

Policy Dialogue for better Health Governance in Ukraine Project

External evaluation of the project – Final Report

Client: Swiss Agency for Development and Cooperation

Rotterdam, 8 January 2018



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Table of contents

Executive Summary	v
List of abbreviations	1
1 Introduction	3
1.1 Policy Dialogue for better Health Governance project	3
1.2 Objectives of the external evaluation	4
2 Approach	5
2.1 Evaluation questions	5
2.2 Methods of data collection	6
3 Findings	9
3.1 Context	9
3.2 Relevance	11
3.3 Effectiveness	12
3.4 Efficiency	13
4 Reflection	15
Annex 1. Evaluation matrix	18

Executive Summary

This report reflects our findings and analysis of the “External evaluation of the Policy Dialogue for better Health Governance Project in Ukraine”, commissioned by the Swiss Agency for Development and Cooperation (SDC), acting through Swiss Cooperation Office Ukraine (SCO), as per the Terms of Reference (ToR), dated 5 October 2017.

In December 2015, the project was launched. It is implemented by the World Health Organization (WHO), acting through its Regional Office for Europe, in cooperation with the Ministry of Health (MoH) in Ukraine. For this reason, the Swiss Confederation, represented by the Federal Department of Foreign Affairs, acting through the SDC, and the WHO Regional Office for Europe have signed an agreement in November 2015.

The aims of the evaluation were to:

- Assess the project’s performance and its achievements to date against the objectives;
- Assess the relevance, effectiveness and efficiency of the project interventions as regards specific expertise provision and reform support in light of the current health reforms priorities in Ukraine;
- Identify the major gaps and challenges in the implementation process regarding the approach, strategic orientation, project organizational set up, implementation modality and capacities, and address related recommendations;
- Provide recommendations based on which the project implementation pace could be improved.

We, an experienced evaluation team of one international expert and one local expert, conducted the evaluation during October – November 2017. We used desk research, a field mission, telephone / Skype interviews and follow-up email correspondence and telephone calls to clarify outstanding issues. The final scope, methodology and approach of the evaluation have been agreed with the SDC. We are grateful to the support and cooperation that we received throughout the evaluation from all stakeholders involved.

Summary of key findings

Based on the evaluation, we consider the design of the project interventions still relevant to the priorities, policies and strategies of the MoH. It is therefore important to continue to provide technical support to the MoH, as well as to (continue to) hire and train the current and potentially new staff for the MoH, as the current situation is still rather fragile and needs strengthening.

In terms of effectiveness, the project interventions have partly been effective in terms of achieving expected objectives and outcomes in 2016. Currently, the various forms of capacity building (hiring staff, organizing training courses) provided during 2017 have positively contributed to the effectiveness, especially in the field of health financing and mental health. However, there is room for improvement. For example, more information could be given to external stakeholders with regard to what has been achieved within the project, and what activities are planned to enhancing donor coordination. Overall, all stakeholders believe that it is important to continue to support the MoH in (further) developing a clear vision and roadmap to foster the health reform and enhancing the policy dialogue.

With regard to efficiency, the WHO project management team has been expanded and changed in 2017 to ensure that all managerial, administrative and technical competencies are in place. However, the implementation pace is still not optimal. The current organizational model, including a

project manager not being fulltime in the country and a local project coordinating officer with no decision power, and not having a comprehensive project file (e.g. minutes of meetings/decisions made) hinder the efficiency of the project. Furthermore, the implementation of the project seems to be jeopardized by miscommunication between the WHO on the one hand and SDC, MoH on the other (e.g. it is not clear what the roles and responsibilities of each party/person is). In addition, the following issues were mentioned to negatively affect the implementation of the project: a) slow responsiveness of WHO to requests from the MoH, or in relation to collaboration with international donors; b) administrative bottlenecks within WHO regarding for example the approval of contracts; and c) lack of effective communication between WHO and MoH.

It is obvious that all main stakeholders are not satisfied with the current situation, even though recently, in October 2017, a list of priorities and related activities for the remainder of the project have been agreed between the WHO, SDC, and MoH. Furthermore, there is currently no common understanding between the WHO, MoH and SDC on how the project can be best further implemented, also because no final decision is made (by WHO) regarding the remaining budget for activities.

Summary of recommendations

We present three options as next steps:

1. Discontinue the project (i.e., terminate the contract according to Article 12 of the Agreement between the Swiss Confederation and the WHO);
2. Continue the project without any changes;
3. Continue the project based on agreed priorities (October 2017), and implement changes to the project management of WHO as implementing agency, as well as to steering and monitoring progress of the project from SDC side.

To be coherent with the findings of this evaluation, we believe that option 1 is the easiest to implement but is not in the best interest of the beneficiary (MoH) and the wider population of Ukraine. Terminating the contract may also result in reputational damage of SDC and/or WHO, undermining their reputation and relationships with other stakeholders. We therefore would not recommend this option.

Option 2 and 3 are more realistic options, but option 2 has shown to be sub-optimal (2016 Annual Report and the current situation), which also led to the request for this evaluation. We therefore would not recommend this option either.

Option 3 fits best our reflection on how to address the current needs of the MoH, taking into account the lessons learned from this evaluation. Of course, option 3 requires that all parties are willing to start at a new page and invest time and effort to clarify the expectations, roles and the responsibilities of each organization for the remainder of the project. In other words, it needs to become sufficiently explicit to provide guidance for taking action by each of the main stakeholders. Overall, it implies that all main stakeholders (WHO, MoH and SDC) need to take their responsibility within this project and create a win-win situation as soon as possible to further support the health reform for the benefit of the Ukrainian population.

List of abbreviations

ASAP	As soon as possible
DAC	Development Assistance Committee
EEA	European Economic Area
EU	European Union
MoH	Ministry of Health
MoU	Memorandum of Understanding
OECD	Organization of Economic Cooperation and Development
SCO	Swiss Cooperation Office Ukraine
SDC	Swiss Agency for Development and Cooperation
SMART	Specific, Measurable, Achievable, Relevant, Time bound
ToR	Terms of Reference
WHO	World Health Organization

1 Introduction

Following the political crisis and armed conflict in 2014, a national health strategy - the so-called “Ukraine's Health System Reform Strategy for Ukraine 2015-2025” – was developed. To ensure effective implementation of the national health strategy the Ministry of Health (MoH) requires a strong health reform and policy making platform. Furthermore, the capacities of the MoH need to be considerably strengthened. This is especially needed for timely, strategic and evidence-based informed decisions, enhancing the health of the population in Ukraine.

Several initiatives and projects are supporting the MoH to develop and implement the health care reform strategy, including the Swiss Agency for Development and Cooperation (SDC) Policy Dialogue for better Health Governance in Ukraine Project, which is the subject of the evaluation presented in this report.

1.1 Policy Dialogue for better Health Governance project

The overall goal of the “Policy Dialogue for better Health Governance” project is to improve the health status, financial protection, well-being, equitable access and satisfaction within the health services of the population, especially the most vulnerable ones.

In December 2015, the project was launched. It is implemented by the WHO, acting through its Regional Office for Europe, in cooperation with the MoH in Ukraine.¹ For this reason, the Swiss Confederation, represented by the Federal Department of Foreign Affairs, acting through the Swiss Agency for Development and Cooperation (SDC), and the WHO Regional Office for Europe have signed an agreement in November 2015.

As described in the project fiche, the project specifically aims to:

- Improving the health and wellbeing of the Ukrainian population through strengthening the governmental capacities to lead and steer the health care reform agenda, endorse evidence-based policies, improve inter-sectoral and donor coordination and efficient communication;
- Strengthening the institutional capacity of the MoH to govern and deliver quality public health and people-centred, result-oriented and inclusive health services.

The planned outcomes of this project in 2019 include:

1. Stewardship and coordination - the MoH is supported to steer, coordinate, and manage the health sector effectively:
 - Output 1.1: Health Reform Unit in the MoH of Ukraine functions and performs according to its mandate;
 - Output 1.2: The coordination mechanism is operational, documents the priority actions, maps internal and external investments in the health sector, follow-up on the priority actions' implementation and results;
 - Output 1.3: Communication on health care reform progress is regular, strategic, and efficient with clear identification of key target audiences, proper preparation of key messages and its delivery through defined communication channels.
2. Evidence-based policy - the MoH endorses evidence-based policy making practices for the implementation of health care reform and priority thematic areas of work:

¹ Policy Dialogue for Better Health Governance, 2016 Annual Report, p. 4.

- Output 2.1: Officially established thematic groups perform according to their respective mandates;
 - Output 2.2: Quality evidence-informed recommendations disseminated to policy makers by thematic groups.
3. Capacity development of the health authorities - the MoH and the health sector have the institutional capacity to govern and deliver quality public health, people-centred, result-oriented and inclusive health services is strengthened:
- Output 3.1: Follow-up initiatives by the MoH implemented putting into practice know-how and lessons acquired through the implemented trainings.

These activities and outputs link directly the Swiss cooperation strategy for Ukraine 2015-2018.²

1.2 Objectives of the external evaluation

The external evaluation was initiated by SDC and aims to provide an independent evaluation of the project performance and to provide recommendations for the remainder of the project. The specific objectives of the external evaluation are to:

- Assess the project's performance and its achievements to date against the objectives;
- Assess the relevance, effectiveness and efficiency of the project interventions as regards specific expertise provision and reform support in light of the current health reforms priorities in Ukraine;
- Identify the major gaps and challenges in the implementation process regarding the approach, strategic orientation, project organizational set up, implementation modality and capacities, and address related recommendations;
- Provide recommendations based on which the project implementation pace could be improved.

² SDC (2015). Swiss cooperation strategy for Ukraine 2015–2018. Available via: https://www.eda.admin.ch/content/dam/deza/en/documents/laender/cooperation-strategy-ukraine_EN.pdf.

2 Approach

The evaluation ran from 5 October 2017 until 30 November 2017. Below we present the evaluation questions and the methods used to answer the questions.

2.1 Evaluation questions

For this evaluation, we have applied a selection of the DAC criteria,³ namely efficiency, effectiveness and relevance. The evaluation questions, as listed in the ToR, are:

Theme	Questions
Relevance	<ul style="list-style-type: none"> Was the defined strategy and project approach relevant to Government reform priorities and to Government representatives' capacity building needs?
	<ul style="list-style-type: none"> Was the project appropriately designed, taking into account the country political and economic context?
	<ul style="list-style-type: none"> What are the most relevant results achieved at institutional and beneficiary (MoH) levels so far?
	<ul style="list-style-type: none"> Is the project proposed format of technical assistance/capacity building still relevant?
Effectiveness	<ul style="list-style-type: none"> What are the most effective results of the project at policy, institutional and beneficiary level (MoH being the beneficiary in this case)?
	<ul style="list-style-type: none"> What are the most effective elements/inputs (structures, activities, processes) of the project?
	<ul style="list-style-type: none"> Can the projects' interventions be considered as an effective and efficient model for the development and implementation of the health reform priorities, health sector donor coordination, evidence-based policy promotion, and strengthening of MoH's institutional capacities?
Efficiency	<ul style="list-style-type: none"> Has the project achieved its objectives according to the schedule? If not, what are the main reasons (context-related, structural, organizational structure and processes, other)? If not, has the implementing partner timely introduced relevant measures to speed up the implementation process and overcome the delays?
	<ul style="list-style-type: none"> Have inputs and outputs been designed correctly and is the implementation modality adequate and efficient to timely deliver the expected results?
	<ul style="list-style-type: none"> Are the project's operational activities cost-effective? Is the project being implemented in the most efficient way compared to other potential alternatives?
	<ul style="list-style-type: none"> What are the overall strengths and weaknesses of organizational capacity? How does the organizational capacity affect organizational performance?
	<ul style="list-style-type: none"> To what extent is the organization adapting to new environments, changing needs related to the reform and changes in other external variables to efficiently utilize the available resources?

These evaluation questions formed the basis for the evaluation matrix, provided in Annex 1.

³ OECD/DAC. Principles for evaluation of development assistance. OECD / Development Assistance Committee, Paris, 1991.

2.2 Methods of data collection

We conducted **desk research** using the documents provided by SDC at the start of the evaluation. This include the project description, credit proposal, and related annexes; 2016 Annual Report (revised) and related documents; progress report for 2017). We also received documents from WHO (after the interview with Anne Johansen), covering the 2016 Annual Report (including annexes), and proposals from WHO to revise the project during 2017, and the latest state of play regarding budget. From the MoH (provided after the interview with Kateryna Kalendruz and Solomiya Kasyanchuk), as well as from WHO (provided after the telephone interview with Oleksandr Martynenko), we received the agreed project activity plan (October 2017).

In the evaluation, we used the 2016 Annual Report (last revised on 6 September, 2017) and the progress report covering the period December 2016-July 2017 (created August 2017) to get insights in the state of the art and **to prepare the field mission and related interviews** (see Annex 1 for the interview questions). The 2016 Annual Report provides a clear overview of the intervention logic, what activities have been carried out during the first year of implementation, its contribution towards the achievements of the overall goal and the three objectives (see Chapter 1), what has worked well, what has not worked well, and also provides recommendations for the next implementation period (2017). The progress report outlines the main activities and deliverables implemented and achieved in the context of the project during the first half of 2017 (December 2016 – July 2017).

We conducted face-to-face semi-structured interviews with key selected stakeholders during the field mission, and used telephone/Skype for stakeholders not in Ukraine during the mission and after the mission. The stakeholders interviewed as part of this evaluation are listed below:

Name of the organization	Name of the person	Date of the interview	Mode of the interview
Swiss Cooperation Office (SCO) in Ukraine	Nicolas Guigas	31 October, 2017	Face-to-face
	Petro Ilkiv and Nicolas Guigas	3 November, 2017	Face-to-face
WHO Country Office Ukraine	Oleksandr Martynenko	30 October, 2017 27 November, 2017	Face-to-face Telephone
WHO Regional Office for Europe	Anne Johansen	31 October, 2017	Skype
WHO Country Office Ukraine	Oksana Yakovenko	2 November, 2017	Face-to-face
WHO Country Office Ukraine	Marthe Everard	6 November, 2017	Skype
WHO Regional Office for Europe	Gauden Galea	21 November, 2017	Telephone
WHO Regional Office for Europe (formerly MoH)	Ihor Perehinets	2 November, 2017	Skype

Name of the organization	Name of the person	Date of the interview	Mode of the interview
MoH (formerly WHO Country Office)	Pavlo Kovtoniuk	1 November, 2017	Face-to-face
MoH	Kateryna Kalendruz and Solomiya Kasyanchuk	1 November, 2017	Face-to-face
MoH	Ulana Suprun	30 November, 2017	Answered in writing
USAID	Jeri Dible	1 November, 2017	Face-to-face
UNICEF	Giovanna Barberis	2 November, 2017	Face-to-face
World Bank	Feng Zhao	1 November, 2017	Face-to-face
Cabinet of Ministers of Ukraine	Oleksander Zhyginas	2 November, 2017	Telephone
SDC Health Advisor	Erika Placella and Petro Ilkiv	15 November, 2017	Telephone (debriefing)

Crosschecking of data was carried out from various angles and/or sources to determine validity and accuracy. This was achieved for instance by comparing the outcomes of the desk review with interviews held and checking the consistency of objectives and outcomes. This approach helped us to keep the evaluation focused on the relevant issues, while also making it comprehensive and robust.

3 Findings

In this Chapter, we present the findings from desk research and the interviews. Please note that the interviews reflect perceptions of the interviewees, and that these could not be checked with written (official) documents in all cases. In addition, to guarantee anonymity of individual interviewees, we have clustered the views of representatives of the SDC (including SCO; n=3), WHO (n=6), MoH (including Cabinet of Ministers; n=5), and international donors (World Bank, UNICEF, USAID; n=3). We present the views per stakeholder group if at least two interviewees have mentioned the relevant issue during an interview.

When interpreting the findings and recommendations (see also Chapter 4), it is important to take the current economic and political context of Ukraine into account. Also, the institutional environment and stakeholder involvement and the fact that the project is still ongoing are important aspects that might influence the performance of the project until date.

3.1 Context

Economic and political context

Since its independence in 1991, Ukraine started a progressive attachment to the European Economic Area (EEA). The Ukrainian regulation, standards, system organization and management had to be adapted to the European system, which is based on protecting the population, on transparency management and on citizen decisions. Since then, much is done and several economic and political agreements have been signed with the European Union (EU). Now a strong economic and political support to Ukraine for modernization needs to be maintained, while Ukraine must enforce better governance and transparency.⁴

The health care system in Ukraine has also been under pressure to reform fundamentally in the past 25 years. As corruption is one of the root causes of the current Ukrainian situation, a full healthcare system reform is needed. Since its independence, the MoH is working hard on national legislation to be adapted to European standards. Although some progress has been made, the implementation of (adapted) laws is far from being achieved.⁵ This situation has been acknowledged by relevant stakeholders interviewed for this evaluation (WHO, SDC, international donors).

The report “Health in Transition Ukraine” (2015)⁶ of the World Health Organization (WHO) is one of the resources that provides relevant information with regard to health systems development. Despite some progress in the last decade, health outcomes remain very poor in Ukraine, as the latest data from the WHO Global Health Observatory⁷ shows in the Table below.

⁴ Ecorys (2016). Final report. A legislative assessment of the Ukrainian pharmaceutical sector in regards of the EU standards in the perspective of the Association Agreement implementation. EuropAid. Lot-8 Health.

⁵ Ecorys (2016). Final report. A legislative assessment of the Ukrainian pharmaceutical sector in regards of the EU standards in the perspective of the Association Agreement implementation. EuropAid. Lot-8 Health.

⁶ Lekhan VN, Rudyi VM, Shevchenko MV, Nitzan Kaluski D, Richardson E. Ukraine: Health system review. Health Systems in Transition, 2015; 17(2): 1–153.

⁷ <http://www.who.int/countries/ukr/en/>

Total population (2015)	44,824,000
Life expectancy at birth m/f (years, 2015)	66/76
Probability of dying between 15 and 60 years m/f (per 1 000 population, 2015)	283/108
Total expenditure on health per capita (Intl \$, 2014)	584
Total expenditure on health as % of GDP (2014)	7.1

Furthermore, there has been huge turnover of high level staff in the MoH (including the position of the Minister) since Ukraine's independence, but most notably during the last two years⁸. In addition, there is currently no formal organisational chart in place; there are still rather weak health policies in most areas; and the government cumulates the functions of legislation and policy-making (e.g. in the field of procurement of pharmaceuticals).⁹

However, with the current Minister (who is in place for more than 1 year, albeit as interim), Deputy Minister and staff hired as part of the project, the willingness to move forward and achieve steps in the health reform, as indicated by all stakeholders, is promising. This provides a window of opportunity for concluding the project with certain achievements, especially in the areas where steps have been taken, such as regarding health financing and public health, as indicated by MoH and international donors. Several stakeholders (WHO, international donors), however, also indicated that the current capacity at the MoH is still limited and that a clear vision on what is needed for the health reform has to be improved.

Institutional environment and stakeholder involvement

The Swiss Confederation represented by the Federal Department of Foreign Affairs, acting through the SDC, funds the project. The WHO Regional Office for Europe, acting through its Country Office in Ukraine, is implementing the project in cooperation with the MoH in Ukraine.¹⁰ All stakeholders question the role of the WHO as effective implementing agency for this project. It was mentioned by several stakeholders (SDC, international donors) that it is the first time that WHO implements such a project in Ukraine, and that the limited experience with project implementation might have negatively influenced the effectiveness and efficiency of the project. The main issues mentioned are a) slow responsiveness of WHO to requests from the MoH, or in relation to collaboration with international donors (MoH, SDC, international donors); b) administrative bottlenecks within WHO regarding for example the approval of contracts and the project manager of WHO, based in the WHO Regional Office (all stakeholders); and c) lack of effective communication between WHO and MoH, all leading to frustration and/or complaints from the MoH (SDC, international donors). WHO mentioned in the 2016 Annual Report (p. 5) as well as in the interviews that a number of revisions have been proposed to the project and that they have been working more closely with the staff from the MoH in determining the priorities. However, the current perception from stakeholders regarding the role of WHO in implementing the project in Ukraine is still that the effectiveness and efficiency can essentially be improved.

In the Project Document (MoH and WHO, September 2015), a stakeholder assessment was included. The stakeholder assessment describes the authorities, responsibilities as well as the power distribution of the main stakeholders (p. 1): "The Ministry of Health is the principal stakeholder. Other key stakeholders are SDC and the World Bank, members of the National Reform Council, PCU and Technical Departments of the Ministry of Health and the members of the Thematic Groups". In the 2016 Annual Report (September 2017, p. 9) an update of the stakeholder

⁸ Based on interviews with WHO, MoH, UNICEF, World Bank, USAID.

⁹ Ecorys (2016). Final report. A legislative assessment of the Ukrainian pharmaceutical sector in regards of the EU standards in the perspective of the Association Agreement implementation. EuropAid. Lot-8 Health.

¹⁰ Policy Dialogue for Better Health Governance, 2016 Annual Report, p. 4.

analysis was provided, stating that the MoH remains the principal stakeholder. “Its role is to coordinate national and international contributions, to create the legal framework for the project’s implementation, to build the necessary institutional capacity and human resources for health and to regularly disseminate information about the project’s results to target groups. Other key stakeholders are WHO, SDC, the World Bank, and members of the National Reform Council.” When asking the MoH about the role and responsibilities of the MoH and the other main stakeholders currently involved in the project it was mentioned that “the project includes multiple stakeholders. From the MoH this includes the Minister, the Deputy/Minister/project coordinator, and technical officers.....Additional stakeholders include the Centre of Public Health of Ukraine ... Our cooperative stakeholders include other international organizations, such as the World Bank...., UNICEF...., USAID...., the EU..., IMC..., IAMFI, and WONCA.” Both WHO and SDC have not been mentioned in this list, but during other interviews with representatives from the MoH, both WHO and SDC have been mentioned as partners, with WHO as the implementing agency of the Project. However, it is not clear to all stakeholders who is the project coordinator from MoH-side. Some mention the Minister (international donors), while others mention the Deputy Minister (WHO, MoH, SDC), and this might affect the effectiveness of the project.

Implementation of the project (December 2016 - November 2017)

The evaluation took place during October – November 2017, which means that the project is currently almost halfway its intended duration (December 2015 – December 2019). From the 2016 Annual Report it became clear that “for a variety of reasons, including, but not limited to the political instability in Ukraine, turnover of high-level staff within the MoH, an overly ambitious project design, departure of key staff and head of WHO Country Office and administrative bottlenecks within the WHO, the project’s implementation has been behind schedule. In light of these changes in circumstance, a number of revisions to this project have now been proposed...” (p. 5). In addition, the priorities of the MoH have changed during the implementation of the project. For example, when the project was developed, the main priorities according to the MoH included: the revision of an outdated health finance system, the requirement for a stronger national emergency preparedness and response system, the lack of an integrated health information system, the need for better provision of primary health care and public health service, and the improvement of the pharmaceutical sector management. Currently, the priorities are health financing, public health, primary health care, mental health, emergency medical services, donor coordination and education. Furthermore, although not formally stated in the agreement between WHO and SDC, SDC said that the action plan for each upcoming year of project implementation has to be agreed between WHO, MoH, and SDC at the end of each year to meet the needs of the MoH. This requires a highly flexible approach to the implementation of the project.

3.2 Relevance

Overall, all stakeholders have the opinion that the design of the interventions are still relevant to the priorities, policies and strategies of the MoH. Some stakeholders (WHO, international donors) made clear that the changing needs and priorities for the MoH point to a need to modify some of the project’s outcomes, outputs and activities or project structure to better address current needs (international donors, SDC). It should be noted, however, that the project continues to have the same structure and focus on virtually the same outcomes; most of the changes are at the activity and/or output level (see Annex 1 (logical framework) in the 2016 Annual Report).

Recently, draft laws supporting the health reform are being prepared or have been adopted. An example of the latter is the recent (19 October 2017) approval of draft law No. 6327 “On state

financial guarantees for the provision of medical services and medicines,” in the second reading.¹¹ Even though it is clear that there are quite a few pieces of accompanying legislation to be adopted, the healthcare reform seems to be moving forward. This asks for supporting and strengthening the capacity of the MoH, which is still rather fragile due to the limited number of staff members with specific health expertise. According to some of the interviewees (MoH, international donors), law No. 6327 was drafted with clear support of the project, emphasizing the relevance of the project. The MoH also acknowledges that the technical assistance provided through this project has contributed to key reform initiatives. As for staff, several stakeholders (international donors, WHO) acknowledged the limited capacity of skilled staff at the MoH as a key contributor of the slow implementation pace of the project. Especially at the beginning of the project, hiring capacity of health staff in the MoH was low, but has been slowly increasing. It is therefore important to continue to provide technical support to the MoH, as well as to (continue to) hire and train the current and potentially new staff for the MoH according to WHO, international donors.

3.3 Effectiveness

All stakeholders have the opinion that the effectiveness of the project can be improved. From the 2016 Annual Report (e.g. p. 5) it becomes clear that the project has partly been effective in terms of achieving expected objectives and outcomes during the first year of implementation, due to the reasons stated in section 3.1. Especially outcomes 2 and 3 should have showed more improvements as stated in the 2016 Annual Report.

WHO mentioned to have mainly focused on picking up in implementation speed in 2017 by hiring at least five new local technical experts (Special Service Agreement contracts), 12 staff for the agreed work programme, installing a new project manager (from the Regional Office; this is a position that is executed by two persons) as well as a new project coordinating officer (in the WHO Country Office in Ukraine). Several stakeholders (MoH, WHO, international donors) mentioned during the interviews that various forms of capacity building (hiring staff, organizing training courses) have positively contributed to the effectiveness of the intervention (especially in the field of health financing, eHealth and mental health), but that there is also room for improvement, especially with regard to donor coordination. For example, international donors do not perceive and/or remember that donor coordination meetings were held (December 2016 and April 2017) or were organised by the WHO (SDC, international donors and MoH). Furthermore, some of the international donors were involved in the discussion of the project design in 2015 and asked to contribute but they do not recall getting information during the implementation.

Currently, international donors hold the position that it is not clear what has been achieved within the project until now. For example, international donors are aware that the donor-mapping tool is part of the project, but they do not know the status of it, and do not feel involved in the policy dialogue as part of the project. According to the international donors, the engagement of several international donors in the reform, with their own agendas and priorities, might also have led to a fragmented nature of implementation of the healthcare reform and might have had a dampening effect on Government ownership of the project.

The (potential) effectiveness of the project seems currently to be further hampered by diverging views of the main stakeholders (i.e. WHO, MoH and SDC) about the activities that can be conducted within the remainder of the project. At the time of writing this evaluation report, all stakeholders could not tell us what activities will be conducted during 2018 (and 2019) even though there is a list of priorities and actions agreed between WHO and MoH (and approved by SDC) as

¹¹ <https://www.legalalliance.com.ua/eng/news/the-parliament-has-adopted-the-healthcare-reform/>

there is not yet a formal approval from WHO Regional Office with regard to how much budget is left for activities. On 4 October 2017, SDC and MoH met, according to WHO, without WHO Regional Office representatives to discuss priorities and related activities and deliverables for the remainder of the project (October 2017-November 2019). The input for this meeting was a list/PowerPoint presentation of activities, deliverables (albeit not clearly defined in SMART terms) and related (revised) budget that was being prepared by the WHO project coordination officer (based in WHO Country Office Ukraine), and agreed with the team of the MoH. The main stakeholders (WHO, MoH, SDC) agree that the level of middle management (WHO project coordination officer (from WHO Country Office), MoH technical staff, and SDC project manager) are working well together, while the working relationship at a higher level (MoH project coordinator and WHO project manager (from WHO Regional Office), as well as between SDC project manager and WHO project manager from WHO Regional Office) need to be improved.

According to SDC and the MoH, the budget left seems to be sufficient to conduct the activities requested by the MoH to be funded from the project when shifting budget from management tasks to activities. According to WHO, this is not the case: “the WHO can only make a decision about which activities to fund once we have a sense of what each one is expected to achieve. We should therefore spend the next couple of months preparing a concept note for each topic area where the MOH needs support to outline the objectives, activities/deliverables, timeline and costs along with an operational action plan for 2018. With this, we should then meet with the other key donors to figure out who could fund what and then we can see what remains for the PDG project. Once that is done, we can restructure the project accordingly..., the situation is this, and there are not enough funds in the project, even if all of the remaining funds are transferred to activity implementation, which of course would not be possible, since we would not have any staff to manage the project. Furthermore, there is no real need to make a decision for the remainder of the project right now, since we know what funds will be spent until the end of the year...”.

3.4 Efficiency

In the 2016 Annual Report, it was mentioned that the project has not been implemented according to schedule, due to the reasons mentioned in section 3.1. During the first year of implementation, disbursement was ~\$130,000. After 18 months, disbursement increased to ~\$469,000. The increase in disbursement was mainly due to the hiring of staff in 2017; both national and short-term experts (Progress report 2017, Excel file) with the appropriate knowledge and expertise. However, it takes more time to make robust statements with regard to the efficiency of the allocation of human resources as the staff members have been in place for less than 1 year, and if they perform according to the needs and wishes of the MoH. Although, the progress report outlines the main activities and deliverables implemented and achieved in the context of the project during the first half of 2017 (December 2016 – July 2017), it is not completely clear to other stakeholders what activities have been executed with funding of the project.

During 2017, the WHO project management team has been expanded and changed to ensure that all managerial, administrative and technical competencies are in place. However, the implementation pace is still not optimal. According to WHO, this is due to the fact that several meetings were postponed/cancelled for obvious and less obvious reasons (as stated in the progress report 2017) at which decisions could have been made about the future direction of the project. According to MoH and SDC, this is also due to improper preparation of meetings and multiple delays in approval from WHO regarding activities of the project. Furthermore, the current organizational model, including a project manager not being fulltime in the country and a local project coordinating officer with no decision power, and not having a comprehensive project file

(e.g. minutes of meetings/decisions made) seem to hinder the efficiency of the project, according to the views of SDC, MoH, and international donors.

At the end of September 2017, WHO informed SDC and the MoH that 40 per cent of the PDG projects' funds were spent, and that \$338,020 remains for project implementation (see Table below).

PDG project budget	Original budget	% of total	Spent as of 21 Sept 2017	% of original budget	Funds remaining	% of original budget
Part 1 – Managerial costs						
Salaries	\$ 830,000	42%	\$161,000	19%	\$ 669,000	81%
Operating costs	\$ 100,000	5%	\$45,843	46%	\$ 54,157	54%
Part 1 total	\$ 930,000	47%	\$206,843	22%	\$ 723,157	78%
Part 2 – Project implementation						
Part 2 total	\$ 839,912	42%	\$501,892	60%	\$ 338,020	40%
Part 3 – Project support costs						
Part 3 total	\$ 230,088	12%	\$92,136	40%	\$ 137,952	60%
TOTAL	\$ 2,000,000	100%	\$800,871	40%	\$ 1,199,129	60%

Remaining expenditures for 2017 of the PDG project's implementation are estimated at \$141,600, leaving \$196,420 available for project implementation in 2018 and 2019, according to WHO. As stated in section 3.3, there are diverging views between WHO, MoH and SDC with regard to what extent the remaining funds related to managerial costs are needed to manage the remainder of the project or whether they can be (partly) used for activities. According to MoH and SDC, the funds remaining in the project should suffice to conduct the activities agreed for 2018 and 2019.

The MoH has also indicated that it is important to better understanding the rules and procedures of the WHO, and to have better communication with WHO (Regional Office) in order to improve the efficiency of the project.

4 Reflection

Below, we summarize our analysis of the extent to which the project is relevant, effective and efficient, including the lessons learned (what worked well, what worked less well) with regard to the implementation until date. On the basis of our analysis and the lessons learned, we formulate three options as next steps. We provide pros and cons of each of the options, as well as recommendations on how to move forward with the project.

The design of the project interventions is still relevant to the priorities, policies and strategies of the MoH. It is therefore important to continue to provide technical support to the MoH, as well as to (continue to) hire and train the current and potentially new staff for the MoH, as the current situation is still rather fragile and needs strengthening.

The project interventions have partly been effective in terms of achieving expected objectives and outcomes in 2016. In 2017, considerable effort (in terms of budget allocated) has been put on hiring new staff, addressing mainly outcome 1. Various forms of capacity building (hiring staff, organizing training courses) have positively contributed to the effectiveness of the intervention (especially in the field of health financing and mental health), but there is room for improvement, especially with regard to donor coordination. Since it is highly unlikely that the project will be able to build real sustainable capacity in the MoH to effectively coordinate donor support, the project should focus on helping the MoH coordinate rather than building capacity to coordinate, although it should - to the extent possible - also try to build capacity during this process. This approach would imply focusing less on building platforms and systems in the MoH and more on helping developing concrete working plans that the different donors could contribute to operationalizing and whereby synergies between projects (e.g. in the field of public health between the EC and World Bank) need to be enhanced.

In terms of efficiency, we encountered that the implementation pace of the project has improved during 2017, but is not yet optimal. Major gaps and challenges in the implementation process seem to be diverging views between WHO, MoH and SDC with regard to which activities can be implemented in the remainder of the project, taken that it is not clear how much budget is left for activities that have been agreed. It would be beneficial to set the work programme not every year, but for the remaining two years as the priorities of the activities have already been discussed with the MoH. Also, having a comprehensive project file (e.g. minutes of meetings/decisions made) might improve the efficiency as well as the effectiveness of the project as it becomes more clear who will do what, when and how. This would also support SDC in monitoring and steering the progress of the Project, as its current role is mainly targeted towards regular exchanges of information, without specification of what this should entail (as described in Article 3 of the Agreement between the SDC and the WHO). Finally, the current model of having a project manager (which position is split by two persons from WHO Regional Office) not being fulltime in the country, and a project coordinating officer with no decision power) seem to hinder the efficiency of the project.

Based on this evaluation we learned the following lessons: there is willingness of the main stakeholders (WHO, MoH, SDC) to continue the project because the main idea and objectives of the project are still relevant. In particular, concerning the current economic and political situation, it remains important to continue to support the MoH in (further) developing a clear vision and roadmap to foster the health reform and enhance the policy dialogue. However, the implementation of the project seems to be jeopardized by miscommunication between the WHO on the one hand

and SDC, MoH on the other (e.g. who is the implementing organization and what are the roles and responsibilities of each party). Also, there are challenges in the operational management of the project (e.g. with contracting experts by WHO on the short term at the request of the MoH). Thus, it is obvious that there is not yet a common understanding between the WHO, MoH and SDC on how the project can be best further implemented, also because the remaining budget for activities is still not clear. In our opinion, this means that all main stakeholders (WHO, MoH and SDC) need to take their responsibility within this project and create a win-win situation as soon as possible (ASAP) to further support the health reform for the benefit of the Ukrainian population.

How to move forward? – Three options

The current situation asks for a dialogue on a very short term (i.e. within 1 month, January/February 2018) between the main stakeholders, at the higher management level (i.e. those with decision-making power) in order to have a clear and joint vision regarding the future of the PDG project. In preparing the dialogue, we recommend SDC to consider three options:

1. Discontinue the project (i.e., terminate the contract according to Article 12 of the Agreement between the SDC and the WHO);
2. Continue the project without any changes;
3. Continue the project based on agreed priorities (October 2017), and implement changes to project management of WHO as implementing agency as well as to steering and monitoring progress of the project from SDC side.

To be coherent with the findings of this evaluation, we believe that option 1 is the easiest to implement but is not in the best interest of the beneficiary (MoH) and the wider population of Ukraine. Terminating the contract may also result in reputational damage of SDC and/or WHO, undermining their reputation and relationships with other stakeholders. We therefore would not recommend this option.

Option 2 and 3 are more realistic options, but option 2 has shown to be sub-optimal (2016 Annual Report and the current situation), which also led to the request of the MoH for this evaluation. We therefore would not recommend this option either.

Option 3 fits best our reflection on how to address the current needs of the MoH, taking into account the lessons learned from this evaluation. Of course, option 3 requires that all parties are willing to start at a new page and invest time and effort to clarify the expectations, roles and the responsibilities of each organization for the remainder of the project. In other words, it needs to become sufficiently explicit to provide guidance for taking action by each of the main stakeholders. This implies taking – at least - the following activities on the short term:

- WHO needs to provide ASAP clarity regarding the approval of the defined priority areas and related budget, while SDC needs to ask WHO and MoH for improvements of the list with regard to:
 - deliverables related to the objectives/activities listed in the action plan for 2018-2019 need to become more concrete (what is to be delivered and why?), and they need to be SMART, or clear process indicators need to be defined instead of deliverables. This is required to monitor progress of the project;
 - priority need to be given to activities that are important to implement and/or to achieve, concerning the current economic and political context.
 - If the approved budget by WHO is not in line with the proposed budget for the agreed activities, SDC needs to require WHO Regional Office to provide clarity about the budget decision (if not given), SDC needs to consider to provide additional resources to fund the list with priorities agreed, and/or recommend the MoH to request funding from other donors (by

skipping activities where other international donors have already or are initiating activities, e.g. public health (EU), eHealth (World Bank)).

The communication between MoH and WHO regarding the project implementation needs to be improved. Currently, it is not clear to the MoH who decides what, when and how within the WHO (i.e., WHO procedures). It would be beneficial if clarity would be given ASAP about the roles and responsibilities of each organisation involved in the project. In addition, an agreement has to be made about the time lines for WHO to react to requests of the MoH and/or SDC (including when it concerns following WHO HC procedures it should be clear when and how to expect a reaction). These kind of agreements can be laid down in a Memorandum of Understanding (MoU) between WHO, MoH and SDC. A MoU is an agreement in the form of a legal document. A MoU can be initiated by SDC, and may include at least specification of commitments, responsibilities, activities, working relationships and a statement that is binding each organization to every statement and assurance made.

- WHO should consider to delegate power – where and whenever possible according to WHO procedures – for example to the project coordinating officer (in the WHO CO) in order to increase the efficiency and effectiveness of the project.
- SDC should continue their activities to monitoring the progress of project implementation in terms of regular progress meetings (e.g. through 2-weekly TC/Skype). Furthermore, all agreements between WHO and/or MoH and/or SDC should be clearly documented by the implementing agency (WHO). For example, minutes of meetings and decisions need to be communicated to relevant stakeholders within a certain time frame (e.g. 1 day) after each meeting (i.e. following standardised operating procedures for project management), as well as the implementation of the tasks should be properly monitored. A first step would be that SDC (and MoH) request WHO to organize a Steering Committee meeting ASAP, focus on (re)creating trust in the process and joint ownership of the project. SDC and/or MoH could request WHO to make clear what steps will be taken in what period (Gantt chart). For the remainder of the project, we recommend a Steering Committee meeting every 3 months, and a donor coordination meeting every 6 months in order to report on progress and to discuss alignment/synergies between actions of international donors in the priority areas. All these activities can be specified in a MoU.

Below, we summarise the three options complemented with an indicative timeline (short (<3 months) or long-term (>3 months) needed for their implementation, the relevant stakeholder(s) to be engaged in the implementation, the ease of implementation, as well as our recommendation.

Option	Time line	Stakeholders involved	Ease of implementation	Recommendation
1. Discontinue the project	Short term	SDC	High	Not recommended
2. Continue the project without changes	Short term	WHO, MoH, SDC	High	Not recommended
3. Continue the project with proposed changes/activities	Medium term	SDC, WHO and MoH	Medium	Recommended

Annex 1. Evaluation matrix

Theme	Evaluation questions	Qualitative and quantitative indicators	Interview questions	Stakeholder interviews
Relevance	<ul style="list-style-type: none"> Was the defined strategy and project approach relevant to Government reform priorities and to Government representatives' capacity building needs? 	<ul style="list-style-type: none"> Approaches and activities in the national context need to respond to needs contingent with capacity levels. 	<ul style="list-style-type: none"> What are the current (health care) reform priorities? To what extent are the priorities identified at the time of adoption of the project still valid and in accordance with current needs? What are the implications for the project strategy and approach? What are the needs of the different governmental representatives (Deputy Ministers) with regard to capacity building? Have the needs changed over time? To what extent is the project strategy and approach sufficient to achieve the current needs? If applicable, what needs to be done to address the current needs at beneficiary level? 	<ul style="list-style-type: none"> International donors – reform questions; MOH, WHO, SDC/SCO and NRC all questions.
	<ul style="list-style-type: none"> Was the project appropriately designed, taking into account the country political and economic context? 	<ul style="list-style-type: none"> Approaches and activities need to effectively respond to external factors. 	<ul style="list-style-type: none"> To what extent does the current project design take into account the potential risks related to political and economic context? If applicable, what needs be done to improve the current situation? 	<ul style="list-style-type: none"> ALL.
	<ul style="list-style-type: none"> What are the most relevant results achieved at institutional and beneficiary (MoH) levels so far? 	<ul style="list-style-type: none"> See effectiveness. 	<ul style="list-style-type: none"> What are according to you the most relevant results of the project until date? 	<ul style="list-style-type: none"> WHO, MoH, NRC, SDC/SCO.

Theme	Evaluation questions	Qualitative and quantitative indicators	Interview questions	Stakeholder interviews
	<ul style="list-style-type: none"> Is the project proposed format of technical assistance/capacity building still relevant? 	<ul style="list-style-type: none"> Implementation level has been satisfactory with a high level of motivation by staff at beneficiary level (MoH). 	<ul style="list-style-type: none"> To what extent is the proposed format of technical assistance/capacity building still relevant to achieving the objectives of the project? If applicable, what needs to be done in order to improve the current situation? 	<ul style="list-style-type: none"> ALL.
Effectiveness	<ul style="list-style-type: none"> What are the most effective results of the project at policy, institutional and beneficiary level (MoH being the beneficiary in this case)? 	<ul style="list-style-type: none"> Achievement of outcomes 1-3 are in line with expectations, i.e. outputs and outcomes as per work plan and log frame. 	<ul style="list-style-type: none"> To what extent are the (anticipated) results in line with project objectives and overall goals? If applicable, what needs to be done to obtain the anticipated results? 	<ul style="list-style-type: none"> ALL.
	<ul style="list-style-type: none"> What are the most effective elements/inputs (structures, activities, processes) of the project? 	<ul style="list-style-type: none"> Achievement of outcomes 1-3 are in line with expectations, outputs and outcomes as per work plan and log frame. 	<ul style="list-style-type: none"> What elements and interventions of the project are, according to you, most effective in obtaining the (anticipated) results? What are the reasons for this? 	<ul style="list-style-type: none"> ALL.
	<ul style="list-style-type: none"> Can the projects' interventions be considered as an effective and efficient model for the development and implementation of the health reform priorities, health sector donor coordination, evidence-based policy promotion, and strengthening of MoH's institutional capacities? 	<ul style="list-style-type: none"> Achievement of outcomes 1-3 are in line with expectations, outputs and outcomes as per work plan and log frame. 	<ul style="list-style-type: none"> Are you aware of the donor mapping tool? What is the status of the joint donor resolution? If any, which mechanisms could improve the model for the development and implementation of the health reform priorities, health sector donor coordination, evidence-based policy promotion, 	<ul style="list-style-type: none"> International donors.

Theme	Evaluation questions	Qualitative and quantitative indicators	Interview questions	Stakeholder interviews
			and strengthening of MoH's institutional capacities?	
Efficiency	<ul style="list-style-type: none"> Has the project achieved its objectives according to the schedule? If not, what are the main reasons (context-related, structural, organizational structure and processes, other)? If not, has the implementing partner timely introduced relevant measures to speed up the implementation process and overcome the delays? 	<ul style="list-style-type: none"> Project delivery is on schedule 	<ul style="list-style-type: none"> Is the project implemented according to the original schedule? If not, what are the main reasons? What needs to be (additional) done in order to obtain the (expected) results of the implementation? 	<ul style="list-style-type: none"> WHO; SDC/SDO; MoH.
	<ul style="list-style-type: none"> Have inputs and outputs been designed correctly and is the implementation modality adequate and efficient to timely deliver the expected results? 	<ul style="list-style-type: none"> The current level of spending of the funds on the project are the best way to achieve (expected) results. 	<ul style="list-style-type: none"> On what basis are decisions made regarding allocation of funds? Is there enough flexibility and predictability in funding allocation to enable efficient implementation of the project? 	<ul style="list-style-type: none"> WHO financial officer; SDC/SDO.
	<ul style="list-style-type: none"> Are the project's operational activities cost-effective? Is the project being implemented in the most efficient way compared to other potential alternatives? 	<ul style="list-style-type: none"> The current level of spending of the funds on the project are the best way to achieve (expected) results. 	<ul style="list-style-type: none"> How and by whom are the working groups organized? Was/Is the level of spending of the funds on the project the best way to achieve results? What could (have) be (en) potential other alternatives to achieve the (anticipated) results in a more efficient way? What changes in the (processes) for allocation of funding could 	<ul style="list-style-type: none"> WHO financial officer; SDC/SDO; ALL (question on alternatives).

Theme	Evaluation questions	Qualitative and quantitative indicators	Interview questions	Stakeholder interviews
			improve the efficiency of the project?	
	<ul style="list-style-type: none"> What are the overall strengths and weaknesses of organizational capacity? How does the organizational capacity affect organizational performance? 	<ul style="list-style-type: none"> SWOT-analysis. 	<ul style="list-style-type: none"> If any, what changes in the (processes for) implementation and management could improve the efficiency of the project? 	<ul style="list-style-type: none"> WHO, MoH, SDC, NRC.
	<ul style="list-style-type: none"> To what extent is the organization adapting to new environments, changing needs related to the reform and changes in other external variables to efficiently utilize the available resources? 	<ul style="list-style-type: none"> Level of flexibility and predictability to enable efficient and effective implementation of the project. 	<ul style="list-style-type: none"> Overall concluding question. 	<ul style="list-style-type: none"> ALL.

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In 1929, businessmen from what is now Erasmus University Rotterdam founded the Netherlands Economic Institute (NEI). Its goal was to bridge the opposing worlds of economic research and business – in 2000, this much respected Institute became Ecorys.

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