



# Joint Programme 2021 Annual Progress Report

## SDG Financing Portfolio - Component 1

### Cover page

**UNCT/MCO:** Ukraine

**Reporting Period:** 1 January - 31 December 2021

**JP title:** Promoting Strategic Planning and Financing for Sustainable Development on National and Regional Level in Ukraine

**PUNOs:** UNDP, UNICEF, WHO, UNECE

**Government partner:** Cabinet of Ministers of Ukraine

**Target SDGs:** SDGs 1, 3, 16, 17

**Gender Marker:** 1

**Approved budget:** USD 999,701

**Co-funding:** USD NA

**Total Disbursement by 2021:** USD 999,701

**Total estimated expenditures:** USD 432,083 (est. Delivery rate: 43.2%)

**Total estimated commitments** (including expenditures): USD 715,416 (est. Committed rate: 71.6%)

**RCO focal point name:** Aliaksei Vavokhin

**RCO focal point email:** [aliaksei.vavokhin@un.org](mailto:aliaksei.vavokhin@un.org)

### Executive Summary

By engagement of all PUNOs/RCO, the INFF process have been formalized through the creation of a Working Group (WG) under the Secretariat of the Cabinet of Ministers of Ukraine. Its governance arrangements are enshrined in a ToR that was endorsed by the WG, which has convened on four occasions with regular intervals for updates and deliberation on topics pertinent to the INFF process and related JP activities. The high-level support to the INFF process has positively informed the outcome of a series of bilateral consultations with national government counterparts around aligning midterm expenditure frameworks (MTEFs) with the SDGs, and in shaping a technical narrative that has been conducive to the roll-out of JP pilot activities at sub-national level.

UNDP has proposed a number of technical tools and solutions to increase Ukraine's capacity to achieve the SDGs by 2030. Rapid Integrated Assessment (RIA+) reviewed gaps in the integration of targets and indicators of the SDG in strategic documents focusing on regional development and environmental protection sectors, and has subsequently provided a basis for the inclusion of the SDGs in national and regional strategic planning processes (and

informed the government's draft of action plan for 2022). Findings of SDG budget tagging have been widely disseminated and notably increased the awareness among government officials on the linkages (or relative absence thereof) between the national/sectoral budget programmes and SDGs targets, triggering efforts to align the national budget process with the 2030 Agenda as well as its forthcoming RBM/strategic planning system. The mentioned RBM system has been launched by the Government with a dedicated section on the references of the development priorities to the SDGs.

WHO provided to the National Health Service of Ukraine (NHSU) multiple capacity building trainings and helped to develop tools for primary health care (PHC) costing, generating overview of linkages between access and spending patterns (with technical assistance on data collection and validation/calculation of tariffs). WHO has delivered a series of analysis that inform budgeting and planning processes in the health sectors. The methodological guide "Costing for provider payments in primary health care. Ukraine" was drafted and approved by the NHSU experts also in collaboration with other representatives of the governments represented in the PHC taskforce. The results of the investigation of the PHC costs will be directly contributing to contracting PHC providers and ensuring access to primary care for all in Ukraine. WHO also led expert dialogue with partners and government agencies in the health sector on the role of the private sector, especially on public-private partnership. In collaboration with global experts WHO drafted the policy paper "Considerations of public-private partnerships (PPPs) and health system in Ukraine" which lists key benefits, costs, risks and conditions for success PPPs in the health sector (pending finalization in Q1 2022). Moreover, in cooperation with the Ministry of Health and NHSU, WHO conducted assessment of the alignment of health sector strategies and public spending with health-related SDGs and prepared the draft report "Sustainable Development Goal 3 'good health and well-being' - Integration of SDG-3 with public policies and public spending". This report will contribute to improved budgeting for health, transparent monitoring and evaluation and better alignment of the health budget to the SDG and other government priorities.

The central component of UNECE's contribution to the JP is capacity building for public-private partnership (PPP) practitioners in Ukraine, designed to support aligning PPPs in Ukraine with the SDGs through the People-first approach to PPPs developed by the UNECE.

## Annual Progress

### Overall JP self-assessment of 2021 progress:

On track (expected results achieved)

**Comments on self-assessment:** The PUNOs have worked to address and find solutions to the various technical challenges and external factors (most notably COVID-19) that initially delayed the launch in 2020 as well as delivery on some activities during Q1/Q2 2021. Most activities are now back on track and it is estimated that all intended results will be achieved within duration of the JP. UNDP has completed several key activities (including RIA+, SDG budget tagging, DFA, and launched the planned activities at regional level (in line with the results framework and financial delivery plans). This is also the situation for UNECE, which even have exceeded some of the planned targets for 2021 (with the same budget), due to shifting of the format of capacity building events from a physical to virtual mode of implementation. UNICEF has advanced from the stage of design and launch of the Universal-Progressive Home Visiting model (UPHV) model in 6 primary health care facilities (PHCFs) in Donetsk oblast the stage of implementation, whilst WHO is on track implementation and delivery on its various assessments of health costing and budgeting in the health sector.

### Overall progress and key developments to date (3 key JP milestones)

The central component of UNECE's contribution to the JP is capacity building for PPP practitioners in Ukraine, designed to support aligning PPPs in Ukraine with the SDGs through the People-first approach to PPPs developed by the UNECE. On 25 May 2021, the UNECE organized, together with the Ministry of Economy of Ukraine, an online webinar 'How to Design PPP Projects Aligned with the Sustainable Development Goals? – The People-first Approach to PPPs'. The webinar was attended by around 150 Ukrainian PPP practitioners and stakeholders from line ministries,

local administrations, the PPP Agency of Ukraine as well as from the business sector. The attendance of the event exceeded all expectations and confirmed the great interest of PPP practitioners in Ukraine in the subject matter.

Ambitions to launch INFF as a government-owned process has been catalyzed by the formal establishment of a INFF Working Group under the Secretariat of the Cabinet of Ministers of Ukraine, under oversight and political leadership of the Vice Prime Minister on EU and Euro-Atlantic Integration. This “bottom-down” approach has yielded tangible benefits in multiple workstreams, as the WG has contributed towards consolidation of the INFF process overall whilst also serving as a mechanism that gradually nurtures buy-in from line ministries and their representatives on principal activities (i.e., related to SDG budget tagging, DFA, RIA+ and incorporation of the SDG into the budget declaration).

A significant development of the universal-progressive home visiting system has been observed by UNICEF. Thirty patronage nurses from Kramatorsk, Mariinka, Mariupol, Novohrodivka, Bakhmut were trained during 2-weeks trainings and equipped with modern telemedicine equipment, which allows to improve the prevention component of the diseases in families. A total of twelve trainings on strengthening of financial and legal aspects of medical practice at primary health care level were conducted by the project expert team (702 participants, 551 Female, 151 – male, including health managers, chief medical doctors, nurses and family doctors). Financial tool for cost-effective analysis of expenditure for UPHV model was developed and piloted in six PHCFs.

Meanwhile, WHO worked to address findings of the Audit of the NHSU that identifies several limitations in the efficiency of public spending and highlight limited evidence for existing tariffs, and conversely prompted recognition for the need to strengthen data collection and evidence-based decision-making. To improve primary health care financing (PHC) arrangements under the Programme of Medical Guarantees, WHO supported the National Health Service of Ukraine (NHSU) on the primary health care costing to validate the level of tariffs, establish methodology for the calculation of tariffs for the PHC capitation. WHO developed several guides, assessments and policy papers on related aspects of health costing/tariffs, budgeting, and PPPs that inform ongoing processes with the health ministry and representatives of government institutions at national and sub-national levels. Based on analysis of SDG 3 monitoring, WHO also reviewed alignment of health sector policy documents and public spending with 13 global targets of SDG 3, employing the RIA approach (covering 72 regulatory acts adopted between 2016 and 2020, and main legislative changes and reforms in the health care sector during 2016-2021). The content, goals, objectives, tasks and indicators of health-related policy documents and budget programmes were examined if they have direct or indirect correlation with SDG 3 targets and support their achievement and how close the state is to targeting and fulfilling the SDG 3 task. General analysis of state-level budget programs was complimented by the detailed analysis of 5 largest programs of the Ministry of Health at the level of performance indicators, which are matched with SDG3 targets and indicators.

**Changes made to JP:** Minor changes were made to the budget lines of the JP, which have been duly communicated to the fund’s secretariat upon approval of the Steering Committee. COVID-19 drastically reduced the funds needed for travel, office space, and in-person events, and parts of such intended costs have instead been allocated to other budget lines. The attached decision of the Steering committee approves these minor budget modifications, no modifications to JP approach or workplan were made.

**Main Challenges:** Challenges faced (and addressed) over the reporting period are, as highlighted in the preceding quarterly check-in(s), mainly attributable to delays prompted by COVID-19 and low expenditures as well as efforts required to ascertain buy-in from key institutions within the Ukrainian government. Importantly, the advancement of the INFF process has been instrumental towards establishing sound working relations and overcoming gridlocks (especially vis-à-vis Ministry of Finance), ushering progress on several key activities. Such developments reflect a general acceleration of implementation across the JP’s work programme, testified by expenditure rates that have increased substantially and approach the initially planned levels. No-cost extension of UNECE’s activity implementation into Y2 has been essential in this respect, as costs budgeted for travel and onsite event were largely unspent during Y1.

## Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Advancing (50-99%)	Advancing (50-99%)	Advancing (50-99%)	Emerging (1-49%)	Advancing (50-99%)

## Descriptions on progress by INFF building blocks

**Inception Phase:** By lead of UNDP and with support of RCO, the INFF process have been formalized through the creation of a Working Group (WG) under the Secretariat of the Cabinet of Ministers of Ukraine. Its governance arrangements are enshrined in a ToR that was endorsed by the WG, which has convened on four occasions with regular intervals for updates and deliberation on topics pertinent to the INFF process and related JP actives (including DFA, RIA+, SDG budget tagging). The high-level support to the INFF process has positively informed the outcome of a series of bilateral consultations with national government counterparts around aligning midterm expenditure frameworks (MTEFs) with the SDGs, and in shaping a technical narrative that has been conducive to the roll-out of JP pilot activities at sub-national level. Implementation of the DFAs have rendered valuable interfaces with stakeholders that were not initially considered at the project design stage, reflecting a broadening audience of representatives of national and subnational authorities, banks, private organizations that express susceptibility towards engagement and cooperation under the aegis of SDG financing. Ukraine’s experience on establishment of the INFF working group DFA, RIA+ and SDG budget tagging was shared by UNDP to both global and regional audiences at several the knowledge sharing events organized by SDG Fund and UNDP’s Istanbul Regional Hub.

**Assessment & Diagnostics:** UNDP’s comprehensive analysis of the institutional environment and legal framework surrounding public financing of the SDGs in Ukraine comprises a foundational output of the JP’s aspirations to fortify linkages between planning and budget processes on basis of the 2030 Agenda. The report covers several key blocks such as assessment of alignment of national strategic planning policies and cascading effect from the Government Action Plan; as the first of its kind, it served as a principal reference document for the establishment of the INFF WG and has helped to shape the (nascent) narrative around SDG financing in Ukraine. Findings and recommendations received from the analysis informed dialogue with the EU delegation and in relation to development of its new Public Finance Management Strategy.

Moreover, methodology on SDG budget tagging tailored to Ukraine’s national context has been developed in consultation with national partners, and as of end-December 2021 the draft report is being circulated for review. The DFAs (at national level and at sub-national level in two pilot regions) have been executed in similar fashion and the respective reports were, by the end of the reporting period, at the end-stage of finalization (the findings will be formally presented in February 2022). Scope and focus of the RIA+ have been directly influenced by consultations with sectoral entities at national level, culminating in a pilot targeting three line-ministries assessing SDG integration in strategies and budget programmes along with review of due linkages to provisions and commitments enshrined in the EU association Agreement (December 2021).

WHO conducted health-budget analysis and assessed the alignment of financial resources of the healthcare sector in Ukraine with the 2030 Agenda. It rendered several recommendations on improving planning of the policies and resources, which could enable faster progress towards SDG3 targets and improving traceability of the budgetary programs. Opportunities to improve the linkages between policy goals (particularly those monitored by SDG indicators) and government spending, and enhance traceability of funds to SDG3 targets, include: streamlining the structure and number of budgetary programs, restructuring the existing key performance indicators of each program, linking the program passports to policies/goals, developing outcome-related indicators, and defining baseline/target performance indicators for the interim period.

**Financing Strategy:** Around 200 government officials with functional responsibilities in PPPs from the Ministry of Economy and other line ministries in Ukraine as well as the PPP Agency of Ukraine and local administrations were trained on how to apply the People-first approach to PPPs for the SDGs developed by the UNECE. In the context of the JP, the UNECE developed four related strategic policy advisory documents, namely, “Gap Analysis Report on the Consistency of Ukraine’s PPP Legislation with the SDGs and the People-first approach to PPPs”, “Comprehensive Guidelines on Environmental Sustainability and Resilience in People-first Public-Private Partnerships and

their Applicability in Ukraine”, “Stakeholder Engagement Guide to People-first Public Private Partnerships and Applicability in Ukraine” and “Manual on the Identification of PPP Projects’ Compliance with SDGs for Public Officials in Ukraine”. These documents have been submitted to the Ministry of Economy of Ukraine with the purpose to support PPP practitioners at the Ministry and the PPP Agency in their practical work aimed at aligning PPPs in Ukraine with the SDGs.

UNICEF developed the financial tool for cost-effective analysis of expenditure for UPHV model and launched the pilot in 6 PHCFs.

UNDP’s overarching (institutional, strategic, and budgetary) reviews and assessments were performed in close alignment with ongoing government processes and have already rendered notable footprints. On basis of this body of work, UNDP has for instance informed inclusion of the SDG section in the result-based management tool launched by the Government to ensure alignment with NES2030 (i.e. Ukraine’s long-term development strategy) and the 2030 Agenda.

**Monitoring & Review:** To enable systematic tracking of correlations between financial flows and delivery towards Ukraine’s nationalized SDGs targets, the JP has supported the State Statistical Service to launch an online platform for reporting on the SDG indicators. The open data platform has been devised as a tool that will collect, disseminate, and monitor national data (and lack thereof) on all SDG indicators, and is expected to improve the access to official statistics and metadata. The platform has been launched in alpha-mode and in the next step the deployment of an SDG budget tagging dashboard along with a SDG budget matrix will ease monitoring/analysis of public budgets at national and sub-national levels. The platform will constitute a vital source of reference for national and international stakeholders alike, and the aspiration is (at a later stage) to connect the platform with the RBM system that the Ukrainian government presently is developing.

WHO assessed the alignment of healthcare financing with SDG3 targets focusing on 27 MoH budget programs, with detailed analysis of 5 largest programs at the level of performance indicators and their alignment with SDG3 targets and indicators. The results of the assessment will be presented to the MoH, MoF and NHSU in first quarter of 2022 with practical recommendations on improving tracking the financial flows towards the SDGs through formulation of outcome-related indicators aligned with SDG3. WHO also developed dashboards to visualize traceability of health care funding to SDG3 targets.

**Governance & Coordination:** Formally entitled the Integrated National Financing Framework Inter-Agency Task Force, Ukraine’s INFF oversight body was launched in 2021 and is embedded as a Working Group under the Secretariat of the Cabinet of Ministers of Ukraine. The WG formally established on basis of high-level political support of Ukraine’s Vice Prime Minister on EU and Euro-Atlantic Integration, and by technical leadership of the Deputy State Secretary of the Cabinet of Ministers of Ukraine. Broad-based membership is a defining characteristic of the TF/WG which includes representatives from SCMU, Ministry of Finance of Ukraine, Ministry of Health, State Statistics Service of Ukraine, Ministry of Economy, Ministry of Development of Communities and Territories of Ukraine, National Health Service of Ukraine, Chamber of Commerce and Industry of Ukraine, Union of Ukrainian Entrepreneurs. Besides UNDP, RCO, UNECE, WHO, UNICEF, the meetings are also open to representatives of the WB, IMF, among other multilateral and bilateral development actors in Ukraine including business organizations and business associations.

## Priority Cross-cutting Issues

### How did the JP adapt to the COVID-19 context

Among measures exemplifying PUNOs’ responses to COVID-19, UNECE supplemented the People-first approach to PPPs for the SDGs with a “Building Back Better” enhancement, which was also incorporated in the capacity building activities of PPP practitioners in Ukraine. In close cooperation with the Government, UNDP developed a COVID-19 response strategy including recommendations on localization of the SDGs (in strategic national/central-, regional- and local-level development documents) and which leverages the effectiveness of the national and sub-national strategic planning system.

WHO's response was fully aligned with findings of recent socioeconomic impact assessment(s). WHO has provided technical guidance in the areas of health financing, adaptation of the contracting of surge capacity throughout the waves of the COVID-19 cases as well as proposed various financing of vaccination to incentivize uptake at the primary care level, among other activities analyzed the impact of the on central fiscal expenditures including allocations to health care.

Across the projects various workstreams, implementation arrangements have remained mostly in online format due to the remnant high levels of COVID-19 in Ukraine.

The JP is a central part of the SERP (featured under Pillar 4 “Macroeconomic response and multilateral collaboration”) and it is overall expected to significantly contribute to improving health sector budgeting and strategic planning, including for COVID-19 response. No SERP update is planned in 2022, therefore any COVID-19 related programmatic activities will be fully integrated under current CF Annual Work Plan. As Ukraine is embarking on new CF development, however, COVID-19 is expected to remain a cross-cutting issue along all UN pillars, considering its multidimensional socio-economic impacts.

### **How did the JP apply the Gender Marker**

Currently the JP is Gen 1 but over the course of 2021 all PUNOs have taken concrete steps in order to improve the scoring in line with Gen 2.

Among examples, the UNECE People-first approach to PPPs for the SDGs – which is the focus of UNECE's capacity building activities, and of the strategic policy advisory documents developed by UNECE – mainstreams gender equality and women's empowerment by promoting projects that inter alia enhance women's empowerment in the procurement stage, help women-led companies in the supply chain of projects, and promote a gender perspective in the design and operational stages.

UNDP is providing technical expertise to the leadership of the Government on alignment of national government strategies and programmes with the 2030 Agenda with gender equality as critical to delivering on all the SDGs. Gender equality considerations integrated in all assessments and incorporated into drafts of strategic documents of the CMU to boost investing with a gender lens and lay foundations for gender-responsive implementations and results. This includes tailored financing that target areas with the greatest need and support women and men, girls and boys that are the most at risk of being left behind. DFA was conducted based on Gender Equality and INFF Guidance Note that was launched in May 2021.

WHO ensures the balanced participation of women and men in JP implementation and decision-making. Besides WHO is strengthening the WHO team capacity in mainstreaming gender, equity and human rights lens into health programmes and workplans. WHO organizes workshops for the team on Gender, Equity and Human rights (GER) as a capacity building exercise for gender-responsive approaches aimed at building knowledge and skills of professionals on GER integration into their work. As a result, the WHO team learns about GER-related tools which can be used within the work and can help to identify GER-related goals to work for in next biennium 2022-2023.

*Estimated % of overall disbursed funds spend on gender: 20%*

### **Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)**

The UNECE People-first approach to PPPs for the SDGs – which is the focus of UNECE's capacity building activities and of the strategic policy advisory documents developed by UNECE – is aligned with cross-cutting UN issues and sustainable development to “leaving no one behind” by inter alia promoting the provision of critical services in compliance with international human rights standards and the creation of decent jobs and the support to local sustainable employment in PPPs. UNDP's work on DFA, RIA and SDG Budget tagging was aligned with the National Economic Strategy and its inherent Government aspirations to enhance the national strategic planning system.

The scope and design of UNICEF's activities have a dedicated focus on rights and vulnerability. By introduction of the UPHV model, effective costing and usage of financial tools at primary level will optimize prioritization of the

functional duties of doctors and nurses in way that allow them to more systematically reach and address the needs of families that have with limited access to essential health care services.

Improved funding of primary care and evidence-based decision of NHSU to contract primary care providers will improve access to essential health services for the vulnerable, in rural and other disadvantaged areas, improve the work conditions of healthcare workers and contribute to the aim of leaving no one behind. Improved government budgeting for health, as informed by WHO's activities, will also contribute to these goals by higher transparency and efficiency of public spending with access to healthcare services as a basic human right.

UNDP has aligned all key assessments which are being implemented under the INFF Task Force (RIA+, SDG Budget Tagging, DFA) to the priorities of the National Economic Strategy 2030, which contains 20 vectors with concrete initiatives designed to ensure economic growth and to increase the welfare of Ukrainians, and is thus expected to contribute to promotion of decent jobs.

### **How did the JP work to build ownership and buy-in of key stakeholders**

To institutionalize the INFF, much time have been invested in consultations at highest level of the government to establish political will and ascertain due government ownership of the process. Efforts have been made to promote INFF as whole of government framework, emphasizing that the INFF goes well beyond the aspirations of the current JP. Ownership has also been nurtured by ensuring that conclusions and recommendations of the various assessments (incl. RIA+, DFA and SDG Budget tagging) have been thoroughly tailored towards the needs of the key recipients (and also include concrete linkages to the NES2030 and EU AA).

The added advantages and benefits of the INFF process are increasingly recognized at political level, whilst there are mounting examples of incorporation of proposed recommendations into strategic policy documents – for instance, the draft Government Action Plan for 2022 includes SDG indicators as Key Performance Indicators (KPI) for each Ministry, the government has committed to launch a RBM platform and added SDGs as KPIs for all ministries thanks to the results of the SDG budget tagging exercise.

In 2021 a dedicated effort was made to engage a wide community of PPP stakeholders in Ukraine not only from the central and local government but also from the business community and the civil society in UNECE's capacity building activities dedicated to the alignment of PPPs in Ukraine with the SDGs. The capacity development webinar held on 25 May 'How to Design PPP Projects Aligned with the Sustainable Development Goals? – The People-first Approach to PPPs' was attended by some 150 participants from all stakeholder groups.

WHO is closely working with the National Health Service of Ukraine (NHSU) on improving the Programme of Medical Guarantees budget program planning and traceability to the SDG3 targets. WHO works actively to strengthening NHSU capacity in areas of health services costing, propose changes to the tariffs based on changes in the level of costs, and engage in budget negotiations with service providers and the MoH/MoF (which overall makes the government budget planning more efficient).

## **Annual Reporting on Results**

### **Results achieved in promoting the priority thematic SDG agendas**

In line with the aspirations of the JP, UNDP supported the Ukrainian Government in enhancing their capacities on strategic planning and SDG financing, focusing on SDG 16 and 17, generating positive impacts towards SDG 1 and indirectly across all 17 goals of the agenda. The focus on strengthening domestic resource mobilization and build capacity on PPPs, as the key input of UNECE, contribute directly to development of accountable and effective governance structures at national and sub-national level in Ukraine. Meanwhile, the INFF WG has emerged as a principal vehicle to gather partners and national stakeholders around a common agenda, contributing towards the evolution (and growing understanding of the benefits of) an overarching SDG financing narrative in Ukraine. Nevertheless, the decision to pilot the RIA+ with focus on the budget programmes for regional development and

environmental protection followed consultations with the relevant line ministries, and rendered focused assessment on several SDG (including 6, 11, 15,16) and that were not explicitly considered at the design stage of the JP. At the same time, the combined efforts of WHO and UNICEF on budgetary processes and review of expenditures in the health sector are imbued by a thorough focus on SDG 3.

### **JP contributions to the Joint SDG Fund’s global results (especially around Outcome 2 & Output 4)**

2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope

During the implementation of the activities related to DFA, RIA and Budget tagging, the lack of an appropriate coordination mechanism on SDG implementation in Ukraine became apparent. UNDP together with Secretariat of the Cabinet of Ministers of Ukraine raised 510,000 USD to establish a dedicated coordination mechanism on SDG implementation in Ukraine, launched as an SDG office with political leadership of the Vice-Prime Minister on European and Euro-Atlantic Integration.

4.1: #of integrated financing strategies/instruments that were tested RIA+: budget programmes for regional development and environmental protection of Ukraine were assessed, also reviewing linkages to EU Association Agreement. Results and recommendations are expected to help the Government of Ukraine in continuing to integrate the Sustainable Development Goals into the national and regional strategic planning system. They will also facilitate the integration of specific objectives and indicators on the effectiveness of the achievement of the SDGs and its proper funding into the results-based management system recently approved by the Government.

4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate SDG Within the reporting period, the JP contributed to the alternative Outcome which is based on SDG 17 (Partnership for sustainable Development), namely developing partnerships between government and business to achieve the SDGs. The project has initiated 9 partnerships (established cooperation) under the aegis of SDG financing, i.e. with Ministry of Finance, Ministry of Economy, Ministry of Health, Ministry of Development of Communities and Territories, Ministry of Environment (through RIA+), Donetsk military-civil administration, Kherson Regional State Administration, State Statistics Service, National Health Service. All parties committed to be a part of the project and contribute to its activities and results. A new partnership with the National Bank of Ukraine was launched with the relevant MOU to be signed in 2022.

### **Progress against JP-specific outcomes**

Whereas the JP has been defined with catalytic aspirations, the activities and the implementation logic promote change that is measurable in the medium- rather than short term, and why it is not feasible to comment in detail on specific outcomes at this point in time.

However, in advancing the JP’s overarching aspiration to promote establishment of the INFF in Ukraine, an important step was taken as the Government of Ukraine together with UNDP support convened several regular meetings of the Integrated National Financing Framework Inter-Agency Task Force. Establishment of this Task Force has been an effective measure (and platform) for advancing and promoting INFF and SDG financing more in general.

### **Progress against JP-specific outputs**

In the context of the JP, the UNECE adapted its ‘People-first approach to PPPs for the SDGs’ to the context of Ukraine and trained PPP practitioners in Ukraine to apply this approach and its tools. This is tantamount to the introduction of important innovative financing instruments and new PPP mechanisms which make it possible to align PPPs developed in Ukraine to the SDGs.

As a foundational output, UNDP’s analysis of the institutional environment and legal framework that governs public financing of the SDGs have provided vital analysis and helped to formulate entry-points for action and dialogue. The INFF WG has reaffirmed itself as a functional platform for dissemination and consultation – the second meeting, for instance, focused on the annual budget declaration process and incorporating SDGs to the draft of budget

declaration, rendering immediate efforts from several government entities which revised their part of the budget declaration through an SDG lens. Incorporation SDGs also into the mid-term budget declaration process cascaded from this development, carried forth by a series of bilateral high-level consultations Governmental partners and representatives the oblast state administrations of the JP 's two pilot regions. Adaptation of the SDG budget tagging methodology has benefited directly from the working relations that evolved through these dialogues, and the scoring/assessment matrix that have been developed and tested (at national and sub-national level) can be applied to track expenditures against indicators of any state/local budget. DFAs at national and sub-national levels have been finalized, pending stakeholders ' review in December 2021.

WHO conducted the analysis of the healthcare-related budget programs and assessment of state financing of healthcare in 2016-2021. The results of the assessment to be presented to the MoH, MoF and NHSU in first quarter of 2022.

### **JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts**

Strong focus of the JP on the health sector – notably pertinent in the era of COVID-19 – led to better alignment of WHO and UNICEF in providing advice to the national counterparts including on the regional/oblast level. Furthermore, both UNECE and WHO from their own perspectives promoted the use of PPPs in healthcare, which is expected to lead to more investment in the health sector.

In general, as one of the few multi-agency programmes in Ukraine, the JP promotes a unified UN approach vis-à-vis other Development partners (a dedicated presentation of the JP has been organized) and paves the way towards securing more support of key donors for possible ownership and continuation beyond initiative 's present two-year implementation period.

Most importantly, also in terms of sustainability prospects, the JP and INFF in particular provide an excellent entry point for a coordinated "one UN" outreach towards IFIs (WB and IMF), opening way(s) to align sectoral reforms discussions (social protection, health, education etc.) under the INFF long-term development framework, encouraging matching of strategies with financing.

INFF is currently identified in the Ukraine CCA (updated in December 2021), as a key development opportunity collectively promoted by the UN. Catalyzing national development financing, based on JP's SDG budget tagging process, is also expected to be a key focus of the future UNSDCF 2023-2027.

Finally, the JP has also been instrumental in solidifying the connection to the National Bank of Ukraine in an attempt to review and align the NBU Strategy with the SDGs, proposing a realistic plan for integrating SDGs into both NBU's own operational processes and by ensuring that principles of sustainable development are mainstreamed in its role as banking sector regulator.

## **Strategic Partnerships, Documents and Communications**

### **How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space**

In 2021, a dedicated effort was made to engage a wide community of PPP stakeholders in Ukraine not only from the central and local government but also from the business community and the civil society in UNECE's capacity building activities dedicated to the alignment of PPPs in Ukraine with the SDGs. The capacity development webinar held on 25 May 'How to Design PPP Projects Aligned with the Sustainable Development Goals? – The People-first Approach to PPPs' was attended by some 150 participants from all stakeholder groups.

Implementation of the JP has opened for cooperation with the National Bank of Ukraine on incorporation of the SDGs into its development strategy. The partnership serves to enhance the governance and coordination functions of the national banking sector in aspects of SDG financing (relevant MOU to be signed in January 2022). Moreover, dialogue with the National Institute for Strategic Studies has been established under the auspices of bringing the institute (with its role as a research and prognosis maker to Ukrainian president administration) into the realm of

SDG financing. The institute has expressed promising susceptibility towards integrating the SDGs as KPIs within their domains of operation, which exemplifies the JP’s catalytic potential and how it contributes towards shaping the narrative on SDG financing.

WHO engaged with national authorities (MoH, NHSU and PPP Agency) and with international partners (IFC, World bank, USAID, USAID Health Reform Support Project, Delegation of the European Union to Ukraine) looking into the issue of public-private partnership (PPP) and other private sector engagement modalities in the health sector in Ukraine. Besides WHO collaborates closely with the NHSU, MoH, medical services providers on improving primary healthcare budget processes under the Programme of Medical Guarantees through conducting PHC costing exercise.

**Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:**

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	Yes	No	No	No

**Comments on additional financing secured:** In 2021, a dedicated effort was made to engage a wide community of PPP stakeholders in Ukraine not only from the central and local government but also from the business community and the civil society in UNECE’s capacity building activities dedicated to the alignment of PPPs in Ukraine with the SDGs. The capacity development webinar held on 25 May ‘How to Design PPP Projects Aligned with the Sustainable Development Goals? – The People-first Approach to PPPs’ was attended by some 150 participants from all stakeholder groups.

Implementation of the JP has opened for cooperation with the National Bank of Ukraine on incorporation of the SDGs into its development strategy. The partnership serves to enhance the governance and coordination functions of the national banking sector in aspects of SDG financing (relevant MOU to be signed in January 2022). Moreover, dialogue with the National Institute for Strategic Studies has been established under the auspices of bringing the institute (with its role as a research and prognosis maker to Ukrainian president administration) into the realm of SDG financing. The institute has expressed promising susceptibility towards integrating the SDGs as KPIs within their domains of operation, which exemplifies the JP’s catalytic potential and how it contributes towards shaping the narrative on SDG financing.

WHO engaged with national authorities (MoH, NHSU and PPP Agency) and with international partners (IFC, World bank, USAID, USAID Health Reform Support Project, Delegation of the European Union to Ukraine) looking into the issue of public-private partnership (PPP) and other private sector engagement modalities in the health sector in Ukraine. Besides WHO collaborates closely with the NHSU, MoH, medical services providers on improving primary healthcare budget processes under the Programme of Medical Guarantees through conducting PHC costing exercise.

**JP organized events in 2021**

JP Launch Event	Annual Donor Event	Partners Event
Organized in 2020	Yes in 2021	Yes in 2021

*Number of strategic documents produced by the JP: 12*

*Number of strategic documents contributed by the JP: 2*

*Number of communication materials produced: 5*

## 2022 Plans & Way Forward

### JP priority activities & expected results for 2022

UNECE will conclude its planned activities with a final capacity development event for a broad range of Ukrainian PPP practitioners in Q2/2022. Provided eased travel bans, it will be a physical event aiming to give participants hands-on opportunities to acquire practical skills in applying the tools for implementing the “People-first” approach to PPP, which should enable them to align PPPs in Ukraine with the SDGs.

The rich body of recommendations and findings that UNDP’s various analytic exercises have yielded will be carried forth during 2022, for instance, through subsequent analysis of SDG expenditure patterns vis-à-vis sectoral priorities and with emphasis on addressing funding gaps by embedding SDG targets and indicators in regional development strategies. Support will be extended towards the development/revision of strategy implementation plans (in Kherson and Donetsk oblasts), and a catalogue of opportunities for financing the SDGs using national, subnational expenditures with references to available/relevant technical assistance will produced. Additional efforts will be to increase the public availability of SDGs statistics and budget data, as supporting the National Bank of Ukraine to incorporate the SDG into its development strategy.

UNICEF will finalize reports and evaluation of the localities whether the financial model has been implemented and focus scaling in the remaining five regions.

WHO will conduct assessment of the alignment of health sector strategies and local spending with health-related SDGs in two oblasts (Donetsk (directly conflict affected) and Kherson oblasts) in Ukraine.

### 3 major transformative results that will be achieved by the end of the JP

The Ministry of Economy and the PPP Agency of Ukraine will apply in their practical work the UNECE “People-first” approach to PPPs and will implement the practical tools developed for this purpose, which should empower their practitioners to align PPPs in Ukraine with the SDGs.

UNICEF will draft recommendations for new package of guaranteed care for NHSU on home visiting service.

Set against the formalization of the INFF WG, Ukraine’s public SDGs financing narrative is consolidating in a promising fashion, as ministries and public stakeholders express increasing interest in cooperation on actions that serve to align strategic planning and budgetary processes with the 2030 Agenda. UNDP’s series of reports – that assess financial flows, track budgeting- and expenditure patterns vis-à-vis targets/indicators as well as map the legal and institutional environment – carry potential to inform both scaling and replication at national and at subnational/regional level. In terms of more concrete impact of the JP, - the SDGs will be incorporated into the Government’s (forthcoming) RBM-system as KPIs - Regional indicators on SDGs for two pilot regions are being developed and linkages between Regional development programmes and SDG indicators established - an SDG budget tagging dashboard will be launched at SDG monitoring portal of the state statistics service

With the support from the WHO the NHSU will acquire the necessary capacity and will be provided with the tool for continuous PHC package/tariff development contributing to improved budget planning for SDGs.

### Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Advancing (50-99%)	Advancing (50-99%)	Advancing (50-99%)