

LMG-CCI Ukraine

Quarterly Report: Q4 April- June, 2014

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Build the capacity of the UCDC as a key agency within the Ukrainian MoH, their capacity as a Principal Recipient of GF grants and their capacity to manage Sub Recipients.

LMG, Ukraine, HSS, UCDC, MoH, GF, SR management, PR

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QUARTERLY REPORT - CCI/LMG-Ukraine

SECTION A.

Country:	Ukraine	Project:	Country Collaboration Initiative/Leadership, Management & Governance-Ukraine
		Short name:	CCI/LMG-Ukraine
		Award number:	AID-OAA-11-00015 (Global LMG Project)
		Implementer:	Management Sciences for Health (MSH)
Agreement Officer Representative (AOR)	Ann Hirschey	PY1 Start Date: 06/15/2013 PY 1 End Date: 06/14/2014	
Activity Manager	Paola Pavlenko		
Date of Report Submission: Period covered by the report:	July 31, 2014 Quarter 4: April-June 2014		

Project Budget amount	Amount obligated	Spent in reported period (April-June)	Cumulative spent	Forecast for the next quarter (July-Sept)
\$750,000	\$750,000	\$194,305	\$484,819	\$212,703

Major Activity 1: Build UCDC Project Implementation Unit (PIU) capacity to manage GF grants	
Output 1.1: Technical support to UCDC PIU in select management areas	
Activity 1.1a: 1C Enterprise Software Training	
Planned Progress (for reported period)	This activity has been on hold until the end of Quarter 3. UCDC has clarified what they are seeking and LMG has begun taking steps to engage a local consultant who would be able to ensure good performance of 1C accounting software to suit specific UCDC needs, and to provide trainings.

Actual Progress (including comments, if required)	In Q4, LMG developed a SOW and selected a Ukrainian vendor to customize 1C Software to be in line with the priority needs of UCDC so that finance and HR personnel are prepared to carry out their required tasks.
Planned for next quarter	This activity has been carried over to PY2. In Q1 PY2, LMG will sign a contract with the selected finalist and 1C customization process will start. Customization of the software will be an on-going process, in which vendor's representatives will work both from distance and on-site, at UCDC, to ensure that all specified functions are performing well and that UCDC's priority needs are met. On-site in-service training will also be provided to UCDC personnel.
Any critical risks/assumptions	None
Activity 1.1b: Review existing and/or prepare procurement plan and travel policy	
Planned Progress (for reported period)	In Q4, LMG was planning to initiate this activity.
Actual Progress (including comments, if required)	UCDC has engaged a company "International Auditing Group" to develop a procurement plan and travel policy for them as part of a broader package. This work by an external company has been still on-going in Q4, and the package will soon be handed over to UCDC.
Planned for next quarter	This activity has been carried over to PY2, and will take place in Q2 and Q3, to make sure that these policies are in line with the GF requirements as Ukraine is expecting to receive funding under New Funding Model (NFM).
Any critical risks/assumptions	None
Activity 1.1c: Assess knowledge gaps on GF at UCDC and provide multiple 1-day general skill building orientations on GF for UCDC staff	
Planned Progress (for reported period)	It was planned that LMG consultant Tatsiana Ptashnik would return to Kiev on May 11-18. Trainings were planned with UCDC SR managers to go through risk assessment tools and discuss weaknesses, Financial Assessment, Value for Money and Competitive Selection Process of SRs, SR Capacity Development, and introduction to a revised PSM Manual and a harmonized glossary.
Actual Progress (including	In Q4, Tatsiana's visit took place in early June as she asked to postpone her visit initially planned for May, for

comments, if required)	<p>security reasons. During her one-week stay, multiple training sessions were provided to UCDC staff, which covered such topics as Procedures and Policies of the GF; SR risk management; Preparation of Sub-granting Agreements; Procedures for selection of Special Conditions for SRs; Financial Assessment, Value for Money and Competitive Selection Process of SRs, SR Capacity Development, and introduction to a revised PSM Manual and a harmonized glossary.</p> <p>See Annex 1 for full trip report. Also refer to all training modules, manuals, policies, procedures and other documents handed over to UCDC staff as part of this activity.</p>
Planned for next quarter	PY2 as it will focus on the operationalization of the SR Management manual and SR Assessment and Selection Manual. A one day work session is planned for operationalizing the use of both manuals.
Any critical risks/assumptions	None
<p>Activity 1.1d: Support UCDC in reviewing recommendations from GF (May 2013) management letter (refers to irregular HR practices), indicating areas that require attention and preparing HR policies as required (conflict of interest policy, travel policy, reimbursements policy, etc.) and manual</p>	
Planned Progress (for reported period)	Although discussions continued on the need for HR policies, UCDC's uncertain environment and structure has delayed this activity. It was agreed that this activity will be prioritized for PY2 and incorporated into the workplan.
Actual Progress (including comments, if required)	In the final approved workplan for PY2, there are now two activities (O2.6 and O2.7) related to the development of an HR strategy and plan, HR manual and Employee handbook and other instruments.
Planned for next quarter	HR-related activities are planned for Q2 through Q5 of PY2.
Any critical risks/assumptions	Select HR activities can only be implemented if UCDC engages an HR manager. UCDC needs to finalize its staffing and structure plans.
<p>Activity 1.1e: Support UCDC in procuring the license for legal database "League: Law 9.1"</p>	
Planned progress	LMG procured the license for the legal database which contains comprehensive and regularly updated legislation of Ukraine, including laws, resolutions, and policies. In Q4, LMG planned to have the database installed on UCDC workstations.
Actual Progress (including comments, if required)	In Q4, League: Law 9.1. was installed on four workstations and is now being used by HR, Accounting, and Legal Support teams.
Planned for next quarter	No activities planned
Any critical risks/	None

assumptions	
Output 1.2: Technical support to UCDC PIU for processes involving SR assessment, selection, contracting and management, incl. key indicators	
Activity 1.2a: Strengthen the PIU capacity to conduct SR management	
Planned Progress (for reported period)	For Q4, it was planned that Tatsiana Ptashnik would return to Kiev to provide TA in this area.
Actual Progress (including comments, if required)	<p>In Q4, Tatsiana completed home-based work and also visited Kiev in June 2014 to train UCDC PIU staff in SR-related management, selection and assessment, and to hand over all developed modules, policies and procedures.</p> <p>Sessions and SOPs included:</p> <ul style="list-style-type: none"> • SR risk management and handing over of 5 Sub-recipient risk profiles; • Preparation of SR Sub-granting Agreements and handing over of the SR Capacity Development Plan template; • Procedures for selection of Special Conditions for SRs and handing over of revisions to the Guidelines on Procedures for assessment and selection of SRs, as well as a Request for Proposals Form; • Financial Assessment of SRs, and handing over of Procedures for Financial Assessment of SRs as well as forms and instruments for Value for Money Analysis; <p>See Annex 1 for full trip report and all the developed modules, policies and procedures</p>
Planned for next quarter	See plans under 1.1c
Any critical risks/assumptions	It is planned that under the Single Funding for HIV and TB that Ukraine has applied for, there will be one joint Single Operational Unit, and it is still unclear how the three proposed PRs will be functioning as part of this new arrangements in terms of grant implementation and SR management.
Activity 1.2b: Provide TA and training to new SR managers	
Planned Progress (for reported period)	LMG planned to provide TA to new SR managers on GF, SR management and monitoring of policies and procedures in the week of May 12 th .
Actual Progress (including comments, if required)	<p>Tatsiana Ptashnik visited Kiev in early June and training was provided to all UCDC SR managers.</p> <p>See Annex 1 for full trip report and all the developed modules, policies and procedures</p>
Planned for next quarter	In PY2, follow up trainings will be conducted with TB SR managers.

Any critical risks/assumptions	With funding cuts, UCDC might make some of its externally funded staff redundant. However, it is anticipated that all SR managers will continue to work for UCDC. This activity is also subject to UCDC retaining TB SRs.
Activity 1.2c: Further develop AS2 manual on SR management and support UCDC to operationalize and use manual	
Planned Progress (for reported period)	Tatsiana reviewed manual and suggested updates including adding a template for request of proposal for SRs for competitive selection and a section describing decisions and measures following capacity assessment of SRs. It was planned that all new tools and sections will be developed and handed over to UCDC, and that STA will assist UCDC in incorporating them in their current Guide/s/.
Actual Progress (including comments, if required)	In Q4, Tatsiana developed a wide range of forms, policies and procedures based on GF requirements. This included a Request for Proposals Form, Procedures for Selection of Special Conditions for Inclusion into the Grant Agreements, SR Capacity Development Plan, which were handed over to UCDC.
Planned for next quarter	As it is not clear yet when and whether UCDC will have HIV SRs, the incorporation of all new materials and tools into existing UCDC manuals and documents has been carried over into PY2. The process of updating UCDC SR management manual and SR assessment and selection manuals with materials and tools developed in PY1 will take place in Q2 of PY2.
Any critical risks/assumptions	None
Activity 1.2d: Assist UCDC to develop, in partnership with other SRs, a coordinated investment strategy ("SR Strategy")	
Planned Progress (for reported period)	<p>This activity was included in the revised work plan as it has been specifically mentioned in the GF Secretariat letter to CCM Ukraine in December 2013 in relation to conditions for approval of continued funding of Ukraine's HIV Grant Rd10 Ph2 for 2014-2016. The GF Secretariat expressed its expectation for Ukraine "to prioritize essential, high-impact activities, targeted to highest-prevalence regions"; "to seek efficiencies and cost reductions"; and "to reduce overheads, program administration and human resource costs at PRs and SRs level and phase-out top ups and incentives in the health system".</p> <p>In Q4, LMG planned to offer its support to the Concept Note development process, if requested by UCDC, by engaging external consultants to address specific technical needs.</p>
Actual Progress (including comments, if required)	As UNAIDS Country Office played a leading role in coordination of the process of concept note development and brought an external consultant to provide TA, there was no request from UCDC for LMG to provide additional technical expertise. Instead, UCDC stressed the need for developing a fundraising strategy and tools as part of the

	<p>'crisis management' strategy. To address this priority request from UCDC, LMG Consultant (Jennifer Lissfelt) visited Kiev for one-week visit to work together with STA and UCDC on resource mobilization and new partnership development planning. As part of this visit, a range of draft tools and documents were developed in partnership with UCDC , including:</p> <ul style="list-style-type: none"> • UCDC SWOT analysis; • Funder/partner matrix; • Donor outreach letter; • Proposal guide/template; • UCDC Capabilities statement; • Fundraising planning document. <p>See Annex 2 for Trip report and all the documents and tools that were developed and handed over to UCDC.</p>
Planned for next quarter	In PY2 Q1, this work will be continued through the finalization of drafts developed in Q4 and the development of UCDC Resource Mobilization and New Partnership Development Strategy. Skill building on fundraising, proposal writing and development will be carried out through workshop/s/ and assistance in proposal development.
Any critical risks/assumptions	None
Activity 1.2e: LMG to assist UCDC to develop a training strategy	
Planned Progress (for reported period)	In Q4, it was planned that LMG would work with UCDC to strengthen their training strategy and a range of related tools that would help UCDC to play the role of a national training coordinator. This activity was based on UCDC plans to position themselves as a national training coordinator of training activities in Ukraine (organized by both domestic and international institutions).
Actual Progress (including comments, if required)	In June 2014, LMG consultant (Jennifer Lissfelt) came to Kiev to work together with STA and UCDC on developing initial ideas, conceptualization and planning related to UCDC Training Coordination Strategy Development. As a result of meetings with UCDC colleagues, and Concept and Planning for UCDC Training Strategy Development was prepared.
Planned for next quarter	UCDC will provide their feedback and respond to additional questions so that the Training Coordination Strategy can be finalized and a range of related tools developed in a participatory manner. This activity will be continued in PY2 Q1.
Any critical risks/	There is an assumption that there is a need for a national training coordinator and that TA providers and recipients

assumptions	would be receptive to UCDC taking on this role.
Major Activity 2: Assist UCDC PIU to build capacity of SRs to manage GF grants and comply with GF regulations and processes	
Output 2.1 Strengthened SR capacity to manage grants	
Activity 2.1a: Assess SRs' awareness/knowledge, determine training needed and conduct trainings in grant management and SOPs	
Planned Progress (for reported period)	Awareness was assessed and training needs determined. In Q4, LMG planned to hold a one-day training for the new SRs to introduce the GF policies, requirements and also to explain in details SRs responsibilities, provisions of SR agreement, practices and rules for communication with PR. It was also planned to present a harmonized glossary to ensure that the PR and SRs 'speak the same language' when implementing GF grants.
Actual Progress (including comments, if required)	In June 2014, a one-day training was organized for UCDC SRs through the involvement of LMG consultant Tatsiana, in which UCDC PIU staff also participated and made contributions to presentations and discussions. See Annex 1 for Trip report and all developed modules and materials.
Planned for next quarter	Although no activities are planned for PY2 Q1, LMG will continue to provide TA in this area in PY2, once modality of operations of Single Operational Unit under Single Grant is known, and once it is confirmed whether or not UCDC will have HIV SRs (as well as whether or not it will continue to have TB SRs).
Any critical risks/assumptions	This activity is subject to UCDC having HIV SRs as of 2015, when funding through NFM would commence. It is also subject to UCDC retaining TB SRs.
Major Activity 3: Strengthen UCDC's capacity as an organization within the Ukrainian health system	
Output 3.1: Technical support in HR	
Activity 3.1a: Initiate legal and economic analysis of potential new organizational structures for UCDC	
Planned Progress (for reported period)	This activity has been completed (legal analysis was conducted). In Q4, it was planned that LMG would discuss with UCDC and partners the desired next steps.
Actual Progress (including comments, if required)	It was agreed that this work depends on agreed upon structure for UCDC and clear governance structure with MOH, State Service (SS) and other partners. Analysis was conducted by FDU and Legal Alliance team, spurred by initial negotiations by AIDStar-Two and LMG team. In Q2, at USAID's request, LMG Consultant Jennifer Lissfelt conducted a comparison of State Service and UCDC statutes and UCDC lawyers have also done some comparative analysis of functions of two institutions. These comparisons will provide useful input into reference documents that will be developed in preparation for the stakeholder meeting (see next activity).
Planned for next quarter	None

Any critical risks/assumptions	As the situation in Ukraine's health governance structure remains unclear, it is too early to take next steps with regard of new organizational structure of UCDC that would provide more autonomy in determining salaries and not being bound by the civil service salary schedule.
Activity 3.1b: Convene and facilitate a stakeholders meeting	
Planned Progress (for reported period)	This activity had been planned for PY1, initially Q2 and then Q4.
Actual Progress (including comments, if required)	This activity has been postponed until a later date due to significant political changes in the country, including in the management of the Ministry of Health and other key stakeholders (such as State Service).
Planned for next quarter	This activity has been carried over to PY2.. Health Strategic Advisory Group is being formed in the country and it is possible that there will be more clarity and stability in terms of next steps in health reform and health care governance and management structures. UCDC is currently working on establishing an Advisory Board, which should also facilitate the discussion of UCDC's structure. Other reference materials for the stakeholder meeting have also been developed and some (executive summary of UCDC vision, mission, mandate, roles, highlights of its strengths etc., and revised position paper) will be developed in PY2 Q1. Timing of the stakeholder meeting is still unclear, however, and LMG will continue to revisit this activity with USAID.
Any critical risks/assumptions	Instability in the country and changes in the Government of Ukraine (including following the submission of resignation by Prime Minister) may contribute to lack of clarity in terms of health care reform, governance and management.
Activity 3.1c: Prepare implementation plan on the transfer of HR costs funded by the Global Fund in Phase 1 of the HIV grant	
Planned Progress (for reported period)	This activity had been planned for Quarter 2. LMG work must follow other activities including UCDC's and MOH's decisions around structure and funding. In its latest communication related to the development of a Joint HIV and TB Concept Note, the GF Secretariat encouraged the CCM "to reduce overheads, program administration and human resource costs at PRs and SRs level and phase-out top ups and incentives in the health system." In Q4, LMG planned to conduct a donor mapping and develop a fundraising strategy and a set of fundraising tools to help UCDC diversify its funding base.
Actual Progress (including comments, if required)	UCDC is currently in the process of revising its PIU structure to reduce the costs funded by the Global Fund grants. As planned for Q4, LMG conducted a donor mapping and provided UCDC with a full donor/partner matrix,

	fundraising planning documents and tools.
Planned for next quarter	In PY2, LMG will continue to provide TA to UCDC in the area of resource mobilization and new partnership development and project proposal development (Q1-Q3). LMG will also assist UCDC to prepare an implementation plan on transfer of HR costs funded by the GF, with the objective that these costs be covered by national funding by 2017.
Any critical risks/assumptions	In the context of current economic hardships in the country, there might be some delays in GoU's fulfillment of its commitments to increase government's contribution in financing national HIV and TB programs.
Activity 3.1d: Assist UCDC Director, HR department, PIU management to finalize staffing and structure plans, recruitment plans, job descriptions, personnel management and performance review plans and revise and/or develop an HR strategy and HR manual	
Planned Progress (for reported period)	It has been discussed that considering the current environment that this activity be shifted to PY2.
Actual Progress (including comments, if required)	In Q4, LMG discussed this activity and it was agreed that in PY2, LMG will assist in the development of HR Strategy and Plan, provide support in finalizing staffing and structure plans, support the development of HR Manual and Employee Handbook, including various tools and procedures for management and performance appraisal.
Planned for next quarter	It is planned that these activities will be initiated in PY2 Q2.
Any critical risks/assumptions	Select activities can only be implemented if UCDC engages an HR manager who would be in position to provide regular feedback.
Activity 3.1e: Assist the UCDC to develop an institutional strategy and a 3-year strategic plan	
Planned Progress (for reported period)	As a recommendation from the strategic planning retreat, LMG planned to engage a consultant to develop, in partnership with UCDC, communications strategy and tools. LMG also planned to engage a vendor to develop a UCDC web-site and facilitate UCDC's presence in social media. LMG drafted SOWs for communication strategy development and website development and advertised locally.
Actual Progress (including comments, if required)	In Q4, LMG consultant (Valery Cherniavsky) worked with UCDC to finalize its 3-year Institutional Strategy and Position Paper. A framework for a strategic plan was also developed which was further elaborated by STA, UCDC and LMG Consultant (Jennifer Lissfelt) for the purposes of development of a 1-year operational costed plan. LMG also selected a local consultant to develop a UCDC Communication Strategy and Tools and this work is on-going. The selection and contracting of a vendor to develop a UCDC web-site, logo, brand-book, social media accounts was also finalized and work has already been started.

	See Annex 3 for the draft 3-year Institutional Strategy and Position paper.
Planned for next quarter	In PY2 Q1, it is planned that the development of a Communication Strategy and tools will be completed. Significant progress will also be made in relation to web-site development.
Any critical risks/assumptions	UCDC staff needs to make themselves available to the consultant and vendor and have open conversations with the consultant and vendor in order for them to produce a relevant strategy and develop a website that is based on stakeholder needs analysis and informed by additional preliminary work.
Output 3.2 Technical support in performance improvement	
Activity 3.2a: Prepare for LDP+ offering	
Planned Progress (for reported period)	Although this activity was planned for Quarter 4, it was planned that it would be reconsidered as part of PY2 work-planning.
Actual Progress (including comments, if required)	As part of PY2 work-planning that took place in Q4, it was decided that the best way to continue in this area would be to support coaching sessions, strategic materials development and advice to UCDC top management. In Q4, this coach was identified together with UCDC (Valery Cherniavsky), based on the feedback from UCDC and their willingness to be open to such advice.
Planned for next quarter	Support in this area will be provided throughout PY2, in Q1 through Q5.
Any critical risks/assumptions	N/A

SECTION B. Progress against PMP

The table below includes only those indicators for which there is data to report. LMG reports progress to the global project on a semi-annual basis.

Indicator	Progress	Comments
<i>Indicator 8.</i> Report on the baseline capacity assessment of UCDC PIU on GF requirements	Completed	

(done through multiple interviews with PIU staff and GF PR risk assessment tool (ver. 1.2.))		
<i>Indicator 15.</i> Number of potential grant SRs assessed using the SR Assessment tools and Manual	5	Out of the 5 TB SRs, all have been assessed by UCDC using the SR Assessment tools and Manual
<i>Indicator 18.</i> Percent of selected TB and HIV SRs for which a capacity assessment has been completed	5 out of 5 TB SRs or 100%; no HIV SRs were assessed as UCDC currently does not have HIV SRs and it is unclear whether or not UCDC would have HIV SRs when the country receives new funding for 2015-2017	Assessments have been completed (complying with GF requirements) of the 5 TB SRs. Should UCDC have HIV SRs, these SRs will be assessed in PY2.
<i>Indicator 19.</i> UCDC Global Fund SR Management and Assessment Manuals developed and approved by UCDC and the GF	Completed	Although Tatsiana has developed recommendations and some revisions, these manuals have been approved by UCDC and the GF and are being used in the process of TB SR assessment and management.

Does the Results Framework, PMP or Workplan Require Revision?
Yes, the PMP will need to be revised as part of PY2 workplanning.

SECTION C.

Key Issues/ Points of information
<ul style="list-style-type: none"> • Programmatic <p>The arrival of the resident Senior Technical Advisor to Ukraine has enabled LMG to strengthen key relationships and communications with UCDC and to build momentum for ongoing activities.</p> <p>In PY2, LMG will also hire a Project Specialist who will be able to provide considerable support to STA and would help to ensure that all</p>

planned activities are implemented in a timely and high-quality manner.

Much of LMG's work has been shifting so as to meet the needs of UCDC. LMG's TA has been adapted to be relevant to the current situation which is creating delays in other areas of work. However, the sequencing of work to be completed is important and so shifting priorities is understandable.

- **Cross-cutting/ contextual**

There are still major political and security concerns in Ukraine presently which have partially affected LMG's ability to work. Significant changes within the MoH may also slow down some of the work that is planned with UCDC.

Key Milestones and Activities planned for the next quarter

1. Development of UCDC Stakeholder Analysis and UCDC Staff Survey Report;
2. Development of UCDC Communications Strategy and Action Plan;
3. Development of UCDC Communications Tools (such as Newsletter template, fact sheets, policy briefs, press releases, success stories and template for UCDC Annual Report);
4. UCDC website development, as well as UCDC Logo and Brand-book development;
5. Finalization of UCDC Resource Mobilization and New Partnership Development Strategy and tools for fundraising;
6. Finalization of reference materials for UCDC stakeholder meeting;
7. Assessment of UCDC research capacity and development of an Action plan to strengthen this capacity;
8. Development of a 1-year costed operational plan;
9. Development of Training coordination strategy;
10. Support in developing ToR for UCDC Advisory Board.