for SDGs tools are employed and guide SDGs integration in national and sectoral budget frameworks** consists of the following sub-outputs and activities (all UNDP):

- Budget Declaration: Review of the Budget Declaration structure and content and support the Ministry of Finance in integrating national priorities and targets (including using SDG framework) into the document.
- MTEF: Review and integration of SDG lens into the Medium-Term Expenditure Framework. Piloting activities in the health sector will be used as a model for integrating SDG related policies and financing frameworks in the MTEF.

- SDG Budget Tagging: Development of a new budget tagging system to track the national priorities and SDGs in the budget; technical parameters of the tagging tool will be finalized in discussions with the Ministry of Finance during the inception phase.¹⁰

Output 1.5. **New SDGs financing mechanisms are leveraged and adopted by development stakeholders** consists of the following sub-outputs and activities:

- Review of the PPP legal and regulatory framework, with a specific focus on the PPP and Concession legislation to ensure alignment with the SDGs and the People-first approach to PPPs promoted by UNECE, and develop guidelines and template documents for public officials for project identification and preparation (UNECE).
- Capacity building for Ministry of Economy and the line Ministries (Ministry of Health and Ministry of Finance) on People-first PPP project identification/preparation and development of project pipelines, according to UNECE Guiding Principles on People-first PPP and other international PPP best practices (UNECE).
- Support to policy dialogue on private sector engagement in health to ensure progress towards Universal Health Coverage (SDG 3.8), including development of policy recommendations based on the review of the PPP legal and regulatory framework conducted by UNECE and based on WHO global/regional evidence of PPP in health (WHO with input from UNECE).

Outcome 2: Decentralised SDGs development planning and financing architecture is improved at regional level

The approach at the regional (Oblast) level will largely mirror the exercise conducted at the national level. However, importantly it will be more deliberate in how important national policy objectives are delivered in a newly decentralised administration. Acknowledging benchmarks and performance based on SDG outcomes will be key this and why the health sector reforms remain so important for this.

Outputs

Output 2.1. **Regional Development Finance Assessment is conducted and informs formulation of public SDGs financing priorities**

- Selection of two oblasts for piloting the improved SDG financing mechanisms (the conflict area will be considered). These will be based on criteria to be developed with stakeholders to ensure transparency (UNDP)
- Establishment of multi-stakeholder working groups for preparation of DFAs in the selected pilot oblasts (UNDP)
- Conducting two sub-national level Development Finance Assessments. This will need to include an assessment of the revenue raising capacity at the oblast level and financing flows from revenue to service delivery based on SDGs (UNDP)
- Analysis of health policy priorities and spending at regional, district and municipal levels in regions (oblasts) with in-depth studies in selected for DFA with recommendations on

¹⁰ Ministry of Finance has indicated determination to employ a new tagging system in relation to high-level policy framework adopted by the government, why the tagging reference-document will be pending progress on the strategic planning system. Regardless, the tagging system will be offered to ministerial counterparts as an off-system exercise by UNDP in its initial phase rather than a comprehensive IT-solution on integrating the SDGs into the chart of accounts. The rationale is based on ongoing discussions between the World Bank and the ministry on upgrading the budget information system with the support from the EU4PFM project. In the course of the preparation of the design of the new system, UNDP will provide a specific technical note on recommended SDG tagging system to become part of the integrated financial management information system.

revenues sharing and service delivery arrangements, using primary and secondary data (WHO)

- Presentation of the results of the sub-national DFAs to stakeholders and building consensus on the follow-up actions (UNDP and WHO)

Output 2.2. Budgeting for SDGs tools are implemented by two Oblast Administrations and strengthen SDGs integration in budget processes (UNDP)

- Knowledge sharing and capacity building (seminars, trainings, workshops) SDGs budgeting for representatives of oblast-level and local authorities responsible for budgeting, resource mobilization and strategy monitoring.
- SDG Budget Tagging at sub-national level: support to adjustment and application of the budget tagging system developed for the national level to track sub-national priorities and SDGs in the oblast budgets.
- Budget Formulation: Support in methodology and systems adaptation in developing the oblast budgets in line with regional priorities and SDGs with a clear linkage between the strategic planning document (regional strategy and Implementation Plan)
- Support in presentation of the developed SDG-aligned budgets to the Oblast Councils for their approval
- Dissemination of the experience of budgeting for SDGs with other oblasts administrations

Output 2.3. New financing mechanisms are leveraged to ensure effective service delivery in health care for all (UNICEF)

- Technical support and guidance to regional health authorities to optimize the existing primary healthcare financing system through piloting of Universal-Progressive Patronage Home Visiting Model in two oblasts, including in the conflict area.
- Assessment of budgetary priorities and allocations by cost effectiveness review in the area of primary health care (PETS/QSDS) through an SDGs lens in the selected regions where the model of home visiting is introduced.
- Formulation of strategic recommendations to sub-national (health) authorities and to the Ministry of Health on alignment of primary healthcare spending with health-related SDGs based on piloted model, including dialogue on replication of approach in other oblasts.

Output 2.4 Regional strategic planning processes are improved and aligned to SDGs (UNDP)

- Knowledge sharing and capacity building (seminars, trainings, workshops) for the members of the working groups on strategic planning/strategy monitoring in two selected pilot oblasts
- Provision of support to establishing and sustaining continuous and inclusive and strategic planning and monitoring processes in the two pilot oblasts.
- Provision of support to aligning the Oblast Strategy Implementation Plans with the SDGs in the pilot oblasts

2.4 Budget and value for money

This Joint Programme is built on long-term strategic investment in terms of research, advice and expertise provided to the government by the lead agencies UNDP, WHO and UNICEF over the last years, directed to improving the process of the national and regional budgeting and planning. The importance of aligning diversified financial sources and flows with Ukraine's development ambitions has subsequently informed intensified dialogue on SDG financing, and which has involved high political engagement (through a series of events aiming at anchoring the ownership of the national stakeholders to improve budgeting for sustainable development). In this regard, DFA and activities that seek to harmonize government planning and budget processes – with embedded SDGs linkages – are guided by considerable instrumental and analytical returns on engagement, i.e. in terms of sustained institutional capacity at national level.

The Joint Programme also aims to bring SDG financing to the regional level, in particular in the health sector, taking advantage of the recent effective collaboration between WHO and the World Bank in advising the government on health financing reforms (Ukraine review of health financing reforms 2016-2019, WHO-World Bank Joint Report). This part of the Joint Programme will be highly synergetic with the ongoing decentralization reform, directing the policy dialogue on how to align decentralized roles, local financing, national health policy priorities and national SDG budgeting.

The high level of buy-in from the government and notably the ministries of economy and finance is significantly guiding the outline of the programme activities. The value added of the participating UN organizations is inherently catalytic in this regard, and beyond the programme timeframe the Ukrainian government will benefit from enhanced capability to optimize its development financing architecture, making the transition to SDG finance narrative irreversible.

In this way, the relatively marginal financing provided in the framework of this Joint Programme can potentially leverage significant national, regional and sector financing through influencing the state budget and national strategic programming. Focusing on the efficiency of state budget allocation in line with SDGs through the current 3-year budgetary planning in force in Ukraine ensures long-term sustainability of the programme as well as reinforcing the viability of the national financing and decentralization reform.

Furthermore, considering the importance of the EU Association agenda for policy priority setting, cooperation with the EU will focus on integration of the INFF and SDG financing approach into the budget planning and programme-based budgeting methodological advice provided by the EU4PFM programme.

Additional co-financing opportunities from the EU will be explored after adoption of the new EU Multiannual financial framework for 2021-2027, which will be closely oriented to supporting the SDGs. Furthermore, consultations with the EU Delegation as part of the regular donor coordination confirmed the interest to jointly promote sustainable budgeting and financing approaches, with much wider engagement of the Ministry of Finance, in order to ensure the sustainability of the reforms largely financed by the EU. INFF methodology is expected to be the central part of this improved financial reform sustainability. Too, the EU Delegation confirmed decentralization as the key priority for country support in the coming years opening another entry point for regional financing systems optimization by relevant UNCT expertise with possible EU support.

Lastly, and overall, the Joint Programme takes comprehensive approach towards ensuring that the design is informed by principles of gender equality (as a cross cutting issue). The participating UN organizations recognize that Ukraine's need to strengthen its SDGs financing architecture also calls for strategic planning and budget processes that are leaving no one behind and responds to the needs of women and men. Nevertheless, the government

stakeholders that will have principal roles in leading and implementing the various programme activities operate on legal and strategic mandates that prescribe gender sensitivity and inclusion in all domains of work. Hence, the series of activities included in the Joint Programme aim at producing gender-sensitive results and outputs, notably through the review- and analytic exercises that will generate in-depth and disaggregated data on financial flows and spending patterns on SDGs targets and indicators related to gender equality and women's empowerment. By the same line, this engagement will inform integration of gender and SDG5 alignment in operational and strategic domains of Ukraine's budgeting and development planning infrastructure. The relatively large Joint Programme budget allocation towards optimizing health spending (as a vehicle for ensuring universal health coverage), and leverage new SDGs financing including through PPPs, are in the same sense approaches that are geared towards addressing the needs and rights all Ukrainians and women and children amongst other disadvantaged groups in particular.

2.5 Partnerships and stakeholder engagement

The Joint Programme benefits from the highest level of support from the Government of Ukraine, led by the Vice Prime Minister of Ukraine, who is also national coordinator for implementing 2030 Agenda and the SDGs. This incumbent is responsible for operationalization of the Decree of the President of Ukraine No722/2019 dated 30/09/2019 to promote SDGs as universal development framework in Ukraine. The Office of the VPM is currently setting up an Inter-Governmental Working Group on the 2030 agenda, which will consist of deputy ministers of almost all ministries and that will serve as highest level authority to coordinate strategic planning, implementation, monitoring and evaluation, budgeting and financing of SDGs. RCO and UNDP are invited to be members of this Working Group, which will serve as a platform for monitoring of the Joint Programme implementation among other things.

Furthermore, the Ministry of Economy and the Ministry of Finance are engaged in continuous dialogue with UNDP on the SDG Financing agenda. Following a dedicated SDGs financing dialogue with ministries and public incumbents, the Joint Programme was designed to accommodate the needs, challenges and priorities that the national Government articulates. Beyond the scope of the Joint Programme, UNDP will continue working with the Governmental structures on promoting the SDGs financing following the global guidelines and policies.

The UN system is currently engaged in dialogue with Ministry of Economy on the Voluntary National Review process that is expected to open and drive intra-governmental discussion on long-term national planning and financing. This assistance is based with very productive collaboration with selected Member-States, such as Switzerland and Sweden, providing unique expertise and exchange of experience on SDGs nationalization and VNR process in developed economies. This strategic partnership is reinforced by the fact that both the Government of Sweden and the Swiss Agency for Development Cooperation are the UN Joint Fund donors.

On the technical level of International technical Assistance coordination that the present Joint Programme will be part of, the new Ukrainian Government established a central focal Directorate for International Technical Assistance (ITA) within the Secretariat of the Cabinet of Ministers of Ukraine (SCMU). Following discussions between the Government of Ukraine representatives and development partners, it was decided to establish a platform that would allow for more interactive dialogue and coordination. Considering the multiple layers of coordination that already exist in Ukraine, RCO in cooperation with the EU and major donors facilitate a 3-tier development cooperation coordination system with a special focus on involving the Ministry of finance to ensure adequate financing of the reforms and their

sustainability. This coordination system is co-chaired by the UN Resident Coordinator, ensuring the activities under the present Joint Programme are well embedded into the work of other development partners.

WHO has been effectively engaged with the Ministry of Health, the National Health Services of Ukraine (NHSU) and local health authorities on health financing reforms since 2015. With WHO support in a few short years, the Ministry of Health led sweeping health sector reforms to ensure financial protection from excessive out-of-pocket payments and to improve the population's access to quality care, including primary health care. Regardless of changes in the leadership over the past year, the health sector reforms continued, demonstrating the overall country commitment to reform process. While certain changes may occur in sequencing of reforms as the result of the recent changes in the Government, WHO along with key partners in health will build on its strong relationship and trust with the Ministry of Health, NHSU, local health authorities and continue supporting policy dialogue to ensure progress towards health SDGs.

Since the Joint programme will be implemented at the sub-national level, notably UNDP will be working closely with Oblast State Administrations which are leading the processes of strategic planning and budgeting, and local working groups on strategic planning/monitoring, engaging relevant stakeholders from all sectors to ensure inclusive cross-sectoral and multi-level dialogues. The public officials responsible for budgeting, resource mobilization and expenditure monitoring at sub-national and local levels in the two pilot oblasts will be engaged in the programme activities and trained on SDGs-related topics, as well as budgeting for SDGs. The Joint programme will also engage the Oblast Councils in both pilot oblasts to ensure that the SDG-aligned budgets developed within the programme are understood and accepted by their members.

Wider engagement with national think-tanks, private sector financing funds, development partners and IFIs is currently being organized through a dedicated Economists network that the RCO is facilitating among economy and finance practitioners across all sectors. This unique network bringing best local and international expertise is expected to be operational by the start of the Joint Programme, providing not only technical oversight and consolidation of inter-agency intelligence on SDG financing, but also an accountability mechanism involving civil society organizations and economic research centres who are already engaged in monitoring and optimization of the public spending. A separate focus on private sector engagement will be done by involving a wide local Global Compact network, leveraging from additional visibility and reach-out activities related to the 20th anniversary of the Global compact and the Decade of action.

Additionally, separate synergies will be achieved by involving the IMF, currently finalizing a potential programme agreement with the government, capitalizing on the IMF advice in the sector of Public Financial Management and deep involvement with the Ministry of finance through a resident advisor.

A strategic involvement with the EU on SDGs Financing is established taking opportunity of the recent progress with the EU-Ukraine Association Agreement and the development of the new strategy for Ukraine. The novelty of the Association progress report issued in March 2020 is that for the first time all thematic chapters are now linked to specific SDGs, formally acknowledging the Agenda 2030 is the key enabling framework for the Association Agenda. This significantly reinforces the position of the UN system to further support national priorities, including in the spheres of the Association Agreement implementation relevant to the present Joint Programme, i.e. decentralization (including budgetary aspects), public finance management and financing.

Additionally, and SDGs Working group within the UNCT is being reinvigorated in order to streamline assistance of the whole UN system, including non-resident agencies, to the Government of Ukraine on the whole spectrum of the SDG nationalization process.

Finally, a dedicated RCO Partnership advisor and RCO Economist are systemically engaged in promoting structured engagement of the UN country team with key stakeholders in the government, development partners and IFIs. In this way the Joint Programme activities will be fully integrated in a multi-level and cross-sectoral coordination mechanisms with key stakeholders, ensuring meaningful participation and ownership by the Government.

3. Programme implementation

3.1 Governance and implementation arrangements

The Joint Programme is guided by the UNDG 'pass-through mechanism' and will be governed by a steering committee under the lead of RCO, whereas UNDP will assume the role of Lead/Convening Agency. UNDP will in this regard be responsible for coordinating the programmatic aspects, including coordination among participating organizations and for consolidating narrative reporting, as well as for financial management, while each participating UN organization has programmatic and financial responsibility for the funds disbursed to it.

Steering Committee

A Steering Committee will ensure strategic direction, oversight and decision-making authority for the Joint Programme.

The Steering Committee will review the progress of implementation, approve and adjust the programme's work plans as necessary (work plan, risk management plan, communications plan), ensure quality assurance and validate reporting. At the end of the project it will also agree on the specific Transition plan in order to ensure the full ownership of the programme's results by the Government of Ukraine.

The Steering Committee will be co-chaired by UNDP (as Lead/Convening UN Agency), and by the Resident Coordinator (RC) and a high-level representative of the Government of Ukraine (Vice-Prime Minister/National SDG coordinator, currently expecting official nomination). Rotating chairing could be foreseen by decision of the Steering Committee to increase ownership.

The Steering Committee will be further composed of the relevant representatives of the government (Cabinet of Ministers, Office of Vice-Prime Minister, Ministries of economy, finance, health, social policy), as well as Implementing agencies (UNDP, WHO, UNICEF and UNECE), together with other UNCT agencies as observers.

The Steering Committee will be fully inclusive and participative; additional observers will include private sector representatives (Global compact Local network, business support organisations) and civil society (mainly health sectoral CSOs).

In order to avoid duplication of coordination structures, the Steering Committee will be convened twice a year as special extended meeting of the UNCT with invitation of relevant government, private sector and civil society counterparts.

In this way the Steering Committee as part of the regular UNCT coordination will be fully integrated into the existing UN country management and coordination mechanism.

Roles and responsibilities

Under the general direction of the Steering Committee, the participating UN agencies will ensure day-to-day management of the programme and assume responsibilities for achievement of the results. More specifically, the following roles and functional responsibilities will inform and guide the programme implementation.

RCO and the Government of Ukraine

This role will entail securing a single-entry point for the Joint Programme for the Government of Ukraine and the participating agencies. RCO will be accountable for the Joint Programme's results, but will not engage in implementation of substantive technical activities.

RCO will also provide secretarial support for the Steering Committee. The RCO will further coordinate the communication on the Joint Programme under the UN Communication and Advocacy group. This includes responsibility for joint activities such as communications as well as tasks related to the final external evaluation.

In order to ensure ownership, the governance of the Joint Programme will be further extended to be included into the national donor coordination mechanisms. The RCO in close cooperation with development partners is providing expert and technical support to the Government of Ukraine in establishment of the new coordination system for international technical assistance in Ukraine. Considering the structural character of the intervention that aims to consolidate and leverage all available financing for SDGs, from all stakeholders and sources, scrutiny of the Joint Programme's performance and results, as well as advocacy of the national integrated financing approach will be ensured at the level of the National Development Partnership Forum (every 3 months) Development Partnership Platforms (Strategic coordination of international assistance with the priorities of the Government of Ukraine, ad-hoc meetings), Sectoral Coordination Councils (Coordination of ITA with sectoral priorities (ministerial action plans, ad-hoc meetings) but most of all at the Heads of Cooperation Thematic Meetings (every month), that will allow inclusively involve the main donors and the IFIs into the process of establishing the Integrated National Financing Framework.

This frequent and operational monitoring will allow capturing the feedback and adjust the Joint Programme in an agile way early delivering value to the stakeholders, i.e. demonstrate to the Government of Ukraine the specific new financing mechanisms to be identified by the programme.

The Government of Ukraine will nominate high-level representatives in each of the involved ministries and agencies that will ensure coordination of the Joint Programme activities and implement full alignment of the activities with the reform priorities of the government.

It is expected that the results of the Joint Programme will be a key input into the National Development Strategy of Ukraine, providing alignment of the Government priorities with the SDGs Agenda 2030, by operationalising them with a full overview and regular update of the existing financing sources. The programme is also a direct response to the Government request to foster SDG budgeting with a focus on domestic resource generation, i.e. fostering economic growth.

UNDP

As lead Convening/lead Agent, UNDP will be responsible for the Joint programme's operational and programmatic coordination. Moreover, UNDP will be responsible for preparation and consolidation of the programme's reporting, provided by the other participating agencies, and for submission to the Joint SDG Fund Secretariat (through the RCO).

Moreover, as implementing agency, UNDP will be responsible for activities related to Development Finance Assessment, Budgeting for SDGs and activities focusing on review and strengthening of strategic planning and budgeting processes (at national and regional level).

WHO

WHO will lead on health related activities and will be responsible for Output 1.3 specifically. It will also contribute to products and activities under a number of outputs, including Outputs 1.5 and 2.1.

UNICEF

UNICEF as a part of Joint Programme will provide technical assistance during the whole implementation cycle of the Programme. In addition, UNICEF will be responsible for specific programme components, focusing on modelling and strengthening of financial mechanisms and service delivery models at regional and local level with vertical linkages to the national government.

UNECE

UNECE will lead on PPP related activities in Output 1.5 through policy advisory on the PPP legal and regulatory framework, including recommendations to support the development of secondary legislation in line with the People-first approach and the SDGs, and capacity-building on identification and preparation of People-first PPP projects.

Operation Management Team

Reduction of UNCT transactions will be ensured by empowered Operation Management (OMT) team co-chaired by UNDP and UNICEF and guided by Business Operations Strategy (BOS 2.0). OMT and available Common Premises will enable common services and Harmonization of common operations under Joint Programme.

Monitoring and Evaluation Working Group

The RCO M&E Working Group is responsible for maintaining a UNPF M&E database of indicators, metadata, baseline and target values, as well as datasets collected, facilitates data collection. The M&E Working Group identifies synergies and ensures alignment of UN M&E processes with those of the Government of Ukraine and other development partners. The working group will provide technical assistance and coordination support to Joint Programmed data collection exercises and evaluation, including exploring additional innovative methods and tools of data collection.

3.2 Monitoring, reporting, and evaluation

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- *Annual narrative progress reports*, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;

- *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme¹¹; and
- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the Joint Programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After completion of a joint programmes, a final, *independent and gender-responsive*¹² *evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

¹¹ This will be the basis for release of funding for the second year of implementation.

¹² [How to manage a gender responsive evaluation, Evaluation handbook](#), UN Women, 2015

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

3.3 Accountability, financial management, and public disclosure

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channelled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

3.4 Legal context

Agency: UNDP

Agreement title: Agreement between the Government of Ukraine and UNDP

Agreement date: 18.06.1993

United Nations Development Programme (UNDP): a basic agreement to govern UNDP's assistance to the country (Standard Basic Assistance Agreement SBAA) signed by both parties on 18 June 1993. Based on Article I, paragraph 2 of the SBAA, UNDP's assistance to the Government shall be made available to the Government and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP. In particular, decision 2005/1 of 28 January 2005 of UNDP's Executive Board approved the new Financial Regulations and Rules and along with them the new definitions of 'execution' and 'implementation' enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDG simplification and harmonization initiative. In light of this decision, this UNDAF together with a work plan (which shall form part of this UNDAF) concluded hereunder constitute together a project document as referred to in the SBAA.

Agency: WHO

Agreement title: Basic Agreement on the status of the Office of the World Health Organization in Ukraine

Agreement date: 12.06.1997

World Health Organization (WHO): based on the Basic Agreement on the status of the Office of the World Health Organization in Ukraine signed on 12 June 1997 between the Government of Ukraine and the World Health Organization as well as Biennial Collaborative Agreements (BCAs) between the World Health Organization (WHO) Regional Office for Europe and the Ministry of Health of Ukraine, on behalf of its Government.

Agency: UNICEF

Agreement title: Basic Agreement between the Government of Ukraine and UNICEF

Agreement date: 07.09.1997

United Nations Children's Fund (UNICEF): based on the Basic Agreement on the status of the Office of the United Nations Children's Fund in Ukraine signed on 07 September 1997 between the Government of Ukraine and the United Nations Children's Fund as well as Country Programme Document (CPD) between the United Nations Children's Fund (UNICEF) and Government of Ukraine.

Agency: UNECE

Agreement title: N/A

Agreement date: N/A

Ukraine is a member State of UNECE and for the past 10 years has been a beneficiary of PPP technical assistance.

D. ANNEXES OF THE JOINT PROGRAMME TEMPLATE

Annex 1. List of related initiatives

| Name of initiative/project | Key expected results | Links to the joint programme | Lead organization | Other partners | Budget and funding source | Contract person (name and email) |
|--|--|---|-------------------|----------------|--|--|
| Good governance and citizens engagement for justice, security, environmental protection and social cohesion in eastern Ukraine | Output 1.1. Institutional capacities strengthened to operate in a conflict-sensitive manner and handle good governance requirements pre and post territorial amalgamation. Output 3.1 Strengthened analytical and planning capacities, and strategies for improved environmental protection in place | UN Recovery and Peacebuilding Programme | UNDP | n/a | \$ 996,261 (including \$ 876,261 for improving citizens participation in decision making, and \$ 120,000 for environmental strategic planning at the local level). SIDA and SDC funded. | Victor Munteanu victor.munteanu@undp.org Olena Ruditch olena.ruditch@undp.org |
| EU Support to the East of Ukraine – Recovery, Peacebuilding and Governance | 1.1 The nationwide decentralisation reform process is fully implemented in newly established Amalgamated Territorial Communities (ATCs) in areas of Donetsk and Luhansk under control of the government. Result 1.2 Better access to quality administrative and social services for all residential and displaced population, including in the zone adjacent to the line of contact and marginalised groups. Result 1.3 Government authorities' capacity for participatory strategic planning, gender-responsive budgeting and | UN Recovery and Peacebuilding Programme | UNDP | UN Women | Component 1 budget – \$ 5,658,735, (including \$ 1,718,227 for strategic planning and financial management capacity development). EU funded. | Victor Munteanu victor.munteanu@undp.org Olena Ruditch olena.ruditch@undp.org |

| | | | | | | |
|---|---|--|--|---|--|---|
| | <p>polymaking, transparent project implementation and policy-making aimed at social cohesion at regional and local levels is enhanced to increase public and private investments and promote inclusive economic growth.</p> | | | | | |
| <p>Public Finance Management Support Programme for Ukraine (EU4PFM)</p> | <p>-Strengthening the budget process and public sector accounting, as well as control and audit of public funds -Enhancing efficiency of public expenditure management Improving tax and customs administration through a modern and transparent revenue collection system.</p> | <p>Budget tagging: Joint Programme/ UNDP will offer support on SDG tagging system to become part of the integrated financial management information system of the MoF.</p> | <p>Delegation of the European Union to Ukraine</p> | <p>Sweden and Lithuania (donors), World Bank, IMF</p> | <p>EUR 55.5M (Sweden EUR 5M, Lithuania 0.5M)</p> | <p>delegation-ukraine@eeas.europa.eu</p> |

Annex 2. Results Framework

2.1. Targets for Joint SDG Fund Results Framework

Joint SDG Fund Outcome 2: Additional financing leveraged to accelerate SDG achievement

| Indicators | Targets | |
|---|---|------|
| | 2020 | 2022 |
| 2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope ¹³ | to be defined within first 6 months of implementation | Tbd |
| 2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale ¹⁴ | to be defined within first 6 months of implementation | Tbd |

Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented

| Indicators | Targets | |
|--|---------|------|
| | 2020 | 2022 |
| 4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful) | 1 | 0 |

¹³Additional resources mobilized for other/ additional sector/s or through new sources/means

¹⁴Additional resources mobilized for the same multi-sectoral solution.

| | | |
|--|---|---|
| 4.2: # of integrated financing strategies that have been implemented with partners in lead ¹⁵ | 0 | 1 |
| 4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational | 0 | 1 |

Joint SDG Fund Operational Performance Indicators

- Level of coherence of UN in implementing programme country¹⁶
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question
- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure
- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
- Joint programme included addressing inequalities (QCPR) and the principle of "Leaving No One Behind"
- Joint programme featured gender results at the outcome level
- Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth
- Joint programme considered the needs of persons with disabilities
- Joint programme made use of risk analysis in programme planning
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

2.2. Joint programme Results framework

| Result / Indicators | Baseline | 2020 Target | 2022 Target | Means of Verification | Responsible partner |
|--|----------------------|------------------------------|-------------------------------|--|---------------------|
| Outcome 1: Ukraine's national SDGs planning and financing architecture is improved | | | | | |
| Outcome indicator 1.1: Share of SDGs targets funded by the state budget | To be defined by DFA | 0% improvement from baseline | 20% improvement from baseline | Project report, annual report on monitoring of SDGs implementation | CoM, MoE, MoF |
| Outcome indicator 1.2: Share of SDGs funded by non-state funding | To be defined by DFA | 0% improvement from baseline | 10% improvement from baseline | Project report, annual report on monitoring of SDGs implementation | CoM, MoE, MoF |
| Output 1.1 Development Finance Assessment informs formulation of public SDGs financing priorities | | | | | |
| Output indicator 1.1.1: Number of meetings of INFF multi-sectoral working | 0 | 2 | 4 | Project report, WG protocols | UNDP, CoM, |

¹⁵ This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

¹⁶ Annual survey will provide qualitative information towards this indicator.

| | | | | | |
|--|---------------------|--|---|---|--------------------------------------|
| group established at national level | | | | | |
| Output indicator 1.1.2: Number of public processes informed by DFA | 0 | 4 | 4 | Project report, DFA Report | UNDP, CoM, MoE, MoF |
| Output 1.2 Improved institutional engagement and administration of SDGs aligned strategic planning systems | | | | | |
| Output indicator 1.2.1: Assessment of alignment of national strategic planning policies and cascading effect from the Government Action Plan 2020-2024 | N/A | Performed | Performed | Project report, Assessment Report | UNDP, CoM, MoE, MoF |
| Output indicator 1.2.2: Review of the national system of strategic planning | N/A | Performed | Performed | Project report, Review Report | UNDP, COM |
| Output 1.3 Strategic planning and budgeting in the health sector improved | | | | | |
| Output indicator 1.3.1: Number of successful supported pilot initiatives of bridging health policies with the budget process | 0 | 0 | 1 | Project report, Pilot Report | WHO, MoH, MoF |
| Output indicator 1.3.2: Number of reviews on Public Expenditure in health sector | 0 | 0 | 1 | Project report, Review Report | WHO, MoH, MoF |
| Output 1.4 Budgeting for SDGs tools are employed and guide SDGs integration in national and sectoral budget frameworks | | | | | |
| Output indicator 1.4.1: Integration of SDGs into Budget Declaration | SDGs not integrated | Improved (SDGs mentioned) | Significantly improved (SDGs and priority targets integrated) | Project report, Budget declaration | UNDP, CoM |
| Output indicator 1.4.2: SDGs integrated into Medium-Term Expenditure Framework | N/A | Improved (SDGs mentioned) | Significantly improved (SDGs and priority targets integrated, costed and bridged with budget decisions) | Project report, Medium-Term Expenditure Framework | UNDP, CoM |
| Output indicator 1.4.3: SDG Budget Tagging implemented | Not implemented | Budget tagging model designed and presented to national stakeholders | Implemented (SDGs tracked in the national priorities and budget) | Project report, SDG Budget Tagging | UNDP, CoM |
| Output 1.5 New SDGs financing mechanisms are leveraged and adopted by development stakeholders | | | | | |
| Output indicator 1.5.1: Number of PPP mechanisms developed | 0 | 0 | 2 | Project report, PPPs reports | UNDP, MoE, CoM |
| Output indicator Number of stakeholders who developed capacity in | 0 | 15 | 30 | Project reports, capacity development events report | UNDP, UNECE, WHO, MoE, CoM, MoH, MoF |

| | | | | | |
|--|-----------------------|------------------------------|---|---|--------------------------|
| PPP (sex-disaggregated) | | | | | |
| Output indicator 1.5.3: Number of innovative financing instruments supported | 0 | 0 | 2 | Project report, Innovative financing instruments | UNDP, WHO, MoE, CoM, MoF |
| Outcome 2: Decentralised SDGs development planning and financing architecture is improved at regional level | | | | | |
| Outcome 2.1. indicator: Share of SDGs targets funded by the oblast budget | To be defined by DFAs | 0% improvement from baseline | 20% improvement from baseline (for each of pilot oblasts) | Project report, Monitoring reports on implementation of oblasts' development strategies | |
| Outcome indicator 2.2: Share of SDGs funded by non-state funding | To be defined by DFA | 0% improvement from baseline | 10% improvement from baseline (for each of pilot oblasts) | Project report, Monitoring reports on implementation of oblasts' development strategies | |
| Output 2.1 Regional Development Finance Assessment is conducted and informs formulation of public SDGs financing priorities | | | | | |
| Output indicator 2.1.1 Number of meetings of multi-sectoral working groups established at sub-national level | N/A | 2 | 4 | Project report, WG protocols | UNDP |
| Output indicator 2.1.2: Number of Development Finance Assessments performed at sub-national level | N/A | 1 | 1 | Project report, sub-national DFA Reports | |
| Output 2.2 Budgeting for SDGs tools are implemented by two Oblast Administrations and strengthen SDGs integration in budget processes | | | | | |
| Output indicator 2.2.1: Number of SDG aligned draft budgets presented to Oblast Councils and approved | 0 | 0 | 2 | Project report, protocols of Oblast Councils sessions, draft budgets | UNDP |
| Output 2.3 New financing mechanisms are leveraged to ensure effective service delivery in health care for all | | | | | |
| Output indicator 2.3.1: Number of regions where Universal Progressive Model has been piloted and enabled SDGs cost effectiveness review of PHC budgeting | N/A | 0 | 2 | Project report, PETS/QSDS reviews | UNICEF |
| Output Indicator 2.3.2: Number primary healthcare budget processes | N/A | 0 | 2 | Activity report, budget draft | UNICEF |

| | | | | | |
|---|---|---|---|--|------|
| informed on basis of analysis emanating from piloting of Universal Progressive Model | | | | | |
| Output 2.4 Regional strategic planning processes are improved and aligned with the SDGs | | | | | |
| Output indicator 2.4.1: Number of Strategy Implementation Plans informed and aligned with regional strategy | 0 | 2 | 2 | Activity report, mid-term IPs | UNDP |
| Output indicator: 2.4.2. Number of SDG-related regional programmes developed and approved | 0 | 2 | 4 | Activity report, Oblast Councils resolutions | UNDP |

Annex 3. Gender marker matrix

| Indicator | | Score | Findings and Explanation | Evidence or Means of Verification |
|------------------|---|--------------|---|--|
| N° | Formulation | | | |
| 1.1 | Context analysis integrate gender analysis | 1 | a) Gender analysis across the majority of sectors including underlying causes of gender inequality and discrimination line with SDG priorities including SDG5; b) Some sex-disaggregated and gender sensitive data. | Problem statement |
| 1.2 | Gender Equality mainstreamed in proposed outputs | 1 | a) Gender equality and the empowerment of women is visibly mainstreamed across some output areas in line with SDG priorities including SDG 5. | 2.3 Expected results by outcome and outputs |
| 1.3 | Programme output indicators measure changes on gender equality | 1 | Between one-fifth and one-third (20-33 percent) of the output indicators measure changes in gender equality and the empowerment of women in line with SDG targets including SDG 5. | Results framework |
| 2.1 | PUNO collaborate and engage with Government on gender equality and the empowerment of women | 2 | a) PUNO have consulted with at least two government agencies that fosters gender equality within the current proposed project c) The programme contributes to substantively strengthen Government participation and engagement in gender related SDGs localization and/or implementation - JP stakeholder includes MoE, MoF, MoH, VPM office, which all have legal | Established partnerships; JP planning workshop/consultations with ministries/gov. agencies |

| | | | | |
|----------------------|--|---|--|------------|
| | | | mandates to foster gender equality and SDG 5 inclusion | |
| 2.2 | PUNO collaborate and engages with women's/gender equality CSOs | 0 | N/A | |
| 3.1 | Program proposes a gender-responsive budget | 1 | - Less than 15% of the Project budget is allocated to gender equality. | Work plan. |
| Total scoring | | 6 | | |

Annex 4. Budget and Work Plan

4.1 Budget per UNDG categories

The budget allocation is based on accurate assessment by each participating UN organization of their proposed activities and the share of contribution to the programme’s results.

The threshold for budget revision between UNDG categories or between joint programme outputs subject to approval by the Steering Committee is set to 25%; if below such a revision would not require approval of the Steering Committee. For increased flexibility both UNDG categories and outputs can be considered by the Steering Committee as object of variations and application of the 25% threshold.

In line Joint SDG Fund’s guidelines, 3% of the budget is allocated for a final independent evaluation of the Joint Programme that will also assess the budget and cost-effectiveness of the activities implemented. Likewise, 5% of the total budget is allocated for monitoring, reporting and strategic communication (including advocacy).

Efforts have been made to balance the budget across the budget categories, taking into account that the Joint Programme will be implemented by three UN organizations resident in Ukraine and one non-resident organization (which to some extent is reflected in allocation to travel costs).

| UNDG BUDGET CATEGORIES | PUNO 1 (UNDP) | | PUNO 2 (WHO) | | PUNO 3 (UNICEF) | | PUNO 4 (UNECE) | | TOTAL | |
|--|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|
| | Joint SDG Fund (USD) | PUNO Contribution (USD) | Joint SDG Fund (USD) | PUNO Contribution (USD) | Joint SDG Fund (USD) | PUNO Contribution (USD) | Joint SDG Fund (USD) | PUNO Contribution (USD) | Joint SDG Fund (USD) | PUNO Contribution (USD) |
| 1. Staff and other personnel | 150,000 | | 96,000 | | 70,000 | | 72,000 | | 388,000 | |
| 2. Supplies, Commodities, Materials | 20,000 | | 20,000 | | 20,000 | | 0 | | 60,000 | |
| 3. Equipment, Vehicles, and Furniture (including Depreciation) | 15,000 | | 7,000 | | 0 | | 0 | | 22,000 | |
| 4. Contractual services | 130,000 | | 100,000 | | 50,000 | | 0 | | 280,000 | |
| 5. Travel | 30,000 | | 20,000 | | 20,000 | | 32,000 | | 102,000 | |
| 6. Transfers and Grants to Counterparts | 0 | | 0 | | 0 | | 0 | | 0 | |
| 7. General Operating and other Direct Costs | 15,000 | | 19,000 | | 40,000 | | 8,300 | | 82,300 | |
| Total Direct Costs | 360,000 | | 262,000 | | 200,000 | | 112,300 | | 934,300 | |
| 8. Indirect Support Costs (Max. 7%) | 25,200 | | 18,340 | | 14,000 | | 7,861 | | 65,401 | |
| TOTAL Costs | 385,200 | | 280,340 | | 214,000 | | 120,161 | | 999,701 | - |
| 1st year | 162074 | | 117616 | | 100000 | | 120161 | | 499851 | 0 |
| 2nd year | 223126 | | 162724 | | 114000 | | 0 | | 499850 | 0 |

4.2 Budget per SDG targets

| SDG TARGETS | % | USD |
|--------------------|------------|----------------|
| 1.a, 1.b | 20 | 200,000 |
| 3.8 | 30 | 300,000 |
| 5.c | 10 | 100,000 |
| 16.6 | 20 | 100,000 |
| 17.1, 17.3, 17.7 | 20 | 299,701 |
| TOTAL | 100 | 999,701 |

The Joint Programme has a broad overarching focus on accelerating Ukraine’s implementation of the 2030 agenda through strengthening of its SDGs financing infrastructure, with activities specifically addressing administrative and institutional operations for strategic planning, alongside assessment of development finance flows, and leveraging of new financing modalities (at national and regional level). In terms of budget distribution, the proposed set of activities jointly revolve around SDGs 1, 5, 16, 17 and centre on targets that reflect importance of sound and inclusive policy frameworks, diversified partnerships resource mobilization, as well as effective and accountable institutions. In addition, considerable attention is given to SDG 3 through activities that seek to reinforce funding- and strategic governance mechanisms concerning universal health and access to quality healthcare for all Ukrainians.

4.3 Work plan

| Outcome 1 | | Ukraine's national SDGs planning and financing architecture is improved | | | | | | | | | | | | | | | | | |
|---|---|---|---|------------|-----|-----|-----|-----|-----|-----|---|----------------------------|---|--------------------------|------------------|--|---------------------------------|---|--|
| Output | Annual target/s | | List of activities | Time frame | | | | | | | | PLANNED BUDGET | | | | PUNO /s involved | Implementing partner/s involved | | |
| | Y1 | Y2 | | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 | Overall budget description | Joint SDG Fund (USD) | PUNO Contributions (USD) | Total Cost (USD) | | | | |
| Output 1.1 Development Finance Assessment informs formulation of public SDGs financing priorities | DFA report ; INFF WG established | DFA results shared | Establishment of the an INFF multi-sectoral working group | X | | | | | | | | | | | | | | | |
| | | | National DFA | | X | X | X | | | | | | Local Consultants, Contractual Services-Companies, Training, Workshop &Conference, Audio Visual& Print Prod Costs | 70,000 | 0 | 70,000 | UNDP | MoF, MoE, Cabinet of Ministers, Parliament of Ukraine | |
| | | | Public discussion and presentation of the results of the DFA | | | | | X | X | | | | | | | | | | |
| Output 1.2 Improved institutional engagement and administration of SDGs aligned | Assessment of the national system of strategic planning | Amendments to governance processes, legislative documents | Comprehensive assessment of alignment of strategic planning, Gov action plan and sector policy expenditures (RIA+). | X | X | X | | | | | | | | | | | | | |
| Review of national system of strategic planning | | | | | X | X | | | | | Local Consultants, Contractual Services-Companies, Training, Workshop &Conference | 55,000 | 0 | 55,000 | UNDP | MoF, MoE, Cabinet of Ministers, Office of the President, Parliament of Ukraine, State Statistics Service | | | |
| Consultations with gov. stakeholders on recommendations on governance mechanisms for policy/strategy alignment with budget. | | | | | | | X | X | X | X | | | | | | | | | |

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|--|--|---|--|---|---|---|---|---|---|---|--|--|--|--|---------|---|----------------|------|---|
| strategic planning systems | | | Assessment of SDG baselines in conjunction with the State Statistics Committee | | | | X | X | | | | | | | | | | | |
| Output 1.3. Strategic planning and budgeting in the health sector improved | | Budget in the health sector aligned with SDGs | Analysis of budgeting processes, financing mechanisms, and changes in spending priorities for health-related SDGs and developing recommendations to improve country's ability to respond to epidemic without undermining essential health services | | | | | X | X | X | | | | Local Consultants, Training, Workshop & Conference, Audio Visual& Print Prod Costs | 110,000 | 0 | 110,000 | WHO | MoH, MoF, Cabinet of Ministers |
| | | | Developing costed strategy for health SDGs linked with budget formulation process: WHO will support the Ministry of Health in developing coherent costed strategy for health SDGs and bridging health policies with the budget process | | | | X | X | X | | | | | | | | | | |
| | | | | | | | | X | X | X | | | | | | | | | |
| Output 1.4. Budgeting for SDGs tools are employed and guide SDGs integration in national and sectoral budget frameworks | National priorities and targets integrated into Budget Declaration structure | SDG integrated into the Medium-Term Expenditure Framework; SDG Budget tagging ; | Review of integrating national priorities and targets into Budget Declaration structure | X | X | | | | | | | | | Local Consultants, Training, Workshop & Conference, Audio Visual& Print Prod Costs | 55,000 | 0 | 55,000 | UNDP | MoF, MoE, Cabinet of Ministers, Parliament of Ukraine |
| | | | Review of integration of SDG into the Medium-Term Expenditure Framework | | | X | X | X | X | | | | | | | | | | |
| | | | SDG Budget Tagging | | | X | X | X | X | | | | | | | | | | |

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| Output 1.5. New SDGs financing mechanisms are leveraged and adopted by development stakeholders | PPP enabling environment ; Public capacity on PPP enhanced: | At least two innovative financing instruments developed | Support policy dialogue on private sector engagement in health to ensure progress towards Universal Health Coverage (SDG 3.8), including development of policy recommendations based on the legal and regulatory review implemented by UNECE and WHO global/regional evidence of PPP in health | | | | | X | X | X | X | X | Local Consultants, Contractual Services-Companies, Training, Workshop & Conference, Audio Visual& Print Prod Costs, | 160,000 | 0 | 160,000 | WHO UNECE | MoF, MoE, Cabinet of Ministers, Office of the President, Parliament of Ukraine, Ministry of Health |
| | | | Review of the PPP legal and regulatory framework (PPP and concession legislation) | | X | X | X | | | | | | | | | | | |
| | | | Capacity building on PPP project identification, preparation and appraisal (People first PPP) | | X | X | X | | | | | | | | | | | |

| Outcome 2 | | Decentralised SDGs development planning and financing architecture is improved at regional level | | | | | | | | | | | | | | | | | | |
|---|------------------------|---|---|-------------------|------------|------------|------------|------------|------------|------------|------------|-----------------------------------|-----------------------------|---------------------------------|---|-------------------------|--|----------------|-----------|-------------------------|
| Output | Annual target/s | | List of activities | Time frame | | | | | | | | PLANNED BUDGET | | | | PUNO /s involved | Implementing partner/s involved | | | |
| | Y1 | Y2 | | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 | Overall budget description | Joint SDG Fund (USD) | PUNO Contributions (USD) | Total Cost (USD) | | | | | |
| Output 2.1. Regional Development Finance Assessment is | Two regional DFAs | DFAs results are shared in two oblasts | Establishment of two working groups and selecting Oblasts | X | | | | | | | | | | | Local Consultants, Contractual Services-Companies, Training, Workshop | 150,000 | 0 | 150,000 | UNDP, WHO | Regional Govs, MoE, MoF |
| | | | Carrying out of two Oblast DFAs | | X | X | X | | | | | | | | | | | | | |

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|--|--------------------------------------|--|--|---|---|---|---|---|---|---|--|---------|---|---------|--------|-----------------------------------|---|
| conducted and informs formulation of public SDGs financing priorities | | | Analysis of health policy priorities and spending at regional, district and municipal levels in regions (oblasts) with in-depth studies in selected for DFA with recommendations on revenues sharing and service delivery arrangements, using primary & secondary data | | | | X | X | X | | &Conference, Audio Visual& Print Prod Costs, Travel | | | | | | |
| | | | Public discussion and presentation of the results of the two Assessments | | | | X | X | X | X | | | | | | | |
| Output 2.2. Budgeting for SDGs tools are implemented by two Oblast Administrations and strengthen SDGs integration in budget processes | Budget tagging performed | Two oblast budgets aligned with regional priorities and SDGs | Knowledge sharing and capacity building | X | X | | | X | X | | Local Consultants, Training, Workshop &Conference, Audio Visual& Print Prod Costs, Travel | 55,000 | 0 | 55,000 | UNDP | Regional Govs, MoE, MoF | |
| | | | SDG Budget Tagging at sub-national level | | X | X | X | X | | | | | | | | | |
| | | | Development of oblasts budgets in line with their regional priorities and SDGs | | | X | X | X | X | X | | | | | | | |
| | | | Presentation of the developed SDG-aligned budgets to the Oblast Councils | | | | | | | X | | | | | | | X |
| | | | Sharing experience of budgeting for SDGs with other oblasts | | | | | | | | | | | | | | X |
| Output 2.3 New financing mechanisms are leveraged to ensure effective service | Pilotin g of UP model in two regions | PHC financing system SDGs aligned ; Budget proces | Universal Progressive model introduced in two regions | X | X | X | X | X | | | Local Consultants, Contractual Services-Companies, Training, Workshop &Conference, Audio Visual& | 214,000 | 0 | 214,000 | UNICEF | MoH, NHS, Regional and Local Govs | |
| | | | Assessment of budgetary priorities and allocations in primary healthcare (PETS/QSDS) through an SDGs lens | | | | X | X | X | X | | | | | | | |

| | | | | | | | | | | | | | | | | | | |
|--|--|--|---|-----|-----|-----|-----|-----|-----|-----|----------------------------|---|--------------------------|------------------|--------|--------------------------|---------------------------------|--|
| delivery in health care for all | | s informed | Formulation of strategic recommendations on alignment of primary healthcare spending with health-related SDGs, based on piloted model | | | | | | | X | X | Print Prod Costs, Travel | | | | | | |
| Output 2.4 Regional strategic planning processes are improved and aligned with SDGs | | Two Implementation Plans for Strategy; Two SDG-related regional programmes | Knowledge sharing and capacity building | X | X | X | | | | | | Local Consultants, training, Workshop & Conference, Audio Visual & Print Prod Costs, Travel | 50,701 | 0 | 50,701 | UNDP | Regional Govs, MoE, MoF | |
| | | | Support to strategic planning and monitoring processes | X | X | X | X | X | X | | | | | | | | | |
| | | | Aligning the Implementation Plans for Strategy implementation | | | | X | X | X | X | | | | | | | | |
| | | | Development of SDG-related regional programmes | | | | X | X | X | X | X | | | | | | | |
| Joint programme management | | List of activities | Time frame | | | | | | | | | PLANNED BUDGET | | | | PUNO /s involved | Implementing partner/s involved | |
| | | | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 | Overall budget description | Joint SDG Fund (USD) | PUNO Contributions (USD) | Total Cost (USD) | | | | |
| Output 3.1 Monitoring, reporting, and strategic communications (including advocacy). | | | Strategic communication, incl. advocacy | X | X | X | X | X | X | X | X | Contractual Services- Individuals, Audio Visual & Print Prod Costs | 50,000 | 0 | 50,000 | UNDP, UNICEF, UNECE, WHO | UNDP, RCO | |
| | | | Joint monitoring and reporting | X | X | X | X | X | X | X | X | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| Output 3.2 Joint programme | | | Independent evaluation (external) | | | | | | | X | X | Contractual Services- Individuals | 30,000 | | 30,000 | UNDP, UNICEF | UNDP, RCO | |

Annex 5. Risk Management Plan

Within the Joint Programme Risk management will be an integral part of the systemic and continuous monitoring, evaluation and reporting process, part of the daily programme management. The aim of the Risk management plan is to improve the confidence of stakeholders and proactively manage any event with potential significant positive or negative influence on the programme activities.

The full-scale Risk Management Plan document will be developed during the inception phase. It will provide full account of the project management tools, risk management process to be used and a template for Risk log. The Plan will also identify a Risk owner in each PUNO, with the coordination role assumed by the RCO.

The main elements of the Risk management process will include:

- Risk identification (brainstorming, interviews, workshops, risk log, SWOT analysis, expert assessment);
- Risk assessment (prioritization and likelihood-impact matrix);
- Development of Risk response strategy and its implementation (avoid, transfer, reduce or accept);
- Risk monitoring and control (programme progress meetings, escalation to the Steering committee, involvement of all stakeholders in the monitoring)

Risk management will be the key responsibility of the Joint programme manager under the leadership of RCO with involvement of the participating agencies.

High likelihood and impact risks (risk level above 9) will be immediately escalated to the Steering Committee that will systematically review and address potential risks and mitigation measures, while key stakeholders will be regularly updated on critical risks.

The Likelihood-impact matrix below will be the key quantitative tool for risk management. It represents initial risk assessment by the programme team that will be re-evaluated on the start of the Joint Programme and regularly updated, at least every three months, allowing continuous identification of risks in the Ukrainian volatile context.

A Risk log will be maintained by the programme manager to document risks and relevant mitigation measures, including the identification of the relevant person/agency responsible. Major mitigation measures will be reflected in the updated work plan of the Programme.

| Risks | Risk Level: (Likelihood x Impact) | Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1 | Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1 | Mitigating measures | Responsible Org./Person |
|-------------------------|---|---|--|---|---|
| Contextual risks | | | | | |
| COVID-19 | 16 | 4 | 4 | <ul style="list-style-type: none"> - Continue engagement with the budgeting process to ensure social spending is protected (health, education and social protection) - Work with technical staff and mid-level managers | Lead: WHO in coordination with RCO, UNICEF and UNDP |

| | | | | | |
|--|----|---|---|--|--|
| | | | | of the Ministries of Economy, Finance and Health using modern communication tools, even as social distancing measures are put in place - Engage with the IMF and the World Bank as they plan their support to Ukraine to address economic effects of COVID-19 | |
| Political instability, frequent change of the government | 16 | 4 | 4 | -Institutionalisation of the INFF mechanisms (INFF oversight committee, donor coordination etc) -Common response of the development partner community to secure ownership and continuity of the reform with the new government | Lead: UNDP programme manager, in coordination with RCO economist and partnership advisor |
| Lack of ownership and willingness of the government to implement SDG financing and nationalisation | 12 | 3 | 4 | -Anchoring of the INFF into governmental strategies, EU association agenda implementation, IFI engagement strategy. Continuous UNCT advocacy through joint position papers, competent technical advice on the VNR and SDG nationalisation | Lead: UNDP programme manager, in coordination with RCO economist and partnership advisor |
| Economic recession putting pressure on revenue generation and budget execution | 9 | 3 | 3 | Promotion of sustainable economic development through agencies' programmatic work in support of the Pillar 1 of the UNPF "Sustainable economic growth, environment and employment" | UNCT |
| Programmatic risks | | | | | |

| | | | | | |
|---|---|---|---|---|--------------------------------|
| Delays in the implementation of the programme | 6 | 2 | 3 | -Strong coordination mechanism within the UNCT under RCO leadership -Full review of the programme work plan as part of the inception | RCO economist, PUNOs |
| Disfunctional donor coordination leading to competition or incoherent policy advice and reduced efficiency of the programme | 6 | 2 | 3 | -Strong development partner coordination structure currently being putting in place with active RCO participation -Implementation of IFI partnership strategy | RCO partnership advisor, PUNOs |
| Institutional risks | | | | | |
| Lack of cooperation inside relevant government partners (MoE, MoF etc) | 9 | 3 | 3 | -Active promotion of the INFF agenda as part of the existing Finance coordination group | RCO, UNDP |
| Lack of cooperation within UNCT | 6 | 2 | 3 | - Leadership of the RC in promoting inter-agency cooperation through UNPF Results groups, SDG Working group | RCO, UNCT |
| Fiduciary risks | | | | | |
| Funds are not used as intended in the programme document | 3 | 1 | 3 | Scrutiny of the Steering committee, involving GoU representatives over project reporting | RCO, PUNOs |
| Value for money is not achieved, low budget efficiency | 3 | 1 | 3 | -Strong accountability procedures in place in all PUNOs -Involvement of Economist network (think-tanks, IFIs etc) in the evaluation of the programme's results | RCO, PUNOs |