



ILO EVALUATION

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This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office

DISCLAIMER

The author's views expressed in this report do not necessarily reflect the views of the International Labour Organization.

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ACRONYMS

DWT	Decent Work Technical Support Team
EU	European Union
GCA	Government-controlled areas
HQ	Headquarters
HRMMU	Human Rights Monitoring Mission in Ukraine
IDP	Internally displaced persons
ILC	International Labour Conference
ILO	International Labour Organisation
IMF	International Monetary Fund
ITC	International Training Centre
NGCA	Non-government controlled areas
OHCHR	Office of High Commissioner for Human Rights
PAYGO	Pay-as-you-go pension system based on generation solidarity
RBSA	Regular Budget Supplementary Account
SDG	Sustainable Development Goals
UNDAF	United Nations Development Assistance Framework
UNHCR	United Nation High Commissioner for Refugees

EXECUTIVE SUMMARY

Project background

In the context of financial difficulties Ukrainian social security system was facing for a long time as well as armed conflicts in the East, the project addressed two important challenges of the social security system, namely:

1. Need for re-establishing the access to pensions and other social security benefits for persons affected by armed conflicts

As a result of the armed conflict that started in 2014, payments of pensions and other social benefits are suspended for Ukrainian citizens still residing in the non-government controlled area (NGCA). It is estimated that about 160,000 pensioners still residing in NGCA suffer from income insecurity and vulnerability.

2. Need for safeguarding minimum levels of social security for Ukrainian population.

In 2016, Ukraine ratified the International Labour Organisation (ILO) Social Security Minimum Standards Convention, 1952 (No. 102). However, in 2017 the Government adopted a pension reform which raises the level of existing pensions, but severely restricts the future ones. The Ukrainian social partners and Members of Parliament questioned whether that reform is in conformity with the minimum standards required by Convention No. 102 and requested ILO's assistance regarding the pension reform. Further, in 2018, a draft law to introduce a mandatory funded pension pillar was submitted to the Parliament.

Against this background the Regular Budget Supplementary Account (RBSA) project was aiming at:

1. Developing and adopting administrative procedures to ensure the access to pensions and other social security benefits for the population affected by armed conflicts;
2. Intervening in the reform processes with a view to safeguard minimum levels of social security in line with international labour standards; and
3. Enhancing the capacity of tripartite constituents to formulate and implement legal instruments to strengthen existing social security system.

The duration of the project was from October 2017 to October 2019.

Evaluation background

The purpose of the final evaluation is to promote accountability and strengthen learning among the ILO and key stakeholders. The main clients of the evaluation are the specialists and management of the ILO DWT/CO Budapest, ILO Regional Office for Europe, technical departments at the ILO Headquarters, donors and tripartite constituents in Ukraine. The evaluation is part of the Monitoring and Evaluation Plan 2018-2019 of the ILO Regional Office for Europe and Central Asia.

The scope of evaluation was the RBSA-funded project "National social protection floors are strengthened through the implementation of the international labour standards and social dialogue".

The final evaluation is focused on the whole implementation period of the project (October 2017 – 31 October 2019), assessing all the results and key outputs that have been produced since the start of the project.

Evaluation methodology and limitations

The evaluation was conducted in a participatory, consultative and transparent manner by engaging all groups of stakeholders. The evaluation used a mix of qualitative and quantitative methods to gather and analyse data. Evaluation paid attention to which groups benefited from and which groups contributed to the project and, also, provides an assessment of how the project has performed in regards to gender equality and non-discrimination. The evaluation applied the OECD/DAC evaluation criteria of relevance, effectiveness, efficiency, sustainability and impact potential.

The evaluation was carried out through a desk review, Skype interviews with ILO specialists in Budapest and face to face interviews in Ukraine with competent authorities, trade unions and employers' associations. The evaluation was undertaken in accordance with the ILO Evaluation Policy and ILO Policy Guidelines for Evaluation.

It should be noted that social security reforms are implemented with a long transition period, usually more than 10 years. Therefore the full outcome of the project interventions can only be assessed in the long run. For this reason, this evaluation will focus on the coherence of ILO policy advice and the effectiveness of tripartite dialogue in the policy making process.

Key findings

Relevance and validity of design: The need for this project was identified by Ukrainian authorities and stakeholders who find themselves in a position of urgent need for assistance, guidelines and good practices in the area of reforming social security system in compliance with international labour standards. The project was designed to address the problem of payment of the social security benefits to the internally displaced persons (IDPs) and long lasting challenges of social security system reflected in low coverage, unfavourable dependency ratio, decreases of benefits amounts and the prevalence of informal employment and undeclared work.

After ratifying ILO Convention No. 102, Ukrainian authorities have initiated reforms of the pension system as well as the health care system. Key stakeholders expressed deep concern with these reforms. Amid such conditions, the project was strategically highly relevant and well-timed.

Interviews with the representatives of competent authorities and stakeholders revealed that project activities were very relevant to beneficiaries needs and that the project was excellently timed.

Ukraine is facing serious problems in the field of social security for a long time. Armed conflicts in 2014 just deepen the crisis and pressure of International Monetary Fund (IMF) made fiscal problems in this area more severe. As in 2017 Convention No. 102 entered into force, Government announced a pension reform and approved laws launching the health care reform, there is no doubt that the situation became complex. Taking in consideration these facts it is obvious that the project could not have come at a better time for competent authorities and all other stakeholders in Ukraine.

The project's main goals were clearly defined so overall effect regarding the urgent needs of Ukrainian society was achieved. The project was in concordance with national policies and sustainable development goals (SDGs): increase the resilience of socially vulnerable groups; reform pension insurance based on fairness and transparency; reform health care financing and develop a partnership between government and other stakeholders to achieve fair

tripartite dialogue for achieving these goals (Sustainable Development Goals: Ukraine, 2017 National Baseline Report).

The project contributed to government's strategy and plans in the field of social security - to reform pension and health care systems, sustain the minimum level of income security and obtain common position in tripartite dialogue. It also contributed to the mentioned SDGs as well as to the issues covered by DWCP and United Nations Development Assistance Framework (UNDAF). Results were achieved through emphasizing necessity for the improvement of tripartite dialogue; presenting international experiences with the introduction of second pillar in parallel to the contribution pension scheme; and insisting on importance of implementation of international labour standards.

Effectiveness: The whole project was demand driven by the need of Ukrainian government to develop the capacity to deal with the challenges in social protection sphere.

Contribution of the project to the SDGs and other goals that Ukraine is aiming for was planned to be achieved through the following outcomes:

1) Developing administrative procedures for providing social security benefits to the IDPs residing in NGCA and recognising working periods in NGCA for fulfilment of the eligibility conditions for social security benefits in compliance with Ukrainian law;

This objective was not fully delivered due to the absence of political will to reach the final solution to this problem.

2) Developing policy options for sustaining the minimum level of income security and basic health care within the national social security system, and

3) Obtaining joint - tripartite (government, employers' associations and trade unions) - recommendations/opinions for the improvement of social security system.

Keeping in mind the specific design of the project for better overview of its accomplishments it is necessary to briefly mention the major activities accomplished as they represent the leading line for the assessment of goals achieved:

- The ILO submitted a letter to the Minister of Social Policy offering technical assistance and support in the process of overcoming difficulties in normalisation of suspended payment of social security benefits based on international experiences. Unfortunately there was no reply from the Ministry;
- Training on Compliance and Contribution Collection in the Prevalence of Undeclared Work was conducted for officials of government and social security institutions and social partners;
- Representatives of Government, employers' organizations and trade unions participated in the Academy on Social Security organized by International Training Centre (ITC) Turin to build their capacity of policy making and technical knowledge in social security;
- National tripartite meeting organized in Kiev was conceived to share practices and lessons learned regarding mandatory funded pension schemes;
- The ILO participated in the Parliament meeting and presented the advantages and disadvantages of the pension privatization reforms in Europe and Latin America;
- Trade union workshop on the mandatory funded pension system was created for social partners to better understand how funded pension systems works;

- National Tripartite Meeting on the Future of the Pension System in Ukraine was organised as a policy forum to discuss the key issues of future pension system in terms of its adequacy, coverage and sustainability. The key policy message will be summarized in the forthcoming technical report on the future of the Ukrainian pension system.

The Project has successfully achieved the main purpose –stakeholders’ understanding of importance of the international labour standards and social dialogue in creation of durable and sustainable social security system.

Preparation of the report on the application of the Convention No.102 enabled all participants in this process a higher level of awareness of the importance of minimum social security standards in relation to the ongoing reforms of social security system.

Policymakers and other stakeholders have recognised the importance of tripartite social dialogue for the reform of social security system. Their cooperation is improved as well as mutual trust (certain reservations still remain).

Efficiency: The project activities were timely delivered and according to planned schedule. Available resources in relation to the expected outcomes are in causal-consequent proportion. From the human resource perspective it can be assessed that resources were limited (only three persons) taking in consideration the scope and goals of the project. Planned outputs - developing administrative procedures and policy options to: sustain the minimum levels of social security (on national level); normalise payment of social benefits for conflict-affected population; and enhance the capacity of tripartite partners to plan and implement the reform of social security system - were, in a way, constrained by the budget.

Time span and expertise have been sufficient as well as adequate and justified.

Impact: At this stage the reform of the social security system is not fully implemented and the direction of future reform is not clear. Attitudes towards the introduction of mandatory funded pension scheme in Ukraine are quite different. All stakeholders agree that it may be introduced with great care, but not before all possibilities of bringing existing system to a sustainable position and securing that the level of cash benefits meets international standards.

The major impacts are: assistance in clarifying questions in preparing the first report on implementation of ILO Convention No. 102 contributed to better understanding of the international standards, which will be reflected in the future process of social security reform; overall awareness of the essentiality of tripartite social dialogue; better understanding of advantages and disadvantages of mandatory funded private pension scheme; comprehension of tripartite dialogue as a *condition sine qua non* for the social security reforms.

Sustainability: The project was designed to ensure sustainability of its outcomes. Inclusion of government, trade unions and employers' organizations in all the components of the project is likely to support the sustainability.

Positive contribution to the Ukrainian SDGs (mentioned before) can be expected in a long term provided that social dialogue keeps the course outlined by the project activities and that all participants in the process of reforming the social security system follow the prescribed minimum social security standards as well as to make the best use of good practices and experiences of other countries.

Sustainability can be expected in regard to developing social protection floors in concordance with Convention No. 102 and Recommendation No. 202. Trade unions and employers’ organizations believe that these standards represent the "minimum guarantee" of income security and healthcare which should not be compromised.

Mainstreaming gender equality and non-discrimination

Design of the project and its activities, although not primarily focused on gender equality issues have not ignored them. The project was keeping gender balance where it was possible (e.g. training and workshop participants). It should be noted that almost 50% of participants in those events were women.

Conclusions

As noted earlier, a full impact of the project can be evaluated only after longer period. Throughout the implementation period, the project has paid due attention to providing coherent policy advice in view of the relevant international standards and ensuring effective tripartite dialogue in the policy making process.

The design of the project was structured appropriately to the situation in Ukraine and to ensure sustainability of the outcomes by addressing the weaknesses of existing system of social security through better understanding the importance of international standards and social dialogue in creation of adequate and sustainable system.

All participating partners assessed the project as effective and extremely useful, pointed out the vital need for continuation of the cooperation with the ILO and expressed concern for the future of tripartite dialogue without a support.

Lessons learned and good practices

The following lessons learned and good practices were identified:

- Partnership with Ministry of Social Policy of Ukraine in the preparation of the first report on application of the Convention No. 102 was instrumental in understanding the importance of international standards in the process of creation of adequate and sustainable social security system.

- The ILO comments on the draft law in regard to the reform of pension system submitted to the Government provided cautionary remarks emphasizing the need for the improvement of contributions collection and compliance.

- Despite the coordinated effort with other international organisations on normalisation of payment of social security benefits to persons in Non-government controlled areas (NGCA) and Internally displaced persons (IDPs) in government controlled areas (GCA) the final goal was not reached. The situation is very complex and is unlikely to change significantly under the current political situation.

- National tripartite meetings organised to discuss the key issues in the future pension policy in Ukraine were practical demonstration of how tripartite social dialogue should function and how the future of the pension system can be discussed in terms of its adequacy, coverage and sustainability.

Key recommendations

Taking into consideration the current situation and views of key tripartite partners, the recommendations are:

1. To support the enforcement of the international standards in Ukraine it is important to closely monitor the development of the situation regarding tripartite dialogue and legislative changes in the existing social security system.

2. The ILO should consider continuous assistance on the following issues: (i) policies for the reduction of undeclared work; (ii) creation of possible options for pension reform; (iii) extension of the social security coverage (entrepreneurs, construction and agriculture workers); (iv) normalisation of the payment of pensions to IDPs based on international experiences.

3. The ILO should assist in strengthening social dialogue and technical support in the policy making process of social security reforms.

4. The ILO should consider creating performance indicators that aim to measure long term effects of the project.

EVALUATION REPORT

1. BACKGROUND AND PROJECT DESCRIPTION

In the context of legislative, financial and implementation difficulties Ukrainian social security system was facing for a long time as well as armed conflicts in Ukraine, the project addressed two important challenges of the social security system, namely:

- Lack of access to pensions and other social security benefits by the population affected by armed conflicts, and
- Continual decrease of the amount of social security benefits as a result of austerity measures which could seriously jeopardize the minimum social security benefits at the national level.

The priorities and main issues of this project were:

1. Need for re-establishing the access to pensions and other social security benefits for persons affected by armed conflicts

Conflicts that started in the East part of Ukraine in 2014 have very serious consequences regarding payment of social security benefits to the persons residing in those regions and, consequently, endangered their means of existence. A very significant number of population was affected - around 1.7 million IDPs (which is 4% of the entire population of Ukraine). Within that number the proportion of pensioners is more than 70% in regions of Lugansk and Donetsk. About 160,000 pensioners who still reside in NGCA are suffering from income insecurity and vulnerability due to precarious living conditions and internal displacements. However, following the Government's decision of February 2016, all social security payments for IDPs were suspended pending verification of their residence in the GCA. As a result, persons internally displaced but not registered as an IDP are denied the payment of previously established benefits and deprived of the future ones due to non-recognition of certain working periods needed for fulfilling entitlement conditions. Termination of payment of benefits particularly affected older persons and people with disabilities who have limited mobility.

Concerned with this situation the UN Country Team in Ukraine recommended a transparent process for IDP status verification and de-linking the social security benefits payment with IDP status. Task Force was established to develop a procedure which will enable the social security benefits to all entitled persons. As a member of the UN Country Team, the ILO was called upon to provide technical assistance for the Task Force.

2. Need for safeguarding minimum levels of social security for Ukrainian population.

The consequences of the long-lasting crisis of social security scheme and on-going conflicts have also resulted in a deepening fiscal problem, which is seriously threatening the basis of the Ukrainian social security system. Under the severe fiscal pressure imposed by the IMF, the Government has implemented a number of reforms of the social security system, including the restructuring of the social security institutions, changes in entitlement conditions, methods of calculating the benefit amounts, and of the contribution rates. In 2016 the ILO carried out a comprehensive review of the Ukrainian social security system in 2014-2015 to identify major challenges and issues of the planned future reforms.

With ILO's technical assistance provided within the previous RBSA project "Sustaining the social security system in the recovery of the crisis" in 2015-16, Ukraine took a crucial step towards safeguarding the minimum levels of social security benefits. At the International Labour Conference (ILC) in June 2016, Ukraine signed the Social Security Minimum Standards

Convention, 1952 (No. 102) and accepted obligations in respect of all nine branches of social security benefits.

In June 2017, Ukrainian Ministry of Social Policy requested the ILO's technical assistance in preparing the first report on the application of the Convention No. 102. In this respect it was necessary to assess the minimum standards of social security in Ukraine and the Committee of Experts requested ILO to assess the capacity of the national social security system to maintain the persons protected within that system above the poverty threshold.

In June 2017, the Government announced a pension reform which aims to adjust the level of existing pensions, but severely restrict the future pensions and, at the same time, a large-scale healthcare reform.

The Ukrainian social partners expressed great concerns about these reforms which adversely affect the social security system and significantly diminish the role of social partners in the social security policy dialogue. The Ukrainian social partners, as well as Members of Parliament, questioned whether these reform measures are in conformity with the minimum standards required by Convention No. 102 and requested ILO's assistance to further strengthen their capacities to analyse the proposed measures and evaluate their impacts in order to be more actively involved in the social policy debates, particularly in the context of the pension reform and health care reform.

The Strategic Advisory Group prepared the Strategy of Healthcare Reform for 2015-2020. The Strategy was not officially approved by the Government, but it was taken in consideration by the Ministry of Health in the process of drafting legislation on healthcare reform. After long debates, the laws launching the healthcare reform were approved in 2017, with first changes starting in 2018.

The approved legislation changes healthcare delivery and the financing principles. The Government will move from financing the health infrastructure to financing the healthcare provided.

In 2020, the Parliament of Ukraine will set a state-funded guaranteed minimum healthcare package that will cover primary healthcare and emergency care. The financing of the secondary and tertiary level is to be changed later and will be defined based on the DRG.

The main characteristics of the reform in progress are:

- Coverage will be financially guaranteed for all citizens, funded by general taxation. Primary and emergency care will be provided free of charge; secondary and tertiary care will require a co-payment;

- Financial subsidies will support the medical care for all IDPs from the Donbas and Crimea, priority healthcare for veterans of the armed conflict in the East and full lifetime health care for anyone wounded or disabled in that war.

Against this background the project was aiming at:

1. Developing and adopting administrative procedures to ensure the access to pensions and other social security benefits for the population affected by armed conflicts;
2. Intervening in the reform processes— especially of the pension, health care and social assistance systems – with a view to safeguard minimum levels of social security in line with international labour standards; and
3. Enhancing the capacity of tripartite constituents to formulate and implement legal instruments to strengthen existing social security system.

These objectives were to be achieved through technical assistance, policy development and capacity building.

Below are the highlights of the project main events and achievements:

- Numerous meetings were held with the aim to exchange information on normalisation of payment of pensions and other social security benefits to persons in NGCA and IDPs in GCA and create strategy for future activities within the project. Meetings were held with Ministry of Social Policy, UNHCR, Office of High Commissioner for Human Rights (OHCHR)/Human Rights Monitoring Mission in Ukraine (HRMMU), Committee for Social Policy, Norwegian Refugee Council, and Centre of Perspective Social Researches;

- Training on Compliance and Contribution Collection in Prevalence of Undeclared Work was held on September 4 - 6, 2018, in Kiev. The training activity was designed for officials involved in the compliance and contribution collection of social security institutions.

- From September 17 till September 28, 2018 representatives of Government, employers' organizations and trade unions from Ukraine have been invited to participate in the Academy on Social Security held in ITC of the ILO in Turin, Italy.

- A national tripartite meeting was organized in Kiev (December 04, 2018). Meeting was conceived to share practices and lessons learned regarding mandatory funded pension tier as a part of Ukrainian pension system. Main topics of the meeting were global trends of pension privatisation and its reversal and Polish and Latin Americas experiences with mandatory funded pension scheme;

- The ILO participated in the Parliament meeting on February 27, 2019 to present the advantages and disadvantages of the pension privatization reforms in Europe and Latin America to the key Ukrainian stakeholders.

- On June 21, 2019 within the project a Trade union workshop on the proposed funded pension system in Ukraine was conducted. It was created for social partners to better understand how funded pension systems work and develop the capacity to be strategically involved in the policy making process of the proposed pension privatisation.

- The National Tripartite Meeting on the Future of the Pension System in Ukraine was organised in Kiev, on October 24, 2019, with the objectives of providing a policy forum to discuss the key issues in the future pension policy in Ukraine.

The project was funded from the ILO's Regular Budget Supplementary Account (RBSA). The duration of the RBSA project was 24 months - October 2017 to October 2019.

The project was managed and technically backstopped by the ILO DWT and Country Office for Central and Eastern Europe, based in Budapest, which also provided the necessary administrative support and technical and project-backup services. The activities were supported with administrative support staff in Kiev and in Budapest.

2. PURPOSE, OBJECTIVES AND CLIENTS OF EVALUATION

The overall purpose of the final evaluation is to promote accountability and strengthen learning among the ILO and key stakeholders.

The specific objectives of the evaluation are to:

- Assess the extent to which the project has achieved its stated objectives and expected results, while identifying the supporting factors and constraints that have led to them;
- Identify unexpected positive and negative results of the project;
- Assess the extent to which the project outcomes will be sustainable;
- Establish the relevance of the project design and implementation strategy in relation to the ILO, UN and national development frameworks (i.e. SDGs, UNDAF);
- Identify lessons learned and potential good practices, especially regarding models of interventions that can be applied further;
- Provide recommendations to project stakeholders to promote sustainability and support further development of the project outcomes.

The main clients of the evaluation are the specialists and management of the ILO DWT/CO Budapest, ILO Regional Office for Europe, technical departments at the ILO Headquarters, donors and tripartite constituents in Ukraine.

The evaluation applied the OECD/DAC criteria of relevance, effectiveness, efficiency, sustainability and impact potential (the list of questions is presented in the section on methodology below).

The evaluation is part of the Monitoring and Evaluation Plan 2018-2019 of the ILO Regional Office for Europe and Central Asia.

This is a final evaluation since it was carried out in November 2019, at the occasion of termination of the project (October 31, 2019).

The evaluation was contracted by ILO DWT/CO - Budapest to an independent evaluator who has/had no links or involvement in the management or backstopping of the project.

3. CRITERIA & QUESTIONS

The evaluation applied the OECD/DAC evaluation criteria of relevance, effectiveness, efficiency, sustainability and impact potential.

The evaluation questions were:

1. Relevance and validity of design

- Was the project relevant to the related government's strategy, policies and plans, the DWCP (Decent Work Country Program) of Ukraine, UNDAF (UN Development Assistance Framework) and SDGs (Sustainable Development Goals)?
- Was the project relevant to the needs of the beneficiaries?
- How well has the project complemented and fit with other organizations' programmes and projects in the country?
- To what extent did the project design identify and integrate specific targets and indicators to capture:
 - Gender equality and non-discrimination concerns? and
 - Concerns regarding people with disabilities?
- Has the design clearly defined outcomes, outputs and performance indicators with baselines and targets?

- Were the indicators designed and used in a manner that they enabled reporting on progress under specific SGD targets and indicators?

2. Project effectiveness

- To what extent has the project achieved its objectives in terms of stated targets?
- Has this been done through the planned outputs or new ones have been included, why and how effective have they been?
- To what extent the project contributed (or not) to the identified SDGs and related targets?
- To what extent have the intervention results been monitored and reported in terms of their contribution to specific SDGs and targets (explicitly or implicitly)?
- Which have been the main contributing and challenging factors towards project's success in attaining its targets?
- What, if any, unintended results of the project have been identified or perceived?
- Have women and men benefited equally from the project activities?

3. Efficiency and management arrangements

- How efficiently have resources (human resources, time, expertise, funds etc.) been allocated and used to provide the necessary support and to achieve the broader project objectives?
- To what extent are the disbursements and project expenditures in line with expected budgetary plans? Why yes and why not?
- Have the available technical and financial resources been adequate to fulfil the project plans? If not, what other kind of resources may have been required?
- Assess how the management and governance arrangement of the project contributed to the project implementation
- Has the project created good relationship and cooperation with relevant national and local level government authorities and other relevant stakeholders, including the implementation partners, to achieve the project results?
- Has the project received adequate technical and administrative support from the ILO DWT/CO-Budapest, ILO headquarters (HQ) and partners?

4. Impact

- What is the project tangible impact on target groups, systems, institutions?

5. Sustainability

- What is the likelihood of sustainability of outcomes? Are the results and benefits likely to be durable?
- Are the national partners able to continue the project agenda and results after the end of the project (capacity of people and institutions, laws, policies)?
- What more should be done to improve sustainability? What is needed to leave sustainable results in the particular thematic areas addressed by the project?
- To which extent the results of the intervention are likely to have a long term, sustainable positive contribution to the SDGs and relevant targets (explicitly or implicitly)?
- Identify and discuss gaps in the sustainability strategy. How can these gaps be addressed by the stakeholders?

4. EVALUATION METHODOLOGY AND LIMITATIONS

The evaluation was conducted in a participatory, consultative and transparent manner by engaging all groups of stakeholders. The evaluation used a mix of qualitative and quantitative methods to gather and analyse data. Evaluation paid attention to which groups benefited from and which groups contributed to the project and, also, provides an assessment of how the project has performed in regards to gender equality and non-discrimination.

The evaluation was carried out through a desk review, Skype interviews with ILO specialists in Budapest and face to face interviews in Ukraine with the with ILO project staff, ILO National Coordinator, competent authorities, trade unions, employers' associations, development partners and other key stakeholders.

The evaluator combined a desk review of ILO documents and other relevant documents (Annex 2) with the interviews with project stakeholders (representatives of the Ministry of Social Policy of Ukraine, Parliamentary Committee for Social Policy and Protection of Veterans' Rights, trade union associations and employers' associations), as well as with the United Nation High Commissioner for Refugees (UNHCR) official in Ukraine (Annex 3).

Also, the evaluator attended the project final event - National tripartite meeting on the future of the pension system in Ukraine, in Kiev on October 24, 2019.

The evaluation was conducted in accordance with UN Evaluation Group Norms and Standards and the Organisation for Economic Co-operation and Development principles for evaluation of development cooperation in order to examine the results achieved and their contribution to broader ILO and UN programming and country cooperation frameworks, including DWCPs and UNDAFs.

The project evaluation was undertaken in accordance with the ILO Evaluation Policy and ILO Policy Guidelines for Evaluation which provide for systematic evaluation of programmes and projects in order to improve quality, accountability, transparency of the ILO's work, strengthen the decision-making process and support constituents in forwarding decent work.

5. EVALUATION FINDINGS

5.1. Relevance and validity of design

The need for this project was identified by Ukrainian authorities and stakeholders who find themselves in a position of urgent need for assistance, guidelines and good practices in the area of reforming social security system in compliance with international labour standards.

The project was designed to address the problem (faced after the 2014 armed conflicts) of payment of the social security benefits to the IDPs residing in NGCA and long lasting crisis of social security system reflected in low coverage and unfavourable dependency ratio, decreases of social benefits amounts and level of health protection, prevalence of informal employment and undeclared work and low level of tripartite social dialogue.

After signing the Convention No. 102 Ukrainian authorities have become more eager to initiate fundamental reforms of national social security system, according to the international standards in the area of social security. Both government and stakeholders are aware that too much time was spent in unfruitful attempts to improve the existing system and that the only

result of many adopted amendments is the creation of too many legal acts which just made the entire situation more unclear.

Keeping that in mind the project was, strategically, highly relevant and well-timed. Main goals of the project were clearly defined. It should be stressed that project had overall synergistic effect regarding the urgent needs of Ukrainian society in the area of social security and was in concordance with national policies and key targets despite the fact that it could not produce immediate results in the process of reforming social security system.

The project's main goals were clearly defined so overall effect regarding the urgent needs of Ukrainian society was achieved. The project was in concordance with national policies and sustainable development goals (SDGs): increase the resilience of socially vulnerable groups; reform pension insurance based on fairness and transparency; reform health care financing and develop a partnership between government and other stakeholders to achieve fair tripartite dialogue for achieving these goals (Sustainable Development Goals: Ukraine, 2017 National Baseline Report).

The project contributed to government's strategy and plans in the field of social security - to reform pension and health care systems, sustain the minimum level of income security and obtain common position in tripartite dialogue. It also contributed to mentioned SDGs as well as to the issues covered by DWCP and United Nations Development Assistance Framework (UNDAF). Results were achieved through emphasizing necessity for the improvement of tripartite dialogue; presenting international experiences with the introduction of second pillar parallel to the contribution pension scheme; and insisting on importance of implementation of international labour standards.

Beneficiaries are unanimous that their expectations were met and consider that activities realised during realisation of the project will be highly significant in times to come.

5.2. Project effectiveness

All the activities were timely delivered during the period of the project's existence. The whole project was also demand driven by the need of Ukrainian government to develop the capacity to deal with the challenges in social protection sphere i.e. to solve long lasting difficulties in redesigning social security system and create one that will be sustainable both from legislative and financial aspect.

Contribution of the project to the SDGs and other goals which Ukraine is aiming for in last decades was planned to be achieved through the following outcomes:

- 1) Developing administrative procedures for providing pensions and social security benefits to the IDPs residing in NGCA and recognising working periods in NGCA for fulfilment of the eligibility conditions for social security benefits in compliance with Ukrainian law;

REMARK: Objective was not delivered due to the absence of political will to reach the final solution to this problem.

- 2) Developing policy options for sustaining the minimum level of income security and basic health care within the national social security system, and

- 3) Obtaining joint- tripartite (government, employers' associations and trade unions) - recommendations/opinions for the improvement of social security system.

As it is obvious that it is not possible to completely evaluate achievement of objectives in such a short period after the project has ended (except to a certain degree regarding situation with IDPs) it is absolutely necessary to mention the activities accomplished as they represent the leading line for the assessment of goals achieved:

- In December 2017, numerous meetings were held with the aim to exchange information on normalisation of payment of pensions and other social security benefits to persons in NGCA and IDPs in GCA and create strategy for future activities within the project. Meetings were held with Ministry of Social Policy, UNHCR, Office of High Commissioner for Human Rights (OHCHR)/Human Rights Monitoring Mission in Ukraine (HRMMU), Committee for Social Policy, Norwegian Refugee Council, and Centre of Perspective Social Researches;

- In April 2018, ILO has forwarded a letter to the Minister of Social Policy offering technical assistance and support in the process of overcoming difficulties in normalisation of suspended payment of pensions and other social security benefits as a consequence of armed conflicts. Besides the offer to participate in designing normative framework for maintenance of acquired social security rights in conformity with international standards and principles, ILO offered to identify international experiences relevant to the payment of social security benefits in exceptional circumstances as well as examples of best practices used in similar context. Unfortunately there was no reply to this initiative and situation with the payment of pensions and other social security benefits to the persons affected by armed conflict still remains one of the most urgent issues to be solved, hopefully in near future, by Ukrainian authorities;

- Training on Compliance and Contribution Collection in Prevalence of Undeclared Work was held on September 4 - 6, 2018, in Kiev. The training activity was designed for officials involved in the compliance and contribution collection of social security institutions. The main objective of the training was to share good practices and lessons learned in the field of compliance and contribution collection with a specific emphasis on the challenge of the informal economy and prevalence of undeclared work, and to discuss the next steps towards improved compliance and efficient collection of social security contributions;

- From September 17 till September 28, 2018 representatives of Government, employers' organizations and trade unions from Ukraine have been invited to participate in the Academy on Social Security held in ITC of the ILO in Turin, Italy. The main aim of this activity was to contribute to: building capacities of tripartite partners so they can effectively lead and manage the reform process, by strengthening their policymaking capacity and their technical capacities to play an active role in the system governance. Participants will transfer and disseminate the knowledge learned at the Academy. They will act as resource persons and conduct the briefing sessions at the national level explaining the topics which they consider useful for social security dialogue in Ukraine. Unfortunately, due to the limited funds, only three persons have participated at the Academy, so dissemination and multiplication effects cannot be expected on a larger scale. It is necessary to state that this is not a specific result for this project, but is almost always the case in similar situations;

- A national tripartite meeting was organized in Kiev (December 04, 2018). Meeting was conceived to share practices and lessons learned regarding mandatory funded pension tier as a part of Ukrainian pension system. Main topics of the meeting were global trends of pension privatisation and its reversal and Polish and Latin Americas experiences with mandatory funded pension scheme;

- The ILO participated in the Parliament meeting on February 27, 2019 to present the advantages and disadvantages of the pension privatization reforms in Europe and Latin America to the key Ukrainian stakeholders.

- On June 21, 2019 within the project a Trade union workshop on the proposed funded pension system in Ukraine was conducted. It was created for social partners to better understand how funded pension systems work and develop the capacity to be strategically involved in the policy making process of the proposed pension privatisation. Workshop consisted of: presentation on the summary of the recent Ukrainian pension reform (with reference to the Convention No.102) and overview of the pension privatization; lectures on the basic ideas of funded pensions in financial market; methods of evaluating the performance of the investment portfolio and administrative efficiency, as well as the knowledge for the assessment of the economic and social impacts;

- The National Tripartite Meeting on the Future of the Pension System in Ukraine was organised in Kiev, on October 24, 2019, with the objectives of providing a policy forum to discuss the key issues in the future pension policy in Ukraine. The key topic of the meeting was the future of the state pension system in terms of its adequacy, coverage and sustainability, and the preparedness and future implications of the proposed introduction of the mandatory funded pension scheme in Ukraine.

Project has successfully achieved the main purpose - stakeholders understanding of the importance of international labour standards and social dialogue in creation of durable and sustainable social security system. This was accomplished through technical assistance for capacity building of the tripartite constituents and the improvement of their abilities to contribute to the creation of mutually acceptable legislative framework. The present level and quality of social dialogue is, to a large degree, consequence of the activities carried out within the project.

The major contribution was in developing the capacity of the competent authorities, trade unions, employers' associations and other institutions and better understanding of internationally acceptable principles, standards and tools in planning and organising national social security scheme.

Face to face interviews that were conducted with the representatives of competent authorities, stakeholders and international organisations during the evaluator's visit to Ukraine revealed that project activities were very relevant to the objectives and needs of project beneficiaries as well as the information, best practices and other outputs provided since its inception. Common position is that project agenda was very extensive and results important for all beneficiaries.

Difference in attitudes towards key issues of social security reform between competent authorities on one side and trade unions and employers associations on the other was obvious, but with regard to the project it was unanimous. They all agree that there was great need for a project like this one and that outcomes are very significant. In process of preparation of report on the application of the Convention No.102 certain provisions were clarified and all participants in this process became more aware of importance of minimum standards of social security. Stakeholders have a better understanding of minimum standards in relation to the ongoing reforms of social security system. Cooperation between policy makers and other stakeholders is improved as well as mutual trust (certain reservations still remain). The international experience regarding the second pillar scheme was presented to all stakeholders so they are now thoroughly acquainted with practical aspects and consequences of introducing such a system. It was emphasised that the project was excellently timed (after the reform of social security scheme in 2017 and ratification of the Convention No. 102). It was the conclusion of all participants that the greatest benefit was the one regarding social tripartite dialog in general, particularly on the reform of social security system. National tripartite meetings organised during the implementation of the project (especially the one on the very

end) clearly show that policymakers and other stakeholders have recognised the importance of social dialogue in the reform of social security system. At the same time it should be noted that the achieved level of social dialogue could be jeopardised as consequence of continuous personnel changes of leading executives in competent authorities, trade unions and employers associations.

5.3. Efficiency and management arrangements

All project activities were delivered on time and according to planned schedule. Certain adjustments were done in situations in which timetable depended on authorities, stakeholders and other beneficiaries in Ukraine.

Available resources in relation to the expected outcomes are in causal-consequent proportion. From the human resource perspective it can be assessed that resources were limited (only three persons) taking in consideration scope and goals of the project. Planed outputs - developing administrative procedures and policy options to: sustain the minimum levels of social security (on national level); normalise payment of social benefits for conflict-affected population; and enhance the capacity of tripartite partners to plan and implement the reform of social security system - were, in a way, constrained by the budget.

Time span and expertise have been sufficient as well as adequate and justified.

Budget of the project was as follows:

CODE		USD
511201	P2 Standard Cost	12.960
511301	P3 Standard Cost	15.700
517401	G4_FIELD_STANDARD COST (Kiev)	48.240
517501	G5_FIELD_STANDARD COST (Budapest)	14.640
521100	Travel ILO staff	20.000
531115	Subcontracts	6.000
531515	Other Individual Contracts	72.000
541500	Security	2.000
543100	Communication	3.600
544100	Miscellaneous	3.000
561162	Data Process Equipment	4.000
581100	Seminars	48.000
581200	Fellowship (ITC training)	12.000
T o t a l		262.140

It should be noted that the project created good cooperation and relationship between competent authorities, stakeholders and beneficiaries in Ukraine. That proved to be an important factor in achieving the project results because it enabled to involve high level representatives of all Ukrainian participants in all segments of the project.

Contribution of the ILO office in Ukraine during the realisation of the project was very significant. Their role was especially important for organisation and quality outcomes of tripartite meetings, workshops and other events within the project.

Highly qualified experts were conducting or participating in the seminars, workshops and other meetings realised.

Support from the ILODWT/CO Budapest and ILO HQ was quite adequate.

5.4. Impact

It must be pointed out that, in this moment, it is very difficult to rate strategic consequences and the results of the project in a long run. Having in mind the main issues that the project was tackling with it wouldn't be very realistic to expect otherwise. Introducing tripartite dialogue in the fullest sense of that expression, creation of second pillar pension scheme parallel with the contribution based pension system and overall reform of that and health care system are the topics for which consequences can be judged as good or bad only after a longer period. For example, all the consequences of any new legal measures taken in the pension scheme can be seen, in its true colours, after five to ten years of implementation and sometimes even more.

It must be taken into consideration that the project started after the pension reforms in 2017 (in which the ILO was also involved) and the Convention No. 102 came into force in the same year. The project had started in October 2017 and can be deemed, in a way, as a logical extension. Regardless of all the steps taken by Ukrainian authorities in the last decade the reform of the social security system is rather far from the start. At the same time the strategic decisions have not been made and for that reason it is not clear in which direction the reform will go.

Attitudes towards the introduction of mandatory funded pension scheme in Ukrainian pension scheme are quite different. Common denominator for all stakeholders can be defined as - it may be introduced with great care, but not before all possibilities of bringing existing system to a sustainable position and securing that the level of cash benefits meets international standards (replacement ratio) and enables decent life to the beneficiaries.

Tangible impacts in the moment of evaluation are hard to define. It seems more realistic to say that the project will have significant impact in the future process of strengthening social protection floors in Ukraine. Achieved goals and objectives of this project represent important starting point for the future activities of all stakeholders in the process of defining social security policy in terms of adequacy and sustainability.

However, in the present moment, the impact can be judged only on the basis of above mentioned face to face interviews with representatives of competent authorities, trade unions, employers' associations and international organisation. From their stance it can be concluded that major impacts are: the ILO assistance in clarifying some doubts regarding certain articles and producing the first Report on ILO Convention No. 102 contributed to better understanding, by majority of stakeholders, of the importance of international standards prescribed by the Convention No. 102 for future activities in process of reforming the social security system; overall awareness of the essentiality of tripartite social dialogue in the process of achieving sustainable social security system by reforming the existing one; all stakeholders have better understanding of mandatory funded private pension scheme in comparison with contributory pension insurance system; comprehension of tripartite dialogue as a *conditio sine qua non* for the reform of existing protection scheme and creation of new, serious and sustainable social security system.

5.5. Sustainability

What has been stated regarding the impact of this project can, to a certain extent, apply to its sustainability.

The project was designed to ensure sustainability of its outcomes. Inclusion of all stakeholders (government, trade unions and employers' associations) in all the components of the project is likely to support the sustainability in majority of aspects. Institutional capacities differ a lot from institution to institution as well as individual capacities. That can have negative effect in future law and policy making processes. Substantial differences in approaches towards certain essential topics in the reform of social security scheme (introduction of second pillar, contribution rate, institutional competency in the process of reform, speed of the reform etc.) can have an effect which, at this moment, is difficult to foresee.

Positive contribution to the SDGs can be expected in a long term provided that social dialogue keeps the course outlined by the project activities and participants in that dialogue create their long term policies in concordance with international standards and experiences in process of reforming social security system.

Sustainability can be expected in regard to building up the social protection floors taking into consideration that Ukraine has ratified Convention No. 102. Improvement of knowledge of international standards and principles in the areas of social security will certainly contribute to that goal. Representatives of trade unions and employers associations do believe that standards prescribed by the Convention No. 102 represent a "red line" which will not be crossed in the process of reform and will help to sustain minimum level of income security and healthcare. Nevertheless, majority of stakeholders have serious doubts about continuation of tripartite dialogue. Any decrease of achieved level of dialogue could have serious negative effects on the process of reforming social security scheme.

5.6. Mainstreaming gender equality and non-discrimination

Design of the project and its activities were not primarily focused on gender equality issues but, on the other hand, it was never ignored. As the policy, principles and standards of ILO as well as its conventions stand for gender equality, the project was keeping gender balance where it was possible (training and workshop participants etc.). It should be noted that almost 50% of participants of those events were women. Besides that in the competent authorities as well as in the associations of stakeholders a number of females are highly positioned in governing structures.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1. Conclusions

It must be pointed out that, in this moment, it is very difficult to rate strategic consequences and the results of the project. That has, also, been highlighted in the assessment on Impact and Sustainability. Having in mind the main issues that the project was tackling, it wouldn't be very realistic to expect otherwise. Introducing tripartite dialogue in the fullest sense of that expression, creation of second pillar within pension scheme and overall reform of social security system are the topics for which consequences can be judged as good or bad only after longer period. For example, all the consequences of any new legal measure taken in the pension system can be seen, in its true colours, after 5 to 10 years of implementation and sometimes even more. In conclusion, Ukraine is not in a position to perform experiments with social security system i.e. pension scheme as well as health care scheme.

In regard to the re-establishment of payment of pension benefits to IDPs regardless of their place of residence, Ukraine should resume payments for two main reasons: international legal obligations (pensions are considered as a form of property, and individuals must not be deprived of their property on a discriminatory basis) and national legal obligations (Ukrainian legislation guarantees the right to social security).

In the aspect of relevance and strategic fit it can be concluded that the project addressed the most important topics in Ukrainian society regarding the future of the social security system. The design of the project was structured appropriately to the context of situation in Ukraine in the field of social security in the last ten years and to ensure sustainability of the outcomes by addressing to the weaknesses of existing system of social security.

The project had a high relevance given its contribution to the achievement of the main purpose - understanding the importance of the international labour standards, acceptable principles and social dialogue in creation of durable and sustainable national social security system. This was accomplished through technical assistance for capacity building of the tripartite constituents. The social partners (employers' organizations and trade unions) have shown great interest in all segments of the project.

The major contribution was in developing the capacity of the competent authorities, trade unions, employers' associations and other institutions.

During the implementation of the project the following events were organised: significant number of meetings regarding the payment of pensions and other social security benefits to IDPs (on national and international level); two national tripartite meetings regarding stakeholders dialogue in the process of reforming social security system; parliamentary meeting; trade union workshop; training regarding contribution collection and compliance; and Academy on Social Security (in ITC of ILO in Turin).

The activities were timely delivered in a period after Ukraine has signed and ratified Convention No. 102 and the reform of social security system started to be more concrete. In that sense the project was, to a certain extent, demand driven by all the participants in the reform process.

The Project was assessed by all participating institutions, with no exception, as effective and extremely useful. All the persons in face to face interviews pointed out the vital need for continuation of the cooperation with the ILO in similar manner. Namely, they expressed concern for the future of tripartite dialogue without a support. Social partners noted high professionalism of the ILO staff and specialists as well as other persons who participated in the project.

The present level and quality of social dialogue is, to a large degree, consequence of the activities carried out within the project. Tripartite dialogue is recognised as the main tool for successful outcome of the social security reform. The ILO experience and support will be highly needed in the future. This will ensure sustainability of the project beyond its lifespan.

6.2. Recommendations

It seems more than reasonable to base this part of the evaluation on materials and effects that the project has produced as well as evaluator's findings based on desk review and face to face interviews. The main factors also taken in consideration are: objective situation in the field and opinion and standpoints of highly ranked representatives of competent authorities, trade unions and employers' associations.

1. As social dialogue remains to be a very sensitive issue, trade unions in the first row, but employers' associations as well, consider the continuous presence (to the extent possible) of the ILO on this point to be essential. It would be of great importance for these stakeholders to develop dialogue within their own organisations as well as to insist that tripartite dialogue is always present in communication and discussions with government and other state institutions.

Addressed to: the ILO

Priority: high

Resources: within the existing resources

Implementation time frame: immediate, on a continuous basis

2. It is very important to closely follow the development of the situation in Ukraine, especially in connection with continuation of tripartite dialogue on equal basis; all legislative changes in the first pillar pension scheme - pay as you go (PAYGO); actions taken in line with the ideas of introducing II and/or III pillar in social security system; and practical effects of the ongoing health care reform and strategic plans, for the possible future steps in the direction of supporting implementation of the international labour standards in Ukrainian society and better understanding of the outcomes of the project.

Addressed to: the ILO

Priority: high

Required resources: within the existing resources

Implementation time frame: on a continuous basis

3. It was repeatedly mentioned by stakeholders' representatives that future assistance of the ILO would be considered precious on the following issues:

- Creation of long-term policies and measures for the reduction and prevention of undeclared work;

- Further assistance in creation of possible solutions in reforming the pension system (with or without second pillar) in all its aspects.

- Broadening the coverage with special attention to entrepreneurs, construction workers and workers in agriculture;

- Concluding coordination instruments in the area of social security i.e. the bilateral agreements on social security with Italy and countries created on the territory of USSR.

Lack of such assistance can, to a certain degree, represent a risk for positive results of this project. More precisely, some of the issues mentioned like creation of possible solutions in the process of reforming pension system will, definitely, have long lasting impact on strengthening social protection floors in Ukraine.

Addressed to: the ILO

Priority: high

Required resources: might require additional funding for policy advice and technical support

Implementation time frame: short to mid-term

4. In process of achieving comprehensive solution to the normalisation of disbursement of the pensions to IDPs significant contribution could be achieved through a presentation of experiences in similar situations of other comparable countries (good practices and bad practices). It is very hard to assume when the ongoing process of normalisation of disbursement of the pensions to IDPs will be finished. Having in mind experience in other similar situations it is not likely to happen in near future.

Addressed to: the ILO

Priority: medium

Required resources: might require additional funding

Implementation time frame: short to mid-term

5. Continuation of the ILO assistance in strengthening of social dialogue and technical support in process of creation of Labour law should be examined.

Addressed to: the ILO

Priority: high

Required resources: might require additional funding

Implementation time frame: short to mid-term

6. The ILO should consider creating performance indicators for the projects that don't have immediate impact, but rather have effects in a long run (which is the case with this project).

Addressed to: the ILO

Priority: medium

Required resources: NA

Implementation time frame: mid-term

7. LESSONS LEARNED

The following lessons learned have been identified during the course of the evaluation:

- Partnership of ILO with Ministry for Social Policy of Ukraine in process of preparation of the report on application of the Convention No. 102 and technical assistance had serious impact on understanding the spirit of the convention and influence of its provisions in providing adequate social security for Ukrainian population.

-The ILO comments on the draft law in regard to reform pension scheme submitted to the Government of Ukraine proved to be adequate. Based on the assessment of the reform measures and consultation with social partners the comments provided cautionary remarks and emphasized the need for the improvement in area of compliance and collection of contributions.

- Cooperation and synergic activities with international organisations (UNHCR, OHCHR/HRMMU, Norwegian Refugee Council etc.) on normalisation of payment of pensions and other social security benefits to persons in NGCA and IDPs in GCA proved to be insufficient in reaching the final solution. Once more it was clear that solution of such a situation to the largest extent depends on politics.

8. GOOD PRACTICES

- National tripartite meetings organised with the objectives of providing a policy forum to discuss the key issues in the future pension policy in Ukraine were practical demonstration of how tripartite social dialogue should look like. With large number of participants it was an example for all stakeholders and decision makers how the future of the pension system in terms of its adequacy, coverage and sustainability can be observed and discussed.

APPENDICES

TERMS OF REFERENCE
FOR FINAL EVALUATION OF THE PROJECT
National social protection floors are strengthened through the implementation
of the international labour standards and social dialogue

1. Background of the Project

In the context of continuous fragility in Ukraine, the proposed project addresses two important challenges facing the social protection system, namely

- Lack of access to pensions and social benefits by the population affected by armed conflicts, and
- Continual cuts in social security benefits due to austerity measures which could seriously jeopardize the minimum social protection benefits at the national level.

The project addresses to main issues:

- 1) Need for re-establishing the access to pensions and social benefits for people affected by armed conflicts

In Ukraine, continuous conflicts in the East of the country have affected a significant number of population. In particular, 1.7 million internally displaced persons (IDPs, who account for 4% of the entire population, and the proportion of pensioners is more than 70% in Luhansk and Donetsk regions), as well as about 160,000 pensioners still residing in non-government controlled areas (NGCA), are suffering from income insecurity and vulnerability due to precarious living conditions and internal displacements. However, following the Government's decision of February 2016, all social security payments for IDPs were suspended pending verification of their residence in the government controlled territory. As a result, persons internally displaced but not registered as an IDP are denied entitlements, which particularly affected older persons and people with disabilities who have limited mobility.

- 2) Need for safeguarding minimum levels of social protection under austerity

The on-going conflicts have also resulted in a deepening fiscal problem, which is seriously threatening the basis of the Ukrainian social security system. Under the severe fiscal pressure imposed by the IMF, the Government has implemented a number of reforms of the social security system, including the restructuring of the social security institutions, changes in entitlement conditions and in benefits levels, and changes of the contribution rates. In 2016 the ILO carried out a comprehensive review of the Ukrainian social security system in 2014-15 to identify major challenges and issues of the planned future reforms.

With ILO's technical assistance provided within the previous RBSA project "Sustaining the social security system in the recovery of the crisis" in 2015-16, Ukraine took a crucial step towards safeguarding the minimum levels of social security benefits. At the ILC in June 2016, Ukraine signed the Social Security Minimum Standards Convention, 1952 (No. 102) and accepted obligations in respect of all nine branches of social security benefits. Ukraine became the 53rd country – and the first ex-Soviet country – to ratify Convention No. 102.

As the ratification of Convention No. 102 entered into force in June 2017, Ukraine has to submit its first report on the application to the ILO Committee of Experts and social partners in 2017-18. The Ministry of Social Policy requested the ILO's technical assistance in preparing the first report, which can also be used as the zero report for the European Code of Social

Security which Ukraine intends to ratify in its effort of accessing the European Union (EU). In addition, for assessing the state of application of the minimum standards of social security in Ukraine, the Committee of Experts requested ILO to assess the capacity of the national social security system to maintain the persons protected above the poverty threshold.

In June 2017, the Government announced a pension reform which aims to adjust the level of existing pensions but severely restrict the future pensions in order to reduce the deficit of the Pension Fund in the long-term. Based on the assessment of the reform measures and consultation with social partners, the ILO submitted comments on the draft law which provide cautionary remarks on the adequacy of future pensions and emphasize the need to enhance the revenue side through improved compliance and collection of contributions. At the same time, the Government is also planning a large-scale health sector reform.

The Ukrainian social partners expressed great concerns with these reforms which adversely affect social protection systems and diminish the role of social partners in the social security policy debate. The Ukrainian social partners, as well as Members of Parliament, questioned whether these reform measures are in conformity with the minimum standards required by Convention No. 102 and requested ILO assistance to further strengthen their capacities to analyse the proposed measures and evaluate their impacts in order to be more actively involved in the social policy debates, particularly in the context of the pension reform and health care reform.

Against this background the proposed RBSA project aims at (i) developing and adopting administrative procedures to ensure the access to pensions and other social benefits for the population affected by armed conflicts; and, (ii) intervening in the reform process – especially of the pension, health care and social assistance systems – with a view to safeguarding minimum levels of social protection in line with international labour standards. The proposed project will achieve these objectives through technical assistance, policy development and capacity building.

The duration of the proposed RBSA project is 24 months.

The project is managed and technically backstopped by the ILO DWT and Country Office for Central and Eastern Europe, based in Budapest, which also provides the necessary administrative support and technical and project-backup services. The activities are supported with one administrative support staff in Kyiv and one in Budapest (the project funded only the Kyiv staff member). The project team reports directly to the Senior Specialist on Social Security based in DWT/CO Budapest.

2. Purpose and Objectives of Evaluation

The overall purpose of the internal final evaluation is to promote accountability and strengthen learning among the ILO and key stakeholders.

The specific objectives of the evaluation are:

- Assess the extent to which the project has achieved its stated objectives and expected results, while identifying the supporting factors and constraints that have led to them;
- Identify unexpected positive and negative results of the project;
- Assess the extent to which the project outcomes will be sustainable;
- Establish the relevance of the project design and implementation strategy in relation to the ILO, UN and national development frameworks (i.e. SDGs, UNDAF, Moldova 2020);
- Identify lessons learned and potential good practices, especially regarding models of interventions that can be applied further;

- Provide recommendations to project stakeholders to promote sustainability and support further development of the project outcomes.

The evaluation is part of the Monitoring and Evaluation Plan 2018-2019 of the ILO Regional Office for Europe and Central Asia.

3. Clients and Scope of Evaluation

The main clients of the evaluation are the specialists and management of the ILO DWT/CO Budapest, ILO Regional Office for Europe, technical departments at the ILO Headquarters, donors and tripartite constituents in Ukraine.

The final evaluation will focus on the whole implementation period of the project, assessing all the results and key outputs that have been produced since the start of the project.

4. Evaluation criteria and Questions

The evaluation will follow the OECD-DAC framework and principles for evaluation. For all practical purposes, this ToR and ILO Evaluation policies and guidelines define the overall scope of this evaluation. Recommendations, emerging from the evaluation, should be strongly linked to the findings of the evaluation and should provide clear guidance to stakeholders on how they can address them.

The evaluation will integrate gender equality and non-discrimination, social dialogue and international labour standards as crosscutting concerns throughout its deliverables and process. It should be addressed in line with EVAL Guidance Note n° 4 for gender issues and Guidance Note n° 7 to ensure stakeholder participation. It will examine the project relevance and contribution to SDGs and relevant targets as prioritized by the national sustainable development strategy (or equivalent) and DWCP.

The evaluation will cover the following evaluation criteria:

1. Relevance and validity of design
2. Effectiveness
3. Efficiency and management arrangements
4. Impact
5. Sustainability

5. Methodology

The evaluation will be conducted in a participatory, consultative and transparent manner by engaging various groups of stakeholders. The evaluation will use a mix of qualitative and quantitative methods to gather and analyse data which will be disaggregated by sex to the extent possible. It will pay attention to which groups benefit from and which groups contribute to the project and provide an assessment of how the project has performed in regards to gender equality and non-discrimination.

The evaluation will be carried out through a desk review, Skype interviews with ILO specialists in Budapest and face to face interviews in Ukraine with the with ILO project staff, ILO National Coordinator, ILO constituents, project beneficiaries, development partners and other key stakeholders.

6. Main Deliverables

Draft and Final version of evaluation report in English with the following proposed structure:

- Cover page with key project and evaluation data
- Executive Summary

- Acronyms
- Description of the project
- Purpose, scope and clients of the evaluation
- Methodology and limitations
- Clearly identified findings for each criterion
- Conclusions
- Recommendations (i.e. for the different key stakeholders)
- Lessons learned and good practices
- Annexes:
 - Terms of reference (TOR)
 - Inception report
 - List of people interviewed
 - Schedule of the field work
 - Documents reviewed
 - Project outputs and unexpected results achieved versus planned as per the Project logical framework targets.

7. Management Arrangements and Work Plan

The independent evaluation will be conducted by an evaluation consultant.

Requirements

The Evaluation Consultant will have extensive experience in the evaluation of development or social interventions, i.e. in the UN system, an understanding of the ILO's mandate, tripartite foundations, the Decent Work Agenda. The Evaluation Consultant should have an advanced degree in social sciences or economics, expertise in evaluation methods, knowledge of the technical subject matters covered by the project. Knowledge of the region and research history in the region would be preferable. Full command of English is required. Working knowledge of the local language would be an advantage.

The evaluator will report to the evaluation manager Maria Borsos with whom he/she should discuss any technical and methodological matters. The evaluation manager will supervise the evaluator.

The evaluation will be carried out with full logistical support of the project staff in Ukraine and with the administrative support of the ILO/DWT/CO Budapest.

All draft and final outputs, including supporting documents, analytical reports and raw data should be provided to the evaluation manager in electronic version compatible with Word for Windows.

The first draft of the report will be circulated by the evaluation manager to all partners for a two weeks review. Comments from stakeholders will be presented to the evaluator by the evaluation manager for its integration into the final reports as appropriate or to document why a comment has not been included.

The Evaluator is responsible for conducting the evaluation according to the terms of reference (TOR). He/she will:

- Review the TOR and provide input, propose any refinements to assessment questions, as necessary
- Review project background materials (e.g., project document, progress reports)
- Develop and implement the assessment methodology (i.e., prepare interview guides, conduct interviews, review documents) to answer the assessment questions
- Conduct preparatory consultations with the ILO prior to the assessment mission
- Analyse interview recordings
- Prepare an initial draft of the assessment report
- Conduct briefing on findings, conclusions and recommendation of the assessment
- Prepare a final report based on comments obtained on the initial draft report

The Evaluation Manager is responsible for:

- Drafting the TOR
- Finalizing the TOR with input from colleagues
- Providing the Evaluator with the project background materials
- Participating in preparatory meeting prior to the assessment mission
- Assisting in the implementation of the assessment methodology, as appropriate (i.e., participate in meetings, review documents)
- Reviewing the initial draft report, circulating it for comments and providing consolidated feedback
- Reviewing the final draft of the report
- Submitting the final draft report to RO Europe evaluation focal point and EVAL for final approvals
- Disseminating the final report to all the stakeholders
- Coordinating follow-up as necessary

The Project Manager is responsible for:

- Reviewing the draft TOR and providing input, as necessary
- Providing project background materials, including surveys, studies, analytical papers, reports, tools, publications produced
- Participating in preparatory meeting prior to the assessment mission
- Scheduling all meetings
- Reviewing and providing comments on the assessment report
- Participating in debriefing on findings, conclusions, and recommendations.

LIST OF DOCUMENTS

1. Information note on Academy on Social Security International Training Centre, Turin, Italy, September 17 - 28, 2018;
2. Draft of the Report presented in accordance with the provisions of Article 22 of the International Labour Organisation Constitution, prepared by the Government of Ukraine under the Social Security (Minimum Standards) Convention, 1952 (No. 102);
3. Concept note for National tripartite meeting on the future of the pension system in Ukraine, October 24, 2019, ILO DWT/CO - Budapest;
4. Health care financing reform in Ukraine – appraisals in mid-2019;
5. Ukraine - Review of Health Financing Reforms 2016-2019, WHO – World Bank Joint Report, Summary;
6. Crossing the Line of Contact Monitoring Report, August - September 2017, UNHCR;
7. Note on the payments of pensions and other social benefits to current and former residents of the territory temporarily uncontrolled by government authorities in Ukraine, Social Protection Department, Decent Work Technical Support Team and Country Office for Central and Eastern Europe;
8. Background note: Pensions for IDPs and persons living in the areas not controlled by the Government in the east of Ukraine, UN;
9. Pensions for IDPs and persons living in the areas not controlled by the Government in the east of Ukraine, UN;
10. Reversing Pension Privatisation, ILO, 2018;
11. Concept note: Trade union workshop on the proposed funded pension systems in Ukraine, June 21, 2019, ILO DWT/CO - Budapest;
12. Concept note: National tripartite meeting on the mandatory funded pension tier in Ukraine, December 04, 2018, ILO DWT/CO - Budapest;
13. Resolution of the Cabinet of Ministers of Ukraine, February 20, 2019 No. 124;
14. Law of Ukraine on Mandatory National Pension Insurance, July 9, 2003, No. 1058-IV;
15. Law of Ukraine about the Public Social Benefit to Persons who do not have Pension Entitlements and Disabled People, May 18, 2004, No. 1727-IV;
16. Future of the Ukrainian pension system: adequacy, coverage and sustainability, ILO;
17. Compliance and Collection of Social Security Contributions in the Prevalence of Undeclared Work, ILO Decent Work Technical Support Team and Country Office for Central and Eastern Europe, 2019.

LIST OF PERSONS INTERVIEWED

1. Ms. Natalia Nenyuchenko, Deputy Minister of Social Policy of Ukraine;
2. Mr. Mykola Shambir, Counselor of the Minister of Social Policy of Ukraine;
3. Ms. Valentina Kudin, Director General of Directorate on Social Insurance and Pension in the Ministry of Social Policy of Ukraine;
4. Ms. Ella Kovzharova, Acting Chief of Secretariat of the Parliamentary Committee for Social Policy and Protection of Veteran's Rights;
5. Mr. Petro Tuley, Deputy Head of Confederation of Free Trade Unions of Ukraine;
6. Mr. Grygory Osovy, Head of Federation of Trade Unions;
7. Mr. Volodymyr Maksymchuk, Chief of the Department of social insurance and pension, Federation of Trade Unions;
8. Mr. Valentyn Matsiyashko, Deputy Chief of the Department of work protection, Federation of Trade Unions;
9. Ms. Ludmyla Melnychenko, Chief of the Unit on budget and tax issues of the Department budget and salary issues, Federation of Trade Unions;
10. Mr. Volodymyr Davydenko, Deputy Head of Confederation of Free Trade Unions of Ukraine;
11. Mr. Oleksandr Yavorsky, Director of the Department of business, Federation of Employers' organization;
12. Mr. Oleh Adamov, Member of Board, Head of All-Ukrainian Association of Oblast Organisations of Housing Enterprises "Federation of housing employers of Ukraine"Confederation of Employers of Ukraine;
13. Mr. Vasyl Piddubny, Deputy Head of Association of Employers Organization; and
14. Ms. Lidiia Kuzmenko, Associate Legal Officer, UNHCR.

CODE OF CONDUCT AGREEMENT WITH ILO EVALUATION CONSULTANTS

1. The personal and professional conduct of an ILO evaluator should be beyond reproach at all times. Any deficiency in their conduct may undermine the integrity of the evaluation, and more broadly evaluation in the ILO.

2. The principles presented in this agreement are fully consistent with the Standards of Conduct for the International Civil Service by which all UN staff are bound and by those set by the United Nations Evaluation Group (UNEG) for evaluators working with the UN System.

3. The Code of Conduct provisions here apply to all stages of the evaluation process from the conception to the completion of an evaluation and the release and use of the evaluation results.

4. To promote trust and confidence in evaluation in the ILO and the UN system, all ILO evaluation consultants are required to commit themselves in writing to this Code of Conduct, specifically to the following obligations:

Independence

5. Evaluators shall ensure that independence of judgement is maintained and that evaluation findings and recommendations are independently presented.

Impartiality

6. Evaluators shall operate in an impartial and unbiased manner and give a balanced presentation of strengths and weaknesses of the policy, program, project or organizational unit being evaluated.

Conflict of Interest

7. Evaluators are required to disclose in writing any past experience, of themselves or their immediate family, which may give rise to a potential conflict of interest, and to deal honestly in resolving any conflict of interest which may arise.

Honesty and Integrity

8. Evaluators shall show honesty and integrity in their own behaviour, negotiating honestly the evaluation costs, tasks, limitations, scope of results likely to be obtained, while accurately presenting their procedures, data and findings and highlighting any limitations or uncertainties of interpretation within the evaluation.

Competence

9. Evaluators shall accurately represent their level of skills and knowledge and should work only within the limits of their professional training and abilities in evaluation. An evaluator is expected to decline assignments for which they do not have the skills and experience to complete an evaluation successfully.

Accountability

10. Evaluators are accountable for the completion of the agreed deliverables of the Terms of Reference, within the agreed upon timeframe and budget. These deliverables include adherence to formatting and content quality as laid out in the Terms of Reference and the Checklist on Preparation of the Evaluation Report.

Obligations to participants

11. Evaluators shall respect and protect the rights and welfare of human subjects and communities, in accordance with the UN Universal Declaration of Human Rights and other human rights conventions. Evaluators shall respect differences in culture, local customs, religious beliefs and practices, personal interaction, gender roles, disability, age and ethnicity, while using evaluation instruments appropriate to the cultural setting. Evaluators shall ensure prospective participants are treated as autonomous agents, free to choose whether to participate in the evaluation. Evaluators shall make themselves aware of and comply with legal codes (whether international or national) governing, for example, interviewing children and young people.

Confidentiality

12. Evaluators shall respect people's right to provide information in confidence and make participants aware of the scope and limits of confidentiality, while ensuring that sensitive information cannot be traced to its source.

Avoidance of Harm

13. Evaluators shall act to minimise risks and harms to, and burdens on, those participating in the evaluation, without compromising the integrity of the evaluation findings.

Accuracy, Completeness and Reliability

14. Evaluators have an obligation to ensure that evaluation reports and presentations are accurate, complete and reliable. Evaluators shall explicitly justify judgements, findings and conclusions and demonstrate underlying rationale, in order that stakeholders may assess them.

Transparency

15. Evaluators shall clearly communicate to stakeholders the purpose of the evaluation, the criteria applied and the intended use of findings. Evaluators shall ensure that stakeholders have a say in shaping the evaluation and shall ensure that all documentation is readily available to and understood by stakeholders.

Omissions and wrongdoing

16. Where evaluators find evidence of wrong-doing or unethical conduct, they are obliged to report it to the proper oversight authority.

Agreement to abide by the provisions of the Code of Conduct for ILO Evaluation

I confirm that I have read and understood the provisions of this Agreement and that I will abide by the ILO Code of Conduct for Evaluation.

Name of Consultant: Miloš Nikač

Signed at Belgrade on November 21, 2019

Signature:



ILO Lesson Learned Template

Project Title: National social protection floors are strengthened through the implementation of the international labour standards and social dialogue

Project TC/SYMBOL: 106358-UKR/16/02/RBS

Name of Evaluator: Miloš Nikač

Date: November 21, 2019

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	<ul style="list-style-type: none"> - Cooperation with Ministry for Social Policy of Ukraine in the process of preparation of the report on application of the Convention No. 102 helped all stakeholders in better understanding of international social security minimum standards. - Comments on the draft law regarding the reform of pension scheme submitted to the Government of Ukraine contributed in process of strengthening national social protection floors. - Synergic activities with international organisations on normalisation of payment of pensions and other social security benefits to persons in NGCA and IDPs in GCA.
Context and any related preconditions	<ul style="list-style-type: none"> - The first report on application of the Convention No.102 is, in almost all countries, a challenging task. - Comments on the draft law provided cautionary remarks and emphasized the need for the improvements in all areas of social security.
Targeted users / Beneficiaries	<p>Competent Ukrainian authorities, trade union associations, employers' associations and pensioners unions.</p> <p>GGGG</p>

Challenges /negative lessons - Causal factors	<p>It is quite clear that solutions of such a complicated situations in the field of social security, as it is in Ukraine, to the largest extent depend on politics. There is no necessary degree of mutual consent between stakeholders. The laws are created as a list of best wishes regardless of actual possibilities in a given moment.</p>
Success / Positive Issues - Causal factors	<ul style="list-style-type: none"> - Technical assistance had serious impact on understanding the spirit of the Convention No. 102 and its provisions. - Importance of compliance and collection of contributions for normal functioning of social security system was made absolutely clear to all institutions involved.
ILO Administrative Issues (staff, resources, design, implementation)	<p>From the perspective of human resource it is assessed that these were limited taking in consideration scope and goals of the whole project. Other administrative issues have been sufficient as well as adequate and justified.</p>

ILO Emerging Good Practice Template

Project Title: National social protection floors are strengthened through the implementation of the international labour standards and social dialogue

Project TC/SYMBOL: 106358-UKR/16/02/RBS

Name of Evaluator: Miloš Nikač

Date: November 21, 2019

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element Text

<p>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</p>	<p>National tripartite meetings organised with the objectives of providing a policy forum to discuss the key issues in the future pension policy in Ukraine were practical demonstration of how tripartite social dialogue should look like.</p>
<p>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</p>	<p>Large number of representatives of all stakeholders was an example for decision makers how the future reform of pension scheme can be handled and discussed with the aim to achieve its adequacy and sustainability.</p> <p>The degree of possible replicability of such an activity is high in countries in which tripartite dialogue is still developing.</p>
<p>Establish a clear cause-effect relationship</p>	<p>Lack of fruitful social tripartite dialogue and need to reconcile opinions and approaches towards the reform of pension scheme led - trough demonstration meetings - to better mutual understanding between competent authorities and other stake holders.</p>
<p>Indicate measurable impact and targeted beneficiaries</p>	<p>Targeted beneficiaries are state authorities, trade unions and employers associations. Measurable impact are to be judged only after certain period of time elapses (two to five years).</p>

Potential for replication and by whom	<p>There is high degree of possibility to replicate such a practice in other countries in which assistance of ILO will be provided and where social dialogue is insufficiently developed.</p>
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	<p>This experience can be significant as a good practice within Country Programme Outcomes</p> <p>pp</p>
Other documents or relevant comments	